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HONDURAS

POVERTY REDUCTION AND GROWTH STRATEGY

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Madam
KRISTALINA GEORGIEVA
Managing Director
International Monetary Fund
Washington, DC 20431

Dear Ms. Georgieva,

We would like to reiterate the Government of Honduras's strong commitment to continued close engagement with the International Monetary Fund under the Extended Fund Facility (EFF) and Extended Credit Facility (ECF).

As part of the requirements associated with the ECF program, we are transmitting Honduras' Estrategia para la Reducción de la pobreza, which puts forth a Poverty Reduction Growth Strategy (PRGS) for the period 2022–2046 and was published in December 2025. This document constitutes the guiding instrument of national policy aimed at poverty reduction and inclusive growth and will serve as a reference for the implementation and monitoring of the commitments undertaken by the country[1].

The Strategy sets out a framework to reduce poverty and inequality based on macroeconomic stability, inclusive growth, better public services, and targeted programs for vulnerable populations. It is organized around three pillars: (i) stability and inclusive growth; (ii) public services and programs to reduce inequalities, including health, education, housing, employment, rural productive activities, and infrastructure; and (iii) targeted support for populations in poverty. The Strategy was informed by a participatory process that included the socialization of its draft with around 90 civil society organizations, development partners, and government institutions, as well as inputs from leading non-government bodies such as the Honduran Council of Private Enterprise (Consejo Hondureño de la Empresa Privada, COHEP) and the Association for a More Just Society (Asociación para una Sociedad más Justa, ASJ), which were used to refine the strategy's content and implementation framework.

The Strategy complements the IMF-supported program through linkages on fiscal sustainability, targeted social spending, public financial management, procurement reforms, integrated social registries, energy-sector reforms, transparency, AML/CFT, and improving the business environment.

While the Strategy was developed before our administration took office on January 27, 2026, our government shares the views that these pillars are key for the common central objective of reducing poverty and inequality, which remains one of Honduras's most important policy challenges. This objective requires sustained efforts over time, across administrations, and through a broad set of mutually reinforcing policies to tackle the long-standing structural

[1] Link to the published document at the Ministry of Finance website: https://www.sefin.gob.hn/wp-content/uploads/2026/01/ESTRATEGIA-PARA-LA-REDUCCION-DE-LA-POBREZA.pdf

determinants of poverty and inequality. In this regard, the PRGS provides a useful reference point for Honduras's long-term development challenges as the current administration pursues own policy priorities and program commitments.

Our administration is committed to advancing poverty reduction through stronger investment and employment generation—key pillars for economic growth, targeted social policy, improved access to basic services, and continued efforts to strengthen the quality, efficiency, and transparency of the State. We also believe that durable progress in poverty reduction requires not only well-designed social policies, but also a stable macroeconomic environment, stronger institutions, improved governance, and policies that expand economic opportunities across the country, all embodied within the current IMF-supported programs.

The Government remains committed to working closely with Fund staff to advance these shared objectives under the Fund-supported program, and we authorize the IMF to publish this letter and the accompanying document on its website.

Sincerely,

DESPACHO MINISTERIAL
SECRETARÍA DE FINANZAS

EMILIO HERNÁNDEZ HÉRCULES
Secretary of Finance

HONDURAS

GOBIERNO DE LA REPÚBLICA

Analysis and Redirection of the Poverty Reduction Strategy

Executive summary

Honduras is at a crucial moment of transformation, facing the challenge of re-establishing its development model to address the structural roots of the problems that have plagued the country for decades. This process requires a renewed focus on sustainable development, with clear priorities in education, health, decent employment, gender equality, and respect for the environment as fundamental pillars for building a more equitable and resilient society.

Along these lines, the 2022-2026 administration has taken on the task of renewing the poverty reduction strategy, in place since 2001, recognizing the persistence of poverty, inequality, and the structural vulnerabilities that affect the quality of life of the Honduran population.

The new Strategy for Poverty Reduction 2022-2046 (ERP) proposes a medium-term approach based on the current social and macroeconomic reality. Through its approach, the Strategy seeks to provide the most vulnerable populations with the capabilities, opportunities, and resources necessary to sustainably improve their quality of life. The ERP's vision is aligned with the national priorities defined in the Government Strategic Plan (2022-2026), the Institutional Strategic Plans (PEI) of the State Secretariats that comprise the Social Cabinet, and the 2030 Sustainable Development Goals. With this strategy, Honduras seeks to improve the well-being of its population and strengthen its resilience to future challenges by adopting a sustainable and equitable development model.

The document containing the description of the ERP is composed of 12 chapters, the contents of which are summarized below.

1. Diagnosis of the current situation

For decades, Honduras has been one of the Latin American countries with the lowest per capita economic output. According to World Bank Development Indicators (WDI 2024), in 1990 the country ranked third to last in the region with a per capita Gross Domestic Product (GDP) of $1,704.93; 30 years later, it remains second to last among Latin American countries, with a GDP per capita of $2,539 in 2023.

In addition, the country's income distribution is one of the most unequal in the region, with a Gini coefficient of 0.51 in 2023, below only Brazil and Colombia. Honduras has the highest poverty rate in Latin America. An additional factor that has inhibited the possibilities for further development and poverty reduction has been the country's vulnerability to recurring natural disasters, which is also documented below.

In this context, an active social policy can be a strategic element for fostering a virtuous cycle if it focuses on empowering the most vulnerable and low-income populations to increase their productivity and participate in the country's development. This is the approach proposed by the current Strategy.

The analysis of the current situation in Honduras, which is the starting point for the design of the 2022-2046 ERP, is based on a review of the guarantees established in the Constitution of the Republic of Honduras, which recognizes fundamental rights related to a set of public services in education, health, work, housing, water and sanitation services, sports and recreation, and culture.

Economic overview

Honduras's low economic growth has been associated with a considerable flow of emigration in recent decades, resulting in high remittance flows, which constitute a significant portion of household income. In 2023, remittances represented 26.1 percent of GDP, well above the Latin American and Caribbean average of 2.4 percent in the same year. In addition to the high migration flow, the country is characterized by a high dependence on economic sectors with low productivity and faces challenges in the sustainability of public finances, [1]which limits the scope for social policy action. The country's economic situation is also associated with high vulnerability to extreme natural disasters. In this regard, the International Monetary Fund's Climate Risk Management Index (INFORM *Risk Index*), which is calculated globally, shows that Honduras has the highest level among Latin American countries, [2]suggesting that Honduras faces a direct relationship between its climate vulnerability and its high percentage of population living in poverty, highlighting the urgent need for mitigation and adaptation measures.

Regarding poverty and inequality, Honduras has the highest poverty rates in the region. Prior to the pandemic, modest changes in poverty reduction were observed, and following the COVID-19 pandemic, the percentage of the population living in poverty increased substantially: in 2023, 69.6 percent of the population lived in poverty—measured by the Poverty Line method, which is defined as the cost of the Basic Food Basket (INE, 2023) [3]—and 46.7 percent lived in extreme poverty. Using the World Bank's international poverty line equivalent to $6.85 in 2017 purchasing power parity (PPP), [4]in 2023, 52 percent of the population lived in poverty. [5]When disaggregating changes in poverty, it is observed that the increase in this indicator is associated with a decline in average household income, affecting households in rural areas to a greater extent. In terms of inequality,

[1]World Bank. (2022). Honduras Public Expenditure Report. Strengthening Fiscal Resilience

[2]The INFORM Risk Index, published by the International Monetary Fund, is scaled from 0 to 10, with a higher score indicating greater climate risk. More information is available at: https://climatedata.imf.org/pages/adaptation#ad2.

[3]INE. (2023). Executive Summary of the Permanent Multiple Purpose Household Survey (EPHPM), June 2023.

[4]World Bank. (2024). Poverty and Inequality Platform Methodology Handbook. Edition 2024-09. Available at https://datanalytics.worldbank.org/PIP-Methodology/.

[5]Poverty is estimated using national poverty lines using the Poverty Line method, which is defined as the cost of the basic food basket for relative poverty and the cost of the basic food basket for extreme poverty. This methodology consists of establishing, based on household income, their ability to satisfy, through the purchase of goods and services, a set of food and non-food needs considered basic (INE, 2023). In 2023, the relative and extreme poverty lines were $4,931.94 and $2,538.78 for urban areas, and $2,465.97 and $1,901.71 for rural areas, respectively. Estimating poverty using the international line of $6.85 per day in 2017 PPP allows for comparisons between countries and is calculated by adding a measure of well-being (income or consumption) and an imputed income value at the household level, and then converting them to per capita terms by dividing by the number of household members (World Bank, 2024).

Honduras also has one of the highest Gini coefficients in Latin America, and no changes have been observed in the trajectory of this indicator over the last decade.

Overview of social sectors

By size, Honduras faces significant challenges affecting various key sectors of social and economic development. Indicators in health, nutrition, and social protection show mixed results. While prenatal coverage is similar to the regional average and maternal and neonatal mortality rates are lower than in Latin America and the Caribbean, challenges in early childhood are evident. Childhood stunting and malnutrition in children under five exceed regional averages, and immunization rates, although close to average, fall short of universal coverage and have declined in the last decade. Among adolescents, pregnancy rates are very high, as are the unmet needs for family planning. Furthermore, undernourishment has increased, exceeding the regional average, although the incidence of tuberculosis shows a downward trend.

In education, the gaps are notable, especially in educational coverage and quality. For early childhood, data from the National Demographic and Health Survey (ENDESA) show that, in 2019, only 13.6 percent of the 36- to 59-month-old cohort attended an early childhood education program. School attendance among children between 4 and 5 years of age is significantly low, being lower in urban areas compared to rural areas. In primary school, attendance rates are also below the regional average, with disadvantages for children and rural areas. These gaps widen in secondary and higher education, where Honduras has the lowest attendance rates in the region. Furthermore, a large number of young people are economically inactive and do not study, especially women. The low quality of education, reflected in standardized test results, and the few years of schooling among the adult population limit the development of human capital.

In the labor market, high levels of informality and low labor force participation, particularly among women, represent critical challenges. Although the unemployment rate is lower than the regional average, labor informality affects even the highest income quintiles. Additionally, a negative correlation is observed between remittance receipt and labor market participation. Honduras's agrifood sector, key to the economy and food security, represented 12 percent of GDP in 2023 and is predominantly small-scale. However, it faces significant challenges such as limited access to resources, lack of updated data, research gaps, high production costs, logistical problems, and labor shortages associated with migratory flows. These challenges, compounded by climate change, the pandemic, and global inflation, affect its competitiveness and market access.

Honduras faces significant gender challenges, highlighting the high prevalence of violence against women, with one of the highest rates of femicide in Latin America (6 per 100,000 women in 2022) and 52.8 percent of women reporting having experienced violence at some point in their lives. Furthermore, 70.6 percent of women live in poverty, exceeding the percentage of men, with the greatest impact on female-headed households, which also face higher levels of extreme poverty. Discrimination in the workplace and community, where 31.9 percent of women report violence, limits their development and well-being.

In terms of housing and basic services, access to decent housing and essential services remains a challenge. Gaps persist in access to drinking water and sanitation, with levels below the regional

average. Although electricity coverage reaches 88 percent of homes, nearly 98,000 households in the poorest quintile lack this service, increasing their vulnerability. Only 46.9 percent of homes have access to garbage collection, and in rural areas, 79 percent burn waste, exacerbating environmental and public health problems.

Sport and recreation are key drivers of sustainable development, promoting values such as tolerance and respect, and empowering women, youth, and communities. They also provide economic opportunities for people living in poverty and contribute to transforming lives by improving the physical, psychological, emotional, and social well-being of communities. This activity faces infrastructure limitations, a lack of inclusive policies, and a shortage of specialized human resources, all of which limit access for the population. The absence of a specific law hinders the implementation of public policies that promote transparency and the advancement of sport.

Likewise, access to and participation in cultural activities are fundamental to fostering an inclusive society and combating poverty and social exclusion. However, in practice, the implementation of constitutionally guaranteed cultural rights is limited, creating significant barriers to cultural inclusion. The lack of funding, clear policies, and institutional attention has led to the abandonment of cultural heritage, affecting both the traditions of Indigenous and Afro-descendant peoples and artistic training, which is limited by insufficient resources and deteriorating infrastructure. Furthermore, the reduction of libraries and cultural centers has intensified cultural exclusion, especially in the most vulnerable areas, depriving communities of the social and economic benefits that culture can offer. Revitalizing the cultural heritage of Indigenous and Afro-descendant peoples represents a key opportunity to preserve their identity and promote their development.

Regarding the status of vulnerable population groups, a particularly unfavorable context for children and adolescents in Honduras is observed, with high levels of poverty (79 percent) and extreme poverty (55.8 percent) in 2023. As a result, approximately 9 percent of children and adolescents (NNA) between the ages of 5 and 17 reported having paid employment, with a higher proportion among the 15- to 17-year-old cohort, among boys, and among residents of rural areas. Violence also exists in various settings—family, school, and community—with effects that impact the comprehensive development of children and adolescents.

For their part, people with disabilities suffer from multiple barriers of discrimination and invisibility. The lack of national data prevents an accurate understanding of their situation, hampering the creation of inclusive policies. Despite legislation that penalizes discrimination, in practice there are no effective mechanisms or access to complaints or remedial action. Therefore, infrastructure and communication obstacles persist in areas such as health, education, and employment, exacerbating the dependency and exclusion of people living with disabilities.

Furthermore, the data reveal low coverage of programs—both contributory and non-contributory—targeting older adults. For example, a low percentage (less than 3 percent) of the population aged 65 and over reported receiving contributory pensions, and less than 3 percent are beneficiaries of the Gold Bonus program.

Returning migrants also face a complex situation upon returning to Honduras, characterized by a saturated labor market and limited formal opportunities. The reduction in remittance transfers destabilizes family economies, and many returnees are unable to validate their experience gained

abroad, forcing them into informal employment. For migrant children and adolescents, the lack of identification further hampers their access to basic services, exposing them to a recurring cycle of vulnerability.

Finally, the Indigenous and Afro-descendant population faces structural inequalities, particularly in access to education and basic services. The percentage of people who complete secondary education is low, as is the case for the Lenca, who have limited achievement rates at all academic levels. Added to this is the lack of legal protection for their territories and discrimination, factors that increase poverty, food insecurity, malnutrition, and socioeconomic exclusion.

2. Poverty Reduction Strategy (ERP) 2022-2046

To transform the reality facing Honduras, it is proposed that the 2022-2046 PRS be conceptually based on the asset approach, which aims to reduce poverty by addressing the structural factors that generate it. This approach aims to provide the most vulnerable populations with the capabilities, opportunities, and resources necessary to improve their quality of life in a sustainable and lasting manner.

Based on the asset approach – which is explained below – a poverty reduction strategy is proposed consisting of three central pillars, including:

Pillar 1. Stability and inclusive growth: This includes macroeconomic policy actions that guarantee stability, foster economic growth, and generate productive opportunities for the population, including those with lower incomes.

Pillar 2. Public services and programs to reduce inequalities: This includes the supply of goods and services that are universally accessible, but which, by design, tend to benefit lower-income populations to a greater extent. It includes public goods and services in the following areas: education; health; employment; productive actions in the countryside; housing; water and sanitation; sports and recreation; culture and heritage; as well as social infrastructure actions. It also incorporates components of the Integrated Social Protection System.

Pillar 3. Programs focused on serving the poor and vulnerable groups: Includes programs, actions, support, goods, and services directly aimed at the poor, focusing on priority geographic areas. This includes, primarily, goods and services from the Solidarity Network, Solidarity Action Program (PROASOL), Solidarity Scholarships, and Free Energy programs .

The PRS follows the precedent of the Strategy formulated in 2001, which sought to significantly reduce poverty through sustained economic growth. However, the results were limited due to the ambition of its goals and institutional constraints. The new strategy integrates lessons learned, prioritizing targeting critical geographic areas, strengthening social protection, and creating productive ecosystems to achieve inclusive economic growth.

Conceptual framework of the ERP 2022-2046

The conceptual framework for the 2022-2046 PRS is based on the **asset approach** , which views poverty and inequality as the result of imbalances in four key elements: the distribution of income-generating assets, the opportunities to use them, the prices that compensate for their use, and the independent transfers of these assets. This approach seeks to empower people living in poverty so

they can participate productively in the economic environment and improve their incomes, thereby promoting inclusive growth with territorial balance.

Income-generating assets fall into three main categories: **human capital**, which includes skills, health, and nutrition; **physical capital**, such as land, property, and basic services; and **social capital** , related to networks, norms, and trust that facilitate collective action. The strategy emphasizes the importance of simultaneously and territorially addressing the constraints that limit the accumulation and use of these assets, such as the lack of basic services, minimum capabilities, wealth, risk protection, and access to the labor market.

The asset approach also prioritizes comprehensive actions to maximize synergies between sectors such as health, education, infrastructure, and income generation. This includes strategies such as investing in basic services, creating accessible financial markets, developing infrastructure, and promoting policies that align the skills of vulnerable populations with market demands. The combination of these measures seeks to create a stable and enabling environment to reduce inequalities and sustainably improve well-being.

General and specific objectives of the ERP 2022-2046

Based on the approach described above, the 2022-2046 ERP's central objective is to reduce poverty by implementing public policies aimed at implementing a comprehensive and multidimensional strategy that allows the population to expand **its capabilities to take advantage of the opportunities generated by the environment, receiving adequate remuneration for the productive use of its assets, in an environment of stability and economic growth.**

The specific objectives of the ERP are:

Creating an environment for economic growth with economic stability as a necessary – but not sufficient – condition for the sustained reduction of poverty and inequality.

Reduce gaps in access to services for people living in extreme and relative poverty, taking into account the territories in which they are concentrated.

Increase the coverage of the social protection and welfare system and update the value or amount of transfers and pensions.

Create and financially and technically strengthen local savings and credit institutions in extremely poor communities to prioritize the development of productive, viable, and sustainable ecosystems that generate family income and a better quality of life.

3. Pillar 1: Stability and inclusive growth

Within the first pillar of the PRS, the Honduran government's main objective is to achieve macroeconomic stability through inclusive and equitable growth, along with the creation of fiscal space that promotes social and productive investment. These measures seek to generate employment, serve the most vulnerable sectors, and improve the population's social development.

According to the International Monetary Fund, this can be achieved through growth in per capita GDP, increasing the resources available to the population, and directing them toward the most disadvantaged sectors. Likewise, economic growth can be strengthened through policies that promote macroeconomic stability (low inflation, controlled budget deficits, and sustainable external debt), openness to international trade, improved education, and strengthening the rule of law.

Lines of action to boost key sectors of the economy

An alternative economic model is proposed, focused on strengthening the role of the State in strategic areas and the provision of essential public services. The key sectors identified to boost the national economy and improve the population's quality of life are industry, agriculture, and tourism.

Industrial development in Honduras will focus on modernizing the manufacturing and agroindustrial sectors, promoting the transformation of raw materials, productive diversification, and integration between companies to increase exports and participate in global value chains. Priority will be given to innovation, technological adaptation, and the improvement of basic infrastructure with the goal of generating not only greater added value in raw material processing, but also more jobs.

In the agricultural sector, the legalization of agricultural land will be promoted, prioritizing social justice and respect for the law. Rural poverty will be combated through food sovereignty, strengthening the local market, and access to financing through BANADESA. Informed consultations with rural communities will also be guaranteed, and producers will be supported with inputs, technical assistance, and irrigation projects.

In tourism, a sustainable economy will be promoted through strategies to strengthen domestic tourism, agrotourism, and international recognition of the Lenca/Maya Corridor. An emergency support fund will be created, the tourism offering will be diversified, and the sector's resilience will be fostered by promoting access for the local population and attracting international investment.

Meanwhile, the Honduran government, through the Ministry of Infrastructure and Transportation (SIT), is promoting the construction or rehabilitation of 35 road projects during the 2023-2025 period, directly benefiting 13 departments. These initiatives will improve market access, reduce transportation costs, foster local economic development, and facilitate access to basic services, thus contributing to significantly reducing poverty and isolation in rural communities.

Additionally, Honduras is carrying out a historic hospital infrastructure project with the construction of nine new hospitals in Ocotepeque, Roatán, Salamá, and Santa Bárbara, benefiting more than 285,588 residents. These hospitals will provide more than 900 beds, specialized services, advanced technology, and intensive care units, significantly strengthening access to and quality of medical care in the country.

Finally, the National Electric Energy Company (ENEE) has an investment program for the 2025-2032 period, which includes projects to be developed as part of its institutional work and is evident in its

institutional value chain: generation, transmission, distribution, and the National Loss Reduction Program. Currently underway are the construction and entry into operation of the Patuca III Hydroelectric Dam; the Cañaveral Rio Lindo Hydroelectric Complex upgrade project; the renovation of the Francisco Morazán Hydroelectric Plant; the "Support for the National Electric Energy Transmission Program" project; in addition to the expansion of distribution circuits in ENEE substations nationwide, as well as the **construction** of the El Tablón Multipurpose Dam, which will have an impact on flood mitigation in the Sula Valley and, to a lesser extent, on electricity generation.

Lines of action to improve tax collection

Various lines of action are planned to promote revenue growth in the country. These include, on the one hand, the approval of the Tax Justice Law, which is projected to increase revenue collection by 0.3 percent of GDP in 2025 and 0.8 percent in 2026, reaching 1.5 percent of GDP in 2027. On the other hand, it includes the reform of the land-income tax system to global income to combat tax evasion, advance international tax cooperation, and improve the integrity of the financial system. All of the above contributes to reducing Honduras's risk of being placed on blacklists or graylists, thus preventing the country from being declared a tax haven. Furthermore, tax and budgetary resources will be integrated into the Single State Fund to strengthen accountability and optimize the programming of transfers to public institutions. Likewise, the aim is to improve the efficiency and sustainability of the provision of strategic services by public companies such as ENEE, HONDUTEL, SANAA, HONDUCOR, and ENAG.

Policies for inclusive growth

Honduras has embarked on a path toward inclusive and equitable economic growth, prioritizing increased resources for social and productive investment. To advance this objective, a goal has been established to maintain a minimum spending threshold that will strengthen programs aimed at improving the living conditions of the most vulnerable sectors of the population. These actions—described in greater detail in Pillar 3—include the provision of bonuses, subsidies, and scholarships, school lunches, strengthening the hospital network, repairing schools, building productive roads, and implementing rediscount operations, among other measures.

Furthermore, the government seeks to strategically invest in infrastructure that generates a positive impact on both the population's quality of life and the country's economic dynamism, fostering job creation and promoting sustainable development. To ensure the implementation of these programs, the current administration has made progress in reviewing non-priority budget expenditures, freeing up fiscal space to finance these investments with domestic resources.

Analysis of the impact of fiscal resources allocated to poverty on economic growth

To analyze the impact of fiscal resources allocated to poverty reduction on economic growth, a macroeconomic estimation was conducted that examines the relationship between the two factors. The analysis is conducted using a Macroeconomic Consistency Model and the Financial Programming template used internally by the General Directorate of Macrofiscal Policy.

Advances for economic growth during the 2022-2026 government administration

During the current administration, Honduras has made significant economic progress. In fiscal matters, the Tax Justice Law was promoted, and tax and customs collection was improved. As part of these actions, and with the aim of streamlining procedures and reducing administrative costs, the use of the Advanced Electronic Signature was established, which functions as a digital seal that guarantees the authenticity and security of electronically signed documents. Likewise, the SAR virtual office was established to facilitate user access to information about their procedures, schedule appointments for in-person assistance at the offices, and offer the option of generating self-paid receipts to simplify compliance with their tax obligations.

Meanwhile, in the financial sector, the first cybersecurity regulation was approved, lending increased by L. 60 billion, and anti-money laundering measures were strengthened. MSMEs were supported with the creation of 3,407 companies, financing for 1,564 producers, and the connection of 827 entrepreneurs to markets.

Furthermore, as part of a joint effort between the private sector, the Ministry of Economic Development, and the United Nations Industrial Development Organization, progress was made in formulating Honduras's Industrial Policy, which is being developed with a focus on the creation of self-sustaining and inclusive industries. With this, Honduras seeks to boost sustainable economic growth and promote collaboration between the public and private sectors to achieve inclusive and beneficial industrial development. Likewise, the National Quality Council was reactivated, and fiscal consolidation measures were taken, aligned with agreements with the IMF, to ensure fiscal sustainability and prudent levels of public debt, while safeguarding social spending and productive investment.

4. Pillar 2 of the ERP: Public services and programs to reduce inequalities

The second pillar of the PRS consists of programs, actions, and services that the government offers in general, that is, aimed at the entire population. However, due to their nature, they benefit the poorest sectors of the population relatively more, as they are the ones who use them the most, thus contributing to reducing inequality. In accordance with the social rights established in the Constitution, this category includes public services such as education; health; employment; productive activities; housing; water and sanitation; sports and recreation; as well as culture and heritage. Pillar 2 also integrates components or axes of the Comprehensive Social Protection System of Honduras (SIPS) aimed at benefiting excluded or discriminated groups, with a particular impact on the most economically disadvantaged populations through the inclusion of strategies designed to increase the supply of goods and services in the territories .

The SIPS proposes a universal, comprehensive, sustainable, and resilient approach, with actions throughout the life cycle, focused on the structuring axes of social inequality. In turn, it offers protection against multiple social risks, arising from both the life cycle and individual or collective contingencies, taking into account demographic changes, the labor market, natural disasters, and the impacts of climate change. It recognizes that inequalities respond not only to the economic dimension, but also to exclusions and discrimination based on gender, cultural identity, territorial location, life cycle stage, disability, migratory status, or sexual orientation. The SPS integrates four

priorities or strategic axes: (1) Income social protection axis; (2) Human capacity development and access to social services axis; (3) Labor inclusion axis; and (4) Adaptive social protection axis.

As part of Pillar 2, the 2022-2046 ERP presents a general objective, as well as lines of action, programs and concrete actions, in addition to indicators and targets for each area of intervention or service. The following table details the general objectives for each area.¿¿

Area	General objective
Universal Public Education with Quality	Ensure a free, universal, high-quality, and humane public education system, appropriate to the reality of the Honduran people and global technological trends, prioritizing the expansion of formal coverage at the pre-primary, elementary, and secondary levels, as well as non-formal technical education, as well as the eradication of illiteracy.
Health: improving the public health system	Establish a single, universal, and free public health system, with an emphasis on prevention, that guarantees comprehensive care, access to medications, treatments, and timely, immediate procedures.
Decent employment	Improve access to the labor market for Hondurans, especially young people, women, and vulnerable groups, through the creation of decent employment and the improvement of working conditions for the economically active population, especially in terms of job quality and wages.
Productive activities in the field	Promote the sustainable development of the country's primary sector, improving productivity, competitiveness, and resilience, reducing poverty, ensuring environmental sustainability, and fostering social inclusion through comprehensive public policies and specific actions that involve all stakeholders.
Universal housing, water and sanitation	Universalize access for all Honduran households to decent housing with quality drinking water and sanitation.
Sports and recreation	Promote access to sports and recreation as collective rights for the comprehensive development of the physical and mental health of the general population and specifically of children and young people.
Culture and heritage of the peoples	Promote the arts and culture in general by supporting individual and collective creators, as well as fostering appreciation for their expressions among the Honduran population, in order to strengthen national identity.

5. Pillar 3 of the ERP: Programs focused on the population living in poverty and vulnerable groups

According to the asset approach addressed in the Conceptual Framework, achieving sustained poverty reduction in Honduras requires addressing this problem at its structural roots, promoting the accumulation and productive use of fundamental assets. As previously mentioned, this approach recognizes that poverty is not limited to a lack of income, but is directly related to the lack of human, physical, financial, and social capital necessary to generate sustainable opportunities.

In this regard, Honduras has strategies designed for populations living in poverty and vulnerability, such as the Solidarity Network, PROASOL, Solidarity Scholarships, and Free Energy (a subsidy for poor households consuming less than 150 kWh). These initiatives not only seek to address immediate needs but also strengthen the population's capacity to overcome structural poverty, reducing inequalities and promoting inclusive and sustainable development. It is important to highlight that these actions are part of the country's Social Protection System and constitute the third and final pillar of the PRS, which includes programs or services specifically targeted at populations living in poverty or extreme poverty.

Unlike the second pillar of the ERP—whose actions are universal and do not require specific access conditions—the third pillar consists of targeted programs, specifically designed to serve people living in poverty, extreme poverty, or vulnerability. These programs establish clear eligibility criteria and are aimed at providing specific support to those most in need.

SEDESOL, PROASOL, and the Solidarity Network are some of the entities with the express mandate of contributing to empowering the poor and vulnerable population so that they can have effective access to public goods and services and participate in the country's development opportunities. These mandates, which are fulfilled by ensuring the realization of the rights of this population, complement the work of the various ministries that provide public services to the general population and implement development strategies. One of the main advantages of the participation of these entities is their ability to provide more personalized public services, as they operate with a territorial approach focused on the real needs of the population. This allows them to overcome the limitations of traditional ministries, whose actions tend to be more generalized and centralized. These social institutions more precisely identify excluded groups through targeting tools and community work, allowing them to design and implement interventions tailored to specific contexts, such as rural areas, indigenous communities, or marginalized urban neighborhoods. By working with local actors and directly supporting families, they achieve a more sensitive, flexible, and effective response to the barriers that impede access to basic rights, thus ensuring more fair and equitable care. The main characteristics of Red Solidaria and PROASOL are presented below.

Solidarity Network

The Solidarity Network aims to implement projects assigned or pre-designed by the Secretariat, focused on progressively improving the living conditions and access to social protection mechanisms of households living in poverty and extreme poverty. Given budgetary constraints, its actions were prioritized in the 2,007 villages with the greatest identified needs, and its support is concentrated in the following six areas of intervention: infrastructure; health and nutrition; education; protection; income opportunities; and local empowerment.

Following the principle of comprehensiveness described in the Conceptual Framework, the Solidarity Network establishes packages of goods and services that are implemented sequentially within the same territory, including interventions that are directly executed by the Solidarity

Network Program, such as monetary transfers [6], and others that are executed by other actors such as the School Lunch (executed by PROASOL), or the Family Health Teams (ESFAM) executed by the Ministry of Health.

Among Red Solidaria's most important programs are: "Sister, Brother Come Home," which supports returning migrants through transfers and seed capital; the Social Protection Program II, focused on health, education, and food security; the Credit Program for Agroindustry and Rural Banks, which promotes financial inclusion and rural productivity; and the Solidarity Fund for the Disability Sector, which finances community projects aimed at people with disabilities.

Additionally, lines of action have been outlined to consolidate and expand the impact of the Solidarity Network. Among the commitments established for 2025 is the creation of a specific budget allocation system that will allow for the identification, allocation, and monitoring of resources for prioritized villages. Likewise, the expansion of coverage to vulnerable urban areas is planned, identifying 120,000 new households through an urban extreme poverty census. These measures seek to ensure better coverage and more efficient implementation.

Solidarity Action Program

The Solidarity Action Program (PROASOL) responds to the inclusive social care needs of the most vulnerable groups, [7]aligned with a focus on community resilience and sustainability. Its mission is to strengthen capacities and generate opportunities for people experiencing poverty or social exclusion, including children, older adults, returning migrants, people with disabilities, ethnic minorities, the LGBTIQ+ population, and other historically marginalized groups. Through programs aligned with public policies, PROASOL offers monetary and in-kind assistance, as well as school meals at the pre-primary and elementary levels. In 2024, its budget was L 1.42 billion, with more than 72% allocated to school meals.

Among its main support mechanisms are monetary transfers directed at vulnerable students through the *My Scholarship to Climb program*, economic bonds (Hope, Gold, Pink, Brave and

[6] The current cash transfer modality consists of direct cash delivery, supported by personalized certificates with unique codes, photographic records, and on-site verification by Red Solidaria technical staff. In some cases, this delivery is carried out using mobile units equipped with ATMs, allowing the funds to be delivered to hard-to-reach communities. With the goal of improving operational efficiency, a gradual transition to mixed schemes that combine this in-person delivery with electronic methods is being considered.

[7]PROASOL directs its efforts toward the following 12 vulnerable groups living in poverty: vulnerable school-aged children; homeless people living on the streets; forcibly returned migrants; people with disabilities; vulnerable older adults; people displaced and affected by natural disasters, pandemics, epidemics, and other risks; people discriminated against and/or without access to medical care due to chronic or contagious diseases; displaced people or victims of crimes resulting from violence; ethnic minorities discriminated against for their indigenous or Afro-descendant roots; people addicted to any type of drug; people discriminated against for belonging to the LGBTIQ+ community; and human rights defenders.

Solidarity) that provide subsistence support to different groups, and the *Hope Funds* , which provide humanitarian aid in areas affected by disasters.

To strengthen PROASOL, it considers six priority lines of action: the continuous updating of information on beneficiaries, improving the quality of the services offered, developing strategic alliances with national and international actors, analyzing gaps in the program's current coverage, creating new social services tailored to emerging needs, and increasing inter-institutional coordination with SEDESOL and other public agencies. These actions seek to expand its reach, improve the efficiency of care, and ensure a comprehensive response for people in vulnerable situations.

Other actions for people living in poverty and vulnerability

Within Pillar 3 of the ERP, two other programs focus on the population living in poverty and vulnerable groups: the Solidarity Scholarship Program and the Free Energy Program.

The Solidarity Scholarship Program aims to strengthen and increase capacities and access to education by providing various types of scholarships to youth living in poverty, extreme poverty, and/or social vulnerability. This program will reduce inequality and social inequity, promoting the construction of a Honduras that is united and free from violence.

The Free Energy Program is a subsidy for residential subscribers of the National Electric Energy Company (ENEE) who consume up to 150 kilowatt hours (kWh) per month. This benefit seeks to alleviate the economic burden on the country's most vulnerable sectors of the population. During 2024, more than 800,000 low-income Honduran families benefited from this program, receiving electricity free of charge. The impact of ENEE subsidies as a percentage of GDP was 0.7 percent in both 2023 and 2024; it is planned to reach 0.6 percent in 2025.

6. Transversal axes of the ERP

The ERP incorporates two fundamental cross-cutting axes that ensure a comprehensive and sustainable approach in its implementation: gender and climate change.

The overall objective of the gender pillar is to protect and promote the human rights of women and girls, ensure gender equality at all levels of decision-making, include women and girls in the digital transformation, support women entrepreneurs, and reduce the burden of unpaid domestic work and care. It also aims to eliminate all forms of gender-based discrimination and violence and guarantee universal access to sexual and reproductive health and reproductive rights.

Within Pillar 2 of the ERP and in line with Honduras's Third Gender Equality and Justice Plan (2023-2033), priority will be given to increasing targeted investment in gender, mainstreaming this perspective into all public institutions, and promoting female leadership, increasing women's political and labor participation. Comprehensive sexual and reproductive health care will also be expanded, and the fight against domestic violence will be strengthened, reflecting the country's commitment to gender equity and inclusion.

The overall objective of climate change is to promote inclusive, sustainable, and resilient economic development that strengthens adaptation and mitigation against the effects of climate change and extreme events, integrating policies for the conservation and sustainable use of natural resources.

To achieve this objective, the Ministry of Natural Resources will implement strategic actions to combat climate change, including the update of the Nationally Determined Contributions (NDC 3.0), the National Decarbonization Strategy toward 2050, the National Climate Empowerment Strategy, and the update of the Climate Change Law. Climate financing policies, the Loss and Damage Fund, and national climate monitoring systems and environmental and social safeguards are also being developed. At the same time, SEDESOL has an Internal Protocol for Dealing with Emergency Situations (in draft form) [8], as well as a Humanitarian Aid Plan consisting of the delivery of food rations, which are distributed in the areas with the greatest need as a means of immediate response to emergencies. In addition, the Solidarity Network has Adaptive Social Protection, which provides monetary transfers in climate-related and social emergencies.

7. Citizen participation in the construction of the ERP

Citizen participation has become an essential pillar of governance in Honduras, enabling public policies to align with the needs and aspirations of the population, reducing inequalities and strengthening democracy. The 2022-2026 Strategic Government Plan and the ERP were designed through participatory processes, highlighting the Honduras Open State Action Plan (PAEAH) 2023-2025, developed with the participation of more than 4,000 citizens and based on principles of transparency, accountability, and inclusive governance.

The government also developed the 10 State Commitments through 20 national consultations that involved diverse social sectors and fostered multisectoral dialogue. These commitments address critical areas such as education, health, poverty reduction, access to energy, and digital transformation, adapted to local needs through a territorial approach.

Under Pillar 3 of the PRS, the Solidarity Network includes solidarity roundtables, community-based structures with more than 12,000 volunteers in 1,653 roundtables. These organizations act as liaisons between communities and government institutions to ensure participation in local health, education, and infrastructure projects. Furthermore, the Social Protection Policy proposes social audits as a mechanism for citizens to evaluate and supervise public and private management, promoting transparency and continuous monitoring. These initiatives consolidate citizen participation as a central element in the design and implementation of public policies in Honduras.

To ensure that the ERP was built through a participatory process that would strengthen its legitimacy and relevance, a dissemination event was held with the participation of nearly 90 civil society organizations, donors, and government institutions. The goal was to present the draft

[8] The protocol contains the steps to follow in the event of emergency response interventions, from anticipatory steps to the post-intervention phase. It is a set of procedures and actions established to prevent and mitigate situations arising from a disaster, emphasizing that an adequate response to an emergency is essential to minimize damage and protect human life. This document establishes the response phases that SEDESOL and its implementing branches will implement in the event of a disaster, from preparation and prevention to recovery, ensuring timely, orderly, and effective response in any situation. This protocol arises from the lessons learned in the field in recent emergencies that have been responded to nationwide in recent years as a result of storms, droughts, and other emergency processes. These identified the need to improve strategic and operational institutional coordination and, consequently, improve care services for the populations most in need.

strategy, gather input, and foster dialogue on its main pillars: inclusive growth, public services to reduce inequalities, and targeted programs for serving vulnerable groups.

In addition to the socialization event, the participatory process for the development of the PRS incorporated key input from the Honduran Council of Private Enterprise (COHEP) and the Association for a More Just Society (ASJ). The comments received from COHEP focused on aspects such as economic growth, investment, formal employment, the social security system, the regulatory environment, and the monitoring and evaluation system. In response to these observations, adjustments were made, including changing the Strategy's title, incorporating the role of the private sector in Honduras's Industrial Policy, and reformulating the objectives of the climate axis and agricultural productive activities, among others. Furthermore, in line with COHEP's comments, the PRS monitoring model was strengthened to ensure that it is periodically reviewed and maintains its objectives and goals. For its part, the ASJ recommended improvements in investment, institutionality, and citizen participation, and emphasized the need to close gaps in health, education, and infrastructure, rationalize public spending, and strengthen state capacities. In line with these comments, the ERP includes specific lines of action in health, education, and road infrastructure. The contributions of both actors, along with those gathered during the discussion, consolidate a more inclusive, viable Strategy built through dialogue.

8. Fiscal Framework of the ERP

Honduras's fiscal policy is based on solid fiscal instruments, through the MMFMP Framework, which is a roadmap that guides strategic economic and fiscal policy decisions and constitutes the first step in formulating the General Revenue and Expenditure Budget of the Republic.

As part of the fiscal policy approach to financing the ERP, a gradual path has been outlined for a return to fiscal consolidation, and policies have been designed to create fiscal space to boost productive investment and, thereby, contribute to economic and social well-being, as well as greater economic growth, job creation, and support for the most vulnerable sectors. Likewise, there is a commitment to maintaining prudent levels of public debt, which entails adopting fiscal policy measures anchored in the Fiscal Responsibility Law (LRF). In addition, actions will be taken to improve tax collection efficiency, allowing the government greater fiscal space.

Fiscal Goals

Fiscal space for productive investment is also part of the goals established in the economic program with the IMF, which is why they have been included in the fiscal estimates. This will allow for a larger deficit in the Non-Financial Public Sector (NFPS), provided that additional external financing beyond what is projected is obtained to implement productive public investment projects.

In 2024, the established target for the NFPS deficit is 3.0 percent of GDP. This deficit includes fiscal space of 1.3 percent of GDP, which will be allocated for productive investment to serve different sectors of society and impact economic growth. This deficit target is below the 3.9 percent of GDP

target established in Article 331 of Decree No. 62-2023 [9], as part of the gradual return to fiscal consolidation. For 2025, an NFPS deficit of 2.5 percent of GDP was agreed upon under the program with the IMF, which includes additional fiscal space of 1.0 percent of GDP for productive investment.

To strengthen the efficiency of public spending, the government will take a series of specific measures during the current administration, with an impact on the coming years, including the following:

Progress will be made towards a Medium-Term Expenditure Framework.

A budget execution programming manual will be adopted and implemented to strengthen expenditure control.

Regarding salary, a salary policy will be developed, which is currently lacking.

A more detailed analysis of the Fiscal Rules will also be carried out, based on the country's current needs, since as the process of returning to fiscal consolidation continues, deficits will have to be gradually reduced, and fiscal space will become increasingly smaller.

Progress will continue to be made in serving the most vulnerable sectors, and a minimum level of social investment and significant levels of productive investment are expected to be maintained, impacting inclusive and equitable economic growth. All of the above must be anchored to the LRF or to possible reforms or interpretations thereof.

Continue implementing the Government's economic program supported by the agreement with the IMF .

Well-calibrated methodologies for measuring fiscal risks will be encouraged.

The amendment to the Organic Budget Law will be monitored, the approval of which will strengthen the Single Treasury Account , which was submitted to Congress in 2024.

The technical, regulatory, procedural, and implementation capabilities for the development of the Single Fund will be strengthened.

In terms of sustainability, prudent levels of public debt will be maintained, and financing resources will be accessed to cover the needs and all fiscal spaces for productive and social investment, through programs, projects, and budgetary support.

The development of the domestic financial market will be encouraged.

A budget allocation process will be implemented according to the Institutional Strategic Plans, incorporating the goals and service packages of the Solidarity Network Program, to advance the implementation of prioritized goods and services for the poorest populations and territories.

[9]Chapter 3 details an analysis that links the resources obtained through fiscal space for productive investment within the framework of the ERP and revenue growth.

9. Institutional and organizational capacities for the implementation of the Strategy

The effective implementation of the PRS in Honduras depends significantly on the government's institutional capacity to organize and execute social protection actions. Although there is a comprehensive public policy framework focused on the most vulnerable populations, historically, institutional and budgetary limitations have restricted its efficient application, generating fragmented coverage. Faced with these difficulties, the government has initiated an institutional restructuring to establish new governance and strategic management to strengthen the social protection system. This process, still in its initial stages, demands continued efforts in institutional strengthening, specific budget allocations for priority sectors, and improving the state's capacity to transform public resources into goods and services that not only improve the living conditions of households living in poverty but also drive economic growth.

To achieve this, it is proposed to advance a robust institutional framework, both central and territorial, including clear governance, effective strategic coordination, and strengthened technical capacities. It is necessary to clarify the roles of key actors, avoid duplications, and ensure effective coordination of the system. It is also necessary to establish a sustainable technical civil service. Finally, six key areas of reform are identified: strengthening central and territorial governance, developing institutional and budgetary capacity, creating and coordinating specific social protection subsystems, climate risk resilience strategies, and synergies with the economic and productive sectors.

Governance of the Social Cabinet

The Social Cabinet is the primary governance mechanism for the social sector. It functions as a space to coordinate, articulate, organize, and provide feedback on actions with the institutions that comprise the government's social sector.

Within the framework of the ERP, the Cabinet is made up of 22 government entities that have planning, programming, and coordination functions and/or that participate in the supply of goods and services to the population within pillars 2 and 3 of the ERP [10]. These entities include: SEDESOL; Ministry of Finance (SEFIN); Ministry of Strategic Planning (SPE); Ministry of Health (SESAL); Solidarity Network; PROASOL; SAG; SEDUC; Ministry of Culture, Arts, and People's Heritage (SECAPP); CONDEPOR; National Entrepreneurship and Small Business Service (SENPRENDE); FHIS; INE; Ministry of Labor and Social Security (SETRAS); Ministry of Human Rights (SEDH); Ministry of Women (SEMUJER); National Youth Institute (INJUVE); Social Housing Program (CONVIVIENDA); Ministry of Children, Adolescents, and Families (SINAF); Secretariat of the Interior, Justice, and Decentralization (SGJD); Secretariat of Foreign Affairs and International Cooperation (SRECI); and IHSS. Beyond the Social Cabinet, the success of the ERP also depends on coordination with non-governmental actors, such as academia, trade unions, international cooperation agencies, civil society, humanitarian actors, private companies, financial institutions, and political institutions.

[10] A total of 42 institutions are assigned to the Social Cabinet, each with its own programs. Therefore, the list detailed above does not respond to a closed selection process; rather, those with direct responsibility for the effective implementation of the ERP are prioritized.

Functions of the Social Cabinet within the framework of the Strategy

The Social Cabinet, within the framework of the PRS, will play a key role in the implementation and oversight of policies, programs, and projects across the three pillars of the Strategy. Its work includes minimizing technical and administrative risks, ensuring the proper execution of action lines, and providing updated information for the development of Annual Operating Plans (AOPs), thus contributing to poverty reduction.

In addition, it will be responsible for establishing technical and financial cooperation agreements with public and private institutions to achieve the Strategy's goals. It will also promote transparency and citizen engagement by sharing achievements and challenges. Among its functions, it will promote training activities to strengthen competencies and facilitate ongoing dialogue between the public and private sectors to generate synergies that improve social conditions. Finally, the Cabinet may assume additional functions assigned by the Presidency of the Republic, consolidating its strategic role in social governance in Honduras.

Inter-institutional coordination mechanisms

To support the functioning and coordination among the institutions participating in the ERP, the Social Cabinet has an Internal Technical Committee responsible for coordinating and articulating efforts among the various entities that comprise the Cabinet [11]. SEDESOL also has an Intersectoral Coordination Directorate that links the Secretariat with other implementing institutions to generate efficient and effective coordination. In this way, the Intersectoral Coordination Directorate will ensure continuous, transparent, and effective monitoring of the actions relevant to the ERP.

In addition to the aforementioned bodies, the Social Cabinet is articulated through a regulatory and operational framework, with the aim of ensuring the effective implementation of public policies for the benefit of the most vulnerable sectors. This inter-institutional cooperation is primarily supported by three legal documents, including: the General Law of Public Administration of Honduras; Executive Decree No. PCM-008-97, Regulations on the Organization, Functioning, and Powers of the Executive Branch; and Executive Decree PCM-19-2022, a decree that expands the powers of SEDESOL and establishes the governance of the Social Cabinet and the Social Protection and Labor Market Roundtable.

Progress in the current administration

The creation of SEDESOL in 2022 consolidated its role as the governing body for social policy in Honduras, shifting the implementation of specific programs to the Red Solidaria (Solidary Network) and PROASOL. In collaboration with the Inter-American Development Bank (IDB), progress was made on the proposal for a Social Protection Framework Law, soon to be submitted to Congress, as well as a new Public Procurement Law, which seeks to streamline and improve procurement processes.

[11] Additionally, within the Social Cabinet, it is possible to create Special Committees comprised of different institutions to address the same issue.

Inter-institutional cooperation agreements were also promoted to coordinate efforts among public entities, NGOs, academic institutions, and international organizations, with the goal of maximizing resources and implementing joint projects. The Solidarity Roundtables, with more than 12,000 members distributed in targeted villages, actively support territorial implementation and the collection of socioeconomic data.

Additional achievements include the formalization of key agreements, such as the one signed between the Ministry of Health and the Solidarity Network to build and equip hospitals in collaboration with PAHO. Furthermore, the upcoming implementation of the Single Social Sector Information System (SUISS) will centralize data on social interventions, optimizing strategic decision-making. In parallel, the implementation of SIMOP has made it possible to register and monitor institutional programs in the social sector, with georeferenced national coverage that strengthens transparency and evidence-based decision-making.

Finally, SEDESOL has several additional systems for strategic planning, budget monitoring, gender equity, socioeconomic registration, assistance to returned migrants, institutional program offerings, citizen management, and geostatistical analysis. Despite these advances, the need to integrate these systems with sectoral and territorial budget planning is recognized, in order to further improve the targeting and effectiveness of social interventions.

Future actions

A collaborative management model is proposed that effectively coordinates all stakeholders involved in the formulation and implementation of the PRS, including government, civil society, the private sector, academia, and international organizations. This model seeks to articulate the levels of government horizontally and vertically down to local communities, ensuring regulatory coherence and strengthening management capacities from the Social Cabinet to the technical teams. This is reflected in sectoral planning and budgeting with a territorial focus, which will be implemented through the Institutional Strategic Plans.

Key actions include the creation of the ERP Operating Regulations to establish clear guidelines, an institutional assessment to identify organizational and territorial gaps, and standardized guidelines for inter-institutional agreements. A robust monitoring mechanism will also be implemented, along with clear operating rules for social programs, and the evaluation and monitoring system will be strengthened to allow for the operation of a results-based model. Finally, transparency and accountability will be enhanced through accessible and understandable information, promoting comprehensive and sustainable management with a focus on population subgroups and different territories nationwide.

10. Implementation Plan

The 2022-2046 PRS includes a PRS implementation plan that establishes concrete goals, precise indicators, and responsible areas by sector, designed to monitor and evaluate progress toward achieving the defined objectives [12]. The plan is designed based on a comprehensive approach, with biannual targets that allow for intervention adjustments over time. In this sense, the plan acts as a

[12] The Implementation Plan is not presented in this executive version due to length and information organization issues.

strategic guide to direct efforts toward poverty reduction and promoting inclusive growth in the coming years. However, changes in macroeconomic and social conditions may require periodic reviews to adapt to progress made, address new challenges, and take advantage of emerging opportunities in the national and international context.

11. Risk matrix

The PRS risk matrix aims to identify the main challenges that could affect its implementation and achievements. For better organization, risks are classified into four main categories: financial, related to insufficient resources and inaccuracies in macroeconomic assumptions; technical or management, which encompass operational problems such as limited inter-institutional coordination, a lack of installed capacity for program and project operations and adequate monitoring, and poor fund management; political and social, associated with the loss of political support and low citizen participation; and contextual or external, which include factors beyond the direct control of the actors involved in the Strategy's implementation, such as natural disasters, security crises, and pandemics.

Each risk is assessed in terms of its probability of occurrence (high, medium, or low) and its impact (high, medium, or low), and specific mitigation measures and the actors responsible for implementing them are included.

12. General Framework for Monitoring and Evaluation of the ERP

A monitoring and evaluation framework for the PRS is key to measuring progress toward its objectives, identifying improvements, and adjusting interventions according to the needs of the population. This data-driven framework facilitates informed decision-making, optimizes resources, and ensures that policies benefit the most vulnerable people. The plan draws on the Honduran government's policies and tools to monitor national goals, highlighting advances in the monitoring and evaluation system, but recognizing the need for a single, integrated framework to strengthen the monitoring of public policies.

Structure for monitoring and evaluation

The Honduran government has adopted a Results-Based Management (RBM) model to improve the efficiency and effectiveness of public administration [13]. One of the model's five key components is monitoring and evaluation, which aims to continuously monitor and evaluate the performance of policies and programs.

In the context of the ERP, the institutional provisions derived from the MGR in this area involve a set of institutions responsible for coordinating, supervising, and guiding the monitoring and evaluation of policies and programs.

At the central level, monitoring and evaluation functions fall to both the Directorate of Results-Based Management (DIGER), which is responsible for implementing the MGR, and the Secretariat of Strategic Planning (SPE).

[13] Information obtained from: https://www.diger.gob.hn/acerca-de-diger

At the sectoral level, the special monitoring and evaluation units of the State Secretariats involved in implementing the Strategy will play an active role and coordinate with DIGER to ensure the smooth implementation of all stages of the monitoring and evaluation process.

Furthermore, monitoring and evaluation activities should consider the participation of other government institutions with central monitoring and evaluation functions, such as SEDESOL, which has responsibilities in this area and serves as the Strategy's governing body. At the same time, civil society organizations and academia will be invited to discuss the results achieved in the Strategy's implementation. Other organizations, such as the INE, will also participate.

Monitoring and Evaluation Plan

In general, monitoring and evaluation will involve generating and managing information on the progress of physical and financial indicators, as well as the impact of PRS programs and projects and aspects related to the quality of their operation, including an analysis of their sustainability and lessons learned.

Monitoring of the 2022-2046 ERP will be based on two main tools:

1. **Indicator matrix**: Each objective of Pillars 2 and 3 has biannual indicators and targets, adjustable over the period based on analysis of national and international scenarios. The Secretariat of Strategic Planning will lead data collection, with support from SEDESOL through the Program Monitoring Directorate.
2. **Annual Monitoring Report**: An analytical document will assess the progress of the Strategy, serving as a basis for planning the next cycle and the budgetary framework. DIGER, with support from SEDESOL, will be responsible for its preparation.

The national statistical system, led by the INE, will ensure the collection of disaggregated and relevant data for ongoing monitoring.

It's worth noting that the ERP includes a review of its objectives and goals every four years to ensure they remain relevant and aligned with the national reality. This process will allow for the necessary adjustments based on the emerging needs of the population and the country's social, economic, and territorial context.

The 2022-2046 ERP evaluation plan includes:

1. **Midterm evaluations**: Scheduled for 2026, 2029, 2033, 2037, and 2041, these evaluations will analyze the impact of the action lines on poverty targets and sectoral outcomes. The DIGER (National Institute of Human Rights) will lead these evaluations, while the State Secretariats, with DIGER support, will prepare annual plans to evaluate policies, programs, and projects, prioritizing major investments with territorial, gender, and Indigenous and Afro-Honduran approaches.
2. **Final Evaluation**: In 2046, a report will be prepared on the results and impact of the ERP, highlighting findings, sustainability, and lessons learned in technical,

administrative, and operational aspects. DIGER will be responsible for this evaluation.

All reports will be disseminated through official media, linked to the 2030 Agenda reports, and presented to high-level decision-making bodies.

Capacity building in monitoring and evaluation

During the implementation of the 2022-2046 PRS, it will be essential to strengthen the national monitoring and evaluation system through specific actions. A unified institutional framework must be established to coordinate and harmonize all government actions in this area. It is also necessary to develop clear guidelines for monitoring and evaluating the PRS, strengthening institutional capacities to collect, analyze, and disseminate information using different methodologies, including operational and impact evaluations, as well as the use of Public Expenditure Tracking Surveys (PETS).

Additionally, it is key to collaborate with the INE to improve the Permanent Household Survey (EPHPM), as well as optimize the use of the Single Information System for the Social Sector and the Population and Housing Census, ensuring that these data allow for precise targeting of resources to the most vulnerable households.

Finally, it is necessary to implement advanced targeting models that integrate socioeconomic factors and specific variables such as disability, gender, and age, complemented by continuous monitoring mechanisms to adjust social interventions according to changing needs, ensuring efficiency, transparency, and a positive impact on reducing poverty and inequality.

Warning

This document may be updated or modified as new provisions, information, or institutional needs arise, in order to ensure that its content remains current.

ACRONYM

AGROGEN	National Program for Agricultural, Livestock and Aquaculture Genetic Development
IAEA	International Atomic Energy Agency
IMCI	Comprehensive Care for Prevalent Childhood Diseases
AIN-C	Comprehensive Care for Community Children
LAC	Latin America and the Caribbean
ASJ	Association for a More Just Society
BANADESA	National Bank for Agricultural Development
BANASUPRO	National Supplier of Basic Products
BCIE	Central American Bank for Economic Integration
IDB	Inter-American Development Bank
BPA	Good Agricultural Practices
BPM	Good Manufacturing Practices
DOG	National Agricultural Census
CACR	Rural Savings and Credit Banks
CEDLAS	Center for Distributive, Labor and Social Studies
ECLAC	Economic Commission for Latin America and the Caribbean
CFG	Classification of Government Functions

CHEPES	Honduran Center for the Study of State Policies in the Social Sector
CNBS	National Banking and Insurance Commission
COHEP	Honduran Council of Private Enterprise
COMRURAL	Integrating Innovation for Rural Competitiveness Project in Honduras
CONDESPORT	National Commission for Sports, Physical Education and Recreation
COHABITATION	Social Housing Program
CONASAVE	National Technical Committee on Plant Health
COPECO	Secretariat of the Permanent Contingency Commission
CRED	Center for Disaster Epidemiology Research
CREDIMUJER	National Solidarity Credit Program for Rural Women
Human Rights	Human rights
DDT	Public Debt Dynamics
DGCP	General Directorate of Public Credit
DICTA	Directorate of Agricultural Science and Technology
DIGER	Results-Based Management Directorate
DINADERS	National Directorate of Sustainable Rural Development
DPMF	General Directorate of Macrofiscal Policy
DPT	Diphtheria, whooping cough and tetanus

EFA	Education for All
EM-DAT	Emergency Events Database
ENAG	National Graphic Arts Company
ENCC	National Climate Change Strategy
ENEE	National Electric Power Company
ENESVMN	National Specialized Survey on Violence Against Women and Girls
EPHPM	Permanent Multiple Purpose Household Survey
ERCE	Regional Comparative and Explanatory Study
ERP	Poverty Reduction Strategy
ESFAM	Family Health Teams
EUIS	Integrated Single Health Record
FAO	Food and Agriculture Organization of the United Nations
FHIS	Honduran Social Investment Fund
IMF	International Monetary Fund
FONADERS	National Fund for Sustainable Rural Development
FONTAGRO	Regional Agricultural Technology Fund
FOSDEH	Social Forum on External Debt and Development of Honduras
GHG	Greenhouse gases

HACCP	Hazard Analysis and Critical Control Points
HONDUCOR	Honduras Postal Company
HONDUTEL	Honduran Telecommunications Company
HDI	Human Development Index
IHT	Honduran Tourism Institute
IHSS	Honduran Social Security Institute
III PIJGH	III Plan for Equality and Gender Justice of Honduras
INA	National Agrarian Institute
INE	National Institute of Statistics
INFORM	Index for Climate Risk Management
INJUVE	National Youth Institute
IP	Property Institute
IREM	Regional Malaria Elimination Initiative
STIs	Sexually Transmitted Infections
WOOL	National Laboratory for Waste Analysis
LJT	Tax Justice Law
LRF	Fiscal Responsibility Law
MAY	Highest Institutional Authority

MCR	Results Consistency Matrix
MFEP	Emergency Pandemic Financing Mechanism
MGR	Results-Based Management Model
MICS	Multiple Indicator Cluster Survey
MIFE	Comprehensive Improvement of Educational Infrastructure and Training in Honduras
MSMEs	Micro, Small and Medium Enterprises
MMFMP	Medium-Term Macrofiscal Framework
NDC	Nationally Determined Contribution
Children and adolescents	Children and adolescents
SDGs	Sustainable Development Goals
IOM	International Organization for Migration
ILO	International Labour Organization
WMO	Municipal Women's Offices
WHO	World Health Organization
NGO	Non-governmental organization
UN	United Nations Organization
UNIDO	United Nations Industrial Development Organization
OPCA	Anti-Corruption Criminal Policy Observatory

PAEAH	Honduras Open State Action Plan
PCI	Intangible Cultural Heritage
PDABR	Irrigated Agricultural Development Project
PEI	Institutional Strategic Plan
PETS	Public Expenditure Tracking Surveys
Passover	State Policy for the Agri-Food Sector in Honduras
GDP	Gross domestic product
PICCCAMAH	Project to Promote Creative Cultural Industries in the Music and Visual Arts Clusters
PMA	World Food Programme
PMRTN	Master Plan for National Reconstruction and Transformation
PNRP	National Loss Reduction Program
POA	Annual Operating Plans
PPA	Purchasing Power Parity
HIPC	Heavily Indebted Poor Countries
PRO-WEST	Comprehensive Rural Development and Productivity Project
PROASOL	Solidarity Action Program
PROHECO	Honduran Community Education Program
PROINORTE	Economic and Social Inclusion Project for Small Rural Producers in the Northeast Region of Honduras

PRONADEL	National Local Development Program
PRONAGRI	National Irrigated Agriculture Program
PRONAGRO	National Agri-Food Development Program
PROPESCA	National Fisheries and Aquaculture Development Program
PROSASUR	Alliance for the Dry Corridor - Food Security Project in the South
PROSUELOS	National Program for Soil Management, Conservation and Fertilization
pp	Percentage points
RELASER	Latin American Network of Rural Extension Services
RIN	Net International Reserves
RISP-HO1	Immediate health response to contain and control the coronavirus and mitigate its impact on health care delivery (RISP-HO1)
RISP-HO2	Immediate health response to contain and control the coronavirus and mitigate its impact on health care delivery (RISP-HO1)
ROPI	Registration of the Institutional Program Offer
SAG	Secretariat of Agriculture and Livestock
SALMI	Computer System for Logistics Management of Medicines and Supplies
SANAA	National Water and Sewerage Service
HE	Income Administration Service
SDE	Secretariat of Economic Development
SECAPPH	Secretariat of Culture, Arts and Heritage of the Peoples of Honduras

SEDESOL	Ministry of Social Development
SEDH	Secretariat of Human Rights
SEDUC	Ministry of Education
SEFIN	Ministry of Finance
SEMAN	Secretariat of Women
SENAF	Secretariat of Children, Adolescents and Family
SENASA	National Service of Health and Agri-Food Safety
SENPRENDE	National Entrepreneurship and Small Business Service
SESAL	Ministry of Health
SETRASS	Secretariat of Labor and Social Security
SGJD	Ministry of the Interior, Justice and Decentralization
SIAFI	Integrated Financial Management System
SIAMIR	Returned Migrant Care System
SIAS	Integrated Safe Water Systems
SIERP	Poverty Reduction Strategy Information System
SIGEDES	Gender Management System for Social Development
SIGPRET	Public Management System for Results and Transparency
SIMAS	Comprehensive Social Monitoring and Analysis System

SIMOP	Programmatic Offer Monitoring System
SIPS	Comprehensive Social Protection System
SIRBHO	Honduras Beneficiary Information and Registry System
SISAGRO	Agri-Food Sector Information System
SIT	Secretariat of Infrastructure and Transportation
SIUPEG	Management Planning and Evaluation System
SNMCC	National Climate Change Monitoring System
SPE	Secretariat of Strategic Planning
SPNF	Non-Financial Public Sector
SRECI	Ministry of Foreign Affairs and International Cooperation
SUEPPS	Single System for the Evaluation of Social Public Policies
SWISS	Single Information System of the Social Sector
TB	Tuberculosis
TMC	Conditional Cash Transfers
UNAG	National University of Agriculture
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund

UPEG	Management Planning and Evaluation Unit
USINIEH	Unit of the National Educational Information System of Honduras
VAC	Survey on Violence against Children and Youth
HIV	Human Immunodeficiency Virus
HPV	Human Papillomavirus
WDI	World Bank Development Indicators

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Introduction

Honduras is at a crucial moment of transformation, facing the challenge of re-establishing its development model to address the structural roots of the problems that have plagued the country for decades. This process requires a renewed focus on sustainable development, with clear priorities in education, health, social protection, decent employment, entrepreneurship, financial inclusion, gender equality, and environmental stewardship as fundamental pillars for building a more equitable and resilient society.

Along these lines, the 2022-2026 government has taken on the task of renewing the Poverty Reduction Strategy (ERP), in force since 2001, recognizing the limited progress made so far, the inequality, and the structural vulnerabilities that affect the quality of life of the Honduran population. According to the National Institute of Statistics (INE), in 2023, 69.6 percent of the population lived in poverty and nearly 47 percent in extreme poverty, figures that show little change over the past 20 years. [14]These economic challenges have been exacerbated by phenomena such as the COVID-19 pandemic and Tropical Storms Eta and Hurricane Iota. that devastated the country in 2020, deepening existing inequalities.

The new Poverty Reduction Strategy 2022-2046 (ERP) proposes a medium-term approach based on the current social and macroeconomic reality . Through its approach, the Strategy seeks to provide the most vulnerable populations with the capabilities, opportunities, and resources necessary to sustainably improve their quality of life. To this end, it prioritizes inclusive policies and programs focused on three main pillars: (1) stability and inclusive growth; (2) public services and inequality reduction; and (3) comprehensive care for people living in poverty, extreme poverty, and vulnerability.

The ERP vision is aligned with the national priorities defined in the Country Vision 2010-2038, the Government Strategic Plan 2022-2026, the Institutional Strategic Plans (PEI) of the State Secretariats that comprise the Social Cabinet, and the 2030 Sustainable Development Goals (SDGs) [15]. With this strategy, Honduras seeks to improve the well-being of its population and strengthen its resilience to future challenges by adopting a sustainable and equitable development model.

The following lines describe the structure and core content of this document, which consists of 12 chapters.

---

[14]The definition of poverty follows the method used in the Permanent Multiple Purpose Household Survey (EPHPM) of Honduras, in which the poverty line is defined as the cost of the basic food basket. Inequality is measured using the Gini coefficient. Poverty is estimated using national lines using the Poverty Line method, which is defined as the cost of the basic food basket for relative poverty and the cost of the basic food basket for extreme poverty. This methodology consists of establishing, based on household income, their capacity to satisfy, through the purchase of goods and services, a set of food and non-food needs considered basic (INE, 2023). In 2023, the relative and extreme poverty lines were $4,931.94 and $2,538.78 for urban areas, and $2,465.97 and $1,901.71 for rural areas, respectively. Estimating poverty using the international line of $6.85 per day in 2017 PPP allows for cross-country comparisons and is calculated by adding a measure of well-being (income or consumption) and an imputed income value at the household level. These are then converted to per capita terms by dividing by the number of household members (World Bank, 2024).

[15]See https://observatorioplanificacion.cepal.org/es/planes/vision-de-pais-2010-2038-y-plan-de-nacion-2010-2022-de-honduras

- Chapter 1, Diagnosis of the Current Situation, offers a detailed analysis of Honduras's economic and social situation, highlighting the main macroeconomic dynamics, structural challenges, and the impact of external factors such as the COVID-19 pandemic and natural disasters.

- Chapter 2 presents the Conceptual Framework for the Poverty Reduction Strategy 2022-2046. This framework is based on the view that, to achieve sustained poverty reduction in Honduras, it is necessary to address the structural causes of poverty in the country. In this sense, the 2022-2046 PRS is conceptually guided by the asset approach, which conceives social policy instruments as investments to improve the productivity of people with fewer resources and economic opportunities, which: (i) focus on the root causes of poverty, which have multiple dimensions and therefore require comprehensive treatment; (ii) contribute to expanding the productive capacities of the population, increasing the possibility of generating wealth on a sustained basis; and (iii) reduce inequality gaps by ensuring that lower-income strata can access the opportunities generated by the environment.

- Based on the asset approach, the PRS proposes a poverty reduction strategy comprised of three core pillars, developed in three distinct chapters (3 to 5). The first pillar, Stability and Inclusive Growth (Chapter 3), describes the lines of action to be pursued to foster sustained and dynamic growth in national income, as well as policies to ensure that income growth is inclusive of the most disadvantaged populations within an environment of economic stability.

- Chapter 4 presents the second pillar, which refers to Public Services and Programs to Reduce Inequalities. This pillar includes the supply of goods and services that are universally accessible, but which, by design, tend to benefit the poorest populations to a greater extent. It also integrates the components or pillars of the Comprehensive Social Protection System, aimed at benefiting excluded or discriminated groups, with a particular impact on the most economically disadvantaged populations. This chapter also defines the objectives, strategic lines, and goals expected to be achieved, linking efforts to the SDGs.

- Chapter 5 details the third and final pillar of Programs Targeted to Serve the Poor and Vulnerable Population, which contains the actions, support, goods, and services specifically aimed at the population living in poverty and extreme poverty in priority areas, as well as at the vulnerable population. This pillar includes the Solidarity Network, the Solidarity Action Program (PROASOL), Solidarity Scholarships, and the Free Energy Program, which are targeted at the population living in poverty, extreme poverty, and vulnerability.

- Chapter 6 addresses the cross-cutting themes of gender and climate change, which are essential for ensuring sustainability and inclusion in the implementation of the Strategy.

This cross-cutting approach recognizes the importance of promoting gender equality at all decision-making levels, empowering women, and addressing the deep inequalities that limit their development. The chapter also highlights Honduras' vulnerability to climate change and proposes comprehensive mitigation and adaptation policies that strengthen community resilience, protect natural resources, and promote sustainable development.

- Chapter 7 focuses on the importance of citizen participation, an essential element for ensuring the legitimacy, effectiveness, and sustainability of public policies. This chapter details the construction of the PRS through inclusive participatory processes, which involve diverse sectors of society, such as indigenous communities, women's organizations, youth, agricultural producers, and representatives of the private sector.

- Chapter 8 describes the Strategy's Fiscal Framework. It analyzes the available fiscal space. It also describes and links some of the main objectives the Government seeks to achieve in its program with the IMF, detailing specific measures to improve the efficiency of public spending.

- Chapter 9 focuses on the development of institutional and organizational capacities for the implementation of the strategy. It details, first, the governance of the Social Cabinet in the ERP and, second, the actions that the government will carry out to strengthen the institutional and organizational capacities that will contribute to the effective and coordinated implementation of the strategy.

- Chapter 10 presents the Proposed Implementation Plan. Specific actions are outlined within each of the strategic lines defined in chapters 4 and 5, distinguishing by sector. Each action is accompanied by its respective goal, indicator, identification of responsible actors, and implementation date or period.

- Chapter 11 then outlines the Risk Mitigation Measures and identifies the main unexpected events that could undermine the achievements of the Strategy's implementation, distinguishing them by their probability of occurrence and their impact level (high, medium, low). For each risk, the mitigation measures that the government will adopt are established.

- Finally, the final chapter, Chapter 12, sets out the framework for Monitoring and Evaluation of the Strategy, a key component for ensuring its effectiveness and sustainability over time. It describes key monitoring tools, such as the indicator matrix, process monitoring, and annual monitoring reports. It also outlines the midterm and final evaluations to be conducted, which will analyze achievements, provide feedback, and identify lessons learned.

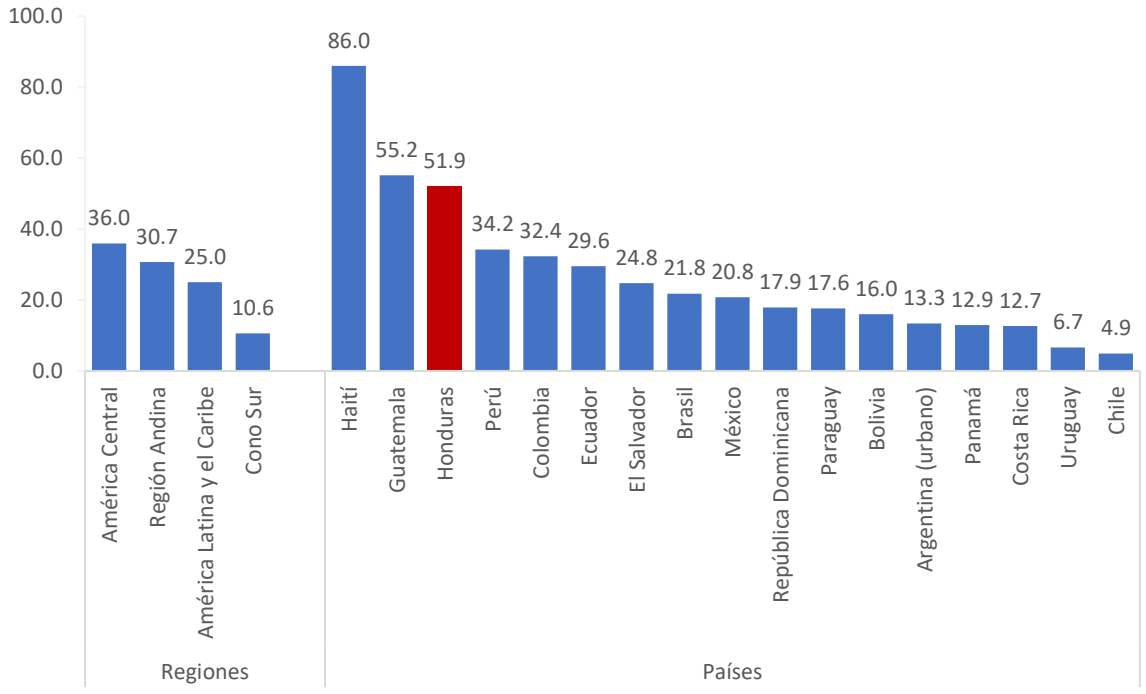
This document constitutes a roadmap to guide efforts to reduce poverty and promote inclusive growth in the coming years. Recognizing that macroeconomic and social conditions are constantly evolving, the PRS was designed as a dynamic plan that will need to be periodically adjusted to respond to progress, emerging challenges, and opportunities that arise in the national and international environment.

1. Diagnosis of the current situation

For decades, Honduras has been one of the Latin American countries with the lowest per capita economic output. According to the World Bank's World Development Indicators (WDI 2024), in 1990 the country ranked third to last in the region with a per capita Gross Domestic Product (GDP) of $1,704.93; 30 years later, in 2023, it remained in second to last place with an indicator of $2,539.

In addition, as documented later in this chapter, the country's income distribution is one of the most unequal in the region. This means that limited resources are concentrated in small segments of the population. The combination of these two factors makes Honduras one of the Latin American countries with the highest poverty rate (Figure 1.1).

Figure 1.1. Poverty incidence rate with the international line of $6.85 per day in PPP 2017, Latin America and the Caribbean, 2023



Note: Data for Guatemala, Bolivia, Peru, Paraguay, Guatemala, and Mexico for 2023 are projections estimated using microsimulation methodology. Haiti's data is for 2012.

Source: Data taken from the World Bank report. (2024). Regional Poverty and Inequality Update Latin America and the Caribbean October 2024. For Haiti, the data comes from the World Bank Development Indicators (WDI).

An additional element that has inhibited the possibilities for further development and poverty reduction has been the country's vulnerability to recurring natural disasters, which is also documented below.

This chapter presents a diagnosis of the current situation in Honduras, which serves as the starting point for designing the 2022-2046 PRS. This analysis is based on a review of the guarantees established in the Constitution of the Republic of Honduras, which recognizes fundamental rights related to a set of public services and social protection measures for specific population groups, such as the elderly (Article 117, Chapter III), children (Chapter IV), and indigenous communities (Article 346, Chapter III, Title VI; in addition to International Labor Organization (ILO) Convention 169, which is part of national legislation). Regarding education, the Constitution establishes that basic education must be compulsory, free, and of high quality; it includes pre-basic levels (4-6 years), the three cycles of basic education (the first cycle, 6-8 years; the second cycle, 9-11 years; and the third cycle, 12-14 years), and the secondary level (15-17 years). Regarding health, it states that the State has the obligation to guarantee protection and access to a set of benefits and services, including measures for promotion, prevention, treatment, rehabilitation, and care for all pathologies, ensuring the health of all inhabitants. Regarding labor, it guarantees freedom of choice of employment, equitable and satisfactory conditions, and covers cases of illness, maternity, family allowance, old age, orphanhood, forced unemployment, work-related accidents, verified unemployment, occupational diseases, and all other contingencies that affect the capacity to produce. It is the State's responsibility to promote policies that generate employment and labor justice. In the area of housing, it states that the State must guarantee access to decent housing, prioritizing low-income families and promoting the construction of social housing. Regarding water and sanitation services, the Constitution recognizes them as a human right, ensures their equitable use, prioritizing human consumption and the care of water sources to protect public life and health. Likewise, the Constitution promotes sports and recreation as key tools for comprehensive development, encouraging their practice, universal access, and dissemination, which contributes to a healthy and balanced life. Finally, in the area of culture, the State has the responsibility to protect and promote national culture, as well as to preserve and disseminate the country's historical, artistic, and cultural heritage, strengthening the Hondurans' identity and sense of belonging.

This chapter is divided into two sections. The first analyzes the country's macroeconomic outlook, followed by a detailed examination of the social sector.

1.1. Economic overview

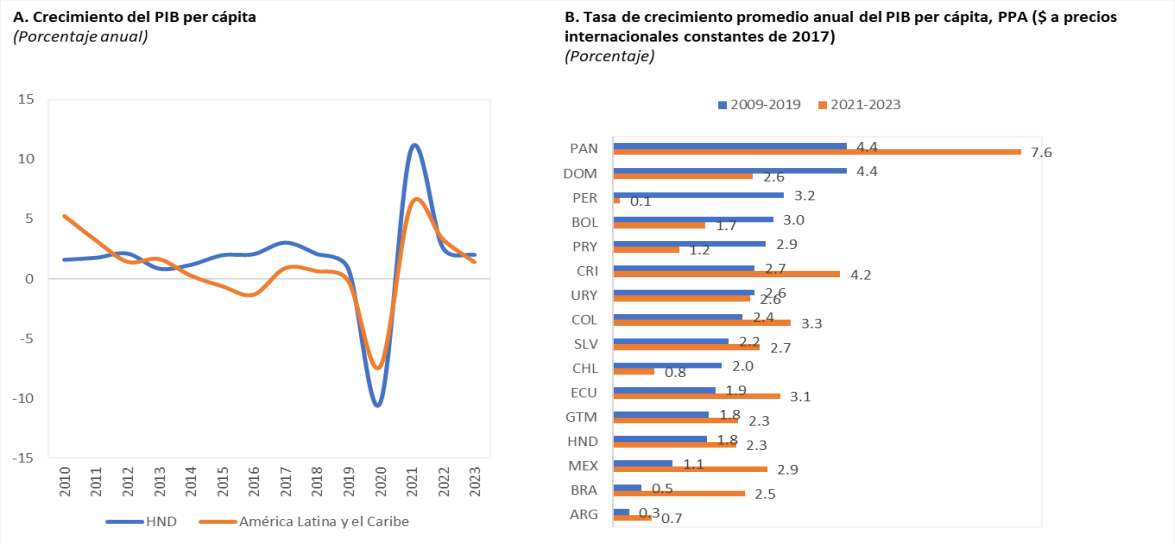
1.1.1. Economic growth and productivity

Although between 2014 and 2019, economic growth rates of GDP per capita in Honduras have been higher than the Latin American and Caribbean (LAC) average (Panel A of Figure 1.2), these rates have not been sufficient to significantly change the country's situation.

In this regard, various studies highlight that Honduras is a country that has been highly vulnerable—both economically and socially—, characterized by its exposure to external shocks, natural phenomena, high crime rates, political instability, and weak quality of public institutions, which in turn has limited the capacity to generate more and better quality jobs (IMF, 2023; World Bank,

2022a). [16]Furthermore [17], these challenges have caused the country to be uncompetitive and have low productivity, which has generated high levels of migration and contributed to the deepening of social inequalities (World Bank, 2022b).[18]

Figure 1.2. Gross Domestic Product per capita growth rate, Latin America and the Caribbean and Honduras, 2007-2023



Source: World Bank Development Indicators data.

Data from the WDI disaggregated by country show that Honduras' average annual GDP per capita growth rate between 2009 and 2019 was 1.8 percent, making it one of the countries in the region with the lowest growth rates over that period (panel B of (**¡Error! No se encuentra el origen de la referencia.**). In 2020, Argentina, Ecuador, and Honduras recorded the largest contraction in GDP per capita among countries in the region, above 10 percent (-7.4 percent for LAC).[19]

Specifically, in 2020, the COVID-19 pandemic and the impact of tropical storms Eta and Iota contributed to a contraction in output and a substantial increase in poverty in Honduras, as a large portion of the population saw their labor income affected, which in turn put household food security at risk (World Bank, 2023). [20]Between 2021 and 2023, the average annual growth rate of this indicator has been faster than in other countries in the region.

[16]IMF. (2023). 2023 Article IV Consultation and Requests for an Arrangement under the Extended Fund Facility and an Arrangement under the Extended Credit Facility—press release; staff report; and statement by the Executive Director for Honduras.

[17]World Bank. (2022a). Honduras: Public Expenditure Report. Strengthening Fiscal Resilience.

[18]World Bank. (2022b). Honduras: Paths toward building a resilient society.

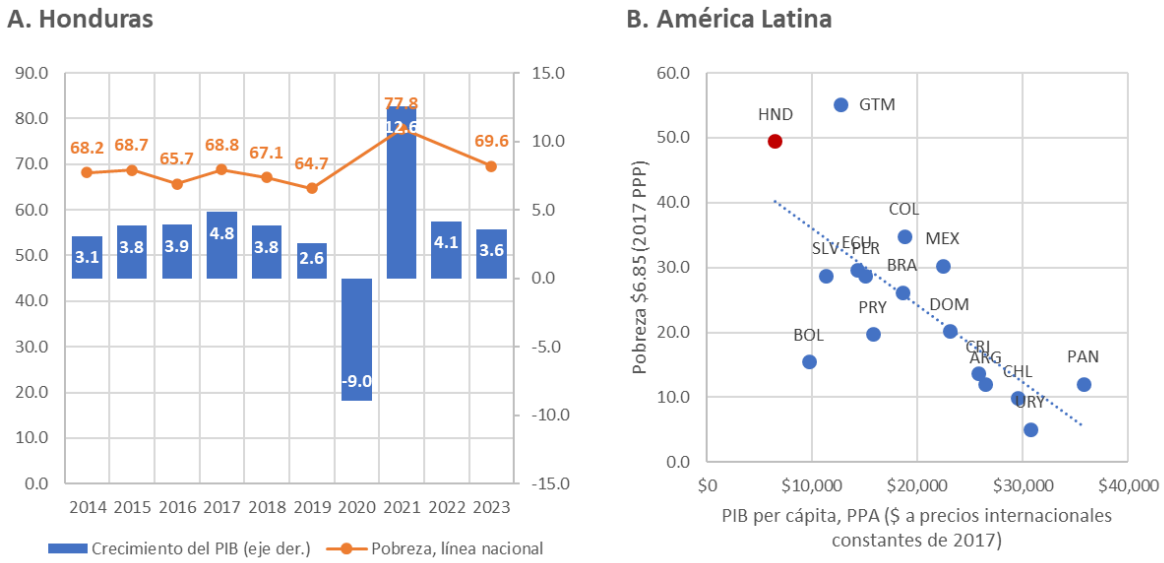
[19]The World Bank (2023) document, " Honduras, Paths Toward Building a Resilient Society, Systematic Update of the Country Diagnostic ," discusses economic growth trends.

[20]World Bank. (2023). Honduras: Poverty Study. A path toward poverty reduction and inclusive growth.

Panel A of Figure 1.3 presents a comparison of the trajectory of Honduras's GDP growth rate and the poverty incidence rate estimated using national lines. The data show that, in 2020, the decline in economic growth was associated with an increase in the country's poverty level. Although Honduras registered a faster recovery in subsequent years compared to the rest of the region, the level of economic growth remains insufficient to offset the high poverty rates [21].

On the other hand, Panel B of Figure 1.3 presents the correlation between GDP per capita for a group of Latin American countries and the international poverty line equivalent to $6.85 in 2017 purchasing power parity (PPP). In Latin America, there is a negative correlation between the level of wealth—proxied by GDP per capita—and the incidence of poverty, with Honduras located in the quadrant with the lowest level of wealth and the highest percentage of the population living in poverty.

Chart 1.3. Correlation 1economic growth variables and the poverty rate, latest available data



Note: Guatemala's data is for 2023 and corresponds to projections estimated using a microsimulation methodology. For the rest of the countries, the latest available survey data from the World Bank's LAC Equity Lab database, corresponding to 2022 or 2023, is used.

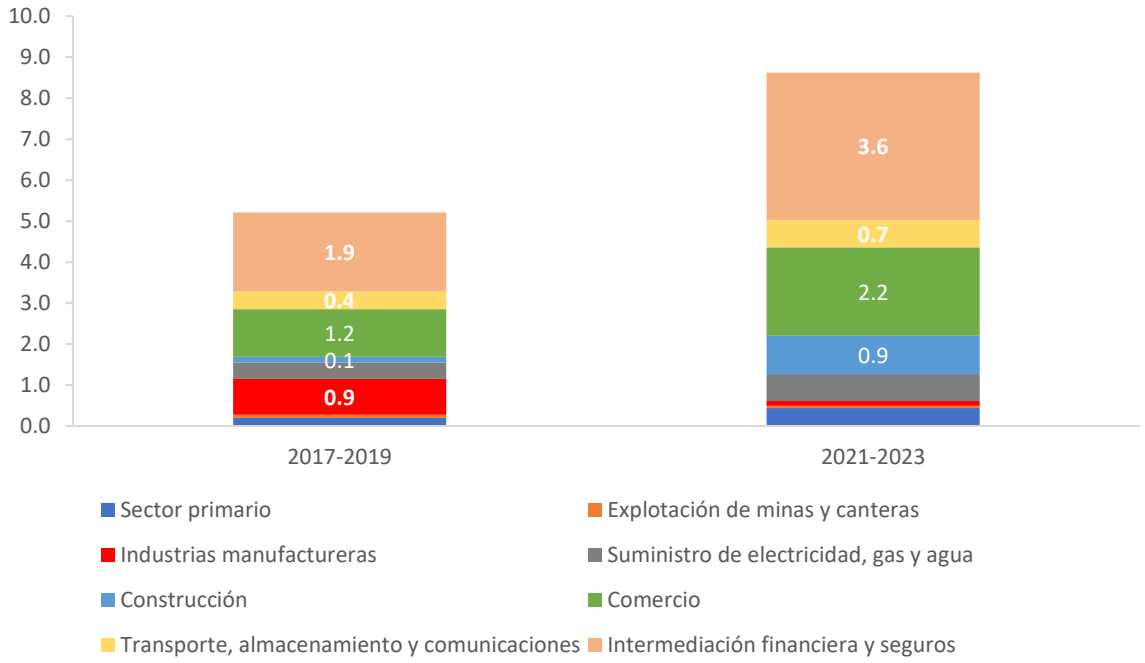
Source: Prepared using the Economic Commission for Latin America and the Caribbean (ECLAC) database, data from the World Bank's World Development Indicators, and data from the National Institute of Statistics (INE).

When analyzing the sources of economic growth in Honduras by economic activity, it is observed that, on average, during the 2017-2019 period, the financial intermediation sector contributed the largest proportion to the GDP growth rate, followed by trade and manufacturing. Between 2021 and 2023, the financial intermediation sector and trade accounted for the largest share of growth

[21] Poverty is estimated using national poverty lines using the Poverty Line method, which is defined as the cost of the basic food basket for relative poverty and the cost of the basic food basket for extreme poverty. This methodology consists of establishing, based on household income, their ability to satisfy, through the purchase of goods and services, a set of food and non-food needs considered basic (INE, 2023).

during that period. In contrast, the manufacturing industry contributed the least to economic growth, which is associated with lower demand for clothing in the United States (Figure 1.4).

Figure 1.4. Contribution to the annual gross domestic product (GDP) growth rate by economic activity at constant prices, Honduras, 2017-2023



Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

On the expenditure side, between 2019 and 2023, private consumption has been the driving force behind economic growth, which goes hand in hand with the high flow of remittances received by the country (IMF, 2023). [22]Panel A of Figure 1.5 shows the trajectory of remittances as a percentage of GDP and the poverty rate in Honduras for the period 2014-2023. Following the COVID-19 pandemic, an increase in the incidence of poverty and the remittance indicator is observed.

For Latin America, the data suggest a positive correlation between remittances as a percentage of GDP and the percentage of the population living in poverty (Panel B of **¡Error! No se encuentra el origen de la referencia.**). It is important to note that the correlations included in this analysis are interpreted as associations between variables and not as causal relationships. Honduras, Nicaragua, El Salvador, and Guatemala are the countries in the region with the highest remittance flows as a percentage of GDP and also have the highest poverty rates in the region. In Honduras, remittances represented 26.1 percent of GDP in 2023, higher than the Latin American average of 2.4 percent.

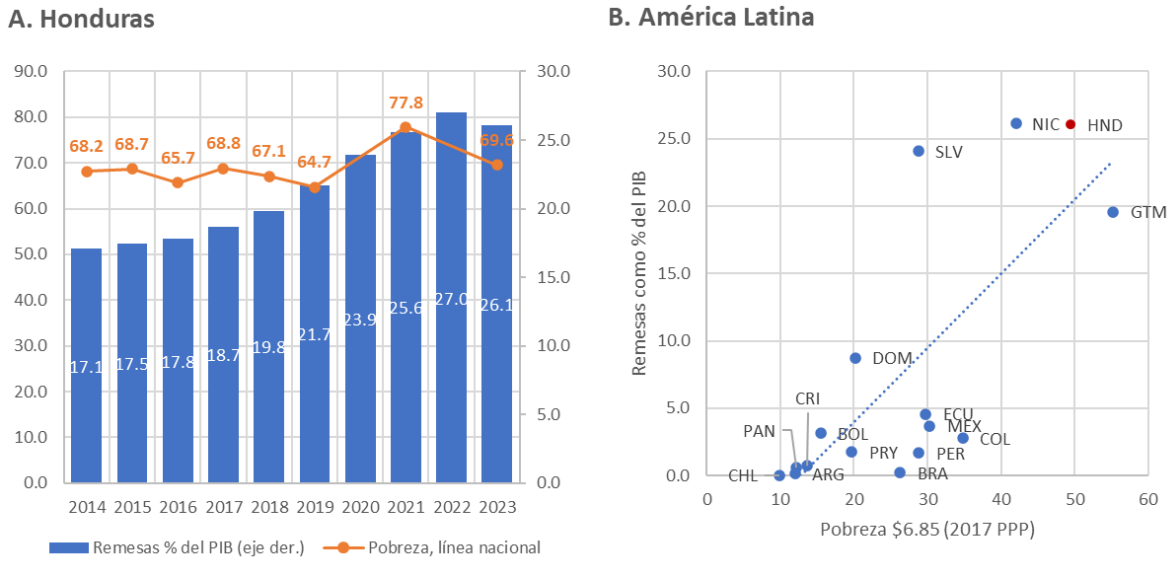
This flow of remittances is associated with the migration patterns of the population, which represents a significant proportion of the country's workforce. In 2020, data from the United Nations indicates that approximately 985,000 Hondurans resided abroad, and according to

[22]Ibid.

estimates from the United States Census Bureau, in 2022, 65 percent of the population of Honduran origin was between 18 and 60 years old, with a median age of 26.2 years. In 2023, the net migration rate in Honduras was estimated at -1.32 per 1,000 inhabitants.

Since emigration is primarily an economic phenomenon [23], as reflected in INE statistics [24], it follows that migration is a strategy used by Honduran citizens to overcome the structural barriers of poverty. Additionally, Honduras is one of the countries with the highest number of its nationals seeking international protection or opportunities to build a safer and more sustainable life. According to the International Organization for Migration (IOM) [25], Honduras was the sixth country with the highest number of asylum applications filed globally in 2021, with a total of 59,800, which represents an increase of 13 percent compared to 2020.

Figure 1.5. Correlation between remittances as a percentage of GDP and pocerty incidende rates



Note: Guatemala's data is for 2023 and corresponds to projections estimated using a microsimulation methodology. For Nicaragua, the poverty data is for 2014. For the rest of the countries, the latest available survey data from the World Bank's LAC Equity Lab database, corresponding to 2022 or 2023, is used.

Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) portal, data from the World Bank's World Development Indicators, and data from the National Statistics Institute (INE).

[23] Some of the most common reasons for migration, according to the results of the 2023 National Survey on Migration and Remittances published by the INE, are: being unemployed (38.6%), being interested in seeking better employment than the one they had in Honduras (59.8%), and receiving low income from their work (41.2%). Other factors are associated with family reunification (9.9%) and violence and security (7%).

[24] National Institute of Statistics. (2023). National Survey of Migration and Remittances of Honduras - INE.

[25] International Organization for Migration. (2024). IOM Strategy for Honduras 2024-2026

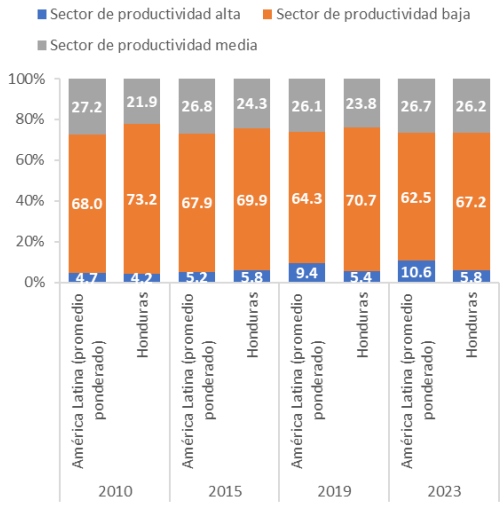
Regarding productivity levels, Figure 1.6 summarizes two indicators associated with labor productivity: a) the distribution of the employed population aged 15 years and over by sectoral productivity level; and b) output per hour worked. In both Honduras and the rest of the region, the largest proportion of the population aged 15 years and over is employed in low-productivity sectors (agriculture, commerce, and services). However, in Honduras, approximately 70 percent of the employed population works in low-productivity sectors, compared to 64.3 percent in LAC (Panel A of Figure 1.6). In this regard, the World Bank report (2023) highlights that employment in the primary and services sectors—which account for the largest share of employment—is characterized by high levels of labor informality and low wages.

Between 2010 and 2019, in Honduras, the percentage of the employed population in low-productivity sectors decreased by 2.5 percentage points (pp), generating a greater increase in the percentage of the employed population in medium-productivity sectors, and to a lesser extent in the employed population in high-productivity sectors. In LAC, on the other hand, the reduction in the share of low-productivity jobs has been offset to a greater extent by an increase in jobs in high-productivity sectors. At the regional level, Honduras is the country with the lowest share of employment in high-productivity sectors (Panel B of Figure 1.6).

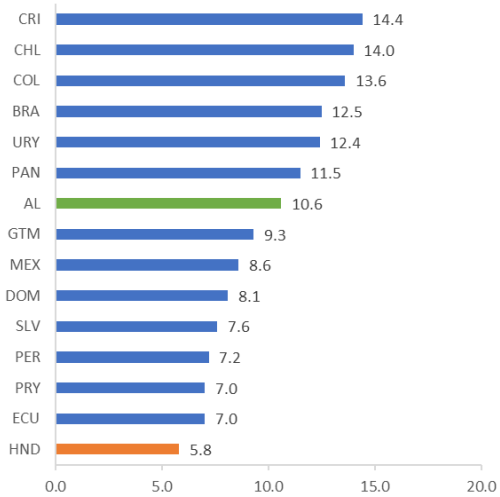
On the other hand, ILO estimates show that average output per hour worked in LAC is higher than in Honduras, and for the country, this indicator has remained almost unchanged between 2010 and 2023 (Panel C of Figure 1.6). Similarly, output per hour worked in Honduras is the lowest among countries in the region (Panel D of Figure 1.6).

Figure 1.6. Productivity indicator, Honduras and Latin America, lastest available years

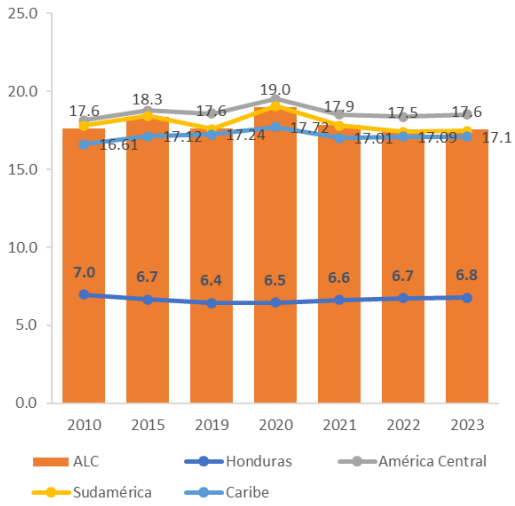
A. Distribución de la población ocupada de 15+ por nivel de productividad sectorial, Honduras y América Latina, 2010-2023
(Porcentaje)



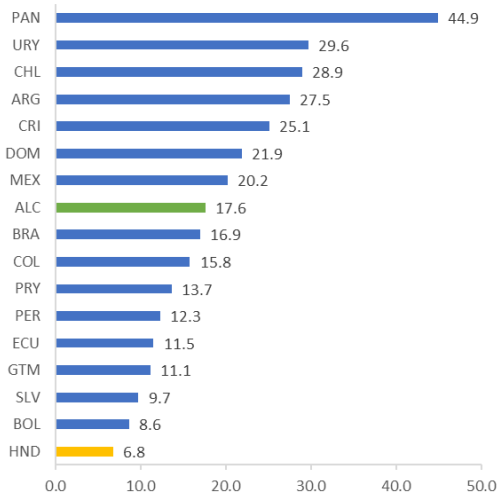
B. Población ocupada de 15+ que trabaja en sectores de alta productividad, América Latina, 2023 (o último año disponible)
(Porcentaje)



C. Producción por hora trabajada, Honduras y América Latina y el Caribe, 2010-2023
($ PIB a precios internacionales constantes de 2017)



D. Producción por hora trabajada, América Latina y el Caribe, 2023
($ PIB a precios internacionales constantes de 2017)



Note: For productivity levels, sectors have been grouped according to their average labor productivity (in 2005 PPP dollars) into the following tiers: low-productivity sectors: agriculture, trade, and services; medium-productivity sectors: construction, manufacturing, and transportation; and high-productivity sectors: financial activity, electricity, and mining. For LAC, the average is weighted. Hourly output data are modeled estimates from the ILO.

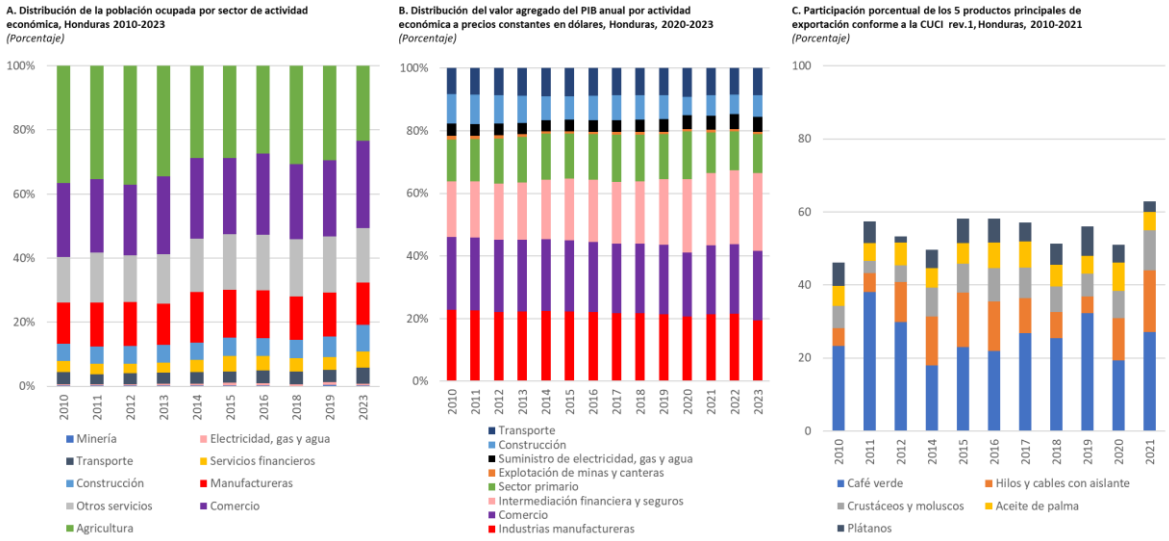
Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO).

To complement the previous results, Figure 1.7 presents data on the composition of employment by economic activity sector, the value added of GDP by economic activity sector, and Honduras's top five export products for the period 2010–2023. Consistent with the previous results, it is observed that the largest percentage of the employed population is employed in the primary sector—agriculture, livestock, and fishing—followed by the trade and services sector, and thirdly by

manufacturing. During the analysis period, approximately 60 percent of the employed population works in the primary sector and in trade and services, while the proportion of the employed population in the manufacturing sector represents approximately 13 percent of the employed population during the same period (panel A).

Regarding the composition of GDP value added, the data show that manufacturing, trade, and financial intermediation account for the largest share of GDP value added. It is noteworthy that the financial intermediation sector has increased its weight in the composition of value added, although less than 5 percent of the working population is employed in this sector (panel B). Furthermore, the composition of export products shows little diversification; coffee products and insulating wires and cables have remained the main export products over the last decade (panel C). These trends suggest that promoting stronger and more sustained growth requires improving competitiveness by creating jobs in productive sectors and improving human capital.

Figure 1.7. Employment indicators, GDP value added by economic activity and exports, Honduras, 2010-2023



Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

1.1.2. Public sector income and expenditure

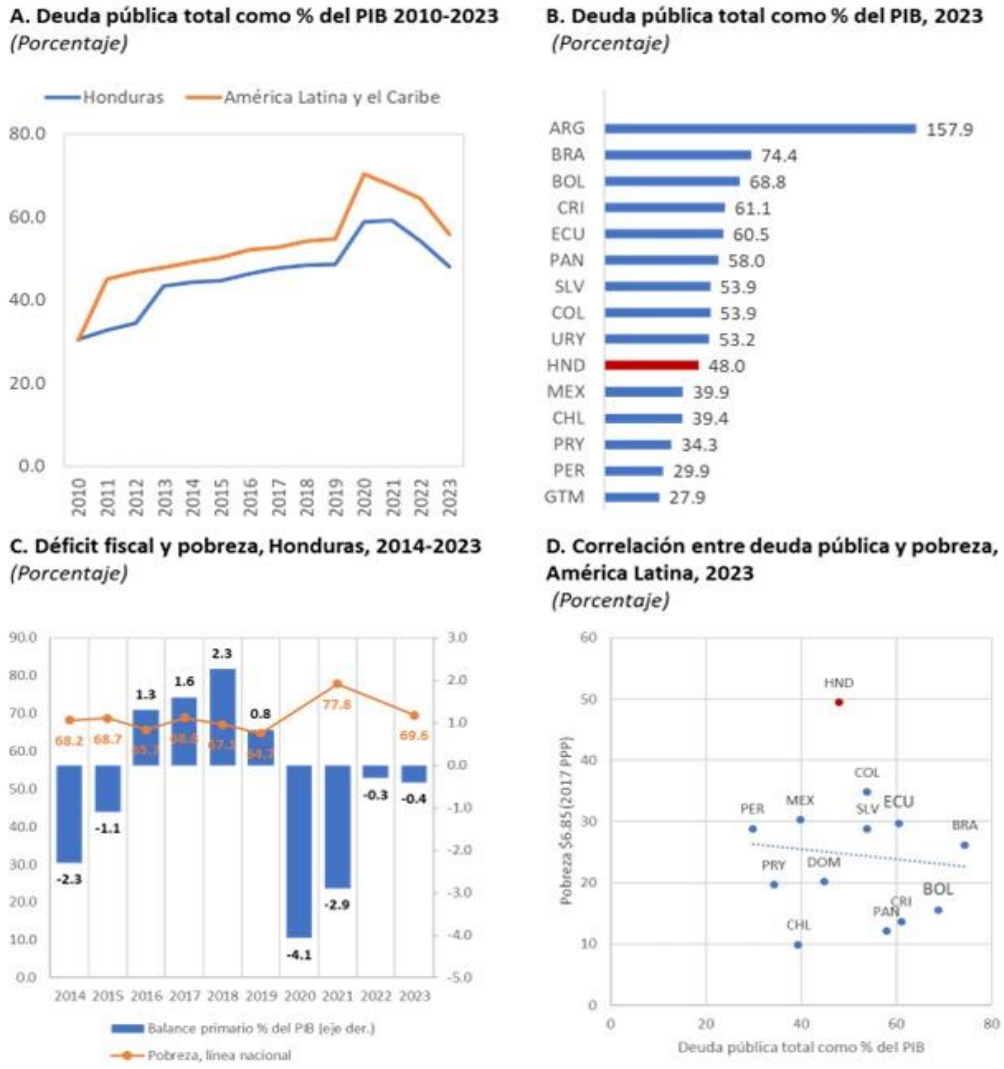
In fiscal terms, the trajectory of total public debt shows a level below the regional average, with an increase of 17.4 pp relative to 2010, compared to 25.6 pp for LAC (Panel A of Figure 1.18). In 2023, total public debt was 48 percent of GDP in Honduras, a lower level than most Latin American countries (Panel B of Figure 1.8). However, the World Bank report on public expenditure highlights that fiscal policy in the country has been acyclical, which has limited the government's capacity to cope with various external shocks (World Bank, 2022a). [26]Additionally, the report notes that among the most significant fiscal policy challenges are the high public sector payroll and the deficit of the

[26]Ibid.

National Electric Energy Company (ENEE), which constitute an obstacle to focusing resources on productive investments and policies that contribute to poverty reduction.

In Honduras, the fiscal deficit—measured as the primary balance of central government operations—as a percentage of GDP suggests a positive relationship with poverty (panel C of Figure 1.18). However, there is a weak correlation between public debt as a percentage of GDP and the incidence of poverty across countries in the region (panel D of Figure 1.8).

Chart 1.8. Fiscal 4, Latin America



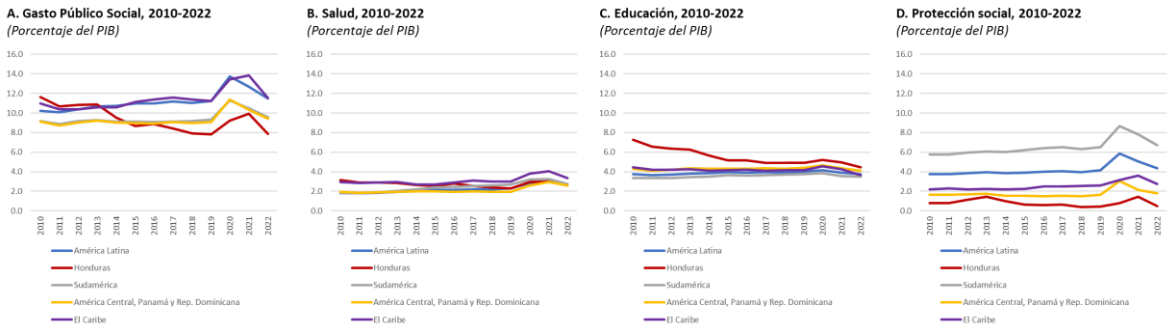
Note: For panel A, the data grouped by region are a simple average of the information reported by country. For panel D, the data for Guatemala are for 2023 and correspond to projections estimated using a microsimulation methodology. For the remaining countries, the latest available survey data from the World Bank's LAC Equity Lab database, corresponding to 2022 or 2023, is used.

Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) portal, data from the International Monetary Fund, and data from the National Institute of Statistics (INE).

Due to the vulnerability of public finances and the lack of mechanisms to promote budget alignment with sectoral priorities and the Comprehensive Social Protection System (SIPS), public social spending has been much lower than the regional average (Panel A of Figure 1.9). Between 2013 and 2019, in Honduras, public social spending as a percentage of GDP registered a downward trend, which contrasts with the trajectory observed in the rest of the region. By function of social spending, between 2010 and 2019, Honduras experienced a downward trend in social spending on health as a percentage of GDP, while, in the region, the trend was upward during the same period. In the years following the pandemic, public spending on health represented 2.7 percent of GDP in the country and 2.6 percent for the region (Panel B of Figure 1.9).

Social spending on education as a percentage of GDP—although higher than the regional average—received a 2.8 percentage point decline between 2010 and 2022, reaching 4.5 percent of GDP in 2022, compared with 3.7 percent for Latin America (Panel C of Figure 1.9). However, it is noteworthy that the country's performance on standardized tests is below the regional average—as will be discussed in more detail below. Regarding social protection, public spending in Honduras has been less than 1 percent of GDP, and this is the social area where the gap is widest compared to the rest of Latin America. In 2022, public spending on social protection was 4.3 percent of GDP in the region, compared with 0.5 percent for Honduras (Panel D of Figure 1.9).

Figure 1.9. Public social spending as a percentage of GDP, Honduras and Latin America, 2010-2022



Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

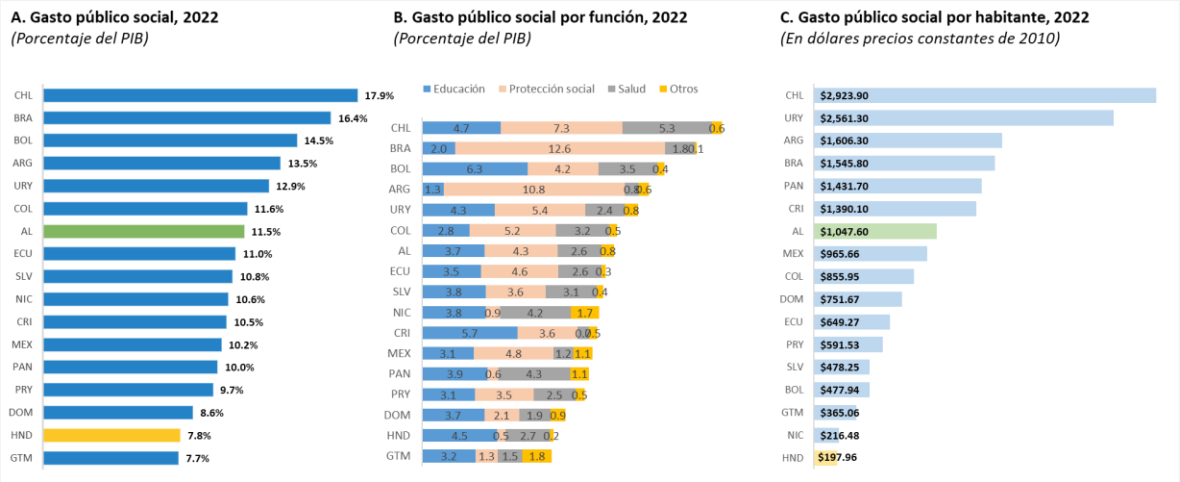
Among Latin American countries, Honduras and Guatemala have the lowest public social spending as a percentage of GDP, at 7.8 and 7.7 percent, respectively (Panel A of Figure 1.10). In education, Bolivia, Chile, Argentina, and Honduras are the countries with the highest social spending on education as a percentage of GDP. When disaggregating public spending on education by classification of government functions, [27]it is notable that preschool and primary education accounts for the largest share of spending as a percentage of GDP—an average of 2.7 percent between 2015 and 2020—followed by secondary education (1.1 percent of GDP on average) and other unspecified components (1.2 percent of GDP on average). In this regard, the Inter-American Development Bank (2018) report indicates that Honduras is one of the lowest-income countries in the region, allocating

[27] The Functions of Government Classification (FGC) is a detailed classification of the functions, or socioeconomic objectives, pursued by government units through different types of expenditures. The FGC provides a classification of government expenditures by function (IMF, Government Finance Statistics Manual 2014, based on paragraph 6.126).

less than 20 percent of its spending on post-secondary education (Izquierdo et al., 2018). [28]Similarly, a recent study on the efficiency of public spending indicates that more than 90 percent of the budget executed in education is spent on personal services (salaries), non-personal services (payment of services), and materials and supplies (OPCA, 2024).[29]

On the other hand, Nicaragua and Honduras have the lowest amounts of public spending on social protection (panel B of Figure 1.10). Likewise, in 2022, public social spending per capita in Honduras was $197.9 dollars, at constant 2010 prices, the lowest in the region and barely equivalent to 18 percent of the average social spending per capita in Latin America (panel C of Figure 1.10).

Graph 1.10. Social Public Expenditure, Latin America, 2022



Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

1.1.3. Fiscal policy and poverty

As analyzed, public social spending in Honduras is low, variable, and dispersed, with insufficient budget allocation to meet the needs of the social sector. [30]Furthermore, between 2010 and 2023, data show a reduction in the percentages allocated to the health and education sectors in the national budget (Education: from 32.3 percent in 2010 to 16.4 percent in 2024, and Health: from 14.7 percent to 11.7 percent). [31]Similarly, a reduction in resources for the implementation of the

[28] Izquierdo, A., C. Pessino, and G. Vuletin. "Education Spending: When Every Penny Counts." *Better Spending for Better Lives: How Latin America and the Caribbean Can Do More with Less* (2018). Washington, DC: Inter-American Development Bank.

[29]OPCA. (2024). Public Spending Efficiency Index. An assessment of public sector spending in Honduras. Tegucigalpa: Anti-Corruption Criminal Policy Observatory.

[30]During the pre-pandemic period, only the full amount of conditional cash transfers (CCTs) were paid in 2016, according to the design.

[31]Data from CEPALSTAT for 2023 show that in Latin America, average spending on education and health was 3.7 and 2.5 percent of GDP, respectively; this falls short of the recommendation to allocate at least 4 to 6 percent of GDP or at least 15 to 20 percent of public spending to the education sector (Education 2030 Framework for Action, UNESCO, 2015); and

Poverty Reduction Strategy is observed, from 45.2 percent to 24.46 percent [32.33] Although the PRS regulatory framework establishes that external debt relief resources must be allocated exclusively to PRS programs and projects, [34]there was also a decline in investments related to children, childhood, and adolescents between 2014 and 2024.[35]

Fiscal policy has a smaller impact on reducing inequality; however, in Honduras it has a smaller redistributive effect compared to other Latin American countries, including Central American countries such as El Salvador, Nicaragua, and Costa Rica. This is explained by the fact that the tax system contributes to the increase in poverty, since for the poorest households the burden of indirect taxes is not offset by social transfers (World Bank, 2023, pp. 90).[36]

1.1.4. Impact of natural disasters on development

Another factor that has negatively affected the country's development has been its high vulnerability to natural phenomena. Figure 1.11 illustrates the number of natural disasters—including droughts, floods, storms (hurricanes), and forest fires —in Honduras for the period 1990–2023, as well as the trend in greenhouse gas (GHG) emissions—excluding land use, land-use change, and forestry.

Climate Watch data, in 2021, Honduras' GHG emissions reached 22 MtCO2e, representing 0.6 percent of total global emissions and equivalent to 2.16 tCO2e per capita, a level well below the average for the LAC region (4.95 tCO2e per capita) and the rest of the world (6.11 tCO2e per capita). However, Honduras is one of the countries most vulnerable to the impact of extreme natural disasters.

Hurricane Mitch, which struck Honduras in 1998, had devastating effects and marked a critical point in the country's history in terms of natural disasters. Considered the deadliest hurricane in the Western Hemisphere since 1780, Mitch caused unprecedented human and material losses. The National Reconstruction Plan drafted after the hurricane recorded 5,657 deaths, 8,058 people

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of allocating 6 percent of GDP to public health (Sustainable Health Agenda for the Americas 2018-2030). Social Panorama, pp. 139-140.

[32]https://fosdeh.com/publicacion/general-budget-of-the-republic-of-honduras-2024-data-and-fosdeh-perspectives-based-on-22-essential-questions/

[33]An analysis by the Central American Institute for Fiscal Studies shows a reduction in planned public spending on education, research, culture, and recreational activities, from 5 percent of GDP in 2019 to 4.6 percent in 2020; in health, a change from 2.5 to 2.4 percent of GDP is observed between 2019 and 2020. Meanwhile, the social protection budget went from 0.5 percent of GDP in 2019 to 0.6 percent of GDP in 2020. Honduras: Analysis and recommendations on the Draft General Budget of Income and Expenditures of the Republic of Honduras for Fiscal Year 2020. ICEFI 2020. https://observatoriosocial.cepal.org/inversion/es/paises/honduras .

[34]The Poverty Reduction Fund Law (ERP), established by Decree No. 70-2002 and its amendments, provide regulatory support to the Poverty Reduction Strategy (2001).

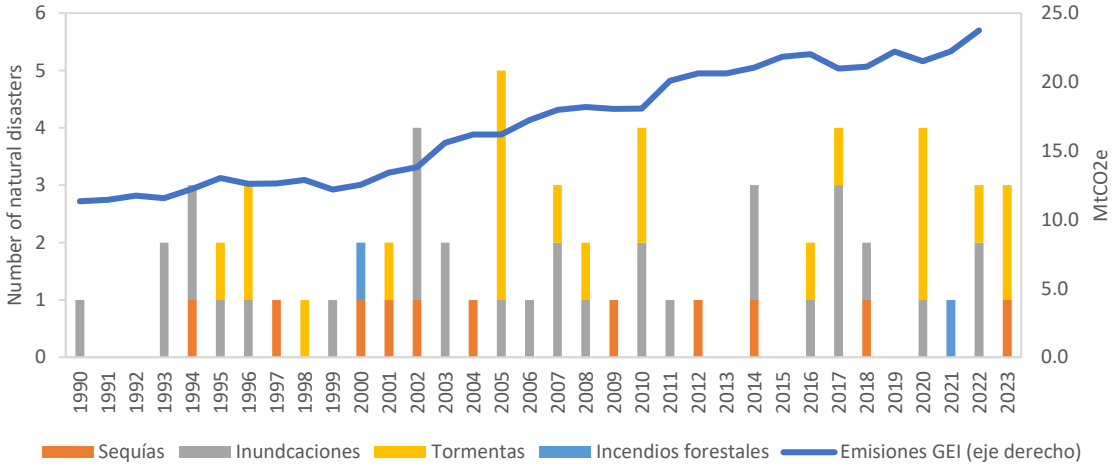
[35] UNICEF. (2018). Public Investment Targeted at Children and Adolescents in Honduras: Is Childhood a Priority in the 2025 Budget Proposal? (White Paper).

[36]Ibid.

legally considered missing, 12,272 injured, and 1.5 million homeless. According to the Economic Commission for Latin America and the Caribbean (ECLAC), total damage suffered by the country amounted to US$3.794 billion—representing nearly 70 percent of GDP. The replacement cost was estimated to exceed US$5 billion (almost 100 percent of GDP). [37]This phenomenon caused massive flooding, landslides, and the destruction of key infrastructure, including roads, bridges, hospitals, and schools, paralyzing the economy and severely impacting the agricultural sector, leaving thousands of families in extreme poverty and food insecurity.

According to the World Bank (2023), [38]in 2020, losses caused by tropical storms Eta and Iota are estimated at USD 1.8 billion, equivalent to 7.5 percent of 2019 GDP, causing large agricultural losses and increasing food insecurity. This report also points out that, as a result of climate change, one of the most affected sectors is the agricultural sector, which puts the food security of the poorest and most vulnerable households at risk and increases internal displacement and migration flows abroad.

Figure 1.11. Number of natural disasters and greenhouse gas emissions, Honduras, 1990-2023



Note: GHG emissions exclude land use, land-use change, and forestry.
Source: Prepared with the International Disasters Database (EM-DAT), Centre for Research on the Epidemiology of Disasters (CRED)/UCLouvain and Climate Watch.

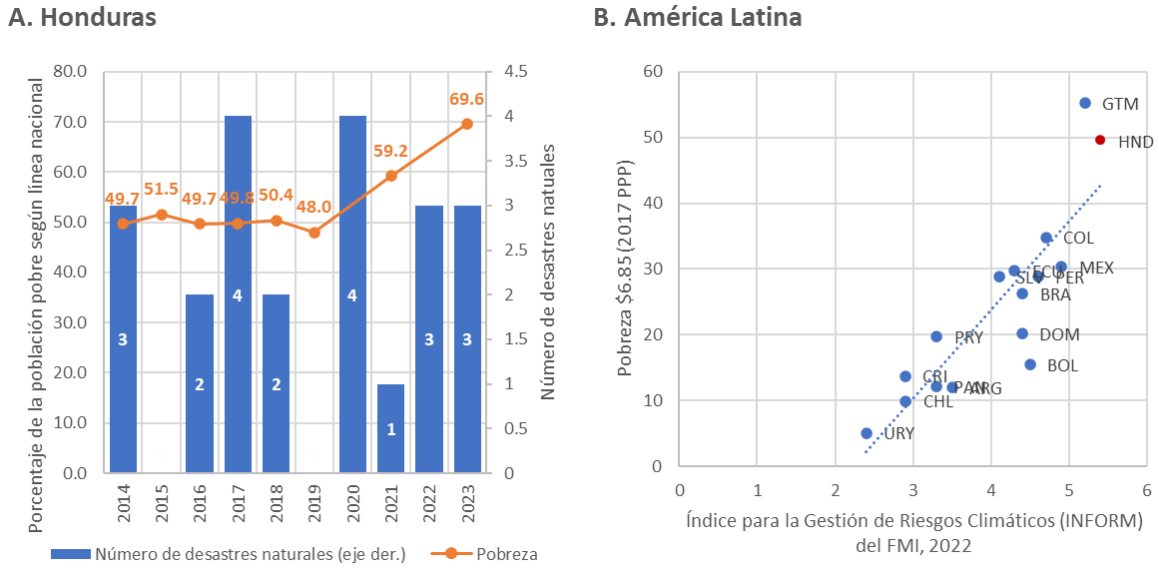
Figure 1.12 illustrates the relationship between natural disasters and poverty. In Guatemala and Honduras, a positive relationship is observed between the number of disasters and poverty. In the regional context, a positive correlation is observed between the International Monetary Fund's (IMF) Climate Risk Management Index (INFORM) and the percentage of the population living in poverty. Honduras and Guatemala are the countries in the region with the highest Climate Risk

[37]Government of Honduras (1999), Master Plan for National Reconstruction and Transformation: Strategy to Promote Accelerated, Equitable, Sustainable, and Participatory Development. Available at: https://reliefweb.int/report/honduras/plan-maestro-de-la-reconstruccion-y-trasformacion-nacional-estrategia-para-impulsar

[38]Ibid.

Management Index, as well as the countries with the highest percentage of the population living in poverty.[39]

Figure 1.12. Correlations 2variables and poverty



Note: The INFORM risk index is a global assessment of the risks of humanitarian crises and disasters. The index used in the graph is the IMF staff-adjusted INFORM Index, which has three dimensions: hazard and exposure, vulnerability, and lack of adaptive capacity. The index is scaled from 0 to 10, with higher index values indicating greater climate risk. For panel B, the data for Guatemala are for 2023 and correspond to projections estimated using microsimulation methodology. For the remaining countries, the latest available survey data from the World Bank's LAC Equity Lab database, corresponding to 2022 or 2023, is used.

Source: Prepared with the International Disasters Database (EM-DAT), Centre for Research on the Epidemiology of Disasters (CRED)/UCLouvain and Climate Watch, and data from the International Monetary Fund and the National Institute of Statistics (INE).

To address the risks and consequences of climate change, the 2024 General Budget of the Republic allocated 4.8 percent of its total budget (L. 19,545.3 million of the total L. 407,137.5 million) to this phenomenon. Among the sectors to which the largest portion of this budget is allocated are energy (57.2 percent of the total), land use planning, infrastructure and housing (26.9 percent of the total), and risk management (6.3 percent of the total). However, considering Honduras's high exposure to disasters and the low coverage of social protection programs to respond to them, Honduras is one of the most vulnerable countries to climate shocks in the region [40].

[39] Data to measure the level of disaster and humanitarian crisis risks disaggregated at the departmental and municipal levels are available at https://sara.humanitarianresponse.info/inform-honduras.

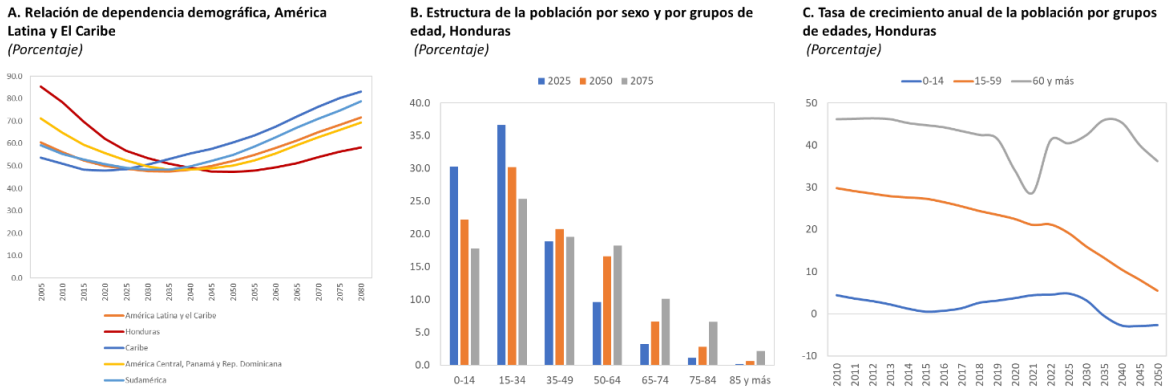
[40] Social Protection and Climate Change: How to Protect the Most Vulnerable Households from New Climate Threats? IDB: Alexandre Bagolle Cecilia Costella Laura Goyeneche, April 2023.

1.2. Demographic transition in Honduras

Finally, Figure 1.13 presents the evolution of demographic indicators. The demographic dependency ratio—which measures the potential for economic dependency—shows that between 2015 and 2045, the country will be in a productive age period, characterized by an increase in the working-age population and a lower proportion of the dependent population (children and the elderly).[41]

However, population projections predict that starting in 2050, the percentage of the working-age population will decline, while the growth rate of the population aged 60 and over will increase. To make more efficient use of the period when the dependency ratio is lower, it is ideal to establish actions to increase productivity and contribute to the development of human capital—in the areas of health, nutrition, social protection, and education—as well as employment policies that facilitate job placement. At the same time, a care system with cost-effective care models and programs for older adults and people with disabilities must be built.

Graph 1.13. Demographic indicators



Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

1.3. Poverty and inequality

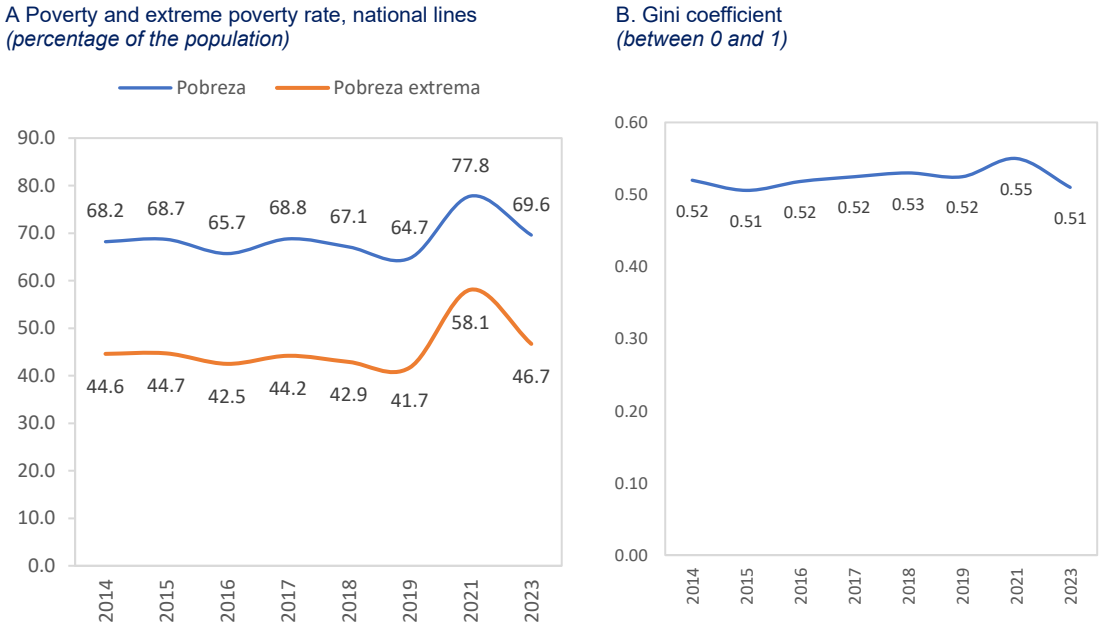
In 2023, data from the Permanent Multiple Purpose Household Survey (EPHPM) in Honduras show that 69.6 percent of the population lives in poverty—measured by the Poverty Line method, which is defined as the cost of the Basic Food Basket—and 46.7 percent lives in extreme poverty (Figure 1.1 4) [42]. Between 2014 and 2019, the data show a 3.5 pp reduction in poverty and a 2.9 pp reduction

[41] A demographic indicator of potential economic dependency that measures the theoretically inactive population relative to the theoretically active population, regardless of their labor force status. It is calculated by adding the number of people aged 0 to 14 years to the population aged 65 and over and dividing the result by the population aged 15 to 64, multiplied by 100.

[42] The definition of poverty follows the method used in the Permanent Multiple Purpose Household Survey (EPHPM) of Honduras, in which the poverty line is defined as the cost of the basic food basket. Inequality is measured using the Gini coefficient. Poverty is estimated using national lines using the Poverty Line method, which is defined as the cost of the basic food basket for relative poverty and the cost of the basic food basket for extreme poverty. This methodology consists of establishing, based on household income, their capacity to satisfy, through the purchase of goods and services, a set of food and non-food needs considered basic (INE, 2023). In 2023, the relative and extreme poverty lines were $4,931.94

in extreme poverty. However, following the COVID-19 pandemic, between 2019 and 2021, there was an increase of 13.1 and 16.4 pp in poverty and extreme poverty, respectively. In 2023, a reduction of 8.2 pp in poverty and 11.4 pp in extreme poverty was observed compared to 2021. On the other hand, inequality – measured by the Gini index – has remained relatively high and constant between 2014 and 2023 (panel B of Figure 1.14).

Chart 1.14. Evolution of poverty and inequality in Honduras, 2014-2023



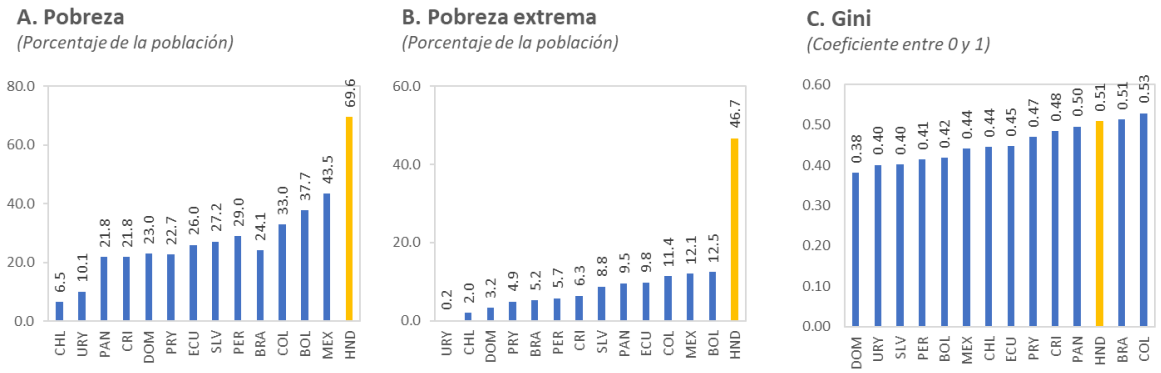
Note: Poverty estimates using national poverty lines are measured using the Poverty Line method, which is defined as the cost of the basic food basket for relative poverty and the cost of the basic food basket for extreme poverty. This methodology consists of establishing, based on household income, their ability to satisfy, through the purchase of goods and services, a set of food and non-food needs considered basic (INE, 2023).
Source: Prepared with data from the National Statistics Institute (INE).

When compared with the rest of the Latin American countries (Figure 1.15), using national poverty lines, [43]Honduras is the country in the region with the highest incidence rates of poverty and extreme poverty, and ranks second—along with Brazil—among the countries with the greatest inequality in the region, according to the Gini coefficient.

and $2,538.78 for urban areas, and $2,465.97 and $1,901.71 for rural areas, respectively. Estimating poverty using the international line of $6.85 per day in 2017 PPP allows for cross-country comparisons and is calculated by adding a measure of well-being (income or consumption) and an imputed income value at the household level. These are then converted to per capita terms by dividing by the number of household members (World Bank, 2024).

[43]It is important to note that poverty data estimated using national lines are not strictly comparable across countries, as each country uses different methodologies and poverty thresholds.

Figure 1.15 . Incidence of poverty and inequality in Latin America, national lines, 2023 (or latest available year.)

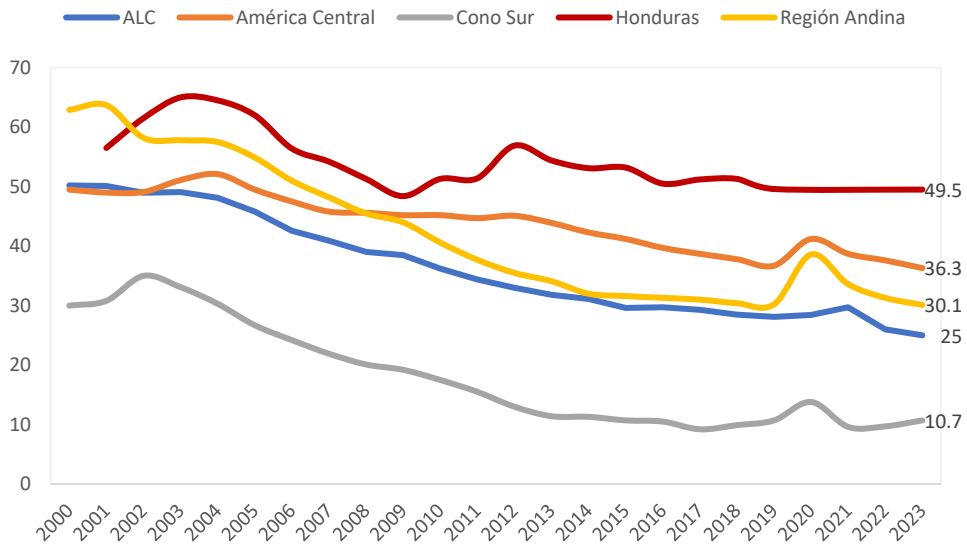


Note: For Bolivia, Brazil, Chile, and Mexico, the latest available data is from 2022. For Panama, the data is from 2021, and for other countries, the data is from 2023.

Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

Figure 1.16 presents the poverty incidence rates of Latin American countries, using the international poverty line equivalent to $6.85 in 2017 PPP. In 2019, Honduras's poverty incidence rate was much higher than the average for LAC, at 49.6 percent, compared to 28.1 percent, and the level observed in Central America (36.7 percent). Between 2001 and 2019, LAC and Central America recorded larger reductions in the poverty incidence rate than Honduras, at 22 and 12.3 pp, respectively, compared to 7 pp in Honduras. Moreover, the country's downward trend in poverty reduction has reversed since the 2010s, and in 2023 the value was above the 2011 level.

Figure 1.16. Poverty incidence rate with the international line of $6.85 per day in PPP 2017 Latin America, 2000-2023



Source: Prepared with data from the LAC Equity Lab of SEDLAS (CEDLAS and World Bank).

HONDURAS
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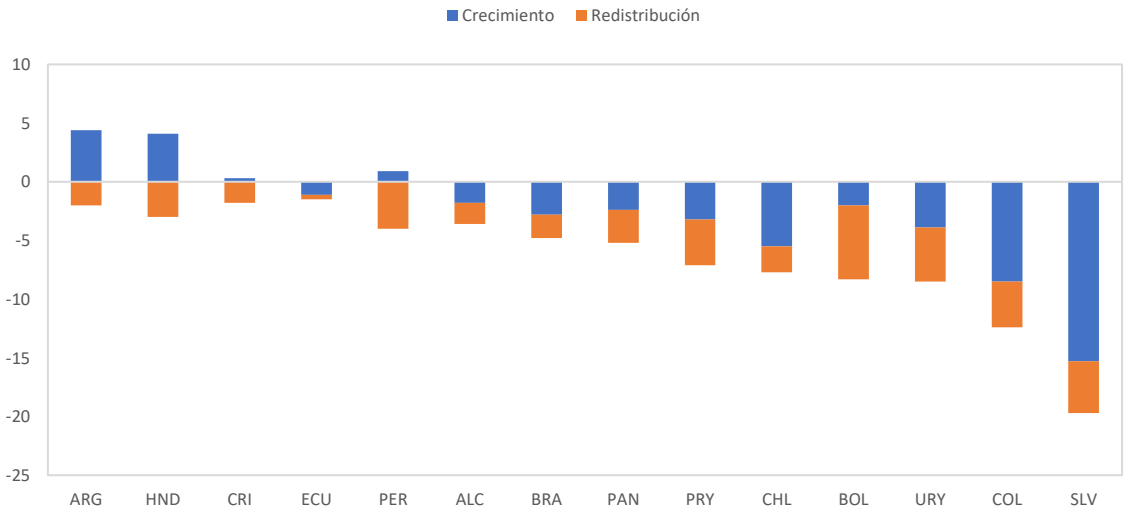
To further understand the dynamics of observed changes in the poverty headcount rate, Figure 1.17 presents the decomposition of changes in estimated poverty using the $6.85 per day line (in 2017 PPP). This decomposition disaggregates changes in poverty based on the effects of economic growth (change in household income) and/or income distribution, providing an approximation of the extent to which growth has benefited the lower-income population.

In general terms, the decomposition suggests that the reduction in the poverty incidence rate over the last decade (2012-2022) in LAC is associated with changes of the same magnitude in economic growth and income distribution. This is different from the dynamics observed in Honduras, as economic growth had a regressive effect, which generated an increase in the poverty incidence rate. In contrast, the redistribution effect contributed to poverty reduction during the analysis period. However, when both effects (growth and distribution) are taken into account, it is observed that the effect of economic growth was greater than the redistributive effect, generating an increase in poverty as a result of the net effect. Argentina and Honduras are the countries in the region that registered an increase in the poverty rate, which is explained by the regressive effect of the change in average household income.

Figure 1.17. Disaggregation of changes in poverty by growth and redistribution effect, 2012-2022, with international line of $6.85 per day in 2017 PPP



Source: Prepared with data from the LAC Equity Lab of SEDLAS (CEDLAS and World Bank).

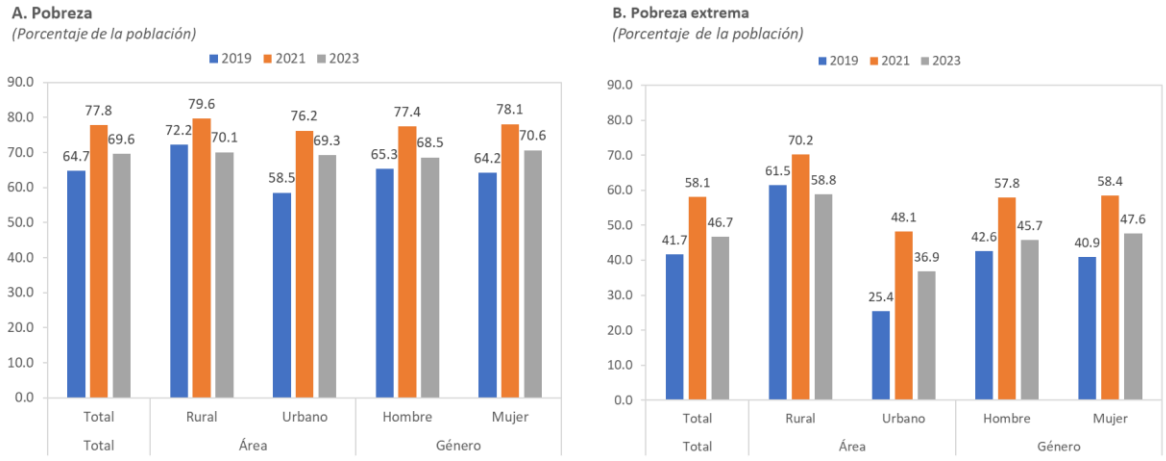
1.3.1. Profile and changes in poverty by population groups

According to data from the EPHPM, which measures poverty based on the Poverty Line defined as the cost of the Basic Food Basket for relative poverty and the cost of the basic food basket for extreme poverty, in 2023, 69.6 percent of the Honduran population will be living in poverty, and 46.7 percent will live in extreme poverty. Between 2019 and 2023, poverty increased by 4.9 percentage points and extreme poverty increased by 5 percentage points. In addition, it is observed that poverty has a greater impact in rural areas, with 70.1 and 58.8 percent living in poverty and extreme poverty, respectively, compared to urban areas, where levels of 69.3 and 36.9 percent are recorded (Chart 1.18).

It highlights that between 2019 and 2023, the increase in poverty is largely explained by the rise in the incidence of poverty in urban areas, which registered a growth of 10.8 percentage points during that period, while in rural areas there was a decrease of 2.1 percentage points in the percentage of the population living in poverty. For extreme poverty, the data show similar changes, with an increase of 11.5 percentage points in the percentage of the urban population living in extreme poverty, and a reduction of 2.7 percentage points in the incidence of poverty in rural areas. The largest increase in poverty is associated with the context of the health and economic crisis, which generated a significant drop in employment—mainly in urban areas due to lockdown policies—which, in a highly informal economy, leads to a decrease in income levels and, therefore, in private consumption.

By gender, in 2023, 68.5 percent of men and 70.6 percent of women will be living in poverty. Between 2019 and 2023, the percentage of women living in poverty increased more than that of men (6.4 percentage points vs. 3.2 percentage points). Regarding extreme poverty, between 2019 and 2023, the percentage of women living in this condition increased by 6.7 percentage points, while men registered an increase of 3.1 percentage points over the same period.

Figure 1.18. Percentage of the population living in poverty, by population group, Honduras, 2019-2023



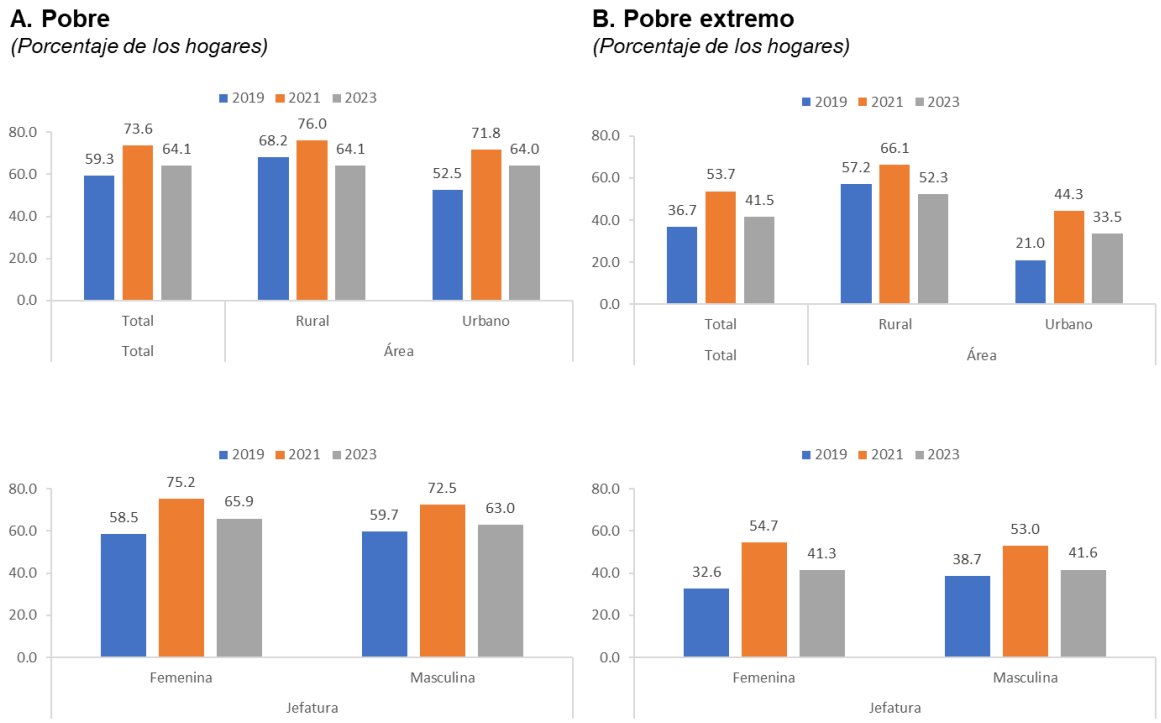
Note: Data correspond to the traditional methodology. Poverty measured using the Poverty Line Method, defined as the cost of the basic food basket.

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Figure 1.19 presents the incidence rate of poverty and extreme poverty by household and population subgroup. In 2023, 64.1 percent of households lived below the poverty line and 41.5 percent lived below the extreme poverty line. Between 2023 and 2019, the percentage of households in both poverty and extreme poverty increased by 4.8 percentage points.

By household head, 65.9 percent of households headed by women lived in poverty in 2023, an increase of 7.4 pp compared to 2019, and 41.3 percent lived in extreme poverty, an increase of 8.7 pp compared to 2019. Among households headed by men, 63 and 41.6 percent lived in poverty and extreme poverty, respectively, with less pronounced increases than those observed in households headed by women (Figure 1.19).

Figure 1.19. Percentage of households living in poverty, by population group, Honduras, 2019-2023



Note: Data correspond to the traditional methodology. Poverty is measured using the Poverty Line Method, defined as the cost of the basic food basket.

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

By area, in 2023, 64.1 percent of rural households and 64 percent of urban households were below the poverty line, and 52.3 percent and 33.5 percent of rural and urban households, respectively, lived in extreme poverty. Using the Multidimensional Poverty Index, 83.5 percent of the rural population lives in multidimensional poverty, compared to 49.2 percent of the urban population.[44] Furthermore, a concentration of poverty is observed at the territorial level, exemplified by the gap in basic services and the results of territorial indicators (Table 1.1). This inequality contributes to the stagnation of well-being and inhibits productivity in these territories, limiting the population's participation in economic growth, further concentrating poverty, and driving migration.

[44] Honduras Poverty Assessment, World Bank 2023.

Table 1.1. Indicators at the territorial level

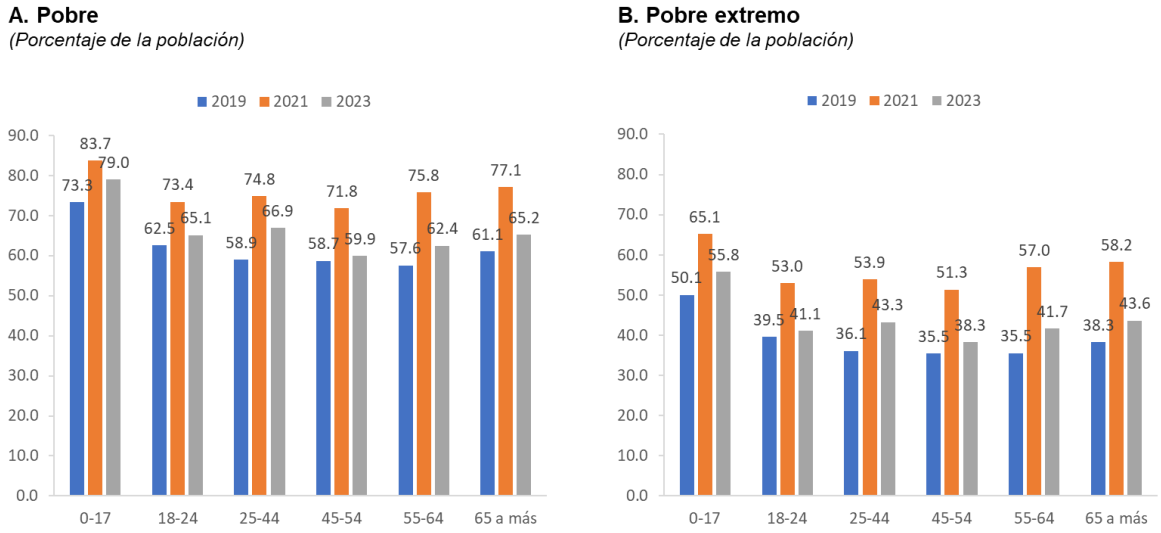
Fuente: ENDESA 2019	Bajo Peso para la Edad - 2SD	Uso de Combustibles contaminantes	Pob%en Quintir Mas	Tasa de Mortalidad Infantil 0 a 5	%Pob con Agua Contaminada	Educ basica 1 a 6 completo	% Mujeres 15 a 19 con Hijo Vivo Nacido
Tabla	TC8.1	TC4.7	SR2.3	CS2	WS1.7		TM2.2W
Urbano	5.2	24.4	2	19	40.5	93.3	13.3
Rural	8.5	77.3	35.1	26	74.7	82.6	23.2
Atlantida	4.6	38.4	10.1	26	56.3	89	21.3
Comayagua	6.9	70.3	22.6	28	68.7	84	21.4
Copan	13.1	68.4	21.1	23	62.6	72	13.9
Choluteca	9.7	73.6	30.3	26	72.3	90	13.3
El Paraiso	6.1	79.9	36.8	22	73.7	85	21.8
Olancho	5.8	70.6	37.2	25	79.7	79	26.9
Lempira	13.8	89.6	44.4	20	74.6	77	21.7
La Paz	5.9	84	43.4	24	59.1	91	18.1
Ocotepeque	8.2	70.1	16.6	23	75	82	16.3
Intibuca	8.8	88.3	46.8	28	63.2	85	27.4
Santa Barbara	7.4	72.4	18.4	20	71.6	83	19.7
Sin educación	12	81.4		29	76.6	70.4	n.d.
Basica 1-3	12.4	74.5		33	71.1	79.5	50.8
Basica 4-6	8.1	55.6		23	62.8	89.3	32.5
Básica 7-9	4.5	33.9		23	47.3		19.7
Lenca	6.8	72		17	61.7	88.6	17.8
Maya Chorti	9.8	49.4		11	53	82.5	n.d.
Garifuna	1.1	21.9		14	36.5	95.2	n.d.
Miskito	6.6	61.2		28	83.1	73	23.4
Más Pobre	11.7	98.7		31	87.9	72.2	29.3
Segundo Más Pobre	8.4	92.7		28	76.6	84	23.1
Medio	6.1	57.2		18	57.7	90.1	21.3

TC8.1	Estado Nutricional de los Ninhos
TC4.7	Dependencia principal en combustibles y tecnologia limpios para cocinar e ilumunación.
SR2.3	Quintiles de Riqueza
CS2	Tasas de mortalidad en menoresde 5 anhos por caracteristicas socioeconómicas
WS1.7	Calidad del agua para beber de los hogares.
TM2.2W	Maternidad temprana (mujeres jóvenes)

Source: National Demographic and Health Survey (ENDESA) of Honduras, INE 2019.

On the other hand, the disaggregation by age groups shows that a higher proportion of vulnerable groups—children and adolescents (NNA) and the elderly—live in conditions of poverty and extreme poverty in 2023 (Figure 1.20).

Figure 1.20. Percentage of people living in poverty, by age group, Honduras, 2019-2023



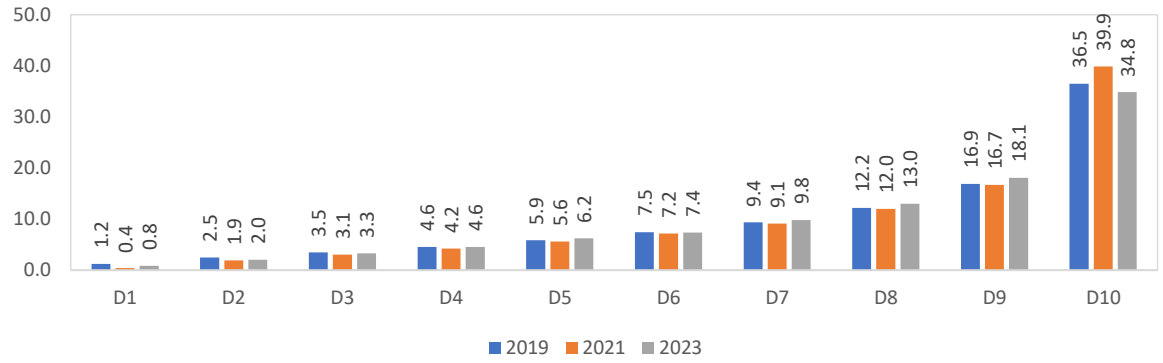
Note: Data correspond to the traditional methodology. Poverty is measured using the Poverty Line Method, defined as the cost of the basic food basket.

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Figure 1.21 illustrates the distribution of household per capita income by decile for the years 2019 and 2023. The data indicate that for Honduras, in 2023, the tenth decile concentrated 34.8 percent of wealth, which constitutes a reduction of 1.7 pp compared to 2019. In contrast, for the poorest decile, the decrease in 2023 compared to 2001 was 0.4 pp. However, the reduction in the wealth concentration of the richest decile is associated with increases in the wealth concentration of deciles 8 and 9, and not with a redistributive effect in the low-income deciles. Furthermore, the richest 1 percent of the population received approximately 30 percent of total income, making Honduras one of the most unequal countries in the world.[45]

[45] Garriga, Santiago; Nuñez, Wilman; De Gouvea Scot De Arruda, Thiago; From Carmen, Giselle. *Two Decades of Top Income Shares in Honduras (English).* Policy Research working paper; No. WPS 10722; RRR; PROSPERITY Washington, DC: World Bank Group. http://documents.worldbank.org/curated/en/099302403182435474

Figure 1.21. Income concentration by decile, Honduras, 2019-2023



Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

1.4. Health, nutrition and social protection

This section analyzes indicators associated with health, nutrition, and social protection in Honduras, covering the prenatal, early childhood, childhood and adolescence, and youth and adulthood stages. As illustrated below, Honduras presents a mixed picture in this area, with significant progress, primarily in the prenatal and early childhood stages, but challenges in indicators such as the tuberculosis incidence rate, access to safe water and sanitation, and teenage pregnancies, among others.

1.4.1. Prenatal stage

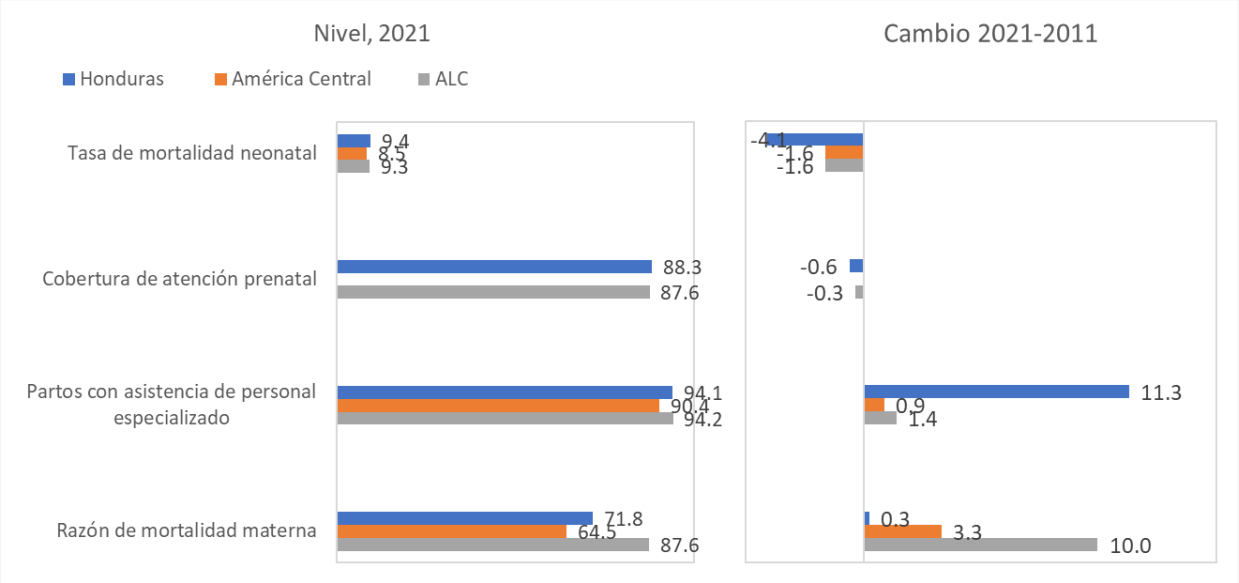
The maternal mortality ratio per 100,000 live births in Honduras was 71.8 in 2020, lower than the 87.6 recorded in LAC and higher than the average for other Central American countries, which was 64.5. [46]Regarding the trend, between 2011 and 2020, Honduras showed a smaller increase in this indicator compared to the average for Central America and LAC (Figure 1.22).

Another indicator is prenatal care coverage. [47]Available data indicate that this indicator was 88.3 percent in 2019, similar to the Latin American average of 87.6 percent in the same year. Continuing with this same figure, between 2012 and 2019, Honduras registered a decrease in coverage of 0.6 percentage points, higher than the 0.3 percentage point reduction observed in LAC over a similar period (Figure 1.22).

46 The maternal mortality ratio is defined as the number of maternal deaths per 100,000 live births and considers only the death of a woman while pregnant or within 42 days of the termination of her pregnancy, regardless of the duration and site of the pregnancy, due to complications of pregnancy, childbirth and the puerperium but not due to accidental or incidental causes.

47Pregnant women receiving prenatal care are the proportion of women assisted at least once during pregnancy by trained health personnel for pregnancy-related reasons.

Chart 1. 22 . Indicators in the prenatal stage



Note: For the variables prenatal care coverage and births with prenatal care coverage, the change is calculated between 2019 and 2011. For the maternal mortality ratio variable, the change is calculated between 2012 and 2020.

Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

Figure 1.22 presents the rate of births attended by skilled personnel. [48]For Honduras, this indicator reached 94.1 percent in 2019, similar to the LAC average of 94.2 percent in the same year. However, between 2012 and 2019, Honduras registered a greater increase (11.3 pp) than that observed in LAC (1.4 pp). Data from the 2019 Multiple Indicator Cluster Survey (MICS) show significant gaps between the poorest and richest quintiles, with values of 83 and 100 percent, respectively.

Another relevant variable at this stage is the neonatal mortality rate, which indicates the probability that a newborn will survive the first 28 days of life. [49]In this indicator, Honduras in 2021 showed a level similar to that of LAC, with 9.4, compared to 9.3 for the region, but higher than the Central American average of 8.5 for 2021. Likewise, the country showed faster rates of reduction with 4.1 percentage points between 2011 and 2021, compared to 1.6 for the rest of the region (Figure 1.22). Some variation is observed between areas (for example , the neonatal mortality rate rose to 15 in rural areas and up to 18 and 24 in the departments of Comayagua and Intibuca).[50]

[48] Births attended by trained health personnel (doctors, nurses, or midwives) who provide the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, attending under their own responsibility and providing care and assistance to the newborn.

[49] Neonatal mortality rate (NMR) is the number of deaths per 1,000 live births. This is the probability of a newborn dying during the first 28 full days of life.

[50]ENDESA, 2019

1.4.2. Early childhood

Figure 1.23 presents a set of indicators for the early childhood stage. The first indicator corresponds to the proportion of girls and boys with moderate or severe stunting. [51]In 2022, this indicator reached 17.5 percent in Honduras, higher than the LAC average of 11.5 percent in the same year. However, between 2012 and 2022, Honduras registered a larger decrease in this indicator compared to the LAC change, 4.5 pp vs. 1.2 pp. Likewise, the prevalence of malnutrition in children under 5 years of age [52]was 7.1 percent in Honduras, compared to 1.8 percent in LAC. Between 2012 and 2019, Honduras has not presented significant changes in this indicator, while LAC registered a reduction of 0.4 pp. As was the case with the neonatal mortality rate, early childhood rates also vary by area. For example, the Low Weight for Age indicator is 8.5 in rural areas compared to 5.1 in urban areas, but rises to more than 13 in Copán and Lempira.[53]

On the other hand, in 2022, the percentage of children between 12 and 23 months of age immunized with the diphtheria, pertussis, and tetanus (DPT) vaccine [54]was 78 percent in Honduras, slightly lower than the LAC average of 78.9 percent. It is noteworthy that, in this indicator, Honduras and the rest of LAC showed a decrease of approximately 10 percentage points between 2012 and 2022 (Figure 1.23). This decline in the pace of vaccine coverage at the regional level contrasts with trends in the rest of the world, which, according to a report by the United Nations Children's Fund (UNICEF), is associated with deficiencies in the region's health and public care systems (UNICEF, 2023). [55]The report also notes that public health emergencies such as Zika, chikungunya , and the COVID-19 pandemic contributed to the decline in immunization, particularly for households with lower socioeconomic status.

Infant mortality among children under 5 years of age is projected to reach 13.8 deaths per 1,000 live births in 2022, [56]compared to 13.5 in LAC. The decline in this indicator has been more rapid in the country, with a 3.7 percentage point decrease, compared to 2.2 percentage points in LAC, between 2015 and 2022 (Figure 1.23).

51 Prevalence of stunting (height-for-age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age.

[52]The prevalence of children with moderate and severe underweight is the percentage of children aged 0–59 months whose weight-for-age is less than two standard deviations below the median weight-for-age of the WHO Child Growth Standard reference population.

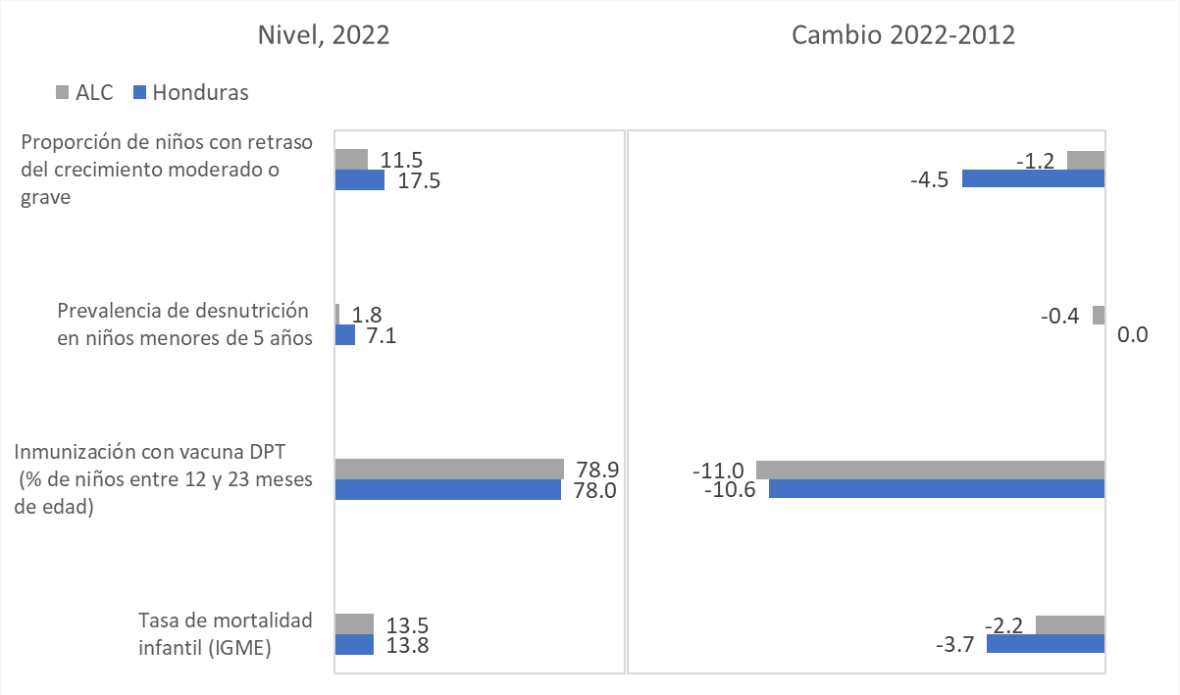
[53] ENDESA, 2019

[54]Childhood immunization measures the percentage of children between 12 and 23 months of age who received vaccinations before the age of 12 months or at any time prior to the survey. A child is considered adequately immunized against DPT after receiving three doses of the vaccine.

[55]UNICEF. (2023). Regional report: Latin America and the Caribbean. The State of the World's Children, 2023. For every child, vaccination.

[56]Probability of a newborn dying before reaching one year of age.

Figure 1.23. Early childhood indicators



Note: For the prevalence variable of malnutrition in children under 5 years of age, the change is calculated between 2012 and 2019.

Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) portal and data from the World Bank's Development Indicators.

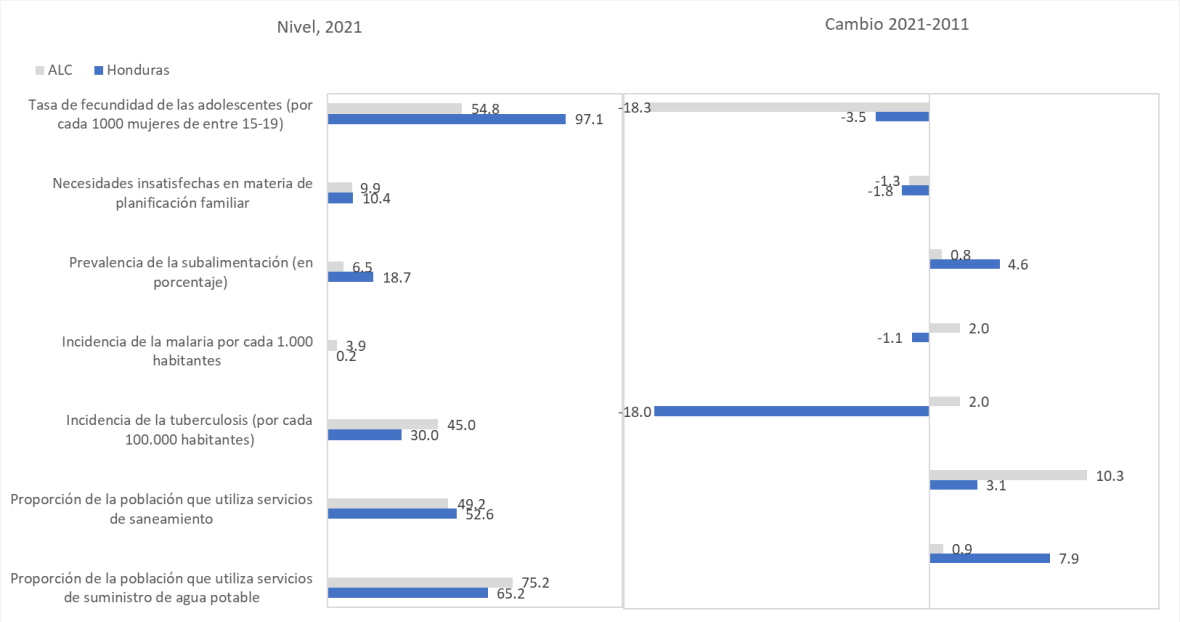
1.4.3. Adolescence and adulthood

Figure 1.24 illustrates health indicators for adolescence and adulthood. One priority dimension is adolescent pregnancy. The latest available data show that, in 2018, Honduras recorded 97.1 births per 1,000 women aged 15 to 19, which is considerably higher than the regional average of 54.8. [57]For this indicator, between 2010 and 2018, the country registered a decrease of 18 percentage points, higher than the change observed for LAC, between 2010 and 2020 of 3.5 percentage points. Furthermore, the adolescent fertility rate is higher in rural areas (115) than in urban areas (77), and decreases as the level of education increases (it reaches 236 among women with basic education 1-3 and 13 among those with higher education). It also decreases with wealth level (145 among adolescents in the poorest wealth quintile, compared to 35 among adolescents in the highest wealth quintile). This indicator is especially high in some departments with a high concentration of Indigenous and Afro-Colombian populations, such as Colon (124), Intibuca (122), Gracias a Dios

[57] The adolescent fertility rate is the number of births per 1,000 women between the ages of 15 and 19.

(125), and Olancho (147). [58]Similarly, the unmet need for family planning indicator [59]in Honduras was 10.9 percent, compared to 9.9 percent for the Latin American region, with a decrease of 1.8 pp between 2011 and 2023, compared to 1.3 pp for the rest of the countries.

Chart 1.24. Indicators 10adolescence and adulthood



Note: For the variable of malnutrition prevalence in children under 5 years of age, the change is calculated between 2012 and 2019. For the indicator of unmet needs for family planning, the change is calculated between 2011 and 2023.
Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) portal and data from the World Bank's Development Indicators.

The prevalence of undernourishment is another indicator that lags, with a prevalence of 18.7 percent among the Honduran population in 2021, compared to 6.5 percent in LAC in 2022. [60]Between 2011 and 2021, Honduras registered an increase in this indicator of 4.6 percentage points, greater than the change observed in LAC, which was 0.8 percentage points (Figure 1.24). Undernourishment indicators also vary by area, being especially evident in the chronic malnutrition index: at the national level, the percentage is 19 percent, but the difference between rural areas (23 percent) and urban areas (12 percent) is marked.[61]

[58]ENDESA 2019

[59]It corresponds to women, between 15-49 years old, regardless of their marital status, considered fertile and sexually active who declare that they do not want to have (more) children, or who declare that they want to delay the birth of their next child for at least two years or are undecided about the time of the next birth, but who do not use any contraceptive method.

[60]Proportion of the population whose usual food consumption is insufficient to provide the dietary energy levels required to maintain a normal active and healthy life.

[61]ENDESA 2019

next indicator corresponds to the malaria incidence rate. [62]In this dimension, Honduras has a lower level than the regional average, registering a rate of 0.2 cases per 1,000 inhabitants in 2021, much lower than the 3.9 cases per 1,000 inhabitants observed in the region in the same year. Between 2011 and 2021, the country almost completely reduced its malaria incidence, while LAC registered a 2 percentage point increase in this indicator.

Likewise, the tuberculosis incidence rate, which reached 30 cases per 100,000 inhabitants in Honduras in 2021, is lower than the Latin American average of 45 cases per 100,000 inhabitants. [63]While in Honduras this indicator shows a decrease of 18 points compared to 2011, in the rest of the region it has increased by 2 points.

Regarding access to improved sanitation facilities (drainage), [64]Honduras had a higher level than LAC in 2021, at 52.6 percent compared to 49.2 percent for the region. However, between 2012 and 2020, LAC increased coverage of this indicator by 10.3 percentage points, which contrasts with the 3.1 percentage point recorded in Honduras during the same period. Finally, another indicator presented in Figure 1.24 is the percentage of households with access to improved drinking water sources. In Honduras, there was a significant increase of 7.9 percentage points compared to 2012, reaching 65.2 percent in 2022, which is lower than the LAC average of 75.2 percent.[65]

1.4.4. Human Resources and Health Infrastructure

Honduras has one of the lowest health personnel coverage rates in Central America. In 2020, the density of health personnel per 10,000 inhabitants in the country was 4.9, while the regional average was 24.1 in 2021 (CEPALSTAT). There are entire municipalities with just one doctor, and access to specialized services is considered burdensome, as more than half of the population cannot access specialist consultations, while those who do face waits of several months. In rural areas, the situation is even worse, with health networks lacking care, centers without electricity or water, and more than 70 percent of facilities in need of repair or reconstruction. These challenges highlight the

[62]Rate per 1,000 population. The malaria incidence rate is the number of new cases of malaria recorded in the total population, including cases existing before the beginning of the year and continuing throughout the year, as well as new cases that have occurred during the year.

[63]The incidence of tuberculosis (TB) is the estimated number of new TB cases in a given year per 100,000 population. All forms of tuberculosis are included, as are cases in people with human immunodeficiency virus (HIV).

[64]The indicator corresponds to the proportion of the population using safely managed sanitation services, including a handwashing facility with soap and water. It is currently measured by the proportion of the population using a basic sanitation facility that is not shared with other households and where excreta are safely disposed of *on-site* or treated off-site. "Improved" sanitation facilities include: flush toilets or those flushed into sewer systems, septic tanks or pit latrines, improved ventilated latrines, pit latrines with a slab, and composting toilets. Population with a basic handwashing facility: a device for holding, carrying, or regulating the flow of water to facilitate handwashing with soap and water at home.

[65]The proportion of the population using safely managed drinking water services is currently measured by the proportion of the population using an improved basic drinking water source that is on-premises, available when needed, and free from fecal (and priority chemical) contamination. "Improved" drinking water sources include: piped water to homes, yards, or plots; public taps or standpipes; wells or tubewells; protected dug wells; protected springs; bottled water; water; and rainwater.

need to expand the hospital network nationwide and restore existing infrastructure, which is in precarious condition.[66]

1.4.5. Mental health[67]

There is considerable ignorance in the country about mental health and its relevance within the general health care system. Cultural prejudice and social stigma persist toward those who seek help from professionals and institutions specializing in mental health. Furthermore, there is a significant shortage of adequate resources and services to meet the needs of the population. The COVID-19 pandemic intensified this problem, causing a considerable increase in people with new mental health conditions, while the number of trained professionals remains insufficient.

In 2019, the country had only 0.66 psychiatrists per 100,000 inhabitants (CHEPES, 2021) [68]. Mental health spending represented only 1.75 percent of the government's health budget, of which 88 percent was allocated to three psychiatric hospitals and 12 percent to other mental health services. In that same year, fewer than 50 psychologists worked in the public sector, equivalent to 0.5 psychologists per 100,000 inhabitants. Added to this is the urgent need to improve coverage and care for people with disorders associated with violence. An estimated 30 percent of Hondurans suffered psychiatric disorders as a result of the pandemic, aggravated by factors such as the loss of loved ones, financial problems, hunger, domestic violence, uncertainty, and social stigmatization, all of which have a profound impact on mental health.

1.4.6. Violence against women

In the area of social protection, an important aspect is violence against women. Table 1.2 shows the evolution of the femicide rate per 100,000 women for Latin American countries with data for the period 2015-2022. In 2015, El Salvador and Honduras had the highest femicide rates in the region, with 8.4 and 7.7, respectively. The rest of the countries recorded figures much lower than those observed in these countries.

In 2022, Honduras recorded a femicide rate of 6 per 100,000 women, making it the country in the region with the highest rate for this indicator. Between 2020 and 2021, the femicide rate fell, but in 2023 it returned to its 2019 level.

Table 1.2. Femicide rate per 100,000 women, Latin America, 2015-2022

Country	2015	2016	2017	2018	2019	2020	2021	2022
Argentina	1.1	1.1	1.1	1.1	1.1	1.1	1	1

[66] Infrastructure information was taken from the Government Plan to Refound Honduras 2022-2026 and the Third Voluntary National Report of Honduras on SDGs.

[67] Mental health information was taken from the Government Plan to Refound Honduras 2022-2026, unless a different source of information is indicated.

[68] Honduran Center for the Study of State Policies in the Social Sector (CHEPES). Technical Opinion on Mental Health Policy (2004-2021). Honduras, 2021.

Country	2015	2016	2017	2018	2019	2020	2021	2022
Bolivia	1.8	1.9	2	23	2	1.9	1.8	1.5
Brazil		1.6	1.5	1.7	1.2	1.2	1.2	1.3
Chili						0.4	0.5	0.4
Colombia			0.8	0.9	0.7	0.7	0.8	0.8
Costa Rica	1.1	1.1	1.1	0.9	0.7	1.1	0.7	0.7
Ecuador	0.6	0.7	1.2	0.8	0.8	0.9	0.8	1
El Salvador	8.4	7.6	8	6.8	3.4	2.2	2.4	1.6
Guatemala	2.1	2.1	2.1	1.8	1.7	1.3	1.6	1
Honduras	7.7	5.8	5.1	4.6	6	4.5	4.6	6
Mexico	0.6	0.9	1.1	1.4	1.5	1.5	1.6	1.5
Panama	1.4	0.9	0.7	0.9	0.9	1.4	1	1.1
Paraguay	0.7	1.2	1.6	1.7	1.1	1.1	1	1.1
Peru	0.7	0.7	0.7	0.9	0.6	0.5	0.6	0.9
Dominican Republic	1.9	2	3.9	3	2.8	2.4	2.7	2.9
Uruguay	1.5	1.2	1.6	1.7	1.4	1.1	1.5	1.6

Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

In this regard, the results of the first National Specialized Survey on Violence Against Women and Girls (ENESVMN) of 2022 show that 1.8 million girls and women aged 15 and over indicated having experienced violence at some point in their lives (52.8 percent) and 23.2 percent indicated that they were victims of violence 12 months prior to the survey (INE, 2022) [69]. Psychological violence is the main type of violence that women aged 15 and over reported experiencing most frequently (39.5 percent), followed by property violence with 26.4 percent, sexual violence with 23.7 percent, and physical violence with 18.2 percent.

Other results from the 2022 ENESVMN indicate that the public sphere is the main dimension of violence experienced by women throughout their lives (40.1 percent), followed by the workplace (31.9 percent), and then the community sphere (20.9 percent). In the private sphere, 32.3 percent of women aged 15 and over reported experiencing violence at some point in their lives, with the main perpetrator being their current partner.

To explore the profile of women victims of gender-based violence in more detail, a *probit regression was estimated* , restricting the sample to women aged 15 to 64. The dependent variable takes the value of 1 if the woman was a victim of violence according to the area of violence in the last 12 months, and 0 otherwise. Among the explanatory variables, a set of sociodemographic

[69]INE. (2022). Report on the First National Specialized Survey on Violence Against Women and Girls Aged 15 and Over (ENESVMN).

characteristics was taken into account, including: a dichotomous variable that takes the value of 1 if the woman resides in rural areas; a categorical variable of education level with primary or less as the reference category; a categorical variable of age with a reference variable of 15 to 24 years; marital status takes the value of 1 if the woman is married or in a free union and zero otherwise; a dichotomous variable that takes the value of 1 if the woman has children; a dichotomous variable that takes the value of 1 if the woman is employed; and a variable indicating a history of childhood violence, which takes the value of 1 if the woman experienced episodes of gender-based violence in childhood. [70]The results are interpreted as associations between the variables, not causality.

Table 1.3 presents the marginal effects of the probability of being a victim of gender-based violence for five specifications in which the dependent variable varies. The results show that women in rural areas are less likely to experience gender-based violence in any setting, relative to women in urban areas. Furthermore, there is no statistically significant association between educational level and the probability of being a victim of gender-based violence; while age has a negative and statistically significant association with the probability of being a victim of gender-based violence for women aged 15 to 24.

On the other hand, married or cohabiting women are, on average, 19 percentage points more likely to have been victims of intimate partner violence in the past 12 months, compared to women with other marital statuses. Regarding the variable of history of gender-based violence in childhood, in other specifications, the marginal effect is positive and statistically significant, suggesting that women who experienced gender-based violence during childhood are more likely to be victims of gender-based violence in adulthood.

Table 1.3. Marginal effects of the probability of being a victim of gender-based violence in the last 12 months by area of violence for women aged 15 to 64, Honduras, 2022

Variables	(1) Gender violence in 12M	(2) Workplace violence on 12M	(3) Violence in education on 12M	(4) Community violence on 12M	(5) Domestic violence in 12M
Rural	-0.0629***	-0.0080	-0.0023	-0.0458	-0.0522**
	(0.021)	(0.031)	(0.028)	(0.033)	(0.026)
Secondary (CB: Primary or less)	0.0258	0.0377	0.0648*	0.0746*	-0.0127
	(0.028)	(0.042)	(0.036)	(0.045)	(0.035)
Tertiary (CB: Primary or less)	-0.0328	0.0021	0.0163	0.0457	-0.0295
	(0.025)	(0.035)	(0.035)	(0.041)	(0.033)
25 to 34 years old (CB: 15 to 24 years old)	-0.0727**	-0.0305	-0.0317	0.0328	-0.0750*
	(0.034)	(0.051)	(0.038)	(0.054)	(0.043)

[70]The childhood violence variable includes whether the woman experienced physical, psychological, or sexual violence in her childhood.

Variables	(1) Gender violence in 12M	(2) Workplace violence on 12M	(3) Violence in education on 12M	(4) Community violence on 12M	(5) Domestic violence in 12M
35 to 44 years old (CB: 15 to 24 years old)	-0.1680***	-0.0886*	0.0101	-0.0616	-0.1733***
	(0.036)	(0.052)	(0.045)	(0.058)	(0.046)
45 to 54 years old (CB: 15 to 24 years old)	-0.2214***	-0.0643	-0.0280	-0.1138*	-0.2636***
	(0.037)	(0.055)	(0.050)	(0.059)	(0.045)
55 to 64 years CB: 15 to 24 years)	-0.3131***	-0.2146***	-0.0350	-0.2618***	-0.3361***
	(0.042)	(0.057)	(0.056)	(0.063)	(0.050)
House or free union (CB: Single)	0.0168	-0.0876***	0.0020	-0.0575	0.1966***
	(0.023)	(0.032)	(0.028)	(0.037)	(0.028)
Has children	-0.0262	-0.0940**	-0.1419***	-0.1164**	-0.0521
	(0.036)	(0.048)	(0.038)	(0.051)	(0.052)
Busy	0.0408*	0.0501*	0.0190	0.0364	-0.0144
	(0.022)	(0.030)	(0.028)	(0.035)	(0.027)
He experienced episodes of violence in childhood	0.1907***	0.0790**	0.0360	0.1181***	0.0915***
	(0.022)	(0.031)	(0.028)	(0.034)	(0.027)
Pseudo R ^{2}	0.0642	0.0410	0.0866	0.0896	0.178
Observations	2,778	1,173	818	1,120	1,623

Note: Robust standard errors in parentheses. * p < 0.1; ** p < 0.05; *** p < 0.01

Source: Estimates from the 2022 National Specialized Survey on Violence Against Women and Girls (ENESVMN).

In the 2024 Budget Project, a total of L. 1,444,756,603 million was allocated to gender-related activities, programs, and projects. At the institutional level, the entity with the largest allocation is Red Solidaria (681,701,367 lempiras, or 47.5 percent of the total), followed by the Secretariat for Women (153,422,789 lempiras) and the National Directorate of the Ciudad Mujer Program (133,720,447 lempiras).[71]

1.5. Education

This section presents a description of the country's educational landscape. In this area, significant gaps are observed, with coverage levels below the regional average, as well as inequalities between population groups.

Table 1.4 presents public spending on education as a percentage of GDP in Honduras compared to LAC between 2019 and 2022. On the one hand, it is observed that Honduras has allocated a higher percentage of its GDP to education than the LAC average. On the other hand, the trend in public

[71] SEFIN (2023), Draft General Budget of Income and Expenditures of the Republic Fiscal Year 2024, Volume XVII, Women's Care.

spending has been downward: while in 2019 it was allocated 5.93 percent, in 2022 it was only allocated 4.44 percent.

Table 1.4. Public spending on education, total (% of GDP)

Country	2019	2020	2021	2022
Honduras	5.93	5.98	5.81	4.44
Latin America and the Caribbean	4.60	4.52	4.17	3.79

1.5.1. School attendance rate

Table 1.5 presents the school attendance rate by age group for Latin American countries with available data. This rate is defined as the total number of people in an age cohort attending a formal educational institution (school, college, university) divided by the total number of people in that age range. For the 4- to 5-year-old group, the attendance rate was 51.6 percent in 2023, a value below the Latin American average (77.4 percent), highlighting the low coverage of early childhood education services in the country. Between 2019 and 2023, the attendance rate for this cohort decreased by 3.4 percentage points. It is noteworthy that, in 2021, the attendance rate for this group registered the steepest decline among countries in the region.

Table 1.5. School attendance rates by age group, Latin America, 2019-2023 (or latest available year)

Country	School attendance rates by age group														
	4 to 5 years			6 to 11 years old			12 to 14 years old			15 to 17 years old			18 to 23 years old		
	2019	2021	2023	2019	2021	2023	2019	2021	2023	2019	2021	2023	2019	2021	2023
Argentina	92.9	89.7	96.2	99.1	98.9	99.3	97.7	99.4	98.9	92.4	94.2	95.2	52.5	57.9	53.6
Bolivia	62.2	62.2		98.9	98.9		96.3	97.4		91.1	94.0		56.2	54.8	
Brazil	94.8	86.2	93.0	99.4	98.5	98.2	98.9	99.1	93.9	89.7	93.9	77.6	33.4	35.6	41.9
Chili	89.5	78.0		98.8	91.8		99.4	92.9		94.1	91.6		51.3	58.3	
Colombia	66.3	58.6	61.9	96.7	95.4	96.8	93.9	96.6	94.9	77.8	80.6	84.6	34.3	32.4	37.0
Costa Rica	81.3	76.8	81.2	99.5	99.5	99.5	98.2	98.9	99.0	91.7	94.7	95.2	55.8	57.1	53.1
Dominican Republic	73.4	62.3		97.0	95.6		95.9	95.6		87.8	82.9		41.6	34.9	
Ecuador	45.2	38.4	43.5	98.6	97.6	98.7	96.5	96.4	96.9	85.0	85.7	86.2	37.0	38.0	34.0
Guatemala				87.8	93.4		80.8	84.9		57.6	55.7		20.4	20.0	
Honduras	55.0	38.3	51.5	95.5	81.8	94.6	74.3	63.0	73.8	55.5	48.7	53.3	24.4	21.4	22.2
Mexico	96.0	91.7	93.0	98.8	98.1	98.2	95.1	94.8	93.9	77.6	77.9	77.6	40.5	42.1	41.9
Peru	91.9	90.7		96.5	97.3		96.6	96.4		81.6	77.5		43.1	40.1	
Paraguay	41.9	39.2		99.1	98.8		96.2	95.7		82.6	83.2		37.1	38.0	
El Salvador	52.3	45.9	51.7	95.9	94.2	96.1	92.4	91.9	93.4	74.1	76.1	78.2	27.5	27.0	27.9
Uruguay	96.8	94.9	98.9	99.3	99.9	99.8	98.0	97.9	99.4	89.2	91.0	92.4	47.8	48.5	52.9
Average	74.3	68.1	77.4	97.4	96.0	98.3	94.0	93.4	96.3	81.8	81.9	85.9	40.2	40.4	42.8

Note: Argentina only has urban coverage. For Chile, the data corresponds to 2017 and 2020. For Mexico and Ecuador, the age is for 5-year-olds. For Latin America, it is a simple average.

Source: Estimates from household or employment surveys: Argentina – EPH (2019, 2021, 2022), Bolivia – ECH (2019, 2021), Brazil – PNADC (2019, 2021, 2022), Chile -CASEN (2017, 2020), Colombia – GEIH (2019, 2021, 2022), Costa Rica – ENAHO (2019, 2021, 2022), El Salvador -EHPM (2019, 2021, 2022), Ecuador – ENEMDU (2019, 2021, 2022), Guatemala – ENEI (2019, 2021), Honduras – EPHPM (2019, 2021, 2023), Mexico-ENOE (2019, 2021, 2022), Paraguay-EPHC (2019, 2020), Peru – ENAHO (2019, 2021), Dominican Republic-ENCFT (2019, 2021), Uruguay-ECH (2019, 2021, 2022).

For the 6- to 11-year-old cohort—which corresponds to the theoretical age for primary education attendance—Honduras recorded a rate below the regional average in 2023, at 94.6 percent, compared to 98.3 percent for the rest of the region. Furthermore, between 2019 and 2021, Honduras was the only country in the sample to report a 13.7 percentage point drop in this indicator, while the rest of the countries in the region recorded drops of less than 2 percentage points in the attendance rate for this group. By 2023, the attendance rate for 6- to 11-year-olds had recovered to its pre-pandemic level, but remains one of the lowest in Latin America.

The school attendance rate for the 12- to 14-year-old group in 2023 was 73.8 percent in Honduras and 96.3 percent in Latin America, making Honduras the country in the region with the lowest attendance rate for this cohort. Between 2019 and 2023, the attendance rate registered a change

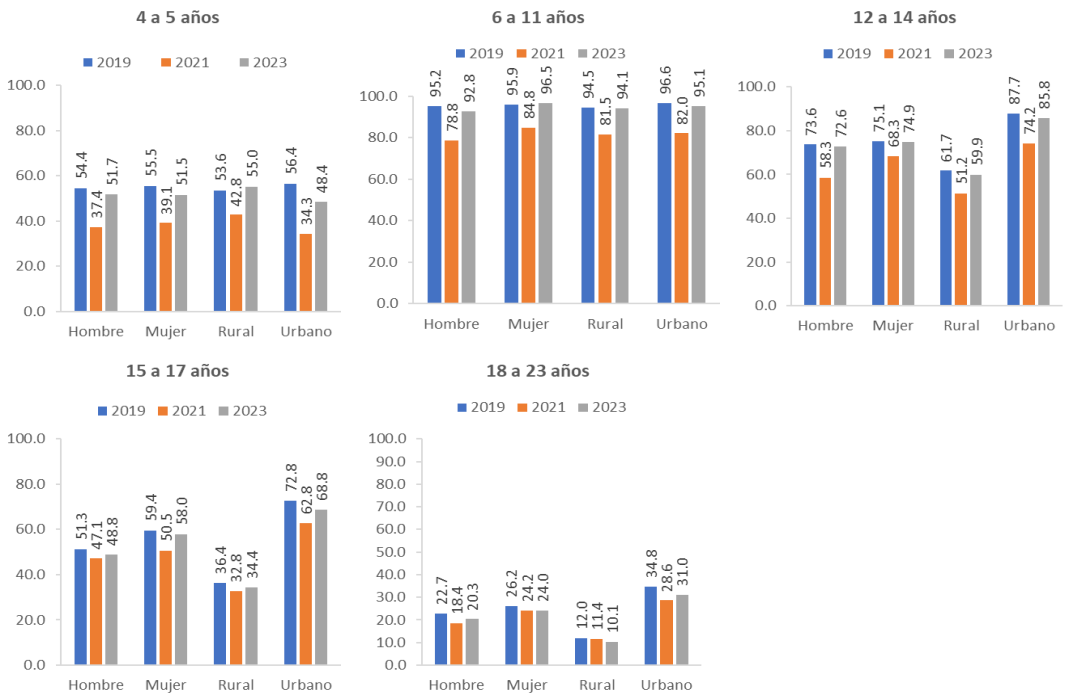
of 0.5 percentage points, but in the post-pandemic period, the drop in attendance was 11.3 percentage points.

The gap between Honduras and the rest of Latin America is greatest for the 15-17 age group, reaching 32.6 pp in 2023. The attendance rate for this group is 2.2 pp below the level observed in 2019, and between 2019 and 2021 it registered a drop of 6.8 pp.

The 18- to 23-year-old cohort recorded a school attendance rate of 22.2 percent in 2023, 18.8 percentage points below the regional average. During the COVID-19 pandemic, the attendance rate for this group fell by 3 percentage points, and in 2023 the level is still 2.2 percentage points below the 2019 level. The remainder of this section breaks down these educational indicators by population subgroups.

Figure 1.25 presents school attendance rates by age group, disaggregated by gender and area of residence. The school attendance rate for children aged 4 to 5 showed no gender gap in 2023, while by area of residence, a higher rate is observed in rural areas compared to urban areas. In this regard, the attendance rate for children aged 4 to 5 experienced a more pronounced decline in 2021 and has not yet recovered to the level observed in 2019, remaining 8 percentage points below the pre-pandemic figure.

Figure 1.25. School attendance rate by age group, gender, and area of residence, Honduras, 2019-2023



Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

In the 6-11 age group, there is a gender gap of 3.7 percentage points in favor of girls, which is associated with a slower recovery rate in boys' attendance rates following the COVID-19 pandemic, which was 2.4 percentage points below the 2019 level. Between urban and rural areas, the gap in

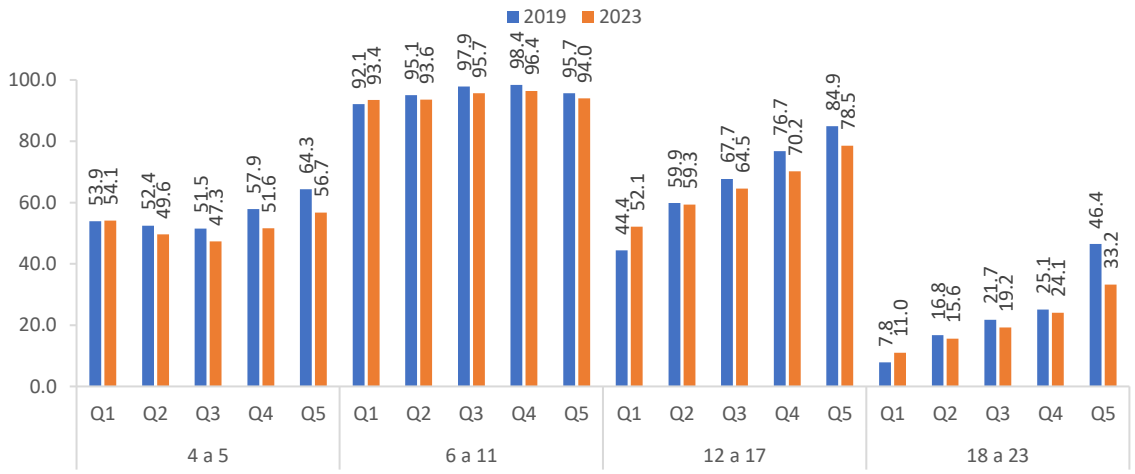
2023 was 1 percentage point in favor of urban areas, and in both areas it has not yet reached the 2019 level.

The attendance rate for girls aged 12 to 14 was 74.2 percent in 2023, compared to 72.6 percent for boys. It is noteworthy that, in 2021, the attendance rate for boys in this cohort decreased more than that of girls. Furthermore, the school attendance rate for this group in rural areas was 26 percentage points lower than that of urban areas, similar to the gap observed in the pre-pandemic period. For the 15 to 17 age group, the gender gap increased by 9.2 percentage points in favor of women, and by area of residence, the gap between urban and rural attendance widened to 34.3 percentage points. A similar trend is observed for the attendance rate for 18 to 23 age groups, with a gap favoring women and rural areas.

The low educational coverage from the third cycle of basic education (upper secondary) onward requires a detailed analysis of educational supply and demand, since low school attendance may be the result of a combination of various factors such as opportunity cost, lack of infrastructure, lack of educational offerings that allow for the accumulation of skills demanded by the labor market, among others.

By household per capita income quintile (Figure 1.26), inequalities in attendance rates are most evident in the 12- to 17-year-old and 18- to 23-year-old age groups, with a gap of 26.4 percentage points and 22.2 percentage points in the attendance rate between the richest and poorest quintiles, respectively. In contrast, the school attendance rate for ages 6 to 11 is similar across all income quintiles.

Figure 1.26. School attendance rate by age group and household per capita income quintile, Honduras, 2019-2023



Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Considering the overage rates in rural areas and among the poor, the school attendance rate for the 12-14 age group in 2023 reflects a population that has not yet completed the first two cycles of basic education (or 6th grade, previously called primary education). In Honduras, for the poorest population, school dropout rates begin in the second cycle of basic education (4th, 5th, and 6th grades), generating educational gaps that widen with age and in subsequent grades

(especially for boys). [72]According to data from the United Nations Educational, Scientific and Cultural Organization (UNESCO), educational attendance for the poorest households at the national, urban, and rural levels deteriorated before the pandemic (2018 to 2019), which was exacerbated by this external shock. This suggests the need to review the basic functioning of the education system, the relevance of education (for example, whether it offers pre-vocational skills or the third cycle of basic education), the value of cash transfers (including their amounts), and the reactivation of co-responsibilities.[73]

The rate of completion of basic education is also uneven between urban areas (93.3 percent), rural areas (82.6 percent), and across departments, in some of which it is less than 80 percent (Copan 72 percent, Gracias a Dios 75 percent, Lempira 77 percent, Olancho 79 percent).

Regarding educational quality, the results of the 2019 Regional Comparative and Explanatory Study (ERCE)—which evaluates the learning of third- and sixth-grade students—show that the country ranks midway among 16 countries in the region in Reading and Mathematics scores (Table 1.6). In Reading, third-grade results are below the regional average (675 vs. 697) and slightly above the regional average in Mathematics (702 vs. 698). For sixth-grade students, Honduras obtained average scores of 661, 682, and 674 points, respectively, in Reading, Mathematics, and Science, while the regional average was 694, 697, and 697 in each of these assessment areas, placing the country below the regional average.

By gender, the results in the two grades evaluated do not show statistically significant differences between girls and boys in mathematics and science, but there is a statistically significant difference in 6th grade Reading, in which girls performed better compared to boys (UNESCO, 2021).[74] Furthermore, the results show that students from lower socioeconomic status schools perform worse compared to their peers attending higher socioeconomic status schools. Considering the context of the COVID-19 pandemic and the closure of schools, which caused substantial drops in school attendance across the country, it is possible that the gaps in learning levels have widened, especially for the most vulnerable students.

[72]In Honduras, the highest dropout rates occur in seventh and tenth grades (ages 12 and 15), while enrollment from fifth grade onwards (ages 10 and up) is steadily declining. IDB: Promoting school retention in El Salvador and Honduras guidelines for developing incentives.pdf

[73]Recent analysis suggests that the amount of the CCT for education should be increased in the areas most vulnerable to school dropout. For students in the second cycle (grades 4-6), the CCT should be L 7,000 annually, and for students in the third cycle (grades 7-9), the CCT should be L 10,000 annually to subsidize transportation and lunch costs. These amounts are lower than the opportunity cost for students who choose to work with their families, but they are amounts that the family receives in cash, which is highly desirable among families living in extreme poverty, where sources of cash income are scarce. However, to achieve the desired effects of CCTs, it is also necessary to strengthen the regularity and predictability of payment and the communication strategy regarding them, including the activation of co-responsibilities. Analysis of Decision-Making Processes in Extremely Poverty Households in Honduras, HO-T1408. IDB. Gustavo Arcia, 2024.

[74]UNESCO. (2021). Regional Comparative and Explanatory Study (ERCE 2019). National Results Report of Honduras. Santiago: UNESCO.

Table 1.6. ERCE scores for 3rd and 6th grade students by competency area, Latin America,2019

Country	3rd grade		6th grade		
	Reading	Mathematics	Reading	Mathematics	Sciences
Argentina	689	690	698	690	682
Brazil	748	744	734	733	718
Colombia	716	705	719	707	711
Costa Rica	748	725	757	726	758
Ecuador	699	709	684	720	720
El Salvador	697	691	699	676	705
Guatemala	656	662	645	657	661
Honduras	675	702	661	682	674
Mexico	713	722	726	758	726
Nicaragua	646	663	654	663	669
Panama	659	654	652	645	672
Paraguay	675	666	657	647	657
Peru	753	740	741	759	723
Dominican Republic	624	624	644	636	649
Uruguay	723	722	734	759	731
AL Average	697	698	694	697	697

Source: Prepared with data from UNESCO, 2021.

1.5.2. Educational offer[75]

The quality of educational infrastructure is closely linked to student performance, as adequate, safe, and well-equipped spaces foster a more effective learning environment and contribute to academic and personal development.

The educational infrastructure in Honduras faces significant challenges, with the majority of schools affected by insufficient classrooms, inadequate hygiene conditions, limited public services, and a lack of pedagogical resources. Even before the lockdown and natural disasters of 2020, seven out

[75]The information on educational infrastructure was taken from the Government Plan to Refound Honduras 2022-2026 and the Third Voluntary National Report of Honduras on SDGs.

of ten educational establishments had deficient facilities, reaching 90 percent in some areas. By early 2023, 12,000 schools were identified as requiring urgent intervention.

In this regard, Table 1.7 shows indicators of the state of school infrastructure by department. The precariousness index is a weighting of the indicators: Furniture (20 percent), Basic Services (5 percent), Natural Hazards (5 percent), Social Hazards (5 percent), Plumbing Facilities (25 percent), and Infrastructure (40 percent). The lower the value of this indicator, the greater the degree of deprivation. The data for this indicator show that 11 departments have a level below the national average, with the lowest values for the departments of Gracias a Dios and Olancho.

Table 1.7. State 7School Infrastructure in Honduras

Departments	Average infrastructure	Average hydrosanitary	Average furniture	Social threats	Precariousnes s indicator
Atlantis	62.0	17.1	40.8	79.5	48.5
Choluteca	59.6	9.0	33.3	81.4	43.7
Colon	54.3	14.4	34.1	77.5	43.0
Comayagua	56.0	15.4	39.3	80.6	45.5
Copan	48.9	16.6	38.2	78.0	42.6
Courteous	59.5	29.3	44.6	77.3	52.0
Paradise	54.0	14.3	34.1	79.5	42.5
Francisco Morazán	59.5	23.5	41.9	78.6	49.5
Thank God	39.2	6.3	15.5	72.6	29.0
Intibucá	52.0	11.0	42.0	77.9	42.5
Bay Islands	66.2	19.9	40.0	77.2	51.2
Peace	56.5	19.1	43.5	80.9	46.9
Lempira	50.6	12.6	37.3	80.1	41.7
Ocotepeque	60.6	17.5	42.4	80.1	48.6
Olancho	50.2	8.7	30.8	79.2	39.0
Santa Barbara	53.6	13.4	41.6	78.2	44.4
Valley	60.5	9.0	36.5	77.9	44.4
Yoro	50.1	13.2	36.3	79.6	41.6
National	54.9	15.7	38.2	79.1	44.6

Source: Taken from the portal of the Educational Infrastructure Planning System (SIPLIEL) of Honduras.

In response to this crisis, there is currently coordination between the Ministry of Education (SEDUC), the Solidarity Network, and the Honduran Social Investment Fund (FHIS) for the reconstruction and construction of educational spaces, providing them with essential equipment and resources.

However, the challenge remains equipping educational centers with adequate infrastructure, ensuring safety and access to information and communication technologies—fundamental elements for a modern and equitable educational environment.

1.5.3. Transition to the labor market

Another important dimension is that of young people who are not studying and are economically inactive. In this indicator, Honduras has a higher proportion of young people aged 15 to 24 who are not studying and are economically inactive—that is, who are neither working nor looking for work during the survey period. El Salvador, Guatemala, and Honduras are the countries in the region with more than 20 percent of young people in this situation (Table 1.8). Likewise, a higher percentage of women aged 15 to 24 who are not studying and are inactive in Honduras in 2023 was observed. The figure was 39.4 percent of women compared to 14.3 percent of men.

Table 1.8. Percentage of young people aged 15 to 24 who do not study and are economically inactive, Latin America, 2019-2023 (or latest year available)

Country	Total			Man			Women		
	2019	2021	2023	2019	2021	2023	2019	2021	2023
Argentina	11.8	10.1	10.9	8.5	8.8	8.7	15.1	11.5	13.2
Bolivia	8.1	8.6		23	3.1		13.8	14.1	
Brazil	13.6	12.8	14.9	9.2	8.8	6.4	18.2	16.9	23.2
Chili	13.2			9.6			16.9		
Colombia	15.2	15.6	14.6	8.1	7.7	7.9	22.4	23.2	21.3
Costa Rica	9.9	9.7	10.6	5.9	5.7	7.4	14.2	13.9	13.9
Dominican Republic	14.8	18.9		8.9	13.4		20.6	24.3	
Ecuador	12.8	13.9	14.6	5.9	6.5	7.6	20.5	22.3	22.4
Guatemala	26.9	24.3		8.5	8.3		44.2	39.2	
Honduras	22.8	25.8	26.9	7.2	15.7	14.3	38.0	35.5	39.4
Mexico	15.6	15.4	14.9	5.6	6.6	6.4	25.7	24.3	23.2
Peru	16.1	10.7		12.9	8.5		19.3	12.9	
Paraguay	12.4	11.8		5.1	5.5		20.0	18.6	
El Salvador	23.3	22.1	20.6	10.2	9.7	9.4	35.4	33.7	31.2
Uruguay	10.0	10.6	9.8	7.6	8.2	8.4	12.5	13.2	11.2
Average	15.1	15.0	15.3	7.7	8.3	8.5	22.5	21.7	22.1

Note: Argentina only has urban coverage. For Chile, the data corresponds to 2017 and 2020. For Latin America, it is a simple average.

Source: Estimates from household or employment surveys: Argentina – EPH (2019, 2021, 2022), Bolivia – ECH (2019, 2021), Brazil – PNADC (2019, 2021, 2022), Chile -CASEN (2017, 2020), Colombia – GEIH (2019, 2021, 2022), Costa Rica – ENAHO (2019, 2021, 2022), El Salvador -EHPM (2019, 2021, 2022), Ecuador – ENEMDU (2019, 2021, 2022), Guatemala – ENEI (2019, 2021), Honduras – EPHPM (2019, 2021, 2023), Mexico-ENOE (2019, 2021, 2022), Paraguay-EPHC (2019, 2020), Peru – ENAHO (2019, 2021), Dominican Republic-ENCFT (2019, 2021), Uruguay-ECH (2019, 2021, 2022).

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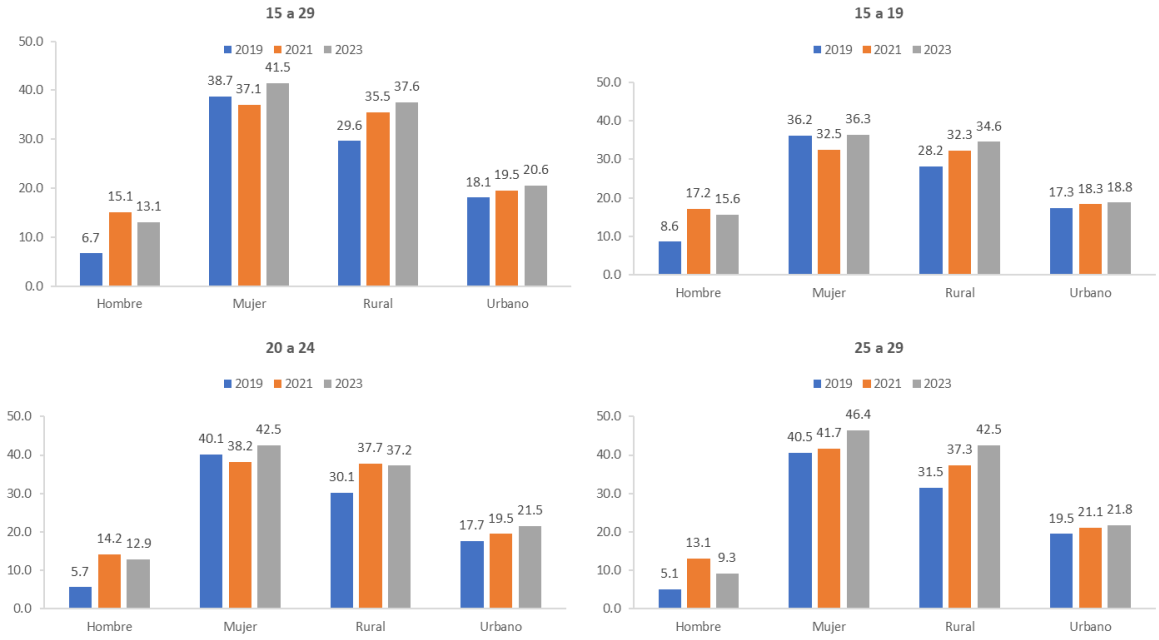
Figure 1.27 shows disaggregated data on young people in this condition by age group, gender, and area of residence for Honduras for the period 2019-2023. The data show that women and people living in rural areas have the highest rates of people in this condition. It is noteworthy that people aged 20 to 24 and 25 to 29 in rural areas registered the greatest increase in this indicator between 2019 and 2023.

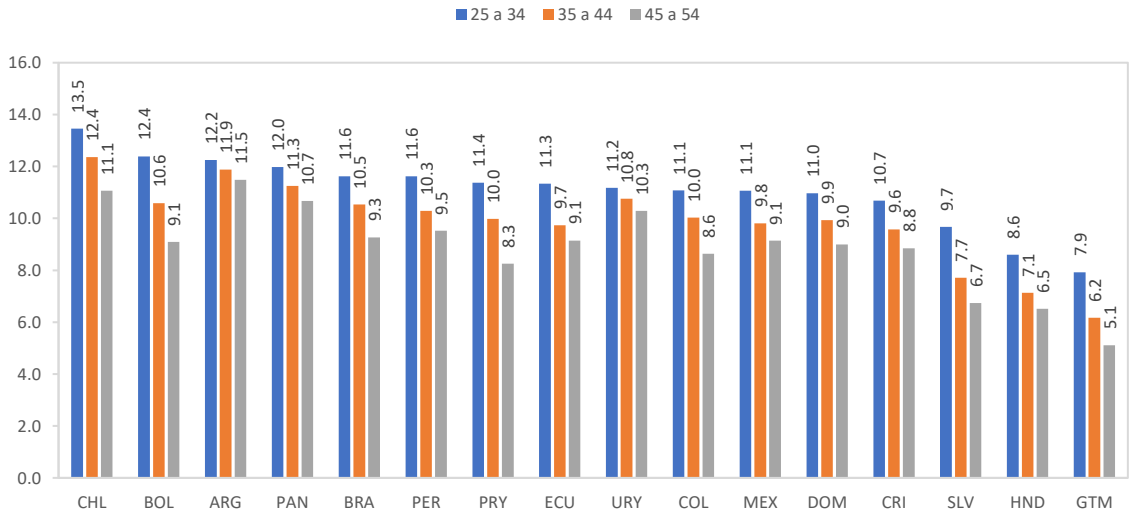
Figure 1.27. Percentage of young people who do not study and are economically inactive by age group, Honduras, 2019-2023



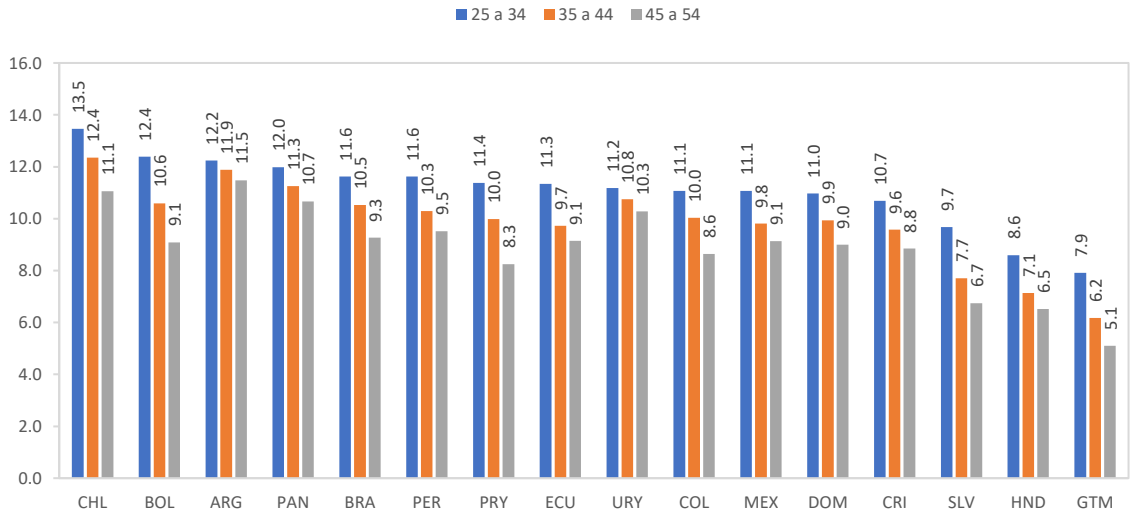
Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Finally, Figure 1.28 shows the average years of education of the labor force for a group of Latin American countries. For all age groups, Honduras and Guatemala are the countries in the region where the labor force has the fewest years of education, on average. The youngest generation aged 25 to 34 has an average of 8.6 years of schooling, equivalent to lower secondary education, lower than the regional average of 11.1 years of education, equivalent to completing high school. Low

Figure 1.28. Average years of education for the working-age population by age group, Latin America, 2019 (or latest year available)



levels of school attendance, coupled with poor educational quality, are associated with lower human capital accumulation for the labor force.



Source: Estimates from household or employment surveys.

In the education dimension, indicators suggest that Honduras has significant gaps in education coverage at all levels. However, it is notable that from the age of 14 onward, attendance rates drop sharply, placing the country among the countries with the lowest educational coverage. Furthermore, the gaps are more pronounced for young people in rural areas and among the poorest strata of the population. Similarly, the data show that the country has high rates of young people who do not study and are economically inactive, which affects women and people in rural areas to a greater extent. This educational context has made Honduras one of the countries with the highest private returns to tertiary and upper secondary education in the region, compared to lower secondary education or less, which may be associated with the low coverage at higher levels of

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education. [76]However, a downward trend in private returns to education has been observed over the last decade, which is similar to the trend observed in the rest of the region and may be associated with educational quality, the demand for new skills, and the increase in educational coverage at the primary and lower secondary levels.

1.6. Job

This section discusses the labor market situation in Honduras compared to other countries in the region. Data show that the labor force participation and employment rates in Honduras are below the regional average. Furthermore, high rates of informality—measured as access to social security—and low labor force participation among women are observed.

1.6.1. Labor force participation and unemployment

Table 1.9 presents the main labor market indicators in the context of Latin America, for the period 2019 and 2023. In 2023, the labor force participation rate of the population aged 15 and over was 55.9 percent, 6.6 pp below the regional average (62.5 percent) and 7.4 pp below the pre-pandemic level recorded by the country in 2019. In this regard, Honduras—along with Costa Rica—are among the countries in the region that record a substantial gap in this indicator with respect to the level prior to the COVID-19 pandemic. On the other hand, in 2023, the unemployment rate in Honduras was 6.4 percent—similar to the Latin American average—with an increase of 0.5 pp compared to 2019.

Table 1.9. Participation rate and unemployment rate for the population aged 15 years and over by gender, Latin America, 2019-2023

Country	2019			2021			2023		
	National	Men	Women	National	Men	Women	National	Men	Women
Participation rate									
Argentina	59.1	69.9	49.4	59.1	69.4	49.5	61.0	70.6	52.1
Bolivia	73.0	80.7	65.5	76.7	83.4	70.3	77.4	83.2	71.8
Brazil	63.6	73.5	54.3	61.3	71.6	51.6	61.8	71.9	52.3
Chili	62.8	73.6	52.5	57.2	68.5	46.4	61.2	71.0	51.7
Colombia	62.9	73.7	52.5	61.5	75.7	48.4	64.1	76.6	52.6
Costa Rica	62.5	74.4	50.6	60.3	71.8	48.7	55.4	68.4	42.3
Ecuador	66.2	78.3	54.5	66.1	78.4	54.4	65.2	77.5	53.4
El Salvador	62.2	80.5	46.8	61.4	79.0	0.0	0.0	0.0	0.0
Guatemala	59.2	83.7	37.9	63.0	85.6	43.3	0.0	0.0	0.0
Honduras	63.3	83.7	45.6	60.7	74.3	48.7	55.9	74.6	40.0
Mexico	60.1	77.2	44.7	58.8	75.7	43.6	60.4	76.4	46.3

[76]Fernández, R., Pagés, C., Szekely, M., & Acevedo, I. (2024). *Education inequalities in Latin America and the Caribbean* (No. w32126). National Bureau of Economic Research.

Country	2019			2021			2023		
	National	Men	Women	National	Men	Women	National	Men	Women
Panama	65.7	77.9	54.2	58.7	72.2	46.2	62.4	74.9	50.8
Paraguay	72.4	84.8	60.2	72.1	84.4	60.1	70.3	82.7	58.7
Peru	72.7	81.1	64.5	70.9	79.5	62.5	70.1	78.4	62.0
Dominican Republic	65.1	78.4	52.6	63.0	75.7	51.2	64.1	76.7	52.6
Uruguay	62.2	70.1	54.9	61.8	69.1	55.0	63.4	72.0	55.4
Latin America	63.3	75.6	51.8	61.6	74.2	50.1	62.5	74.3	51.7
Unemployment rate									
Argentina	9.8	9.2	10.7	8.8	7.9	9.9	6.1	5.6	6.8
Bolivia (Plurinational State of)	3.7	3.5	4.0	5.1	4.6	5.6	3.0	2.6	3.4
Brazil	12.0	10.1	14.4	13.2	10.7	16.5	8.0	6.6	9.7
Chili	7.2	6.7	8.0	8.9	8.6	9.2	8.7	8.4	9.1
Colombia	9.9	7.8	12.6	13.8	11.3	17.3	10.2	8.2	12.8
Costa Rica	11.8	9.3	15.3	16.4	12.7	22.0	8.9	7.7	10.8
Ecuador	3.8	3.2	4.6	4.6	3.7	5.8	3.4	2.8	4.1
El Salvador	6.3	7.0	5.4	6.3	0.0	0.0	5.2	0.0	0.0
Guatemala	2.2	1.8	3.0	2.2	1.8	2.9	0.0	0.0	0.0
Honduras	5.9	4.4	8.3	8.6	7.0	10.7	6.4	5.0	8.8
Mexico	3.5	3.5	3.5	4.1	4.1	4.2	2.8	2.8	2.8
Nicaragua	5.4	5.4	5.5	4.5	4.6	4.4	3.4	3.2	3.5
Panama	5.8	4.8	7.3	8.5	8.0	9.3	5.8	4.4	7.7
Paraguay	6.6	5.5	8.0	7.5	5.9	9.7	5.9	4.8	7.3
Peru	3.9	3.5	4.5	5.9	5.2	6.6	5.4	4.5	6.4
Dominican Republic	6.2	3.9	9.3	7.4	3.9	12.1	5.3	3.3	8.0
Uruguay	8.9	7.3	10.7	9.3	7.9	11.0	8.3	7.4	9.4
Latin America	8.0	6.8	9.6	9.3	7.8	11.5	6.4	5.4	7.7

Note: The participation rate is defined as the employed and unemployed population (labor force) aged 15 and over divided by the working-age population. The unemployment rate is the population aged 15 and over who is not working and looking for work divided by the labor force.

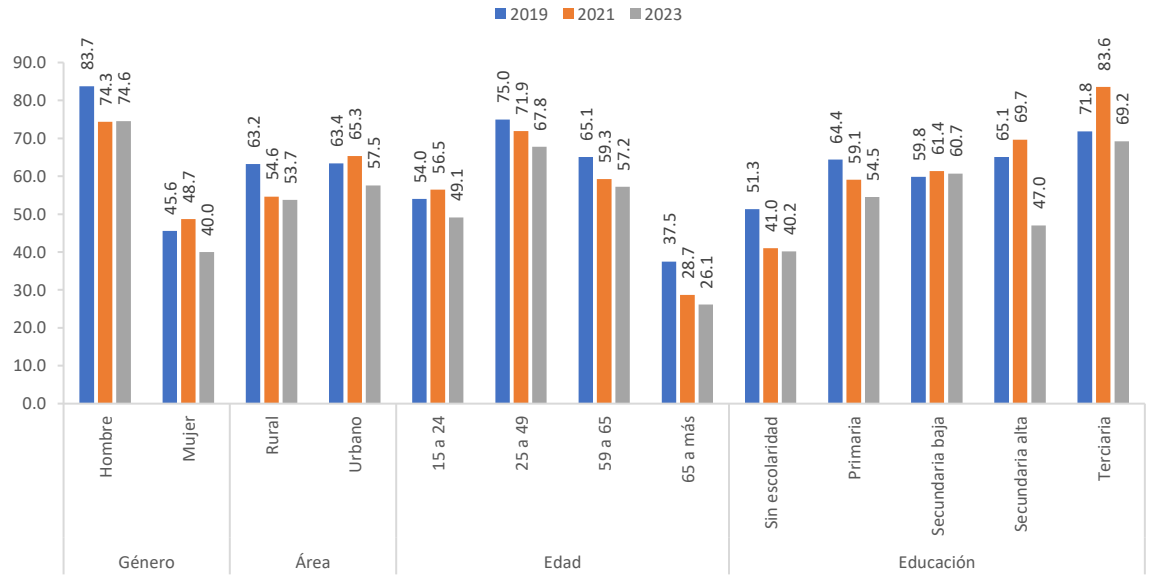
Source: For Honduras, estimates based on the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023. For the rest of the countries, prepared with data from the portal of the Economic Commission for Latin America and the Caribbean (ECLAC).

When analyzing the data by gender, significant disparities are observed between the participation rate of men and women, with a gap of 34.6 pp in favor of men. Although between 2019 and 2023

the gender gap narrowed, this is because the participation rate of men fell more than that of women and has not yet recovered to the 2019 level (Figure 1.29).

By area of residence, in 2019, participation rates did not show substantial differences between urban and rural areas, but in 2023 the gap widened—in favor of urban areas—but in both areas this indicator is well below the pre-pandemic level. By age group, young people aged 15 to 24 report the lowest labor force participation rates, followed by those aged 65 and over. By educational level, people with no schooling (no formal education) and those with upper secondary education (10 to 12 years of education) show the largest gaps in this indicator compared to the 2019 level (Figure 1.29).

Figure 1.29. Labor force participation rate of the population aged 15 and over, Honduras, 2019-2023



Note: The participation rate is defined as the employed and unemployed population (labor force) aged 15 and over divided by the working-age population.
Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

In Honduras, the employment rate—defined as the employed population aged 15 and over relative to the working-age population—was 52.3 percent in 2023, 7.3 percentage points below the 2019 level (Figure 1.30). Women registered an employment rate of 36.5 percent in 2023, while that of men was 70.6 percent in the same year. The gender gap in this indicator narrowed from 48.2 percentage points in 2019 to 34.4 percentage points in 2023, which is associated with a slow recovery in men's employment after 2020.

A similar dynamic is observed in the employment rate in rural areas, which in 2023 was 10.1 pp below the 2019 level. In contrast, in urban areas, the employment rate fell by 5.7 pp between 2021 and 2023. By age group, the data in Figure 1.28 show that cohorts aged 25 and over recorded the sharpest declines in employment between 2019 and 2023. Likewise, people with no schooling and who completed upper secondary education are those who recorded the most negative changes in the employment rate between 2019 and 2023.

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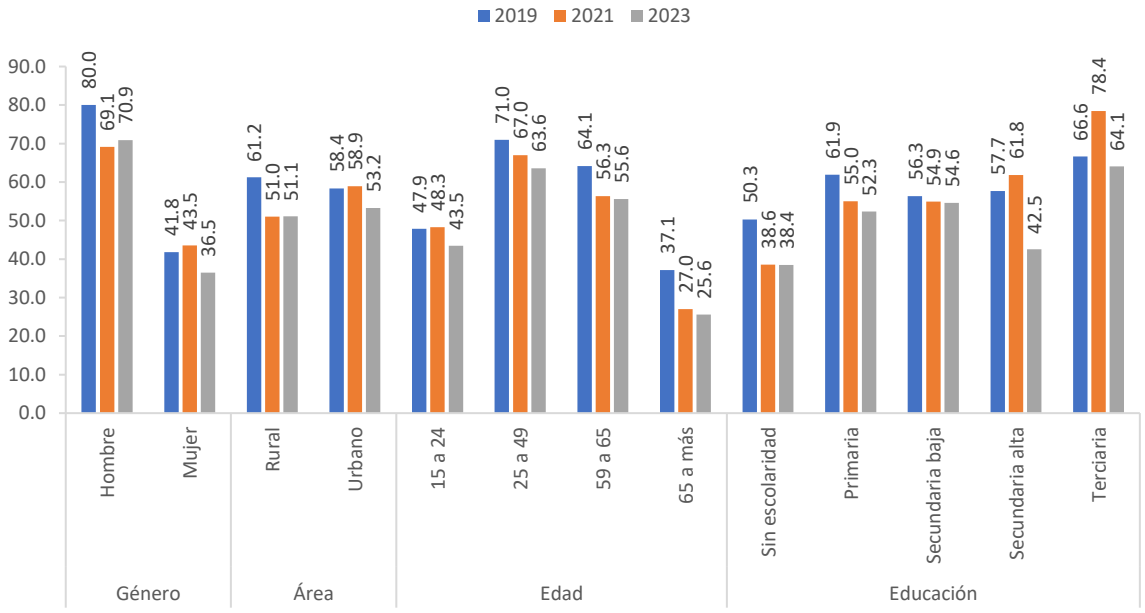
Chart 1.30. Employment rate of the population aged 15 and over, Honduras, 2019-2023

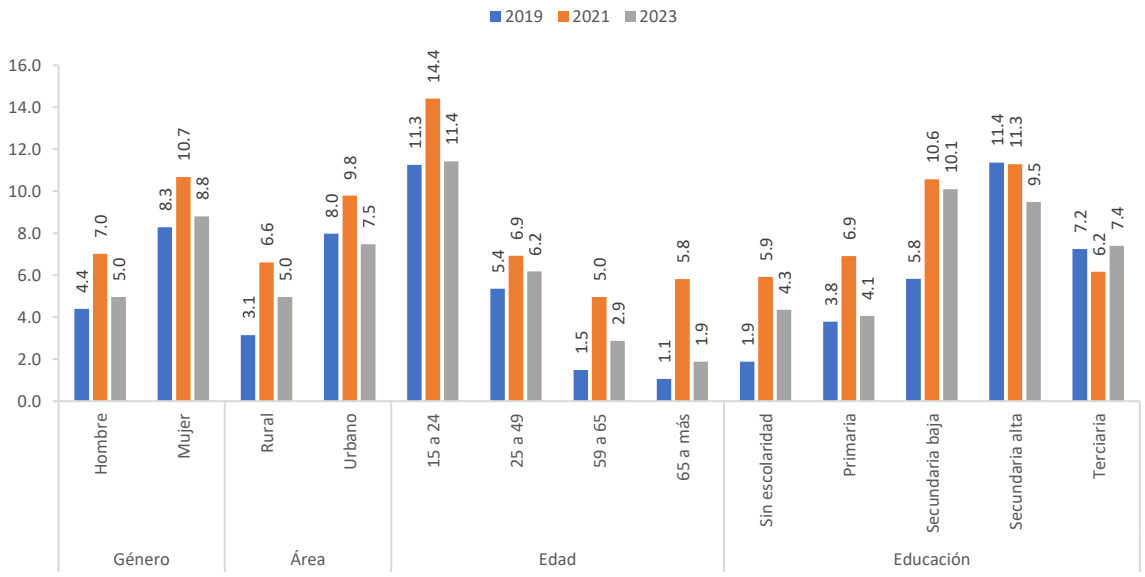


Note: The employment rate is defined as the population aged 15 and over that is employed relative to the working-age population.

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Furthermore, significant differences are observed between population subgroups in the unemployment rate, with higher increases between 2019 and 2023 for people living in rural areas who have completed lower secondary education or less as their highest level of education (Figure 1.31).

Figure 1.31. Unemployment rate of the population aged 15 and over, Honduras, 2019-2023



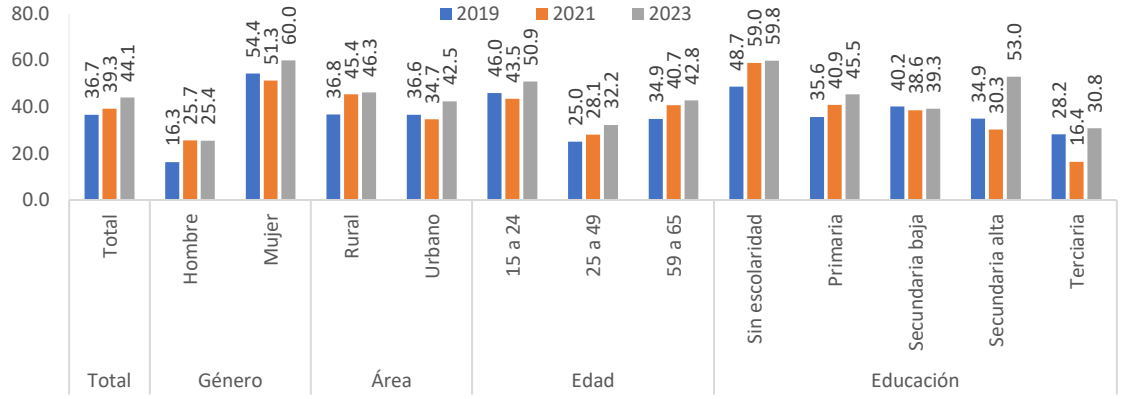
Note: The unemployment rate is the population aged 15 and over who is not working and looking for work divided by the labor force.

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Considering that labor force participation has not returned to its 2019 level and the low increase in the unemployment rate compared to 2019, Figure 1.32 presents the percentage of the population aged 15 and over who are economically inactive—neither employed nor seeking work—disaggregated by population groups for the period 2019-2023. Between 2019 and 2023, this indicator increased by 7.4 percentage points, with the greatest increases for men, people residing in rural areas, and people with a high school education or less. It is noteworthy that, in 2023, 90 percent of economically inactive people aged 15 to 60 indicated that they had neither worked nor sought work four weeks prior to the survey because they "*did not want to, could not, or did not need to work.*" Of this percentage, 22.6 percent lived in remittance-receiving households. By gender, 92.1 percent of women and 85.5 percent of men indicated this as the main reason for their economic inactivity.

Although men recorded an increase in the percentage of people in a state of economic inactivity between 2019 and 2023, it is noteworthy that 60 percent of women aged 15 and over were in this situation. However, the latest survey on time use in Honduras estimates that in 2009, women spent an average of 15.5 hours per week on unpaid work; in contrast, men spent an average of 3 hours per week, which is five times less than the average for women.

Figure 1.32. Percentage of the population aged 15 and over in a state of economic inactivity by population subgroups, Honduras, 2019-2023



Note: The unemployment rate is the population aged 15 and over who is not working and looking for work divided by the labor force.

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

As discussed in the general context section, the Honduran economy is characterized by a high dependence on remittance flows. Table 1.10 reports the results of a probit regression model in which the dependent variables take the value 1 if the individual is working, and if the individual participates in the labor market (either working or looking for work), and 0 otherwise. As indicated above, the results presented are not interpreted as causality but as descriptive associations between the variables.

To measure the association between labor market variables and remittances, two variables are included: a first variable takes the value of 1 if the individual resides in a remittance-receiving household and 0 otherwise; a second variable is a continuous variable that represents the percentage that remittances represent with respect to the total household income. Other explanatory variables control for sociodemographic characteristics and include a dichotomous variable for females, a dichotomous variable for geographic area (rural = 1), whether the individual lives in a household experiencing poverty (poor = 1), and categorical variables for education level (reference category is primary or less) and age (reference category is 15 to 24 years). This regression is estimated for the years 2019 and 2023, and the sample is restricted to individuals aged 15 to 64.

The results show a negative and statistically significant association between receiving remittances and the probability of participating in the labor market or being employed. According to the estimates, residing in a household that receives remittances was associated with a decrease, on average, of 5.2 and 4.5 percentage points in the probability of working and participating in the labor market, respectively, in 2019. The marginal effects increased in 2023; on average, an individual residing in a remittance-receiving household was 7.4 and 6.3 percentage points less likely to work or participate in the labor market, respectively.

Likewise, estimates suggest that a higher amount of remittances as a percentage of total income is also associated with a lower likelihood of working or participating in the labor market. Moreover, in 2023, the results show that this correlation has intensified compared to 2019.

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Table 1.10 Marginal effects on the probability of labor force participation and being employed for the population aged 15 years and over, Honduras, 2019-2023

Variables	2019				2023			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Home is a recipient of remittances	-0.0522***		-0.0452***		-0.0739***		-0.0634***	
	(0.012)		(0.011)		(0.012)		(0.012)	
Remittances as a percentage of total household monetary income		-0.2451***		-0.2182***		-0.3075***		-0.2577***
		(0.026)		(0.025)		(0.027)		(0.026)
Women	-0.3698***	-0.3687***	-0.3732***	-0.3723***	-0.3430***	-0.3401***	-0.3467***	-0.3444***
	(0.006)	(0.006)	(0.006)	(0.006)	(0.008)	(0.008)	(0.008)	(0.008)
Female-headed household	0.0474***	0.0523***	0.0567***	0.0616***	0.0414***	0.0477***	0.0497***	0.0556***
	(0.010)	(0.009)	(0.009)	(0.009)	(0.010)	(0.010)	(0.010)	(0.010)
Lower secondary (CB: Primary or less)	-0.0112	-0.0117	-0.0166	-0.0167	0.0162	0.0169	0.0481***	0.0490***
	(0.013)	(0.013)	(0.012)	(0.012)	(0.012)	(0.011)	(0.011)	(0.011)
Upper secondary (CB: Primary or less)	0.0016	0.0002	0.0374***	0.0361***	-0.1054***	-0.1061***	-0.0887**	-0.0889**
	(0.012)	(0.012)	(0.011)	(0.011)	(0.035)	(0.034)	(0.035)	(0.035)
Tertiary (CB: Primary or less)	0.0241	0.0243	0.0486***	0.0490***	0.0637***	0.0632***	0.0941***	0.0944***
	(0.017)	(0.017)	(0.017)	(0.016)	(0.020)	(0.020)	(0.020)	(0.020)
Rural	0.0299***	0.0352***	0.0013	0.0058	-0.0270***	-0.0211**	-0.0328***	-0.0277***
	(0.009)	(0.009)	(0.008)	(0.008)	(0.010)	(0.010)	(0.010)	(0.010)
25 to 34 years old (CB: 15 to 24 years old)	0.2116***	0.2109***	0.2078***	0.2074***	0.1863***	0.1845***	0.1909***	0.1896***
	(0.012)	(0.012)	(0.011)	(0.011)	(0.014)	(0.013)	(0.014)	(0.013)
35 to 44 years old (CB: 15 to 24 years old)	0.2622***	0.2609***	0.2417***	0.2405***	0.2391***	0.2376***	0.2214***	0.2201***
	(0.012)	(0.012)	(0.011)	(0.011)	(0.014)	(0.014)	(0.014)	(0.014)

45 to 54 years old (CB: 15 to 24 years old)	0.2574***	0.2570***	0.2232***	0.2230***	0.2038***	0.2053***	0.1819***	0.1832***
	(0.013)	(0.013)	(0.012)	(0.012)	(0.015)	(0.015)	(0.014)	(0.014)
55 to 64 years (CB: 15 to 24 years)	0.1488***	0.1498***	0.1047***	0.1057***	0.1050***	0.1088***	0.0795***	0.0829***
	(0.015)	(0.015)	(0.015)	(0.015)	(0.017)	(0.017)	(0.016)	(0.016)
Household classified as poor	-0.1182***	-0.1151***	-0.0857***	-0.0827***	-0.1652***	-0.1555***	-0.1389***	-0.1304***
	(0.009)	(0.009)	(0.009)	(0.009)	(0.010)	(0.010)	(0.010)	(0.010)
Pseudo R2	0.192	0.197	0.198	0.202	0.163	0.172	0.164	0.171
Observations	14,674	14,674	14,674	14,674	12,016	12,016	12,016	12,016

Note: Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. CB: Baseline category.

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

1.6.2. Economic sectors

Another relevant indicator is the quality of employment. Formal employment is defined as people who are affiliated with and contribute to a pension system. Table 1.11 shows the percentage of the employed population working in the formal sector by income quintile for 2019, the latest year for which data is available. Honduras is the country in the region with the lowest formal employment rates across the entire income distribution; for example, in the poorest quintile, only 0.6 percent of the employed population has access to social security, and even in the richest quintile, only 27.3 percent contribute to a pension system.

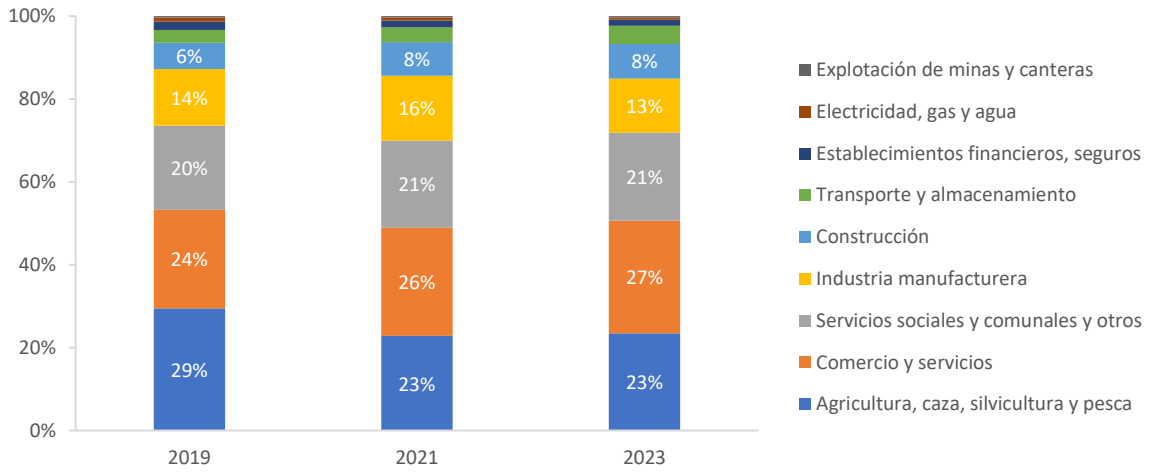
Table 1.11. Employed population in the formal sector (contributing to a pension system) by income quintiles, Latin America,2019

Country	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Bolivia	1.0	6.4	11.6	19.3	38.0
Brazil	23.6	49.3	61.6	71.6	79.3
Colombia	2.8	15.5	30.3	46.4	69.0
Costa Rica	38.2	58.8	66.2	75.0	85.5
El Salvador	4.7	15.0	25.1	34.0	52.2
Honduras	0.6	2.6	7.3	14.9	27.3
Paraguay	1.7	11.4	17.8	29.9	41.7
Peru	1.5	7.8	16.7	26.9	41.2
Uruguay	41.8	63.2	76.3	84.8	92.9

Source: Prepared with data from the Economic Commission for Latin America and the Caribbean (ECLAC) website.

By economic activity, between 2019 and 2023, there are few changes in the distribution of the employed population, with the exception of the primary sector—agriculture, hunting, forestry, and fishing—which registered a 6 percentage point drop in that period. Thus, in 2023, 27 percent of the employed population aged 15 and over was employed in the trade and services sector, followed by 23 percent in the primary sector and 21 percent in social and community services (Figure 1.33).

Figure 1.33. Percentage distribution of the employed population aged 15 and over by branch of activity in the main occupation, Honduras, 2019-2023



Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Table 1.12 shows the percentage distribution of the employed population aged 15 and over, broken down by industry, gender, and area of residence. Consistent with the result described in Figure 1.31, men and people residing in rural areas were the groups that saw a decline in the employed population in the primary sector, with a level of 34 and 49 percent, respectively, in 2023.

Women, meanwhile, account for a larger percentage of employment in the trade and services sector, with 37 percent of the employed population working in this sector in 2019, rising to 42 percent by 2023. In urban areas, employment is more concentrated in trade and services, social and community services, and manufacturing, with little change between 2019 and 2023.

Table 1.12. Percentage distribution of the employed population aged 15 years and over by branch of activity in the main occupation and groups, Honduras, 2019-2023

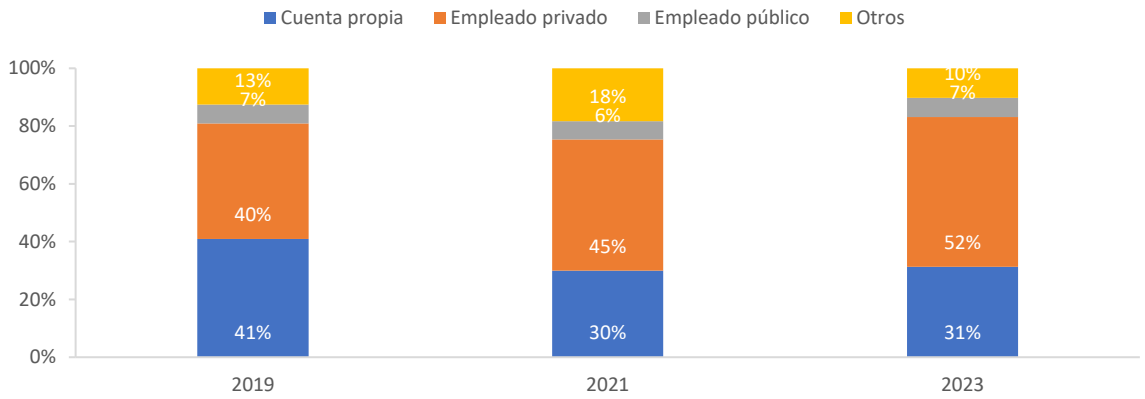
Branch	Man	Women	Rural	Urban
2019				
Agriculture, hunting, forestry and fishing	42%	8%	57%	7%
Mining and quarrying	1%	0%	0.4%	0.3%
Manufacturing industry	11%	18%	8%	18%
Electricity, gas and water	1%	0%	1%	1%

Construction	10%	1%	4%	8%
Trade and services	16%	37%	16%	30%
Transport and storage	5%	0%	1%	4%
Financial institutions, insurance	2%	2%	0%	3%
Social and community services and others	13%	33%	11%	28%
2023				
Agriculture, hunting, forestry and fishing	34%	6%	49%	5%
Mining and quarrying	1%	0%	0.3%	0.3%
Manufacturing industry	11%	17%	9%	16%
Electricity, gas and water	1%	0%	0%	1%
Construction	13%	0%	7%	9%
Trade and services	18%	42%	19%	33%
Transport and storage	6%	1%	2%	6%
Financial institutions, insurance	1%	2%	0%	2%
Social and community services and others	14%	32%	13%	27%

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Figure 1.34 presents the percentage distribution of the employed population aged 15 and over by occupation for 2019-2023. In terms of employment composition, the data show a 10 percentage point drop in the percentage of the self-employed population between 2019 and 2023. This drop, in turn, is associated with a restructuring of employment, increasing the percentage of the employed population working as private employees. However, these changes—along with the dynamics of labor force participation—suggest that part of the self-employed population has left the labor market and is now inactive.

Figure 1.34. Percentage distribution of the employed population aged 15 and over by type of occupation in the main occupation, Honduras, 2019-2023



Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

In the self-employed category, employed men registered a 12-point drop between 2019 and 2023, and women a 5-point drop over the same period (Table 1.13). By area, self-employment decreased by 12 points in rural areas and 7 points in urban areas.

Table 1.13. Percentage distribution of the employed population aged 15 years and over by type of occupation in the main occupation and groups, Honduras, 2019-2023

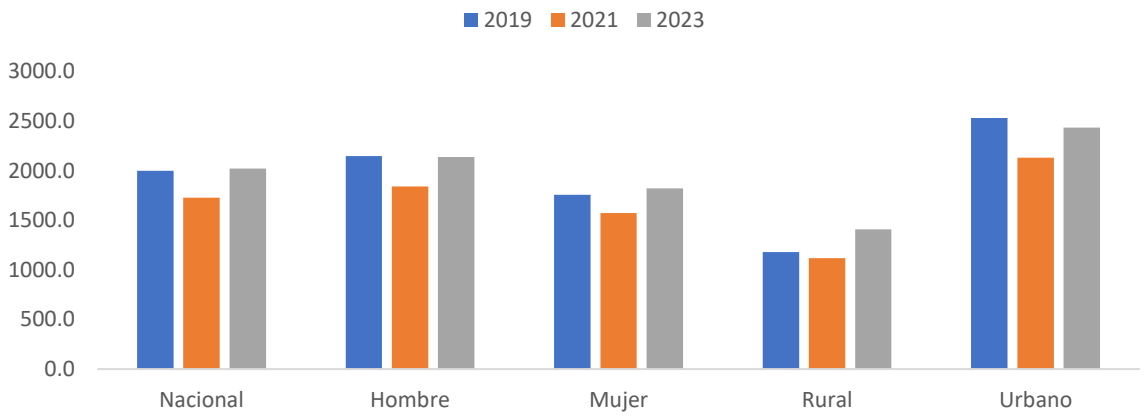
Categ ory	Man	Women	Rural	Urban
2019				
Self-employed	39%	44%	47%	36%
Private employee	47%	28%	32%	46%
Public employee	4%	10%	4%	9%
Others	9%	18%	17%	9%
2023				
Self-employed	27%	39%	35%	29%
Private employee	61%	36%	50%	53%
Public employee	5%	10%	4%	9%
Others	7%	15%	11%	9%

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

1.6.3. Wages

Figure 1.35 shows the average real wage for the employed population aged 15 and over by population group. Between 2019 and 2021, there was a 14 percent decline, but it returned to its previous level in 2023. The wage contraction was greatest in 2021 in urban areas and for employed men.

Chart 1.35. Average real wage of the employed population aged 15 and over by group, Honduras, 2019-2023



Note: The annual average of the Consumer Price Index (CPI) is used to deflate nominal wages, December 1999=100.
Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

Wage gaps by occupational group are reported in Figure 1.36. In 2023, the occupation with the highest average income is professional scientific and intellectual workers, followed by directors and managers, while service and sales workers, farmers, and elementary occupations have salaries below the national average. By industry, workers employed in financial and insurance establishments have salaries 2.1 times higher than the national average, and the primary sector has the lowest salaries. The data also show a positive correlation between salary and educational level.

Figure 1.36. Salary relative to the average salary by occupational group, branch of activity and education, Honduras, 2023

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2019, 2021 and June 2023.

In summary, the data in this section indicate that the Honduran labor market is characterized by high levels of labor informality—measured as access to social security—with one of the highest rates in the region. Furthermore, the data show a decline in labor force participation, with lower rates among women, people in rural areas, those with less education, and young people. In this regard,

much of the employment is concentrated in low-productivity sectors, characterized by high levels of informality, low pay, and low competitiveness. It is noteworthy that between 2019 and 2023, the percentage of the population in a state of economic inactivity increased, and this change has been greater for men and people in rural areas, although women continue to represent the largest percentage of the population in this situation. Likewise, the productive structure shows that much of the employment is concentrated in low-productivity sectors, such as commerce and services and the primary sector.

1.7. Productive actions in the field

The Honduran agrifood sector is essential to the national economy and the well-being of its population, as it represents an important source of income and guarantees food security for communities. Prior to the COVID-19 pandemic, agricultural activity's contribution to real GDP averaged 13 percent, with a share of exports of approximately 35 percent and a similar percentage of employment sources. In 2023, the sector represented 12 percent of real GDP [77.78]

Most agricultural activities are small-scale and represent the main source of food for rural and urban areas. Seventy-one percent of farms are less than 5 hectares, and 25 percent are between 5 and 50 hectares. The average household size is 1.47 hectares.

Despite the above, the country faces various challenges that limit its development and competitiveness. On the one hand, actors in primary production and the agri-food value chain face challenges in accessing means of production such as water, land, and capital, and in technical assistance for production, processing, and marketing. Other areas of opportunity include land tenure, the participation of rural women and youth in the economy, monitoring agrarian reform and cooperatives, access to inclusive financing, grain storage and supply, the installation of irrigation systems, and support for national and international marketing.

These challenges are explained by several factors, including: high production costs; lack of technical assistance; restrictions on access to public and private financing adequate for the needs of sector stakeholders; and the effects of climate change. It should be noted that these problems facing the agricultural sector have been exacerbated over time by current factors such as the economic contraction caused by the COVID-19 pandemic, global inflation, and armed conflicts that have increased the price of oil, raising the costs of fuel and fertilizers and causing inflationary pressures on energy and food. Despite this, the positive effect of this situation is recognized: the growth in the production of bioinputs, especially organic fertilizers.

On the other hand, the lack of updated data on agricultural production—the last National Agricultural Census was in 1993—and the absence of a system providing agricultural, livestock, climate, and agro-commercial information have influenced the sector's slow growth.

In addition to these challenges, there are other diverse challenges, such as the limited availability of research, innovation, and technology transfer services and programs aimed at developing the

[77]The information in this section was obtained from: Secretariat of State for Agriculture and Livestock. *State Policy for the Agrifood Sector of Honduras (PESAH) 2023-2043* . First edition. December 2023.

[78]GDP information for 2023 was obtained from the World Bank's World Development Indicators for Honduras in 2023.

agricultural sector. There is also a lack of efficiency in the procedures, records, controls, and regulations of official processes, which negatively impacts the competitiveness of the agri-food sector. Weaknesses have also been identified in the formalization, operation, and functionality of marketing channels for agricultural goods and services, along with obstacles to facilitating market access. Similarly, the sector faces excessive maritime logistics costs, insufficient infrastructure in cargo and air transport areas, a shortage of containers, slow transit of perishable cargo, and a deteriorating productive road network.

1.8. Housing and basic services

According to data from the 2023 EPHPM (EPHPM), in June 2023, 2,567,936 dwellings were registered, housing 2,581,382 households with 9,744,744 people, averaging a ratio of 3.8 people per household nationwide. [79]Fifty-eight percent of households are located in urban areas and 42 percent in rural areas. Regarding average household size, survey data show that, in urban areas, households have an average of 3.6 people, and in rural areas, an average of 4 people.

Continuing with the same source of information, between 2019 and 2023, a 16.6 percent growth rate was observed in the acquisition of fully paid-for homes, resulting in an increase of 114,000 homes. However, a 23.3 percent growth in demand for rental housing was also evident, possibly explained by market expansion due to demographic factors, such as population growth and migration to urban areas where work centers are concentrated, and by financial barriers to home ownership. In 2020, the housing shortage reached 1,366,691 housing units, of which 38 percent were new homes and 62 percent needed improvements.[80]

From 2019 to 2023, there was an increase of 12,911 overcrowded households. By June 2023, approximately 7.8 percent of households were in this situation. This figure reflects the significant challenges the country faces in terms of housing and quality of life for a portion of its population. Overcrowding, characterized by a lack of adequate space and overcrowding in housing, can have a negative impact on the health and well-being of families, as well as their ability to live a dignified life.

In addition to the previous analysis on access to basic housing services, such as water and sanitation, Honduras also faces significant inequalities in access to electricity. According to the INE (National Institute of Statistics and Census), approximately 88 percent of the country's homes have this service, with coverage of 94.6 percent in urban areas and only 79 percent in rural areas. When disaggregated by survey domains, electricity coverage in the Central District, San Pedro Sula, and the Rest of the Urban Area was 99.4, 93.1, and 93.4 percent, respectively. However, approximately 97,929 homes belonging to the lowest-income quintile lack electricity, exacerbating the conditions of vulnerability and low levels of well-being in these communities. By geographic area, 95 percent of homes in the richest quintile in urban areas have this service, compared to 93.6 percent in the poorest quintile. However, in rural areas, only 69.4 percent of the population in the first quintile has electricity service, and for the fifth quintile in rural areas, coverage is 84.8 percent.

[79]National Institute of Statistics (INE) (2023). Housing and habitability conditions in Honduras (EPHPM). The survey is representative of urban, rural, Central District, San Pedro Sula, and other urban areas.

[80]Habitat for Humanity (2020). Cited in SEDESOL, *Social Protection Policy Proposal 2024-2030.*

Regarding garbage disposal, an essential service for public health and environmental protection, only 46.9 percent of households in Honduras have public home collection services. In urban areas, 75 percent of households have this service, with the highest coverage in San Pedro Sula (90.6 percent), followed by the Central District (86.4 percent), and the remaining urban areas (68.2 percent). In rural areas, coverage is 8.2 percent. Households lacking this service often resort to alternative practices, such as burning garbage (40.8 percent) or disposing of it in containers (3.6 percent). In rural areas, garbage burning is especially prevalent, affecting air quality and causing serious impacts on health and the environment. In fact, 79 percent of rural households dispose of their waste by burning, which increases air pollution due to the combustion of synthetic materials and toxic chemicals.

1.9. Sports and recreation

Sport plays an essential role as a driver of sustainable development. Its contribution to progress and peace is becoming increasingly evident, fostering values such as tolerance and respect. Furthermore, sport promotes the empowerment of women, youth, and communities (United Nations, 2016). [81]At the same time, sports can provide economic opportunities for people living in poverty and also transform the lives of citizens by strengthening the physical, psychological, emotional, and social well-being of the community (Austin et al., 2024) [82].

In Honduras, sport faces challenges that limit its development and impact on society. These include a lack of continuity in training, limited incentives for athletes, deficiencies in sports infrastructure, and a lack of statistical data that would allow for a complete assessment of this activity in the country [83].

Although sports infrastructure has improved in recent years with an investment of 433,151,132 Lempiras in 2023, representing 76.02 percent of the budget executed by the National Commission for Sports, Physical Education, and Recreation (CONDEPOR), this remains insufficient to meet national demand.

Furthermore, many facilities are concentrated in urban areas, limiting access for rural communities and creating inequalities. Furthermore, there are deteriorating spaces that require urgent intervention, such as the Walentay Gymnasium and the José de la Paz Herrera National Stadium, which do not meet the current needs of the population.

An additional challenge is the low level of inclusion of certain population groups such as women, people with disabilities, and older adults. This is due, in part, to the lack of regulations governing the rights and responsibilities of athletes, as well as the lack of a clear policy to promote inclusion.

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[81]Lemke, Wilfried. "The Role of Sport in Achieving the Sustainable Development Goals." United Nations. 2016. Available at: https://www.un.org/es/chronicle/article/el-papel-del-deporte-en-la-consecucion-de-losobjetivos-de-desarrollo-sostenible.

[82]Austin, Luguterah & Mohammed, Salifu & Apaak, Daniel & Abieraba, Richard Samuel Kwadwo. (2024). The capabilities of sports as an option for poverty reduction strategy: Citizen perspective. Journal of Community & Applied Social Psychology. 34. 1-17.

[83]The information in this section was obtained from: CONDEPOR (2024). Management Planning and Evaluation Unit. Institutional Strategic Plan (PEI) 2024-2026

Although female participation increased to 42 percent in 2023, significant barriers remain for women. Furthermore, older adults, who represent 11 percent of the Honduran population, lack adequate recreational spaces, despite their importance within society.

Regarding support for athletes, economic barriers persist that hinder professional development. Currently, there are no scholarships exclusively for sports, which affects young talents, many of whom face financial limitations to afford equipment or specialized training.

Another challenge is the lack of trained technical personnel. Currently, only 34 on-site technicians serve a monthly average of 11,500 people, making it difficult to optimally implement activities at the sports facilities. This imbalance reflects the need to increase the training and hiring of coaches to meet population demand.

Furthermore, the lack of a Sports Law impedes the implementation of clear and effective public policies. This legislation is essential to ensure transparency in the allocation of resources, define responsibilities between federations and professional leagues, and promote inclusive mass participation in sports.

Finally, it is essential to prioritize the implementation of sports activities in vulnerable areas as a tool to prevent violence and strengthen social cohesion, especially considering that Honduras, although it has reduced its homicide rate by 17 percent between 2022 and 2023, still has the highest rates in Central America, with 31.3 homicides per 100,000 inhabitants.

1.10. Culture and heritage

Ensuring that all people have access to and can actively participate in cultural activities is key to fostering an inclusive society. Furthermore, involvement in cultural activities can be a crucial factor in helping individuals and communities overcome poverty and social exclusion (European Commission, 2005). [84].

While the country's Constitution guarantees cultural rights, in practice, these rights are insufficiently implemented, leading to growing demands from artists, Indigenous peoples, and people of African descent. The lack of fulfillment of these rights creates significant barriers to the inclusion of diverse cultural expressions within society [85].

Lack of funding and institutional attention are also key factors in the crisis of the cultural sector. The reduction in the budget for the protection of cultural heritage, coupled with the lack of clear cultural policies and the absence of a state entity responsible for implementing them, has led to the abandonment of tangible and intangible heritage, and the neglect of the traditions of Indigenous and Afro-descendant peoples. The disconnection of culture from social and economic development

[84]Community Action Program on Social Exclusion. The role of culture in preventing and reducing poverty and social exclusion. European Commission, 2005. Available at: https://ec.europa.eu/employment_social/social_inclusion/docs/studyculture_leaflet_en.pdf.

[85]The information in this section was obtained from: SECAPPH (2024). Institutional Strategic Plan 2023-2026

has exacerbated the situation, given the failure to integrate culture into comprehensive development programs, especially in the areas most affected by poverty and exclusion.

Cultural infrastructure has also been affected. Institutions responsible for artistic and cultural training, such as dance, music, and performing arts schools, operate in unfavorable conditions due to a lack of resources and trained personnel. The deteriorating facilities and the shortage of adequate equipment limit the quality of arts education, which impacts the development of new talent.

The reduction in cultural spaces, such as libraries and cultural centers, is another major challenge. Over the years, the number of public libraries and cultural centers has decreased significantly. From 2008 to 2022, the Public Library Network was reduced from 137 to just 15; meanwhile, cultural centers decreased from 50 to 12 during the same period. The limited access to adequate cultural offerings, especially in the most vulnerable areas of the country, creates a huge gap in the population's participation in artistic and cultural activities, excluding certain sectors of society from the benefits that culture and the arts can offer to improve social cohesion and community development.

Regarding the cultural heritage of Indigenous and Afro-descendant peoples, the lack of investment in its revitalization and protection is one of the sector's main areas of opportunity. The loss of cultural identity and the threat to the intangible heritage of these communities is related to the limited attention and resources devoted to its protection.

1.11. Vulnerable groups

1.11.1. Childhood

Poverty is one of the most serious determinants of the non-fulfillment of children's and adolescents' rights. As previously mentioned, the disaggregation by age group reveals that a significantly higher proportion of children and adolescents, as well as older adults, live in poverty and extreme poverty compared to the national average. In 2023, 79 percent of the population between 0 and 17 years of age lived in poverty, and 55.8 percent lived in extreme poverty.

One of the most worrying effects of poverty on children and adolescents is early entry into the workforce. Table 1.14 shows information from the 2023 EPHPM (Educational and Population Survey) on child labor. Among the 5- to 9-year-old group, 0.3 percent reported having paid employment; among the 10- to 14-year-old group, the proportion increased to 6.4 percent, and among the 15- to 17-year-old group, it reached 25.5 percent. When disaggregated by geographic area, children residing in rural areas exhibit higher levels of child labor in all cohorts analyzed.

Regarding gender, boys between the ages of 15 and 17 show the highest proportion of labor force participation, followed by those in the 10- to 14-year-old group. Regarding the characteristics of the head of household, it is observed that child labor is more frequent in households where the head of household has a secondary education level or less.

Table 1.14. Percentage of the population aged 5 to 17 who reported having paid work by population group, Honduras, 2023

Indicator	5 to 9 years	10 to 14	15 to 17
Area			
Urban	0.2%	3.1%	18.1%
Central District	0.0%	2.1%	8.2%
San Pedro Sula	0.0%	3.1%	17.8%
Urban Remains	0.3%	3.4%	20.7%
Rural	0.3%	10.0%	34.3%
Gender			
Women	0.2%	2.6%	11.4%
Man	0.4%	10.1%	38.8%
Education of the head of household			
Without schooling	0.0%	0.5%	0.5%
Primary	83.2%	61.3%	50.4%
Secondary	16.8%	37.2%	45.0%
Post-secondary	0.0%	1.0%	4.0%
Total	0.3%	6.4%	25.4%

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2023

Adding to the problem of child labor is violence against children, a complex issue that significantly affects the comprehensive development and well-being of children and adolescents. This violence manifests itself in multiple settings, beginning in the home, where adults may inflict physical or psychological abuse on children. Likewise, in the school setting, it is common to find violent disciplinary practices by teaching staff, as well as bullying among students. [86]At the same time, sexual violence represents another serious dimension of the problem, including sexual abuse and commercial exploitation of children. [87]At the community level, this situation is exacerbated by precarious socioeconomic conditions, marginalization, and the presence of organized crime, among other factors. Furthermore, institutional and structural violence against children and adolescents is recognized, marked by phenomena such as discrimination, corruption, social inequality, limited legal protection, and widespread difficulties in accessing justice.

[86]Suazo, Martha Lorena, & Cruz, Kevin Alberto. (2022). Violence against children and adolescents in Honduras. *Mexican Journal of Sociology* , *84* (3), 653–683. Available from: https://doi.org/10.22201/iis.01882503p.2022.3.60321

[87]Survey on Violence Against Children and Adolescents (2019). Available at: https://cdn.togetherforgirls.org/assets/files/Encuesta-de-VACS-Honduras-2019.pdf

The consequences of these various types of violence are profound and long-lasting, especially when they occur in the early stages of child development. They can lead to chronic stress, severe psychological damage, educational difficulties, behavioral disorders, and a greater propensity to become involved in risky social activities, including joining gangs or criminal groups. The seriousness of this context is clearly reflected in the data obtained from the Violence Against Children and Youth (VAC) Survey, which reveals that nearly 33 percent of young people have witnessed violent acts outside their family at some point, while approximately 12 percent have witnessed physical assaults against their mother or stepmother, and a similar proportion have observed physical violence perpetrated by their parents against their brothers or sisters.[88]

Finally, it should be noted that the COVID-19 pandemic exacerbated these conditions of vulnerability due to increased family stress, prolonged social isolation, and significant economic decline. These circumstances led to an increase in domestic violence, school dropout rates, and social exclusion, posing additional challenges in terms of preventing and addressing violence against children.

1.11.2. Older adults

Regarding people aged 65 and over, Table 1.15 presents the percentage of people in this age range who reported receiving retirement or pension income in the three months prior to the survey, and those who indicated they were beneficiaries of the Bono Oro (Gold Bonus) for older adults. Of the total population in this cohort, 2.7 percent reported receiving pension or retirement income, and 2.4 percent reported being beneficiaries of the Bono Oro (Gold Bonus) for older adults. By geographic area, older adults in the Central District and San Pedro Sula register the highest percentage of pension or retirement recipients. For the Bono Oro (Gold Bonus), San Pedro Sula and rural areas register the highest percentage of the population receiving this transfer.

By gender, 2 percent of women aged 65 and over reported receiving pension or retirement income, and 3.1 percent reported receiving a transfer from the Bono Oro program. Among men in the same group, 3.7 percent reported receiving pension income, and 1.5 percent reported receiving the Bono Oro program.

Table 1.15. Percentage of the population aged 65 and over that reported income from pensions or retirement, Honduras, 2023

Indicator	Receive a pension or retirement	Receive Gold Bonus
Area		
Urban	4.5%	2.1%
Central District	8.7%	0.9%
San Pedro Sula	6.9%	5.3%
Urban Remains	2.2%	1.8%

[88] National Response Plan for the Prevention of Violence Against Children and Adolescents Based on the Survey against Violence in Children and Adolescents (VACS) and the INSPIRE Strategy for the Republic of Honduras (2022-2027).

Indicator	Receive a pension or retirement	Receive Gold Bonus
Rural	0.4%	2.8%
Gender		
Women	2.0%	3.1%
Man	3.7%	1.5%
Quintile		
1	1.2%	3.3%
2	3.0%	1.5%
3	2.8%	3.4%
4	2.6%	2.9%
5	4.3%	1.6%
Total	2.7%	2.4%

Source: Estimates from the Permanent Multiple Purpose Household Survey (EPHPM) 2023.

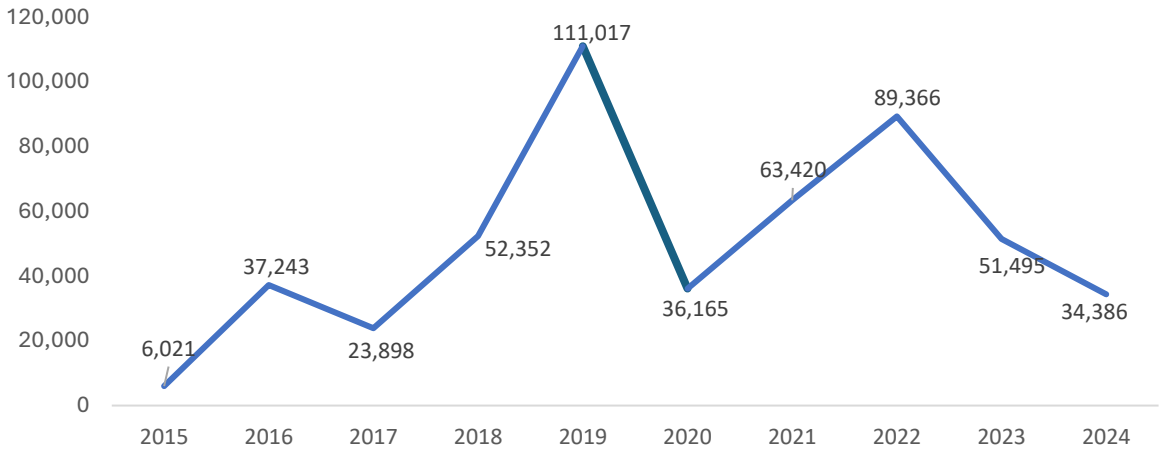
1.11.3. Returned migrants

Honduras has distinguished itself as a country of origin, return, transit, and, to a lesser extent, destination for migrants, a situation marked by various factors such as violence perpetrated by criminal groups, economic precariousness, high vulnerability to climate change, and the search for better life opportunities. While migratory flows have included so-called "caravans" between 2018 and 2021, recent years have also seen a growing transit of people from South America, the Caribbean, and other regions crossing Honduran territory en route to North America. At the same time, young people face significant barriers to socioeconomic integration, constituting a key group in this mobility.[89]

The return of migrants, both voluntary and forced, has become a key element in the migration dynamics in Honduras. Over the last decade, the number of migrants returned to Honduras has fluctuated significantly. In 2015, the figure was around 6,000, but in subsequent years, an increase was recorded, exceeding 111,000 in 2019, marking the highest point in the 2015-2024 period. This was followed by a sharp decline in 2020, with just over 36,000 returnees, followed by a further increase in 2022, when the number reached nearly 89,000. Finally, from that year onwards, the trend declined again, reaching around 34,000 returnees by 2024, the lowest figure since 2017. These fluctuations are closely related to the tightening of US immigration policy towards migrant caravans, the increasing militarization of the Mexican border and the economic situation of the countries, which significantly influences migratory flows (Chart 1.37).

[89] CHEPES (2024), “Return migration to Honduras”, Bulletin No. 1.

Chart 1.37. Number of returned migrants, 2015-2024



Source: prepared by the authors using data from the INM.

Deportation or forced return profoundly impacts each migrant and their family environment. When their primary source of income must return to the country, families who remain abroad lose a large part of their income, while those residing in Honduras stop receiving remittances that provided a measure of financial stability. Once in Honduras, migrants return to a saturated labor market with few formal opportunities, perpetuating precarious conditions for both those who return and those who depended on their resources.

Upon returning to Honduras, many returnees immediately face job insecurity. In areas with high poverty rates or under the control of criminal organizations, formal employment options are very limited. This situation worsens when they cannot validate the training or experience acquired abroad, either due to a lack of equivalency in their certifications or the absence of support networks. Consequently, they are forced into informal jobs with low wages and no social security, which exacerbates the cycle of vulnerability.

These difficulties are even more acute for children and adolescents. Lacking identity documents, many of the returned children and adolescents (CHI) remain outside the reach of protection systems and face serious obstacles to accessing basic services, a precarious situation that often forces them to migrate again. By mid- 2023, nearly 38 percent of the 3,543 returned children and adolescents were unaccompanied, highlighting the magnitude of the vulnerability faced by this population group.[90]

1.11.4. People with disabilities

Honduras currently has no national census or survey on disabilities, making it the only country in Central America to do so. Available estimates, generated from the INE's Permanent Household

[90] IOM Strategy for Honduras, 2024-2026. Available at: https://crisisresponse.iom.int/sites/g/files/tmzbdl1481/files/appeal/documents/oim_estrategia-final-rev-hn-2024-2026_0.pdf

Surveys, suggest that approximately 14 percent of the Honduran population may have a disability. This equates to approximately 1,200,000 people, representing a significant proportion that requires specific attention to ensure the full exercise of their rights.[91]

However, people with disabilities in Honduras continue to face multiple forms of discrimination and invisibility in various areas, including education, healthcare, and employment. Although the country's Penal Code provides for penalties for discrimination based on disability, in practice there are no effective or accessible mechanisms for reporting these cases, nor are there any remedial actions or statistics that reflect the magnitude of the problem. The public health system does not offer specific care protocols for people with disabilities, and healthcare personnel frequently lack adequate training and sensitivity to provide dignified care. In education, there are no statistical data on school dropouts, while in the workplace, high unemployment rates prevail due to poor compliance with employment quotas and legal limitations that prevent the effective application of sanctions.[92]

Additionally, barriers to access to justice for persons with disabilities are numerous, highlighting obstacles related to infrastructure, communication, exclusionary regulations, and limited accessible information, especially in rural areas and Indigenous and Afro-descendant communities. This reality has increased their dependence on families and communities, accentuating their vulnerability to various forms of discrimination, exclusion, and violence, including domestic and sexual violence. The Committee on the Rights of Persons with Disabilities has expressed particular concern about the lack of implementation of public policies aimed at protecting the rights of women and girls with disabilities, explicitly recommending the adoption of a gender perspective in disability policies, as well as incorporating the principle of non-discrimination into the Children's and Adolescents' Code to strengthen the effective protection of the rights of children with disabilities.[93]

1.11.5. Indigenous and Afro peoples

Honduras is a multiethnic, multilingual, and multicultural country where nine indigenous and Afro-descendant groups coexist (Lenca, Maya-Chortí, Tawahka, Tolupán, Pech, Miskito, Nahua, Garífuna, and English-speaking Blacks). They represent approximately 7 percent of the population. Each faces its own challenges, but all share interrelated problems. One of the greatest obstacles is their invisibility in national statistics and averages, due to the scarcity of data that accurately reflects their situation and serves as a basis for decision-making. An example of this is the exclusion of children from indigenous communities from health services, education, or school meals for not having official identification documents.[94]

The education system also contributes to inequality, as it does not guarantee sufficient school coverage or facilitate access to study materials in indigenous languages. Regarding educational

[91] SEDESOL, Brochure of the Solidarity Fund for the Disability Sector in Honduras. Available at: https://sedesol.gob.hn/wp-content/uploads/2022/07/Folleto-de-Fondo-Solidario.pdf

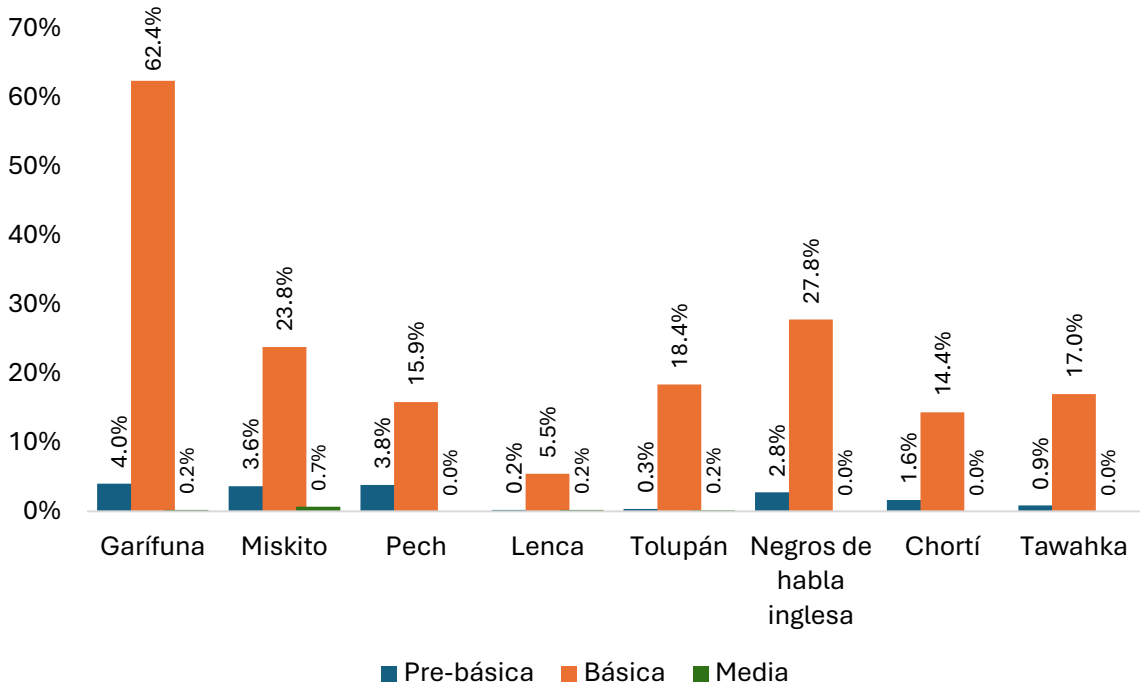
[92] UN (2021), Common Country Analysis. Available at: https://honduras.un.org/sites/default/files/2022-02/An%C3%A1lisis%20Com%C3%BAn%20de%20Pa%C3%ADs%20-%20LOW%20RES.pdf

[93] Committee on the Rights of Persons with Disabilities (2017), Concluding Observations on the Initial Report of Honduras. Available at: https://www.ciarhhonduras.com/_files/ugd/20da63_d460b7b8ed344ab3af42d5467e8f5278.pdf

[94] According to the NGO Ayuda en Acción, 4 out of 10 minors in the Honduran Mosquitia are not registered.

levels, basic education is the predominant level in all nine groups, although the gap between the population with the highest percentage (Garifuna) and that with the lowest percentage (Lenca) is almost 57 percentage points. Pre-basic education rates are low in all groups, although slightly higher in Garifuna and Pech (4 and 3.8 percent, respectively), and secondary schooling levels are extremely low in all populations. The Lenca population shows the lowest percentages overall (Figure 1.38).

Chart 1.38. Education level of indigenous and Afro populations



Source: Prepared by the authors using data from the Human Rights Observatory.

These nine Indigenous and Afro-Honduran groups suffer disproportionately from a lack of access to basic services, employment opportunities, and economic inclusion, in addition to experiencing discrimination, limited civic participation, food insecurity, malnutrition, high rates of teenage pregnancy, and high maternal mortality. [95]They also face particular vulnerability due to the lack of land tenure protections, which increases the risk of poverty, malnutrition, and a lack of safe drinking water and sanitation when they lose their territories.[96]

[95]Honduras Human Rights Observatory, Indigenous and African American Peoples. Available at: https://odh.sedh.gob.hn/category/view/301/pueblos-indigenas-y-afroamericanos

[96]UN (2021), Common Country Analysis. Available at: https://honduras.un.org/sites/default/files/2022-02/An%C3%A1lisis%20Com%C3%BAn%20de%20Pa%C3%ADs%20-%20LOW%20RES.pdf

1.12. Conclusions

In the general context, the data show that Honduras has for decades been one of the countries with the lowest GDP per capita in the region. The country is characterized by a high dependence on economic sectors with low productivity, which in turn generates high levels of informality and low-paying jobs. Furthermore, the country is exposed to external shocks, as it is highly dependent on the flow of remittances, which constitute a significant portion of household income. In 2023, remittances represented 26.1 percent of GDP, well above the Latin American average. The country's economic situation is also associated with high vulnerability to extreme natural disasters. With the highest Climate Risk Management Index in the region, Honduras faces a direct relationship between its climate vulnerability and its high percentage of population living in poverty, highlighting the urgent need for mitigation and adaptation measures. On the other hand, challenges are observed in the sustainability of public finances and the lack of alignment of the budget with the priorities of the Social Protection System and the PRS, which limits the scope for social policy action.

In terms of poverty and inequality, Honduras is the country with the highest poverty rates, and the lowest elasticities between economic growth and poverty reduction, in the region. Prior to the pandemic, modest changes in poverty reduction were observed, and following the COVID-19 pandemic, the percentage of the population living in poverty increased substantially: in 2023, 69.6 percent of the population lived in poverty—measured by the Poverty Line method, which is defined as the cost of the basic food basket—and 46.7 percent lived in extreme poverty. When disaggregating changes in poverty, it is observed that the increase in this indicator is associated with a deterioration in average household income, affecting households in rural areas to a greater extent. In terms of inequality, Honduras also has one of the highest Gini coefficients in Latin America, and no changes have been observed in the trajectory of this indicator over the last decade.

By size, Honduras faces significant challenges affecting various key sectors of social and economic development, with significant disparities between different population groups and different territories. Indicators in health, nutrition, and social protection show mixed results. While prenatal coverage is similar to the regional average and maternal and neonatal mortality rates are lower than in Latin America and the Caribbean, challenges in early childhood are evident. Childhood growth retardation and malnutrition in children under five exceed regional averages, and immunization rates, although close to average, fall short of universal coverage and have declined in the last decade. Among adolescents, pregnancy rates are very high, as are the unmet needs for family planning. Furthermore, undernourishment has increased, exceeding the regional average, although the incidence of tuberculosis shows a downward trend.

In education, the gaps are notable, especially in educational coverage and quality. School attendance among children between 4 and 5 years old is significantly low, being lower in urban areas compared to rural areas. In primary school, attendance rates are also below the regional average, with disadvantages for children and rural areas. These gaps widen in the third cycle of basic education (grades 7 to 9) and secondary and higher education, where Honduras has the lowest attendance rates in the region. Furthermore, a large number of young people, especially women, are economically inactive and do not study. The poor quality of education, reflected in standardized test results, and the few years of schooling among the adult population limit the development of human capital.

In the labor market, high levels of informality and low labor force participation, particularly among women, represent critical challenges. Although the unemployment rate is lower than the regional average, labor informality is one of the highest in the region. Additionally, a negative correlation is observed between remittance receipt and labor market participation. Honduras's agrifood sector, key to the economy and food security, represented 12 percent of GDP in 2023 and is predominantly small-scale. However, it faces significant challenges such as limited access to resources, lack of updated data, research gaps, high production costs, logistical problems, and labor shortages associated with migratory flows. These challenges, compounded by climate change, the pandemic, and global inflation, affect its competitiveness and market access.

Honduras faces significant gender challenges, highlighting the high prevalence of violence against women, with one of the highest rates of femicide in Latin America (6 per 100,000 women in 2022) and 52.8 percent of women reporting having experienced violence at some point in their lives. Furthermore, 70.6 percent of women live in poverty, exceeding the percentage of men, with the greatest impact on female-headed households, which also face higher levels of extreme poverty. Discrimination in the workplace and community, where 31.9 percent of women report violence, limits their development and well-being.

In terms of housing and basic services, access to decent housing and essential services remains a challenge. Gaps persist in access to drinking water and sanitation, with levels below the regional average. Although electricity coverage reaches 88 percent of homes, nearly 98,000 households in the poorest quintile lack this service, increasing their vulnerability. Only 46.9 percent of homes have access to garbage collection, and in rural areas, 79 percent burn waste, exacerbating environmental and public health problems.

Sport and recreation are key drivers of sustainable development, promoting values such as tolerance and respect, and empowering women, youth, and communities. They also provide economic opportunities for people living in poverty and contribute to transforming lives by improving the physical, psychological, emotional, and social well-being of communities. This activity faces infrastructure limitations, a lack of inclusive policies, and a shortage of specialized human resources, all of which limit access for the population. The absence of a specific law hinders the implementation of public policies that promote transparency and the advancement of sport.

Furthermore, access to and participation in cultural activities are fundamental to fostering an inclusive society and combating poverty and social exclusion. However, in practice, the implementation of constitutionally guaranteed cultural rights is limited, creating significant barriers to cultural inclusion. The lack of funding, clear policies, and institutional attention has led to the neglect of cultural heritage, affecting both the traditions of Indigenous and Afro-descendant peoples and artistic training, which is limited by insufficient resources and deteriorating infrastructure. Furthermore, the reduction of libraries and cultural centers has intensified cultural exclusion, especially in the most vulnerable areas, depriving communities of the social and economic benefits that culture can offer. Revitalizing the cultural heritage of Indigenous and Afro-descendant peoples represents a key opportunity to preserve their identity and promote their development.

Regarding vulnerable groups, children and adolescents in Honduras are facing an unfavorable situation, with high levels of poverty (79 percent) and extreme poverty (55.8 percent) in 2023. As a result, approximately 9 percent of children and adolescents between the ages of 5 and 17 reported

having paid employment, with a higher proportion among the 15- to 17-year-old cohort, among boys, and among residents of rural areas. Violence also exists in various settings—family, school, and community—with effects that impact the comprehensive development of children and adolescents.

People with disabilities, for their part, suffer from multiple barriers of discrimination and invisibility. The lack of national data prevents an accurate understanding of their situation, hampering the creation of inclusive policies. Despite legislation that penalizes discrimination, in practice there are no effective mechanisms or access to complaints or remedial action. Therefore, infrastructure and communication obstacles persist in areas such as health, education, and employment, exacerbating the dependency and exclusion of people living with disabilities.

Furthermore, the data reveal low coverage of programs—both contributory and non-contributory—targeting older adults. A low percentage (less than 3 percent) of the population aged 65 and over reported receiving contributory pensions, and less than 3 percent are beneficiaries of the Gold Bonus program.

Returning migrants also face a complex situation upon returning to Honduras, characterized by a saturated labor market and limited formal opportunities. The reduction in remittance transfers destabilizes family economies, and many returnees are unable to validate their experience gained abroad, forcing them into informal employment. For migrant children and adolescents, the lack of identification further hampers their access to basic services, exposing them to a recurring cycle of vulnerability.

Finally, the Indigenous and Afro-descendant population faces structural inequalities, particularly in access to education and basic services. The percentage of people who complete secondary education is low, as is the case for the Lenca, who have limited achievement rates at all academic levels. Added to this is the lack of legal protection for their territories and discrimination, factors that increase poverty, food insecurity, malnutrition, and socioeconomic exclusion.

In summary, the analysis of the different dimensions shows that Honduras suffers from conditions of structural poverty that hinder poverty eradication, which are exacerbated, among other factors, by its vulnerability to climate shocks. Between 2014 and 2019, before COVID-19 and the passage of Hurricanes Eta and Iota in 2020, Honduras had one of the highest poverty incidence rates in Latin America and the Caribbean and experienced weak poverty reduction compared to other countries in the region, especially considering economic growth. At the national level, Honduras has high territorial inequality in access to basic services, including education, health, water and sanitation, electricity, digital connectivity, and financial services, especially in rural areas. In addition to being characterized by stagnant well-being, territorial inequality inhibits productivity in the most vulnerable areas, limiting the population's participation in economic growth, which further exacerbates poverty. Therefore, the reorientation of the ERP must focus on improved *service delivery* with a territorial approach to the services prioritized by the ERP to promote equitable social and economic development. This implies improved sectoral plans, increased budget allocation (from national and external funds), tax reform, territorial planning, and institutional strengthening under strategic leadership that allows for ongoing monitoring of results.

In this context, an active social policy can be a strategic element to trigger a virtuous cycle if it focuses on enabling the most vulnerable and low-income populations to increase their productivity and participate in the country's development. This is the approach proposed by the current Strategy.

2. Description of the Poverty Reduction Strategy 2022-2046

The assessment conducted in the previous sections shows that, two decades into the 21st century, Honduras faces significant challenges in ensuring that the majority of its population has access to opportunities that allow them to achieve acceptable levels of well-being, increase their productivity, and participate in the process of economic growth. To transform this reality, the country proposes that the 2022-2046 PRS be conceptually based on the asset approach, which seeks to reduce poverty by addressing the structural factors that generate it. [97]This approach aims to provide the most vulnerable populations with the capabilities, opportunities, and resources necessary to improve their quality of life in a sustainable and lasting manner.

Based on the asset approach – which is explained below – a poverty reduction strategy is proposed consisting of three central pillars, which include (Figure 2.1):

- **Pillar 1.** Stability and inclusive growth: This includes macroeconomic policy actions that guarantee stability, foster economic growth, and generate productive opportunities for the population, including those with lower incomes.
- **Pillar 2.** Public services and programs to reduce inequalities: This includes the supply of goods and services that are universally accessible, but which, by design, tend to benefit lower-income populations more. It includes public goods and services in the following areas: education; health; employment; productive actions in the countryside; housing; water and sanitation; sports and recreation; culture and heritage; as well as social infrastructure actions. It also incorporates components of the Comprehensive Social Protection System.
- **Pillar 3.** Programs focused on serving the poor and vulnerable groups: Includes programs, actions, support, goods, and services directly aimed at the poor, focusing on priority geographic areas. This includes goods and services from programs such as Red Solidaria, PROASOL, Becas Solidarias, Energía Gratis (a subsidy for poor households consuming less than 150 kWh), among others.

[97]Attanasio, OP, Székely, M., Gray-Molina, G., Jiménez, W., Pérez de Rada, E., Yáñez, E., Neri, MC, Amadeo, EJ, Carvalho, AP, Contreras, D., Larrañaga, O., Leibovich, J., Núñez, J., Trejos, JD, Montiel, N., Escobal, J., Saavedra-Chanduví, J., & Torero, M. (2011). *PC* https://doi.org/10.18235/0012344

Figure 2.39. General structure 1the ERP 2022-2046

Before delving into the conceptual approach that underpins the Strategy's three pillars, we will now analyze the main antecedent to the current PRS, the strategy formulated in 2001. This analysis seeks to identify the challenges faced in its implementation and draw key lessons that will inform the current effort.

2.1. Background: the 2001 ERP

In September 1996, the international community, the IMF, and the World Bank adopted the Heavily Indebted Poor Countries (HIPC) Initiative to recognize the unsustainability of these countries' public external debt, which contributed to slow economic growth, persistent poverty, and ineffective social policies. Beginning in 1998, the Government of Honduras began negotiations with the IMF and the World Bank to be included in this initiative. In March 1999, in the context of the National Reconstruction and Transformation Process [98]and following the devastating effects of Hurricane Mitch [99], the Government held a series of negotiation meetings with the main bilateral creditors and multilateral lending agencies. Following these negotiations, Honduras was declared eligible for the HIPC Initiative in December 1999 after demonstrating the unsustainability of its public external debt.

[98]The Master Plan for National Reconstruction and Transformation (PMRTN) was developed by the Honduran government in response to the devastation caused by Hurricane Mitch in 1998. The plan focused on reactivating the economy by restoring productive sectors and infrastructure, and proposed measures to strengthen macroeconomic stability and establish a new type of risk management. Implementation of the PMRTN was conceived as a long-term strategy involving various stakeholders, including municipalities, nongovernmental organizations (NGOs), and the private sector, with the expectation of achieving sustained economic growth and improved social and environmental indicators by 2005.

[99]Hurricane Mitch struck Honduras in 1998, leaving at least 7,000 victims and 1.5 million displaced people, in addition to causing economic losses estimated at around $6 billion. Agriculture was one of the most severely affected sectors, with the destruction of more than 70 percent of crops, significantly impacting the production of coffee, bananas, and other key products for the country's economy. The devastation also included the destruction of infrastructure, homes, and roads, plunging the country into an unprecedented humanitarian and economic crisis.

In June 2000, the Boards of Directors of the IMF and the World Bank approved the "Decision Point" for Honduras, marking the second stage of the HIPC initiative. The government maintained an economic program with the IMF and formulated a national program to reduce poverty, reflected in the 2001 Poverty Reduction Strategy Paper, which was approved by both institutions. The fundamental objective of the 2001 Poverty Reduction Strategy Paper was to reduce poverty significantly and sustainably, based on accelerated and sustained economic growth. It is worth mentioning that the Strategy was designed to ensure equity in the distribution of its results through greater access to the factors of production for people living in poverty, including the development of human capital and social safety nets.

The 2001 Strategy established the following goals for 2015: a) reduce the incidence of poverty and extreme poverty by 24 percentage points; b) double net coverage of pre-basic education for 5-year-olds; c) achieve net coverage of 95 percent in access to the first two cycles of basic education; d) achieve net coverage of 70 percent in the third cycle of basic education; e) ensure that 50 percent of the new workforce completes secondary education; f) halve infant and under-5 mortality rates; g) reduce malnutrition among children under 5 to 20 percent; h) halve the maternal mortality rate; i) achieve 95 percent access to safe drinking water and sanitation; j) equalize and raise the gender-related Human Development Index (HDI) by 20 percent; and e) implement a strategy for sustainable development.

To achieve this, the 2001 Strategy was based on five major guidelines, including: a) prioritizing actions aimed at sustainable poverty reduction; b) prioritizing actions for the country's most disadvantaged groups and areas; c) strengthening civil society participation and decentralization; d) strengthening governance and participatory democracy; and e) reducing environmental vulnerability and its impact on poverty.

The development of the various policy measures, programs, and projects was based on six strategic areas: 1) accelerating equitable and sustainable economic growth; 2) reducing poverty in rural areas; 3) reducing urban poverty; 4) investing in human capital; 5) strengthening social protection for specific groups; and 6) ensuring the sustainability of the strategy.

Financing for the 2001 PRS was estimated at a total cost of US$2.666 billion over 15 years, with an annual average of US$178 million. Given that several projects underway already had funding committed through external disbursements and national counterparts, the main challenge was to secure resources for new programs and projects. Additional financing would come from the release of resources within the General Budget of the Republic, thanks to external debt relief through the HIPC (Hypothecary Program for the Recovery and Development of Small and Medium-Sized Enterprises). This represented an annual average of US$62.3 million, although the largest contribution was expected to occur in the strategy's early years.

Even so, it was recognized that debt relief would not be sufficient to cover all costs, so it was expected to be supplemented by commitments from the international community, through grants and concessional loans from bilateral and multilateral sources. In 2005, of total PRS expenditure, 66.1 percent was financed with domestic funds, while the remainder was covered with external funds: 21.9 percent from loans, 7 percent from grants, and 5 percent from debt relief (Table 2.1). By 2010, domestic financing increased significantly to 74.7 percent, while international support, especially grant funds (2.1 percent), declined, while debt relief funds temporarily increased to 13.1

percent. In 2015, the upward trend in the share of domestic funds continued, reaching 83 percent, representing a progressive reduction in dependence on external resources.

Table 2.16. Composition of ERP expenditure by fund type (as a percentage of total expenditure)

Type of fund	2005	2010	2015
National funds	66.1%	74.7%	83%
External loan funds	21.9%	10.1%	7.7%
Donation funds	7%	2.1%	1.5%
Relief funds	5%	13.1%	7.8%

Source: prepared by the author with information from: SEFIN Institutional Report (2005), SEFIN Institutional Report (2010), SEFIN Institutional Report (2015).

Additionally, it was hoped to increase tax revenue through privatization processes and the reallocation of resources within the General Budget of the Republic, as well as strengthen tax administration with the effective implementation of the Tax Code. During the implementation of the ERP, public spending on the ERP reached 8.8 percent of GDP in 2005.[100]

In 2005, the majority of the budget was allocated to Area 4, "Investing in Human Capital," with 57.1 percent of the total. This was reflected in the execution of key projects such as Formal Primary Education, the Honduran Community Education Program (PROHECO), Formal Preschool, Education for All (EFA), Healthy Schools, and Alternative Basic Education Programs. The next highest percentage corresponded to Area 6, "Ensuring the Sustainability of the Strategy," with 22.9 percent, through projects supporting municipalities through the FHIS (National Institute of Statistics and Census) and the Efficiency and Transparency Program in State Procurement and Contracting.

Third, Area 2, "Reducing Poverty in Rural Areas," received 10.3 percent, with notable projects such as the National Directorate for Sustainable Rural Development (DINADERS), the National Fund for Sustainable Rural Development (FONADERS), and the National Local Development Program (PRONADEL), among others. Finally, Areas 1 ("Accelerating Equitable and Sustainable Economic Growth") and 3 ("Reducing Urban Poverty") recorded lower levels of budget execution in both years.[101]

Despite the enormous effort involved in implementing the PRS, the results in terms of poverty reduction were limited. The established goals proved overly ambitious and exceeded the government's institutional capacity to achieve them. In 2005, poverty affected 65.8 percent of the population, a figure considerably higher than the targets established for that year at the launch of the PRS in 2001, which were 58.4 percent for relative poverty and 39.7 percent for extreme poverty (see Table 2.4).

[100] SEFIN Institutional Report, 2005.

[101] SEFIN Institutional Report 2005; SEFIN Institutional Report 2006

Table 17Incidence of Poverty in Households, 2001-2005

Domain	Total poverty					Extreme poverty				
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005
National	65.2	64.8	65.1	64.2	65.8	48.4	44.8	47	44.6	47.1
Urban	57.7	58.2	57.2	58.7	60.3	37.8	28.5	29.9	29.1	31.3
Central District	56.3	51.4	51.3	51	52.6	35	18.6	20.7	21.3	21.8
San Pedro Sula	470	49.9	48.7	50.9	50.5	25.7	19.3	20.3	20.4	23.7
Urban Remains	63.1	64.4	62.8	65	67.3	44.6	36.5	37.4	35.8	38.4
Rural	73.8	72.3	72.5	70.3	71	60.6	63.4	63.2	61.4	63.8
Gender										
Women	68.9	67.6	66.3	68.1	66.8	51	44.5	45.2	45.2	46.8
Men	64.1	63	64.8	63.1	65.4	47	44.3	47.5	44.4	47.2

Source: Institute of Social Studies, 2006

In addition, inequality grew in the country. Between 2001 and 2005, the country's Gini coefficient increased from 56.1 to 58.9, as shown in Table 2.3.

Table 18 Gini coefficient of Honduras, 2001-2005

Year	Honduras
2001	56.1
2002	56.3
2003	58.4
2004	58.1
2005	58.9

Source: Institute of Social Studies, 2006

According to the Social Forum on External Debt and Development of Honduras (FOSDEH), external debt relief resources were used primarily to address short-term priorities and, to a lesser extent, to finance long-term impact programs. [102]Over the years, the PRS weakened, and poverty reduction and human development goals were not achieved as expected.

Notwithstanding the above, the 2001 PRS had some positive aspects during its development. Its design successfully involved a significant portion of civil society, including professionals and academics who contributed their knowledge and experience, generating a productive space for dialogue and collaboration around the problem of poverty. Furthermore, as shown in Table 2.4, the following goals were met: (i) growth in social spending (the goal was to achieve 8.7 percent of GDP, and 8.8 percent was achieved); (ii) growth in GDP per capita (the goal was to achieve a growth rate of 1.6, and 1.8 was achieved); and (iii) the country's telephone density (a fixed-line density of 5.4 per 100 inhabitants was sought, and a value of 6.5 was achieved).

Although there are no comprehensive evaluations of the achievements of the policies and programs implemented as part of the 2001 PRS, a 2008 Red Solidaria Monitoring and Evaluation report indicated that the Program managed to sign collaboration agreements with 11 different service

[102]FOSDEH, Critical Assessment of the Poverty Reduction Strategy, 2001.

providers for the beneficiary population, 9 of which were government institutions. The report also indicated that within the Program's five axes of action (social protection, capacity building, basic social infrastructure, economic infrastructure, and income opportunities), the axis with the greatest investment was social protection (56.2 percent), where conditional transfers were concentrated, followed by capacity building (16.1 percent) and social infrastructure (14.8 percent), with no investment in economic infrastructure. The report also indicated that the investment or budget allocated to the Program only covered 33.2 percent of the Program's target population. Regarding territorial presence, the report states that 69.7 percent of the targeted villages had at least one intervention from the Program, and the rest (30.21 percent) did not have any intervention or presence [103].

In short, the 2001 PRS, despite having clear objectives and goals, failed to address the structural causes of poverty or substantially improve the living conditions of the majority of the Honduran population, especially in rural areas and among the most vulnerable groups. Furthermore, although Red Solidaria achieved a moderate presence in villages, it reached barely a third of the target population. This was the last strategy designed before the 2022-2026 administration took office.

Table 19 ERP Indicators, 2005

Goal	Indicator	Real 2001	Real 2005	Goal 2005
GDP per capita growth	GDP per capita growth rate	0.2	1.8	1.6
Poverty spending as a percentage of GDP	Poverty Spending as a Percentage of GDP	8.8	8.8	8.7
Reduce poverty by 24 percentage points	Poverty Rate	65.2	65.8	58.4
	Extreme Poverty Rate	47.4	47.1	39.7
Double net coverage in pre-basic education to 5 years	Coverage Rate in Pre-Basic Education	38.1	34.3	36.5
Net coverage of 95% in the first two cycles of basic education	Net Coverage Rate 1st to 2nd Cycle of Basic Education	87.7	89.4	91.7
Net coverage of 70% in the third cycle of basic education	Coverage Rate in the 3rd Cycle of Basic Education	34.1	39	37.3
50% of the emerging population completes secondary education	Diversified Cycle Net Coverage (10th to 12th grade)	18	22.7	22.3
Halve the infant and under-5 mortality rate	Infant Mortality Rate /l,000 nv	34	ND	29
	Under-5 Mortality Rate (per 1,000 live births)	45	ND	39
Halve malnutrition in children under 5 years of age	Child Malnutrition Rate	32.9	ND	28.9
Halve maternal mortality	Maternal Mortality Rate per 100,000 live births	108	ND	95
Achieve 80% coverage in electric power services	Electricity Coverage Rate	57.5	64.2	64.9
Triple the country's telephone density	Fixed Line Density per 100 inhabitants	4.8	6.6	5.4
	Mobile Phone Penetration (users per 100 inhabitants)	3.6	15.5	7.2
95% access to water and sanitation	Percentage of Drinking Population with Access to Drinking Water	81.0		83.4

[103] Castro, W. (2008). Monitoring and Evaluation Report. Solidarity Network.

Goal	Indicator	Real 2001	Real 2005	Goal 2005
	Percentage of Population with Access to Excreta Disposal Systems	69.4		73.0
Raise the women's human development index by 20%	Gender-related HDI	0.62	ND	0.70
	Gender Empowerment Index	0.45	ND	0.50
Reduce the country's environmental vulnerability	Number of Priority Protected Areas (AA.PP) with Management Plans	5	ND	31
	Percentage of Total Area of Priority Protected Areas with Management Plans	12.5	ND	79.5
	Air Pollution in Urban Centers	47.2	ND	ND

Source: Information System of the Strategy for Poverty Reduction (SIERP) NGO (in Institute of Social Studies, 2006); SEFIN Institutional Report 2005.

* ND: Not available

** Goals that were achieved are indicated in green.

2.2. Conceptual Framework of the Poverty Reduction Strategy 2022-2046

The 2022-2046 PRS is based on the vision that achieving sustained poverty reduction in Honduras requires addressing its structural causes. To identify policies and actions in this regard, the Strategy relies on a conceptual framework that guides and gives specific meaning to government action.

Conceptually, the 2022-2046 ERP is based on the asset approach, which views social policy instruments as investments to improve the capabilities, productivity, and economic opportunities of low-income people and territories. By focusing on the lowest-income groups, its success will mean reducing inequality gaps in the country.

2.2.1. Core elements of the approach

The asset approach conceptualizes inequality and poverty as processes that depend on four central elements, including:

1. The distribution of income-generating assets;
2. The distribution of opportunities to use such assets;
3. The prices at which the market compensates for its use; and
4. Transfers and other income independent of assets.

The impact on these elements depends on an environment of economic stability and inclusive growth that promotes the capabilities and assets of people and territories living in poverty, enhances their productive use, and increases their wages, which increases their productivity. This not only reduces income poverty, but also promotes greater economic growth and greater participation in it.

The first element, which refers to capabilities or assets, is the foundation for accessing opportunities generated by the environment, as they determine productive capacity. For PRS purposes, these income-generating assets are classified into three types: human capital, physical capital, and social

capital. Human capital includes the set of competencies, skills, or knowledge necessary to produce a good or service, in addition to the physical capabilities determined by nutrition and health. Physical capital refers to the monetary value of any form of financial asset, land for production, money holdings, property, and capital reserves used for production. This type of capital can play different roles, in the sense that it can be used to cushion temporary shocks, for productive investment, or even be accumulated for long-term goals, such as retirement savings. It also includes housing tenure and basic services and the ability to save or generate wealth. Social capital consists of characteristics of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions.

Possession of or access to any of these assets implies that a person has the potential to generate income at any given time. However, the capabilities or assets each person possesses will translate into greater well-being or access to resources when these assets can be used productively, which is the second element. For example, education, human capital, and health can translate into income for families if there are opportunities to employ them productively in their environment through the labor market, while opportunities to invest in productive projects will determine the return on physical assets.

The third element in the income-generating process, under the asset approach, refers to the price system that determines the value of assets when they are used. The price of each income-generating asset in market economies is determined in the environment by supply and demand; by access to services, communications, infrastructure; and by institutional factors. In an economy like Honduras's, the market price of each income-generating asset tends to be independent of each individual and to be set by a set of aggregate factors. Two mechanisms that can be effectively used to modify the prices received for the use of assets are infrastructure and communications, since they somehow change the environment in which people operate and make them more productive, without the need to directly intervene in prices.

The fourth element refers to other income that is independent of asset use, such as transfers of public or private resources, including remittances. These incomes, although not derived directly from the use of an individual's or family's own assets, can supplement disposable income and provide economic stability in situations of vulnerability. This type of support can play a crucial role in poverty reduction by enabling households to meet unexpected expenses, access essential goods and services, and, in some cases, invest in long-term asset accumulation.

The four aforementioned elements are not necessarily independent of one another. On the one hand, if an asset is valued by society and, therefore, its return is relatively high, there will be greater incentives to accumulate and utilize it. Similarly, if the possibilities for utilization expand, there will also be greater incentives to accumulate the asset in question. Furthermore, the price of an asset may change as the holdings of that asset expand or are used more intensively.

It is worth noting that the four elements described also interact with specific dynamics at the territorial level. Modern production requires many complementary inputs, such as raw materials, machinery, specialized labor skills, infrastructure, financing, and regulatory frameworks, which cannot be easily transported and must be established locally. Since shortages of any of these inputs

can have serious effects on productivity, the fixed costs of ensuring their availability often discourage their expansion. Addressing these challenges requires investing within a broader framework of inclusion, so that people have the complementary skills and assets that make them more productive. While purely redistributive efforts may temporarily alleviate the situation, investing in inclusion is a more comprehensive and sustainable approach. [104]

In the case of Honduras, there is marked territorial inequality in access to basic services—such as education, healthcare, water and sanitation, electricity, digital connectivity, and financial services—especially in rural areas. This disparity not only stagnates the population's well-being but also reduces the productivity of the territories and limits their participation in economic growth, deepening poverty. Furthermore, various analyses and topographic maps show that certain areas of the country are more vulnerable to natural disasters; the poor population is particularly exposed to these shocks and has a lower capacity to respond. [105]The combination of unequal access to productive factors and a high concentration of climate risks creates poverty traps and pressures migration, both internal and external.

In short, the asset approach is based on the argument that there are sectors of the population and territories in which they live in poverty and marginalization. This is due to inequalities in the ownership of income-generating assets such as education, health, wealth, housing, and basic services, as well as inequalities in labor market opportunities and access to credit for investment and the productive use of assets. This also includes inequalities in the market prices obtained from asset utilization and a greater risk of climate shocks. This implies a comprehensive approach to addressing poverty that addresses these factors simultaneously.

2.2.2. Restrictions on the accumulation or use of assets

Once it has been established that asset ownership, opportunities to use them, and prices are determinants of income generation, the following question arises: Why are some individuals able to accumulate assets and have access to opportunities to use them productively, while others cannot? One answer is that, in principle, most people have similar preferences in terms of wanting to have the highest possible level of assets and opportunities, but not everyone can do so, as they may be subject to constraints.

Under this logic, the challenge for public policy lies in identifying these constraints and designing policies that address them. Within the PRS framework, two broad groups of constraints are distinguished, described below.

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[104]Redistribution or Inclusion? Ricardo Hausman, Harvard Growth Lab, The Project Syndicate, 2015. What should we do about inequality? 2015. http://www.tinyurl.com/24ov2sgy

[105]Robayo, Monica; Rude, Britta; Cadena, Kiyomi; Espino, Ilya. 2023. Honduras Poverty Study: A Path to Poverty Reduction and Inclusive Growth. © World Bank Group, Washington, DC. http://hdl.handle.net/10986/39449 License: CC BY 3.0 1GO. https://documents1.worldbank.org/curated/en/099041123095011464/pdf/P177381033c9dc06f0b1830f4a7b5788402.pdf

First group of restrictions

The first group of restrictions includes the following five types:

a. Offering basic services and infrastructure.
b. Of minimum capacities to participate in economic activity.
c. Of assets or capacity to invest.
d. At risk or lack of protection mechanisms.
e. Entry and permanence in the labor markets or credit opportunities.

The first constraint relates to the lack of basic services necessary to invest in asset acquisition. For example, in the case of education, access to educational opportunities is necessary to acquire human capital. In the case of health, the constraint consists of a lack of clinics, hospitals, or access to medical services. Regarding infrastructure, it will be more difficult to obtain basic education and health services without access to electricity, water, and sewage disposal, among others. A household subject to a service supply constraint will find its asset accumulation process impossible or difficult due to the lack of these essential elements.

The second restriction, that of basic capabilities, stems from the lack of essential minimum elements, such as an identity document, health care, and nutrition, necessary for integration into social and productive life. A family lacking these capabilities will be unable to plan beyond the immediate future; if their income is so precarious that they can barely maintain a survival level, they will find it difficult to make investments, even in human capital, simply because the surplus resources after covering their food will be insufficient. Even in the case of education and health, which They should be provided free of charge by the State; resources must be disbursed to access them (transportation and clothing costs, to name a few). Therefore, the lack of means beyond the bare minimum necessary to ensure survival is the key constraint on continuing to accumulate income-generating assets.

The third constraint, that of assets, refers to the lack of resources to undertake productive activities with the family's own means. For example, even if a competitive and efficient financial market existed, a family without assets would find it difficult to obtain access to credit due to a lack of collateral or guarantees. If they are subject to supply and minimum capacity restrictions but have assets, they would be able to make investments, either using said assets for investment or as collateral to obtain financing in the credit market. Thus, they would have the capacity to accumulate income-generating assets and raise their level of well-being. In contrast, without assets, families are restricted to financing investments with their income, and when this income is precarious, investments in income-generating assets are also precarious.

The fourth constraint is the lack of protection mechanisms. When an individual or family lacks insurance, they will have to resort to any resource they own as a buffer. Therefore, far from providing the capacity to make long-term productive investments, available resources will become an instrument of self-insurance. Another example is the risk farmers face of losing their crops due to natural hazards: without access to insurance mechanisms, it will be difficult to use surpluses for longer-term investments, such as the purchase of machinery, equipment, or technology.

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Furthermore, faced with risk and a lack of insurance mechanisms, people tend to invest in lower-risk projects that generally have lower returns.

Finally, the fifth restriction refers to barriers to harnessing the environment's potential to generate economic development opportunities. This can be classified into two groups. The first group includes restrictions on access to the labor market. Probably the most common of these is the discrimination suffered by some population groups, such as indigenous people, who, due to their ethnic characteristics, are often excluded from certain productive sectors and occupations. Another restriction on access to the labor market is the monetary costs of entry, one of the most common of which is transportation costs. If an individual must make monetary outlays to gain physical access to employment, their net income, after deducting transportation costs, will be much lower. Another important restriction on employability is information about the opportunities generated in the environment.

Second group of restrictions

The second group of restrictions includes those that constitute barriers to the creation of economic activity through investment. In a context of economic stability and the existence of competitive and efficient financial markets, if the economic environment offers investment opportunities, strictly speaking, any individual with sufficient assets to afford borrowing would have access to such investments, as they could acquire credit in the markets to finance them. However, when economic instability exists and credit markets are imperfect or simply nonexistent, as is the case in large areas and sectors of the population, the absence of such a market will constitute a restriction on taking advantage of the opportunities that arise.

2.2.3. Policy and action approach derived from the conceptual framework

From the previous discussion, it is clear that if supply constraints are addressed by investing in basic services such as electricity, water and sewage, education, and health, among other social services, with special emphasis on territories and populations with lower socioeconomic status, in addition to improving the conditions of these groups, new productive potential will be unleashed, with far-reaching and inclusive growth effects. For its part, the constraint on basic capabilities can be addressed through actions that ensure the supply of nutritional goods to families lacking them and that offer them a minimum level that allows them a horizon beyond daily survival.

In the case of investment and insurance restrictions, the most viable response is the creation of credit instruments and markets for all territories and the entire population, ensuring effective access for low-income groups, among others, by channeling financial resources to small-scale but high-yield economic activities and by building trust, where availability can gradually increase with the repayment of individual or collective loans.

In the case of productive opportunities, the role of public policies is primarily to generate an environment of economic stability and inclusive growth, in addition to enhancing local vocation, potential, and comparative advantages through investments in communications, transportation, market access, technology, etc., which are crucial for generating economic activity based on existing resources and characteristics

Regarding prices, as mentioned above, given that market forces largely determine the value paid for the use of assets (wages, product prices, profitability of financial instruments), one alternative is to align the asset accumulation of vulnerable populations with the requirements of productive sectors and regional vocation so that people have the skills necessary to integrate into economic activity. Additionally, the creation of infrastructure and communications are policy instruments that can influence prices without the need to intervene directly. Through infrastructure, the price received for the production of certain goods can be increased through better market access, or it can even generate an environment in which higher remuneration is obtained for work due to increases in productivity.

Under this approach, therefore, development policies must guarantee economic stability and inclusive growth, implementing programs and mechanisms in an orderly and coordinated manner to ensure that the low-income population is no longer subject to the listed restrictions. If public policies succeed in eliminating or reducing these restrictions, a virtuous cycle of asset accumulation and productive opportunities can be generated, allowing individuals to create a source of income through their own efforts. Eliminating just one of the restrictions can have positive effects, but the greatest impact on well-being will be achieved by modifying all restrictions—or, if not all of them are possible, those that are most binding or have the greatest impact on the overall outcome—simultaneously and comprehensively (Figure 2.2).

Figure 40 Income inequality and poverty in the asset approach

2.2.4. Principle of integrity in actions

Ideally, policy actions and programs derived from the asset approach should be implemented strategically so that the various complementarities and synergies between them can be leveraged. If capabilities are successfully expanded, the population's living conditions will improve to the extent that these capabilities can be used productively and provide a fair return. Additionally, if options or demand for assets are generated at an attractive price, this will improve living conditions to the extent that the poor have access to these assets. Comprehensiveness opens up the possibility that the effect of combining two actions may be greater than the simple sum of each. In other words, the impact of the policy may have multiplier effects to the extent that they are "landed" with a territorial and comprehensive approach of complementarity in which each element provides feedback to the system. The combination of specific actions will depend on the local reality in each case and must be complemented by participatory planning processes. The central government's added value in this context consists of providing and identifying "packages" with the greatest potential impact. This principle is primarily reflected in Pillar 3 of the PRS, which is described below.

One of the most obvious examples is the multiplier effect between health and education interventions. It is well known that better health reduces out-of-pocket medication costs and leads to better academic performance, and, in turn, higher levels of education lead to better health practices.

Another example that illustrates the different interactions between different areas of action is the problem of malnutrition, which reflects the most acute aspects of poverty. Taking the objective of reducing child malnutrition due to its long-term impact on the development of children's human capital, a first step is to identify the causes of the problem, which are multiple, and then identify the relevant combination of coordinated interventions. Various studies on the topic have identified at least five basic causes of malnutrition. The first is the lack of nutritious food due to a shortage of supply. The second is the poor use of nutrients due to poor sanitation in the home (such as, for example, a home with a dirt floor, or a home where the space is shared with animals). The third is the lack of health services and treatment for illnesses. The fourth is insufficient income to purchase food, and the last is the lack of access to basic services such as drinking water. The importance of visualizing the five causes simultaneously is that they all have effects that generate a vicious cycle of negative impact on malnutrition, and if they are not addressed together, their effect in isolation will be much less, or even nonexistent. If a region or group of families has the five problems mentioned above and is provided with a diet with a better nutritional balance than they currently receive, their intake may be "eroded" by one of the four prevailing problems. For example, if food is consumed in an environment with a dirt floor, where animals live, its nutritional effect will be less than if this condition were changed. Similarly, if food is supplemented with water contaminated by a lack of drinking water, its effect on nutrition will also be less.

In this particular case, the combination consists of the following five actions, for which specific public programs exist. The first focuses on providing food in the home, which could be complemented by school breakfasts or lunches for children and cash transfers to support their nutrition. The second relates to health and consists of providing primary and preventive medical care. The third involves training or counseling for mothers through workshops and courses to acquire better eating habits, household hygiene, and childcare—these three interventions cover the areas of protection and capacity. The fourth (under the heading of infrastructure and financial capacity through asset

strengthening) is the improvement of household infrastructure by facilitating housing improvements such as converting dirt floors to cement, building a stove outside the main room, improving the roof, walls, or latrine, complemented by basic service infrastructure, such as drinking water or electricity. Finally, the fifth action (under the heading of productive options) relates to generating income through some economic activity. In this case, one possibility could be support for the construction of a family garden that would open up the possibility of production for personal consumption and marketing.

However, when these actions are complemented by others that improve the economic environment, the effect is even greater. For example, the construction of communications access will increase market access and improve the prices obtained from household products. Information on product markets will have a similar effect, and greater access to credit will allow for the development of productive activities with higher returns.

As noted, it is important to emphasize that working in isolation in each of these areas of intervention can have positive effects, but their impact will be multiplied when applied strategically in a way that leverages the various complementarities and synergies between them. Each of the areas must be viewed as part of a whole and not as independent and disjointed actions. If capacity expansion is successful, the population's living conditions will improve to the extent that these capacities can be used productively and provide fair compensation.

Finally, to trigger the virtuous cycle of asset accumulation, improved utilization opportunities, and better prices among the poor, it is necessary to have mechanisms for identifying the low-income population and to have adequate planning tools at the sectoral and territorial levels. Given the magnitude of poverty in Honduras and current budgetary constraints, these identification systems can be used to prioritize the geographic areas, families, and households that most urgently require attention, thus focusing attention on them, their villages, and their communities. To the extent that budgetary resources allow, the targeting radius can be expanded. While the country currently has some information to prioritize based on targeting and comprehensively address the needs of the population, all the necessary efforts to do so (such as an Urban Census of Households in Extreme Poverty) have yet to be completed.

2.3. General objective of the ERP 2022-2046

Based on the approach described above, the 2022-2046 ERP's central objective is to reduce poverty by implementing public policies aimed at implementing a comprehensive and multidimensional strategy with a territorial focus that allows the population to expand its capabilities to take advantage of the opportunities generated by the environment, receiving adequate compensation for the productive use of its assets, in an environment of stability and economic growth.

In this sense, the logic of the ERP 2022-2046 theory of change maintains that:

If the capabilities and assets of the population living in poverty are improved, as well as the opportunities to use them and receive adequate remuneration, complemented by monetary transfers and, in addition, lines of action are implemented to promote greater productivity and sustained growth with economic stability, as well as policies to ensure that income growth is inclusive for the population and the territories With greater disadvantages, then, people will have

the tools to achieve economic independence in a sustainable way, and in a virtuous circle, their productivity will increase, income poverty will be reduced, and economic development will be promoted.

The specific objectives of the ERP, as well as its indicators and targets, are described below.

Objetivos específicos

- Crear un entorno de crecimiento económico con estabilidad económica como condición base necesaria – pero no suficiente – para la reducción sostenida de la pobreza y la desigualdad.
- Reducir las brechas de acceso a servicios por parte de la población que vive en situación de pobreza extrema y relativa, tomando y en los territorios que se concentran.
- Incrementar la cobertura del sistema de protección y previsión sociales y actualizar el monto de las transferencias y pensiones.
- Crear y fortalecer financiera y técnicamente cajas de ahorro y crédito locales en comunidades de extrema pobreza para priorizar el desarrollo de ecosistemas productivos, viables y sostenibles que generen ingresos familiares y mejor calidad de vida.

The general indicators and goals of the ERP 2022-2046 are presented in Table 2.5.

Table 20 General poverty indicators and targets

Indicators	Baseline	Goals				
	2024	2030	2034	2038	2042	2046
Households in poverty	62.9%	58.8%	52.8%	47.8%	37.8%	27.8%
Households in extreme poverty	40.1%	36%	30%	25%	15%	5%
Inequality index	0.49	0.45	0.40	0.30	0.20	0.10
ERP expenditure as a percentage of GDP (2023 baseline)	7%	7%	7%	7%	7%	7%

Source: Secretariat of Strategic Planning, 2025.

To move from concept to action, as mentioned above, the PRS is structured into three implementation pillars, according to their level of focus, which contribute to achieving its general and specific objectives. The first pillar includes the country's development policies and programs that benefit the general population, including those living in poverty. The second pillar consists of the programs, actions, and services offered by the government in general, without excluding the rest of the population in their design, but which, by their nature, benefit the poorest population the most, thereby reducing inequality. The third pillar consists of programs and strategies that focus on the population living in poverty. In addition to these three pillars, the PRS structure incorporates two transversal axes that guarantee a gender perspective and specific attention to climate change.

2.4. Regulatory framework of the ERP

For its implementation, the ERP has a regulatory framework (Table 2.6) that grants it institutional and operational legitimacy. This framework defines rights, public policy instruments for its implementation, and the responsibilities of the various actors involved. Furthermore, the regulatory framework enables the allocation of resources and the definition of common goals.

Table 21 Regulatory framework of the ERP

Law/Decree	Description
Political Constitution of the Republic of Honduras It was approved by Decree No. 131 published on January 20, 1982, repealing the previous Constitution of 1965.	
Legislative Decree No. 140-1959	**Honduran Social Security Institute Law.** Regulates social security in Honduras through the IHSS (National Institute of Social Security), establishing access to health services and economic benefits for affiliated workers.
Legislative Decree No. 189-1959	**Honduran Labor Code.** Regulates labor relations in the country, establishing the rights and obligations of workers and employers, including regulations on wages, workplace safety, and union organization.
Legislative Decree No. 82-84	Honduran Foreign Service Law. Regulates the organization and functions of the Honduran diplomatic and consular service, establishing standards for the country's representation abroad.
Legislative Decree No. 146-86	General Law of Public Administration of Honduras. Regulates the structure and functioning of public administration, promoting coordination between entities and efficient resource management.
Legislative Decree No. 12-90	Creates the Honduran Social Investment Fund (FHIS) to finance infrastructure and social development projects in low-income communities.
Legislative Decree No. 65-91	General Health Law. Defines the regulatory framework for the provision of health services in Honduras, establishing the Ministry of Health as the governing body of the health system.
Legislative Decree No. 31-92	Agricultural Sector Modernization and Development Law. Establishes policies to promote agricultural development in Honduras, including incentives for production and modernization of the sector.
Legislative Decree No. 104-93	General Environmental Law. Establishes the legal framework for the protection, conservation, and recovery of the environment and natural resources in the country.
Executive Decree PCM-008-97	Regulations defining the organization, operation, and powers of the Executive Branch, including the creation and regulation of the UPEG.
Legislative Decree No. 86-2000	Law of the National Institute of Statistics. It creates the INE as an autonomous entity responsible for the collection, analysis, and dissemination of statistical information in Honduras.
Legislative Decree No. 208-2003	Immigration and Foreigners Law.
Legislative Decree No. 83-2004	Organic Budget Law. Regulates the financial management of the public sector in Honduras, establishing standards for the preparation, execution, and control of the State budget.
Legislative Decree No. 260-2005	Framework Law for the Comprehensive Development of Youth. Establishes INJUVE (National Institute of Youth Development) to formulate and implement public policies for Honduran youth.

Executive Decree PCM-046-2010	The National Climate Change Strategy of Honduras is established, in which the Honduran government commits to implementing a comprehensive program to address climate change.
Legislative Decree No. 38-2011	It establishes the following as cross-cutting axes of public policies in social matters: 1) Human rights; 2) Gender equity; 3) Transparency; and 4) Citizen participation.
Legislative Decree No. 262-2011	Fundamental Law of Education. It establishes the regulatory framework for the national education system, defining its principles, structure, and levels of education from preschool to higher education.
Legislative Decree No. 059-2012	Law against Trafficking in Persons.
Legislative Decree No. 106-2013	Law for the Protection of Honduran Migrants and their Families. Creates the General Directorate for the Protection of Honduran Migrants and the National Council for the Protection of Honduran Migrants (CONAPROHM).
Legislative Decree No. 266-2013	Law to Optimize Public Administration, Improve Citizen Services, and Strengthen Transparency in Government.
Executive Decree PCM-031-2014	Creates the National Migration Institute.
Executive Decree PCM-033-2014	Declaration of Humanitarian Emergency. Provides humanitarian protection to migrant children.
Legislative Decree No. 34-2015	Law for the Protection of Human Rights Defenders, Journalists, Social Communicators, and Justice Officials. This law recognizes, promotes, and protects the rights of human rights defenders.
Executive Decree PCM-020-2019	It creates the Comprehensive System for the Guarantee of the Rights of Children and Adolescents in Honduras (SIGADENAH) and establishes its objective to guarantee, respect, protect, and promote the rights of children and adolescents.
Executive Decree PCM-034-2019	Creates the National Entrepreneurship and Small Business Service (SENPRENDE) as an institution to promote entrepreneurship and small business development in Honduras.
Executive Decree PCM-025-2020	Creates Operation “Honduras Solidaria” with the objective of supplying basic food rations to at least 800,000 (eight hundred thousand) Honduran families.
Legislative Decree No. 34-2021	Creates the Directorate of Childhood, Adolescence and Family (DINAF).
Executive Decree PCM-04-2022	The SAG is authorized to implement the "Productive Technology Bonus" Program as an economic incentive for small farmers located in productive areas characterized by high poverty rates.
Executive Decree PCM-05-2022	It establishes the creation of several State Secretariats as part of the governmental restructuring in Honduras. According to its content, the newly created Secretariats are: 1. **State Secretariat for Transparency and the Fight against Corruption (STLCC)**: Responsible for preventing and combating corruption in the exercise of public and private functions. 2. **Secretariat of State in the Office of Strategic Planning**: Governing institution of the National System of Planning for Social and Economic Development. 3. **Secretariat of State for Women's Affairs**: Dedicated to designing and implementing public policies for gender equality and the protection of women's rights. It is part of the *Ciudad Mujer Program*.

	4. **Secretariat of State for Culture, Arts, and the Heritage of the Peoples of Honduras**: Responsible for formulating policies for the promotion and protection of art, culture, and national heritage. 5. **Secretariat of State for Infrastructure and Transportation (SIT): Responsible for developing and managing infrastructure and transportation projects and programs. The** *Strategic Investment/MCC-Honduras (INVEST-H)* functions are transferred to it, except for health and agriculture. 6. **Secretariat of State for Social Development**: Created to coordinate and implement social policies focused on inclusion and poverty reduction. The *National Center for Social Sector Information (CENISS) is attached to it* , which becomes the Poverty and Vulnerability Observatory. 7. **Secretariat of State for Community Development, Water and Sanitation (SEDECOAS)**: Responsible for the management of community infrastructure, access to drinking water and sanitation. 8. **Secretariat of State in the Office for Project Development and Monitoring of the Secretariat of the Presidency**: Created to supervise and coordinate strategic government projects. In addition to these Secretariats, the decree also establishes the creation of: • **Solidarity Network Program**, attached to the Ministry of Social Development, for poverty reduction and the implementation of social projects. • **Results-Based Management Directorate**, as a decentralized entity of the Presidency • **Social Development Observatory, with the aim of permanently and continuously analyzing and evaluating poverty levels and the factors linked to it**
Executive Decree PCM-08-2022	Decree detailing the functions of the Red Solidaria Program, establishing as its main objective "to reduce poverty and extreme poverty through the implementation of programs and projects aimed at vulnerable populations, targeted by social information systems and the technical tools available to the State, considering the design, structuring, execution, administration, and supervision of productive and social projects, including scholarships for young people in primary, secondary, and university education."
Ministerial Agreement 010-SEDESOL-2022	Document establishing the creation of the Solidarity Fund for the Disability Sector in Honduras.
Executive Decree PCM-11-2022	Decree establishing the elimination and liquidation of several State Secretariats, Programs, Special and Sectoral Cabinets in Honduras, as part of a governmental restructuring process. It also orders the creation of a Technical Liquidation Commission responsible for managing the transition and reallocation of resources, as well as the formation of the National Commission for Sports, Physical Education, and Recreation (CONDEPOR) to centralize policies in this area.

Executive Decree PCM-19-2022	Decree establishing the core responsibilities of SEDESOL as follows: “a) Act as the governing body for public policies for the development and social protection of populations living in poverty, extreme poverty, and social vulnerability, prioritizing the various problems, their degree of incidence, and their impact on the living conditions of those identified, in order to bring them to better levels of social well-being; b) Lead the governance of the social sector through the Social Protection and Labor Market Roundtable, which establishes sectoral outcome targets to be evaluated semiannually by the Presidency of the Republic through the Results-Based Management Directorate (DIGER); Article 2 stipulates: “the exercise of its institutional mandate strictly as the governing body, trainer, and regulator of the country's social policy…”
Executive Decree PCM-020-2022	Decree that creates PROASOL as a decentralized entity of SEDESOL and presents a definition of “vulnerable groups”: “vulnerable groups are considered to be people who are in a state of lack of protection, disadvantage, discrimination, helplessness or other social causes, who do not have the necessary development capacities to satisfy their basic needs, preventing their incorporation into productive life, their development and access to decent conditions and better well-being. Groups in a situation of vulnerability are understood to be: vulnerable children of school age, people in a condition of homelessness living on the streets, forcibly returned migrants, people with disabilities, vulnerable older adults, displaced people and those affected by disasters, natural risks and/or pandemics, epidemics, etc., people with addiction to any type of drug, people discriminated against and/or without access to medical care due to suffering from chronic or contagious diseases, displaced people or victims of crimes resulting from violence, people discriminated against for belonging to the LGBTIQ+ community, ethnic minorities discriminated against for having roots in indigenous peoples or Afro-descendants, human rights defenders and others designated by the country's Public Policy on Social Protection"
Ministerial Agreement No. 036-2022	It indicates that the Solidarity Network Program may implement actions to create emergency CCTs or Humanitarian Cash Transfers and/or redefine existing CCTs in terms of their design (amounts, conditionalities, eligibility, among others) with the objective of mitigating the impacts of emergency situations by providing temporary financial support to eligible households directly affected by an emergency situation arising from natural disasters.
Ministerial Agreement 020-B-SEDESOL-2023	Regulations of the Solidarity Scholarship Program.
Executive Decree PCM-09-2023	Decree establishing the creation of Solidarity Scholarships.
Executive Decree PCM-41-2023	Creates the Secretariat for the Offices of Children, Adolescents and Family.
Legislative Decree 18-2024	Law that protects the country's reserve areas, especially the core zone of the Botaderos Mountain National S.

Source: own elaboration

The following three chapters explain in greater detail the content of each of the 3 Pillars of the ERP, and their cross-cutting axes.

3. Pillar 1: Stability and inclusive growth

Historically, the Honduran economy has faced significant challenges, including low economic growth, high informality, dependence on a small number of export products, declining foreign investment, high unemployment, and limited effectiveness and allocation of public social spending, with its systematic reduction. These problems have been exacerbated by a weak and centralized institutional environment (in terms of planning, budgeting, management, implementation, and development of policies and technical standards), with limited capacity to transform budget allocations into services that benefit the population in accordance with a national vision or sectoral strategies. These problems were also exacerbated by regressive fiscal policies that increased poverty and fostered public debt, resulting in a higher tax burden, insufficient tax revenue, and a limited capacity to meet social demands.

In this context, the Honduran government's main objective is to promote a virtuous relationship between macroeconomic stability and inclusive and equitable growth, recognizing that the two reinforce each other. To this end, it seeks to create fiscal space that promotes social and productive investment. These measures are aimed at generating employment, serving the most vulnerable sectors, and improving the conditions for social development of the population throughout the country. They also seek to strengthen the productivity of various population groups and territories so that they can actively participate in the process of economic growth.

Macroeconomic stability is essential for achieving success in key government projects, such as poverty reduction. According to the IMF, this can be achieved through growth in per capita GDP, increasing the resources available to the population, and targeting them toward the most disadvantaged sectors. Likewise, economic growth can be strengthened through policies that promote macroeconomic stability (low inflation, controlled budget deficits, and sustainable external debt), openness to international trade, improved education, and strengthening the rule of law.

In this regard, the Honduran government reaffirms its commitment to macroeconomic stability through a set of strategies aimed at fostering solid and sustained growth in national revenues. These policies also focus on ensuring inclusive growth, prioritizing the allocation of resources to improve the provision of basic services in the country's various territories, targeting the most disadvantaged populations. These lines of action are detailed in the following sections.

3.1. Lines of action for revenue growth

3.1.1. Lines of action to boost key sectors of the economy

To promote significant growth in national income, an alternative economic model is proposed based on strengthening the role of the State in the economy, especially in strategic areas and the provision of essential public services. This model includes the formulation and implementation of public policies aimed at strengthening various types of businesses and forms of ownership. It also

recognizes the importance of state intervention to correct market distortions and direct investment toward priority sectors, ensuring a harmonious coexistence with the environment.

Under this approach, equity between genders, ethnicities, generations, and territories is prioritized as fundamental principles for achieving sustainable human development. In line with this vision, particular emphasis is placed on the development of three key sectors: industrial, agricultural, and tourism, which have significant potential to boost the national economy and improve the population's quality of life [106].

Industrial development

Regarding industrial development, economic policy will focus on supporting and modernizing the manufacturing and agroindustrial sectors by promoting the transformation of raw materials to generate greater unit and added value. This will entail greater efforts to create a favorable investment climate, both from a macroeconomic perspective and in terms of legal and physical security. Likewise, basic infrastructure in roads, energy, transportation, and telecommunications will need to be built to boost domestic and foreign investment with a view to changing and transforming the productive structure, processing, opening new and improved markets, and leveraging global value chains. This will be complemented by investment in job training and vocational education services to ensure skills development in line with investment in infrastructure and products.

To achieve the stated goals, it will be necessary to promote productive diversification and competitiveness and seek out new markets. Likewise, it will be necessary to create a new concept that promotes coordination between large, medium, and small businesses to reduce costs and increase exports. It will also be necessary to foster scaling up the generation of added value in manufacturing and maquiladora activities through greater integration of local knowledge and the productive structure.

The overall objective of the industrial stimulus will be to encourage the development of new, highly productive industrial products and activities that will boost exports, through policies aimed at increasing innovation and diversification, the adaptation of new technologies, the enhancement of information and coordination externalities, and other measures to overcome long-standing restrictions on investment and growth.

Agricultural Development

The Honduran government will adopt concrete measures to ensure the legalization of agricultural lands, prioritizing social justice and respect for the law. The legalization of lands under the control of peasant groups benefiting from agrarian reform will be studied, returning to the original purpose of Decree 18-2008. Furthermore, equal access to these lands for men and women will be promoted, in compliance with current legal provisions. In parallel, the lands of Indigenous and Afro-descendant

[106] Information consulted in the document: Government Plan for the Republic of the Homeland and the Construction of the Socialist and Democratic State.

peoples will be sanitized and legalized, beginning with those in conflict, in compliance with ILO Treaty 169.

In the fight against rural poverty, the government will implement a comprehensive strategy that combines the provision of basic services in rural areas, food sovereignty, and an analysis of land distribution to improve production. This strategy will focus on areas with the highest poverty rates, promoting self-sufficiency and strengthening the local market through more competitive prices. To ensure sustainability, basic grain producers will be supported with agricultural inputs, pest control, technical assistance, community irrigation projects, and rural roads to facilitate trade and access to services. Rural banks will also be established to boost the agricultural economy and strengthen the value chain for peasant products by eliminating intermediaries.

Institutional strengthening will be key to this plan. The government will revive and strengthen the National Agricultural Development Bank (BANADESA) as an agricultural development bank, offering affordable, long-term loans to small and medium-sized producers. Likewise, the National Agrarian Institute (INA) will be consolidated as the entity responsible for legalizing and titling land, ensuring that it is used for its productive purpose.

Finally, the government is committed to resolving agrarian conflicts and guaranteeing the right of rural, Indigenous, and Afro-descendant communities to free, prior, and informed consultation regarding any agricultural project in their territories.

Tourism[107]

Honduras boasts a wide variety of resources and a vast array of places, activities, and attractions to attract both domestic and international tourism. Therefore, the development of this industry would contribute to generating decent employment and contribute to economic recovery without harming the environment.

Specifically, to boost revenue growth in this sector, the Honduran government will prioritize the promotion of domestic tourism through diverse and collaborative strategies. Attractive proposals will be developed to incentivize domestic tourism, working in close coordination with tourism chambers and municipalities throughout the country.

To improve the sector's competitiveness and sustainability, a Support Fund will be created to address emergencies resulting from natural disasters and promote the diversification of tourism offerings. This fund will allow the sector to respond swiftly to adverse situations, ensuring its

[107] The governing body for tourism policy is the Ministry of Tourism, and the Honduran Tourism Institute (IHT) is responsible for implementing said policy. In the formulation of the 2024 Institutional Strategic Plan, a strategic objective for 2025 was defined as "Creating a Public Policy Framework for the Development of the Tourism Sector." To achieve this, the regulatory framework for the tourism sector in Honduras must first be updated, which is also contemplated in the PEI. Likewise, in 2024, the IHT formulated terms of reference for a consultancy to update the National Sustainable Tourism Strategy, a tourism planning instrument in the IHT that expired in 2022. This consultancy was submitted for funding to USAID's DAI-Climate Change agency, which completed the international bidding process and selected the winning company. However, these assistance projects were put on hold given the closure of USAID programs worldwide. Therefore, the Ministry of Tourism is currently consulting with SEFIN and other agencies to evaluate the possibility of continuing the process and covering this project.

resilience and long-term sustainability, while expanding the tourism options available to attract a more diverse audience.

Agrotourism will be a strategic pillar in the development of rural areas. This model will leverage the country's main productive activity and the beautiful landscape of Honduras, promoting a productive symbiosis between tourism and agriculture. With successful ventures already in place in sectors such as coffee and cocoa, the government will implement specific policies to consolidate agrotourism as a tool to diversify and boost income in rural communities. As detailed below, part of the effort will focus on investing in the road network and rural roads to reduce trade costs and expand access to tourist destinations. This initiative will boost the rural economy while positioning the country as an attractive destination for sustainable and cultural tourism.

Likewise, a comprehensive review of tourist taxes will be carried out to promote domestic tourism. Currently, these taxes are similar to those applied to luxury goods, which limits access for the local population. Adjusting these costs will stimulate domestic demand, allowing more Hondurans to enjoy the country's tourist destinations without significant economic barriers.

Finally, the government will seek global recognition from UNESCO for the Lenca/Maya Corridor Cultural Landscape, highlighting its value as a key component of cultural tourism. This recognition will strengthen the sector's ability to attract international investment.

Infrastructure projects

As part of the actions to boost the country's road network, the current government, through the Ministry of Infrastructure and Transportation (SIT), planned the construction or rehabilitation of 35 road projects during the period 2023-2025, with an impact on 13 departments of the country (Cortés, El Paraíso, Francisco Morazán, Lempira, Olancho, Santa Bárbara, Atlántida, Intibucá, Comayagua, Ocotepeque, Yoro, Copán and Choluteca) [108]. These actions will contribute to the reduction of poverty in the country with the following benefits [109]:

1. Improved access to markets and jobs: Roads facilitate the transportation of goods and services, allowing people in rural communities to sell their products in larger markets and access more job opportunities.

2. Reduced transportation costs: Improved roads reduce travel costs and time, benefiting both farmers and workers by increasing economic efficiency.

3. Promoting local development: Construction and maintenance generate direct and indirect employment, from hiring workers to supporting related local businesses, such as restaurants or construction supplies.

4. Access to essential services: Roads facilitate access to health, education, and emergency services, thus improving quality of life and opportunities for human development.

[108] Maps reflecting the road projects are included in the Annex.

[109] These projects include: 1. Program 11 road projects for road construction; 2. Program 12 road projects for road rehabilitation; and
3. Road projects corresponding to resilient works which are executed with financing from CABEI.

5. Increased regional trade: Improved infrastructure connects rural areas with urban centers, fostering trade and economic exchange within the region.

6. Reducing isolation: Remote communities benefit from being connected to the rest of the country, allowing them to integrate socially and economically. These combined benefits can generate a positive and sustainable impact, helping to break the cycle of poverty in many communities.

Honduras is also building an unprecedented hospital network, including nine hospitals, which will increase the number of available beds by just over 900 and benefit more than 285,588 residents [110]. The hospitals are: 1. Salamá Hospital, Olancho; 2. Santa Bárbara Hospital; 3. Ocotepeque Hospital; 4. Bay Islands Hospital, Roatán; 5. Tocoa Hospital, Colón; 6. Choluteca Hospital; 7. Trauma Hospital in Tegucigalpa; 8. Trauma Hospital in San Pedro Sula; and 9. Bay Islands Emergency Hospital, Roatán. Details on the progress of each of these projects are provided below, under Pillar 2 of the PRS.

Key ENEE investment projects

Due to the financial impact that ENEE represents on Honduras ' finances, its participation in the negotiation of the Medium-Term Macrofiscal Framework (MMFMP) formulated by the Ministry of Finance is important to define and estimate the long-term investments contemplated by the institution. Therefore, for the 2025-2029 period, ENEE presented its investment program, which contains projects to be developed as part of the institutional work and which is evident in the institutional value chain that comprises it: generation, transmission, distribution, and the National Program for Loss Reduction. It is worth noting that all projects developed by ENEE contribute directly to reducing electricity losses.

The National Electricity and Energy Authority (ENEE) has been short on priority investments that have become essential for the National Interconnected System (NIS) to function properly, providing an electricity service that meets the needs of Honduras's economic growth and development. The following describes the projects completed to date and the planned investments.

a. Generation program

The main purpose of the generation program is to generate electricity through ENEE-owned generating plants, with its renewable and non-renewable plants in various technologies, which are managed and controlled from the corresponding operating units. Other important functions carried out include protecting hydroelectric basins through the sustainable use of natural resources and repowering generating plants through projects financed with national and external funds. Currently underway are: the construction and entry into operation of the Patuca III Hydroelectric Dam (operational entry in 2020); the repowering project of the Cañaveral Rio Lindo Hydroelectric Complex; and the renovation of the Francisco Morazán Hydroelectric Plant, as well as the **construction** of the El Tablón Multipurpose Dam, which will have an impact on flood mitigation in the Sula Valley and, to a lesser extent, on electricity generation.

[110] The location map of the four hospitals currently under construction is attached in the Annex.

The following table presents the generation projects planned for the period 2026-2033.

Table 22 Featured generation projects 2026-2033

Project name	Description
Construction of HPP Patuca IIA (La Tarrosa)	The main objective is to prepare the Feasibility Study and Basic Design for the development of the Patuca IIA (La Tarrosa) and Patuca II (Valencia) Hydroelectric Plants. These studies will determine the technical and financial viability of the dam's construction, thereby increasing installed capacity and energy supply. They will also incentivize the use of the nation's natural resources and add 150 MW of power generation to the National Interconnected System (SIN) from the Patuca IIA (La Tarrosa) project below the Patuca III Hydroelectric Plant. This plant will also help manage small reservoirs of 45 km² and streamline the operation of new plants in line with growing energy demand. Likewise, it will benefit the Honduran population with the generation capacity from the projects and will contribute to the comprehensive and sustainable development of the eastern region of Honduras, since the hydroelectric plants would be approximately 270 km from one of the regions with the highest electrical load, the South Central region.
Construction of CH Patuca II (Valencia)	
CH Llanitos Construction	Prepare the feasibility study and basic design for the Los Llanitos hydroelectric power plant, which will determine the viability of building the dam and thereby increase installed capacity and renewable energy supply, incentivize the use of the nation's natural resources, and also contribute to the control of floods and disasters caused by the flows of the Ulúa and Chamelecón rivers in the area.
Construction of CH Jicatuyo	Prepare the feasibility study and basic design for the Jicatuyo Hydroelectric Power Plant, which will determine the viability of building the dam. This will increase installed capacity and renewable energy supply, encourage the use of the nation's natural resources, and contribute to the control of floods and disasters caused by the flows of the Ulúa and Chamelecón rivers in the area.
Construction of the El Tablón multipurpose dam	The dam will become a key infrastructure for mitigating natural disasters in the Sula Valley. Its primary objective will be to prevent flooding, safeguarding hundreds of lives and protecting the assets and livelihoods of thousands of families. To a lesser extent, it will contribute to the generation of electricity. This project seeks to consolidate economic and social growth in one of the most dynamic areas of the country by ensuring water security and protection against extreme weather events.

b. Streaming programs

The transmission program consists of the operation and maintenance of the National Electric Power Transmission Grid, comprised of substations and transmission lines. The program includes the executing units for: operation and maintenance of substations and transmission lines; projects related to the transmission and transformation of electric power; and their respective administrative units. The project "Support for the National Program for Electric Power Transmission" is currently underway. This project includes the construction of substations and expansion of transmission lines, as well as the installation of compensation banks in substations. The following table presents the generation projects planned for the 2026-2030 period.

Table 23 Featured transmission [111] projects 2026-2030

Project name	Description
Construction of a 230kV transmission line with a length of 152.6 km. Project to section the L612/L613 line – Zamorano II – Danlí II – Terrero Blanco at 230kV.	Its objective is to improve the quality of the electric power service, reduce technical losses, improve the reliability of the radial circuits in the South-Central region that supply the department of El Paraíso, increase the capacity for electric power exchange, and allow for the incorporation of large-scale and more efficient generation in that area of the country, in order to meet the growing demand of the system.
Construction of a 197km 230kV transmission line ; Negrito Project – Yoro II – Arenales – Coyoles Central II – Reguleto	Its objective is to improve the quality of the electric power service, reduce technical losses, improve the reliability of the radial circuits along the Atlantic coast and the one that supplies part of the department of Yoro, increase the capacity for electric power exchange, and allow for the incorporation of large-scale and more efficient generation in that area of the country, in order to meet the growing demand of the system.

c. Distribution program

This program aims to guarantee a continuous, safe, and efficient supply of electricity to end consumers. This involves transporting electricity from generating plants through transmission lines and substations to points of consumption reliably, minimizing supply interruptions and maximizing service quality at medium and low voltages. As part of this program, the expansion of distribution circuits in a set of ENEE substations nationwide is planned for the 2026-2031 period, in addition to the National Loss Reduction Program (PNRP).

[111]There are other projects that are becoming a priority as electricity demand grows in the medium and long term and that are currently in the process of formulating their project profile and identifying financing: *230 kV Transmission Line,* 33 km long, Masca – La Victoria – Bermejo Project; 230 kV *Transmission Line,* 30 km long, La Entrada – Santa Rosa II – Santa Rosa Project; *230 kV Transmission Line* , 42 km long, Amarateca – Talanga Project; and *138 kV Transmission Line,* 4 km long, Bermejo – Circunvalación Project.

The following table presents the ENEE investment amounts for the set of projects referred to above (multi-year projection 2025-2032).

Table 24 Investment Program 2025-2032 (Millions of lempiras)

Area	2025	2026	2027	2028	2029	2030	2031	2032
Projects in Process	11,462.30	10,783.93	11,576.88	9,423.64	4,840.26	812.20	-	-
Generation	38.07	2,489.86	9,459.51	13,494.06	23,768.88	21,946.12	10,966.80	12,951.90
Transmission	389.87	4,053.15	3,936.98	1,036.10	3,034.14	2,996.75	-	-
Distribution	-	3,648.85	4,196.89	2,784.64	2,539.08	2,869.06	457.88	-
TOTAL ENEE	11,890.25	20,975.78	29,170.26	26,738.43	34,182.36	28,624.13	11,424.68	12,951.90

** Estimated exchange rate L/US$ 26.0*

3.1.2. Lines of action to improve tax collection

As part of Strategic Axis 1 of the Economic Policy of the 2022-2026 Institutional Strategic Plan, various lines of action are planned to promote income growth in the country. These initiatives seek to generate a significant impact on the national economy and contribute to the sustainable development of Honduras. Each is listed below :

- Approve the Tax Justice Law (LTJ). This law aims to create a more progressive and equitable tax system, promoting public and private investment, generating employment, and reducing poverty and migration. This law is projected to increase revenue by 0.3 percent of GDP in 2025 and 0.8 percent in 2026, reaching 1.5 percent of GDP in 2027, which will allow for the redistribution of resources to the most vulnerable sectors and improve the government's fiscal efficiency.
- Increase tax revenue collection by 1 percent of annual GDP (30 billion lempiras)
- Reform the principle of territorial income to global income to prevent evasion through tax havens.
- Prevent Honduras from being declared a tax haven.
- Integrate into the State's single treasury the resources from tax collection and the annual budget settlements made by all State institutions for effective accountability regarding the management of Public Finance.
- Efficiently schedule the transfer of resources to each institution through the Treasury's Single Fund.
- To achieve efficient and cost-effective delivery of strategic services by public companies: ENEE; Honduran Telecommunications Company (HONDUTEL); National Water and Sewer Service (SANAA); Honduran Postal Company (HONDUCOR); and National Graphic Arts Company (ENAG).
- Implement territorial development plans with analysis of the demand for basic services at the local level and strategies for mobilizing services with the corresponding budget allocation.

3.2. Policies for inclusive growth

Honduras is taking steps to achieve inclusive and equitable economic growth, prioritizing increased resources for social and productive investment. To advance this objective, a goal has been established to maintain a minimum spending level that will strengthen programs aimed at improving the living conditions of the most vulnerable sectors, taking into account population subgroups and the country's different regions (both urban and rural). These actions include investments in the provision of basic services to improve not only living conditions but also local productivity.

Furthermore, the government seeks to strategically invest in infrastructure that generates a positive impact on both the population's quality of life and the country's economic dynamism, fostering job creation and promoting sustainable development. To ensure the implementation of these programs, the current administration has made progress in reviewing non-priority budget expenditures, freeing up fiscal space to finance these investments with domestic resources.

The productive investment targets are aligned with the commitments established in international economic programs and in compliance with the current Multiannual Fiscal Performance Rules. These macroeconomic forecasts establish fiscal space ceilings for productive investment, which will positively impact inclusive economic growth, reduce social inequalities, and foster sustainable development. Additional details on these projections and their impact are addressed in Chapter 8: Fiscal Framework of the Strategy.

Analysis of the impact of fiscal resources allocated to poverty on economic growth

To analyze the impact of fiscal resources allocated to poverty reduction on economic growth, a macroeconomic estimate was conducted that examines the relationship between the two factors. This analysis considers the use of fiscal space included in the projections, channeled through productive investment.

The analysis is carried out using a Macroeconomic Consistency Model and the Financial Programming template used internally by the Directorate General for Macrofiscal Policy (DPMF). These include interrelations between all sectors of the economy (real, external, monetary, and fiscal) through various estimates of behavioral equations, as well as national accounting and the addition of a public debt sustainability analysis component. All of the above is developed using the new tool that the IMF has socialized, the Public Debt Dynamics (DDT) [112].

[112]The model used is a tool that has contributed to strengthening macroeconomic forecasts, allowing for more robust analysis for decision-making. This tool also contributes to forecasting for the Medium-Term Macrofiscal Framework (MMFMP) and the general revenue and expenditure budget of the Republic.

3.3. Advances for economic growth during the 2022-2026 government administration

During the current administration, some economic progress has been made that contributes to current and future revenue growth, as detailed below.

-Improvements were made to the tax collection system . The government has taken several actions to strengthen the tax collection system, including the following:

- The Tax Justice Law was submitted to the National Congress on April 25, 2023, the most important law of this century in the country regarding equity for development. Although it is pending approval, the impact this law could have in terms of reducing inequality and poverty is potentially significant. It will also improve tax collection efficiency, allowing the government greater fiscal space.
- By the end of 2023, the Revenue Administration Service (SAR) estimated a collection of L. 90,031.70 million, approximately L. 6,600 more than the previous period, representing an 8 percent increase. This meant greater collection and oversight of large and medium-sized taxpayers. The reclassification of 2,770 taxpayers in 2022 allowed for greater oversight of 85 percent of tax collection in 2023, as opposed to the 69 percent that would have been achieved with the previous classification. The reclassification allowed the SAR to more effectively oversee the 721 large companies and the 2,024 medium-sized companies during 2023, receiving greater volumes of information and increasing the perception of risk among this segment of taxpayers by dedicating a greater proportion of resources to their management.
- In order to streamline procedures and reduce administrative costs, the Advanced Electronic Signature was introduced. This digital seal guarantees the authenticity and security of electronically signed documents.
- The SAR virtual office was established to facilitate user access to: information about their procedures, schedule appointments for in-person assistance at the offices, and offer the option of generating self-paid receipts to simplify compliance with their tax obligations.
- The Roatán tax office opened, as did the first tax window in Puerto Cortés, and two tax offices were relocated in December 2023, as part of a strategy to achieve comprehensive coverage in all 298 municipalities across the country by 2025.
- Customs revenue collection has improved: the cumulative revenue from January to December 15 is L. 53,336.61 billion, L. 2,650.01 billion higher than the revenue collected in 2022.

- **Progress toward fiscal consolidation.** Medium-term fiscal projections show a gradual path of convergence in line with compliance with the Fiscal Responsibility Law (LRF), which will allow a return to the fiscal consolidation process and maintain prudent levels of public debt. This is in line

with the Fiscal Rules established in the LRF and its current Exception Clauses and is consistent with the economic agreement between the Government and the IMF.

- **Reactivation of the National Quality Council with the participation of the private sector, academia, and government institutions**, after 11 years of inactivity.

-Progress in the formulation of Honduras's Industrial Policy, which is being developed jointly with the private sector, the Secretariat of Economic Development (SDE), and the United Nations Industrial Development Organization (UNIDO). With this, Honduras seeks to boost sustainable economic growth and foster collaboration between the public and private sectors to achieve inclusive and beneficial industrial development. Some of the topics addressed in the current Industrial Policy are: sustainable and inclusive development, a focus on foreign direct investment, Central American integration, and economic growth.

- **Advances directly related to micro, small, and medium-sized enterprises (MSMEs).** 3,407 businesses were established. 1,564 MSMEs and producers benefited from financing, and 3,210 received financial education. A total of 769 entrepreneurs participated in fairs. 827 entrepreneurs were linked to national and international markets.

- **Improvements in the energy sector** . Energy contracts were renegotiated, improving financial conditions.

- **Advances related to banking** . The first cybersecurity regulation for the Honduran financial system was approved. As of September 2023, the loan portfolio has increased by more than L. 60 billion, and savers' deposits in financial institutions have grown by more than L. 40 billion, compared to December 2022. - **Promotion of measures to strengthen the prevention of money laundering and terrorist financing** . The National Banking and Insurance Commission (CNBS) fully complied with anti-extortion measures, issuing provisions to prevent the misuse of financial products and services in 988,764 active electronic wallets as of February 2023. This is closely related to citizen security, not only in daily life but also in its scope and progress in economic terms.

This Chapter aimed to describe the lines of action that will be followed to foster sustained and dynamic growth in national income, as well as policies to ensure that income growth is inclusive of the most disadvantaged population in an environment of economic stability.

4. Pillar 2 of the ERP: Public services and programs to reduce inequalities[113]

The second pillar of the PRS consists of programs, actions, and services that the government offers generally, that is, aimed at the entire population, but which, due to their nature, benefit the poorest sectors relatively more, as they are the ones who use them the most, thus contributing to the reduction of inequality. In accordance with the social rights established in the Constitution, this category includes public services such as education; health; employment; productive activities; housing; water and sanitation; sports and recreation; as well as culture and heritage, which are considered in the asset approach that guides the PRS conceptual framework. Likewise, pillar 2 integrates components or axes of the Comprehensive Social Protection System of Honduras (SIPS), aimed at benefiting excluded or discriminated groups, with a particular impact on the most economically disadvantaged populations through the inclusion of strategies designed to increase the supply of goods and services in the territories.

The SIPS proposes a universal, comprehensive, sustainable, and resilient approach, with actions throughout the life cycle, focusing on the structural axes of social inequality. It also offers protection against multiple social risks, arising from both the life cycle and individual or collective contingencies, taking into account demographic changes, the labor market, natural disasters, and the impacts of climate change. It recognizes that inequalities are not only due to the economic dimension, but also to exclusions and discrimination based on gender identity, culture, territorial location, life cycle stage, disability, immigration status, or sexual orientation.

In this sense, the social protection system integrates four priorities or strategic axes:

(1) Income social protection axis. It considers contributory and non-contributory dimensions. The non-contributory dimension includes conditional and non-conditional cash benefits, in-kind benefits, and pension programs, aimed at those experiencing poverty, extreme poverty, vulnerability, exclusion, and social risk. These services are linked to Pillar 3 of the PRS and pay special attention to food insecurity (Chapter 5).

(2) Human capacity development and access to social services. It promotes the connection of people with the provision of health, education, food and nutrition security, care, housing, and basic

[113]The information in this pillar of the ERP is based on information from the following sources: 1) Government Plan to Refound Honduras 2022-2026 https://www.libre.hn/plan-de-gobierno-de-xiomara-2022-2026 ;
2) Honduras, Paths to Building a Resilient Society, Systematic Update of Country Diagnostics – World Bank Group https://documentos.bancomundial.org/es/publication/documents-reports/documentdetail/099614207262356822 ;
3) A Path to Poverty Reduction and Inclusive Growth – World Bank Group, https://documentos.bancomundial.org/es/publication/documents-reports/documentdetail/099041123095011464/p177381033c9dc06f0b1830f4a7b5788402 ;
4) Public Policies and Poverty from the Case of Honduras https://dialnet.unirioja.es/descarga/articulo/6310251.pdf and
5) Analysis of poverty in Honduras – SPE

services. These actions are implemented under national infrastructure and development plans, adopting the principle of universal accessibility.[114]

(3) Labor inclusion axis. It brings together policies aimed at generating income and providing productive and quality employment, promoting decent work. It also strengthens the labor inclusion of populations living in poverty and vulnerability, especially young people, women, and people with disabilities. Its actions are also aligned with Pillar 3 of the PRS (Chapter 5).

(4) Adaptive social protection axis. It includes policies and programs aimed at ensuring security and well-being in the event of emergencies, as well as reducing the impact of disasters on the economy and society.

The general objective of Pillar 2, its connection to the Sustainable Development Goals (SDGs), and the PRS lines of action within this pillar are presented below. The indicators and targets for monitoring and evaluating the fulfillment of government commitments are also detailed, along with the programs and actions that contribute to the implementation of these lines. [115]This information is organized by areas of intervention or service: education; health; employment; rural productive activities; universal housing; water and sanitation; sports and recreation; and culture and heritage of communities.

Objetivo general Pilar 2

tizar el acceso universal a bienes y servicios públicos esenciales, priorizando su diseño y ejecución para beneficiar de manera significativa a las poblaciones y territorios más desfavorecidos.

4.1. Universal Public Education with Quality

Objective: To ensure a free, universal, high-quality, and humane public education system, appropriate to the reality of the Honduran people and global technological trends, prioritizing the expansion of formal coverage at the pre-primary, elementary, and secondary levels, as well as non-formal technical education, as well as the eradication of illiteracy.

[114]The 2022-2026 Government Strategic Plan, within the Logistics and Transportation Infrastructure Axis, establishes, as one of its outcomes, the improvement of social infrastructure throughout the country to guarantee decent conditions for human development.

[115]The information on the objectives, lines of action, indicators, and goals was obtained from the 2022-2026 Government Strategic Plan "Preliminary Bases for the Construction of Strategic Planning of the Government of the Republic" and the 10 State-Summit SDG 2023 commitments.

Link to the Sustainable Development Goals

As documented in the diagnostic chapter, education in Honduras faces multiple problems that limit the right to education. Educational coverage has declined significantly in recent years, leading to an increase in the number of children and young people excluded from the education system, particularly affecting rural and hard-to-reach areas. There are significant limitations in the provision of basic education, with a lack of access to the third cycle of basic and secondary education in rural areas. Furthermore, there are deficiencies in infrastructure. of public educational centers, with most schools suffering from insufficient classrooms, poor hygiene conditions, and a lack of teaching resources. Furthermore, the system faces a crisis in teaching quality, evidenced by poor academic performance and high dropout and repetition rates.

As part of the service offerings serving the general population and, in particular, the low-income population (pillar 2 of the ERP), the government is committed to transforming the Honduran education system to ensure that every citizen has access to free, quality public education, built on the principles of universality and progressivity. To this end, it will ensure an inclusive system that, in addition to offering bilingual education, focuses on expanding both coverage and access to formal and non-formal education, addressing the needs of the most vulnerable communities and reducing existing gaps.

Likewise, efforts will be made to improve school retention conditions through strategies that facilitate access to schools and ensure that students remain in the system until they complete their studies. Furthermore, the entire school infrastructure will be renovated, ensuring that the facilities are adequate, safe, and adapted to current needs.

In parallel, a reform of the National Basic Curriculum will be promoted, updating content and aligning it with Morazan's philosophy, which promotes values of justice, solidarity, and freedom. This approach will be complemented by a review of the educational model in higher education, ensuring that universities train professionals capable of facing the challenges of national and global development. These actions seek to build an educational system that is the cornerstone of progress and equity in the country.

The details of these actions are described in the following Table

Table 25. Lines of action in education and commitment dates

Lines of action	Specific actions	Development dates
Fund an education system that provides free, high-quality, universal, and progressively bilingual public education.	Free Tuition at Government Educational Centers	2026
Expand coverage and access to formal and non-formal education.	Creation of Bilingual Teacher Training Schools Access to the Pre-school, Basic and Secondary educational levels Nutritional School Feeding Education for Prevention and Social Rehabilitation Literacy, Basic and Secondary Education for Youth and Adults Transformation of Community Pre-Basic Education Centers (CCEPREB) and Pre-Basic Education Centers (CEPB of the Pre-Basic Education Universalization Plan) into Common Pre-Basic Education Centers (CEPB).	2026
Extend school attendance and improve educational access conditions.	Transition from Single-Teacher and Two-Teacher Educational Centers to Multi-Teacher Centers Continuing Education for Administrative and Teaching Human Talent Social Scholarships for Basic and Secondary Education Students Creation and Strengthening of School Gardens Occupational Training Environmental Education for Sustainable Development Mainstreaming the Gender Approach in the Design, Implementation, and Evaluation of Policies, Plans, Programs, Projects, and Proposals for the Pedagogical, Administrative, and Community Management of the Ministry of Education Operation and Strengthening of Educational Networks with a Gender and Human Rights Approach Pedagogical Use of Educational Technologies and Libraries of Educational Centers Operation of the National System of Teacher Supervision and Support Strengthening Extracurricular Education	2026

Lines of action	Specific actions	Development dates
Rehabilitate school infrastructure, prioritizing schools in marginalized rural and urban communities, focusing on improving classrooms, restrooms, drinking water systems, electricity, and sports facilities.	Expansion, Repair and Construction of Educational Centers	2026
Reform the National Basic Curriculum, its contents and axes aligned with Morazan's thinking	Redesign of the National Basic Curriculum and Curricular Designs for Pre-school, Elementary, and Secondary Education and their Alternative Educational Modalities (curricular tools and consumables)	2026
Update the higher education model to align it with labor market demands, promoting the inclusion of digital skills, specialized technical training programs, and interdisciplinary approaches, with the goal of improving graduate employability and connecting with strategic productive sectors.	Earring	

Table 4.2 presents the indicators and targets for education within pillar 2 of the Strategy, as well as the programs that will contribute to achieving the targets.

Table 26 Indicators and goals in education

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	○ Community Educational Model for Local Economic Development EDUCAR ○ Project to Improve the Quality of Pre-basic Education in Honduras ○ School Infrastructure Improvement Program (PROMINE) ○ National Program for Digital Educational Transformation ○ Literacy, Basic and Secondary Education for Youth and Adults ○ Alternative Education for Youth and Adults ○ Free Tuition at Government Educational Centers ○ Women's City Program ○ Comprehensive Improvement Program for Educational Infrastructure and Training in Honduras (MIFE) ○ Honduran Community Education Program (PROHECO) ○ "Art for Life" Project to Strengthen Extracurricular Art Education for Children and Young People in High-Risk and Violence-Induced Areas ○ Youth Employability Project for Migration Prevention, "Creating My Future Here" ○ Progress with Education Project ○ Educating for Life Project ○ Our Educational Future Project Is in Honduras ○ Happy Return to School Project ○ Bright Smiles, Bright Futures
Illiteracy rate	9.39	8.04	7.14	6.24	5.35	4.0	
Pre-basic coverage rate	74%	79%	83%	86%	90%	95%	
Basic coverage rate (I and II cycle)	79%	83%	86%	88%	91%	95%	
Basic coverage rate (III cycle)	49%	54%	57%	61%	65%	70%	
Average coverage rate	28%	33%	37%	41%	44%	50%	
Dropout rate	2.5%	2%	2%	2%	1%	1%	
Number of Students Served: Pre-school	213,528	235,665	250,689	265,713	280,737	295,761	
Number of Students Served (Basic I and II cycles)	1,032,186	1,332,186	1,532,186	1,732,186	1,932,186	2,132,186	
Number of students served: Basic (3rd cycle)	367,476	403,007	422,462	441,917	461,372	480,827	
Number of Students Served: Average	219,815	272,559	305,917	339,275	372,634	405,992	
Schooling rate	7.4	7.8	8.1	8.3	8.6	9	
Number of children at pre-primary and basic levels served with school meals nationwide	1,222,827	1,355,434	1,443,841	1,534,840	1,628,432	1,743,056	

Source: Secretariat of Strategic Planning, 2025.

The following table presents the projects that the current government administration has planned to strengthen education sector programs that will contribute to meeting the ERP goals.

Table 27. Plans to strengthen education sector programs that contribute to the ERP

Programs	Strengthening plans	Dates for its development
Community Educational Model for Local Economic Development EDUCAR	The EDUCAR Community Education Model is implemented through the BTPs in Agroforestry Innovation and Development and the BTP in Agribusiness Development. These baccalaureates are being validated in the 28 educational centers of the Network of Community Technical Institutes located in western Honduras and in more than 80 educational centers in other regions of the country. Through the initiative of the National Network of Agricultural Schools of the Ministry of Education and ITC Network cooperating partners such as Helvetas, CRS, LWR, and UNESCO, the EDUCAR Model and the ITC Network's collaborative work experience were scaled to the southern region in 2024, successfully forming a network for the agroforestry sector in Honduras. During 2025, this experience will be expanded to the northwestern and eastern regions of the country, serving more than 70 percent of the educational centers offering agroforestry programs. At the same time, during 2025, work is underway on a curriculum redesign for the third cycle, aimed at technical education centers, with the goal of ensuring the educational trajectory of young people and expanding the technical education offerings. As an NGO dedicated to developing entrepreneurial human talent, the ITC Network is committed to sharing and transferring the knowledge and experiences acquired through the implementation of the EDUCAR Model to other regions of the country in different sectors.	By the end of 2025: The BTPs in Agroforestry Innovation and Development and BTPs in Agribusiness Development have been validated; the third-cycle curriculum has been redesigned, focusing on the agroforestry sector; the Southern Agrifood Network has been consolidated with the implementation of the EDUCAR Community Education Model; the Agro Noroccidente Network and the Agro Eastern Network have been formed; the ITC Network's strategic plan has been updated with a focus on scaling up the EDUCAR Model. For 2026 and beyond: Establish the Agro Norte Network; consolidate the agroforestry sector's network and implement the EDUCAR Model nationwide.
Project to Improve the Quality of Pre-basic Education in Honduras	Project to Improve the Quality of Preschool Education in Honduras Within the framework of the challenges and needs that exist at the preschool education level, the Honduran government, through the Ministry of Education (SE), has designed a project aimed at Improving the	2025

Programs	Strengthening plans	Dates for its development
	Quality of Preschool Education in Honduras. The project aims to improve (a) the institutional capacity of the SE for the management of preschool education; (b) the pedagogical practices of preschool teachers and educators; and (c) the physical learning environments in preschool education centers that serve children in the targeted areas. The Project is implemented by the SE through the Project Coordinating Unit (PCU) and with the participation of other agencies of the Secretariat in the execution of all activities carried out in relation to the fulfillment of the Project objectives. The completion of this Program is expected in July 2025, so work will be done on the technical justification and request for an extension of a Phase III. : Evaluation and Diagnosis: 1. Analyze achievements and challenges of the current program: Evaluate the effectiveness of management models and their impact on learning. 2. Prepare an official document (Technical Justification): highlighting the need to continue the program, with data and testimonials that demonstrate its positive impact. 3. Extension Proposal: Submit a formal request for a Phase III, including: Additional financial resources, New duration (initial extension of 18 months at the proposal level), Focus on rural areas and marginalized communities. 4. Key Activities in Phase III: Train administrative staff and teachers, Update the curriculum with new approaches and Improve educational infrastructure. 5. Monitoring and Evaluation: Establish a monitoring system to measure progress, Collect feedback from the educational community to improve the process. The project expansion and reform proposal seeks to guarantee the continuity of achievements, focusing on critical areas and ensuring the sustainability of benefits for future generations, contributing to poverty reduction and educational growth in Honduras.	

Programs	Strengthening plans	Dates for its development
National Program for Digital Educational Transformation	The National Digital Education Transformation Program (PNTED) was funded by the IDB and has now concluded its implementation. Given this, the next steps to be taken would be to leverage the intervened educational centers, which have devices, connectivity, and trained teaching staff, to expand the involvement of other cooperating partners and, if possible, the Ministry of Education itself, in the areas of: continuing licenses for the use of educational platforms, expanding the possibilities for using new educational platforms, or continuing teacher training to maintain the use of devices and connectivity at appropriate teaching moments, creating digital educational resources and digital educational communities of practice.	There are no definite dates
Literacy, Basic and Secondary Education for Youth and Adults	Starting in 2023, the José Manuel Flores Arguijo National Literacy Program began to be implemented using the ¡Yes, I Can! methodology. The purpose of this program is to reduce the illiteracy rate in the country and declare the country free of illiteracy for the first time. From 2023 to December 31, 2024, 398,010 people were taught to read and write. In 2025, the goal is to teach 70,000 more people to read and write. In the third cycle of Alternative Basic Education and Secondary Education, the population aged 15 and over will be served through programs such as ISEMED, IHER, EDUCATODOS, and ALFASIC.	2025
Alternative Education for Youth and Adults	Attention to the population aged 15 and over experiencing educational gaps who have not completed the first and second cycles of basic education. This population will be served through Accelerated Primary Education, with priority given to the first and second grades of Alternative Basic Education. Priority is also given to vulnerable groups and will be provided in the country's penitentiary centers. The goal is to serve 10,000 students in the first semester and 10,000 students in the second semester.	2025
Free Tuition at Government Educational Centers	A budget of L. 684,739,063.53 will be implemented under the 2024 PMG, benefiting a total of 12,867 educational centers nationwide, representing 1,266,852 students at the pre-primary, elementary, and secondary levels. Pending confirmation of the budget for the distribution of the Free Tuition Program for 2025, the objective to be met during this process is for 100 percent of the targeted educational centers to receive the benefit for the improvement of infrastructure and pedagogical conditions to strengthen retention, access, and promotion indicators.	2024-2025

Programs	Strengthening plans	Dates for its development
Comprehensive Improvement Program for Educational Infrastructure and Training in Honduras (MIFE)	Context: "Comprehensive Improvement Program for Educational Infrastructure and Training in Honduras" (MIFE). The Program consists of implementing a methodology for the continuous training of teachers and students, and improving the infrastructure of public education centers throughout the country, with an emphasis on areas with the greatest urban and rural poverty. Infrastructure improvements include, at a minimum, the expansion and/or repair of educational infrastructure, the provision of specialized furniture and technical educational equipment; and the strengthening of the skills of education teachers on competency-based teaching methodologies and the capacities of high school students and teachers in topics related to entrepreneurship. This program is currently underway; completion of the program in 2026. There is no concrete future plan for programs or actions in the sector. - Throughout 2025, with quarterly planning and execution. - How: Joint Coordination CABEI - FHIS - SEDUC / DIGECEBI	There are no definite dates
Honduran Community Education Program (PROHECO)	1. Assign PROHECO teachers to communities where there are no other educational alternatives to cover the three levels of education: pre-primary, primary, and secondary. 2. Train PROHECO teachers in effective pedagogical approaches for meaningful learning and promote community participation in school management. 3. Provide teaching materials and resources to enhance learning.	2025
"Art for Life" Project to Strengthen Extracurricular Art Education for Children and Young People in High-Risk and Violence-Induced Areas	The goal of the “Art for Life” project is to achieve the participation of 3,600 students in workshops provided by teachers with a minimum duration of 40 class hours, these will focus on the following topics: Plastic art workshops (drawing, painting, muralism, modeling, sculpture, wood carving, ceramics), Music art workshops (choir, instrumental groups, student bands) Dramatic art workshops (circus arts, mimes, puppets, language and body expression, staging of theatrical works), Audiovisual production of artistic cuts and themes, Folk dance and others related to the artistic field.	2025
Bright Smiles, Bright Futures	Distribution of 90,028 Colgate Kits, including toothpaste and toothbrushes, for students in pre- and primary school (first cycle) in educational districts #1, 3, 5, 10, 14, and 15. The kits are also distributed through monitoring tours nationwide.	2025

Programs	Strengthening plans	Dates for its development
National Scholarship Program	To benefit 27,800 pre-primary, primary, and secondary school students from government-run educational centers nationwide, with a single annual amount of L. 5,000.00 per student. The beneficiary population includes students with academic excellence, students with disabilities, students with outstanding skills in the arts and sports, and students at social risk and vulnerable groups. This will improve access, retention, and promotion indicators.	2025

4.2. Health: improving the public health system

Objective: To establish a single, universal, and free public health system, with an emphasis on prevention, that guarantees comprehensive care, access to medications, treatments, and timely, immediate procedures.

Link to the Sustainable Development Goals

As addressed in the assessment, the health sector in Honduras faces profound and structural challenges that violate the population's right to health. Rural areas suffer from a marked lack of services, with deteriorating infrastructure, a lack of electricity and water in many health centers, and a severe shortage of health personnel (doctors, nurses, psychologists, dentists, etc.). Furthermore, there is limited social security coverage and unequal access to sexual and reproductive health care, primarily affecting adolescents and women in vulnerable situations.

Regarding child, nutritional, and reproductive health care, significant challenges persist. Early childhood care is compromised, including vaccination rates, while malnutrition remains a critical problem directly related to economic conditions. Teenage pregnancy rates and lack of access to contraception and family planning are high, especially in low-income sectors and rural areas.

While there has been some progress, such as an increase in the number of medical personnel and an improvement in certain maternal and child health indicators, the system continues to face enormous challenges. Furthermore, in Honduras, there is a significant lack of awareness about mental health and its importance in general health care. There is also evidence of a general lack of resources dedicated to mental health and adequate services offered to the population. Furthermore, violence against women in Honduras is a critical problem: the country has one of the highest rates of femicide in Latin America and a high percentage of women report having experienced violence at some point in their lives.

As part of Pillar 2 of the Strategy, the Honduran health system will focus on creating a single, comprehensive, and preventative system, with primary care as its core focus. To guarantee access to essential medicines, the supply of 100 percent of the basic supply chain for the Honduran Social Security Institute (IHSS), the Teaching Hospital, and the Ministry of Health (SESAL) will be unified. In addition, a Generic Drug Molecular Laboratory will be established, strengthening the national production capacity and access to essential treatments.

In terms of healthcare, the goal will be to meet the population's preventive needs by assigning unemployed physicians, maximizing available human resources. Likewise, nine new hospitals will be built and the installed capacity of existing ones will be optimized, thus improving coverage in all regions. The commitment to vaccination is absolute, with the goal of reaching 100 percent of the population, based on immunization as a fundamental preventive measure. The Hospital and Health Center Network Investment Program will be implemented to guarantee national, regional, and local coverage in accordance with the National SESAL Plan. This program includes the installation of a CT scanner and a first-class operating room in each municipality, bringing specialized care closer to the communities.

To meet the demand for surgical procedures, the surgical backlog will be eliminated, prioritizing timely patient care. In addition, the medical status will be revised, within the framework of the National Health Law, to strengthen the working conditions of health personnel and optimize service delivery. Efforts will also extend to expanding sexual and reproductive health care [116], as well as mental, dental, eye, and senior health care. With these actions, the health sector reaffirms its commitment to transforming the system toward a more accessible, equitable, and efficient model, placing health as a fundamental right and an essential pillar for the country's sustainable development. The details of these actions are described in the following table.

Table 28. Lines of action in health matters and commitment dates

Lines of action	Specific actions	Development dates
Establish a single health system with a focus on prevention and primary care, and regulate surrogacy services.	- Preparation of a proposed document for the national health system law. -Preparation and approval of the national plan for the refoundation of health 2024-2030, duly approved technically and financially. - Operationalization of the strategy to strengthen integrated health service networks based on primary care -Strengthening the national health system with a focus on promotion and prevention with the creation and technical-regulatory implementation of 14 health programs	2025
Supply 100 percent of the basic medication list in a unified manner for the Honduran Social Security Institute (IHSS), the Teaching Hospital, and the Ministry of Health.[117]	SESAL is implementing improvements and new strategies to narrow the gap in medication supply. The main ones are detailed below: -Change in the methodology for estimating and scheduling medications, adjusting it to the actual need for medications in each health unit. -Timely medication purchase planning by establishing purchasing processes with sufficient lead time, taking into account current procurement laws and regulations. -Strengthening the operability of drug storage and distribution processes. -Implementation, maintenance, and monitoring of the Drug Logistics Management System (SALMI) to ensure the proper functioning of the information system and control of drug inventories.	In progress

[116] The Communications Campaign is currently being worked on with the Institutional Communications Unit.

[117] The Ministry of Health is the governing body for health; however, the health network is comprised of 20 Health Regions (health facilities) and 28 centralized hospitals (the Teaching Hospital is now included, once again, in the centralized health network). The Social Security Institute (ISIN) is another mechanism for providing care to the insured population, which manages its own regulations and medication lists, which are different from the SESAL's National List of Essential Medications. To date, SESAL has managed to achieve a 90 percent supply of medications for the centralized network; logistically, 100 percent supply of medications is not possible for various reasons, including unsupplied medications during the purchasing process or an increase in medication consumption, whether due to health emergencies, natural disasters, etc.

Lines of action	Specific actions	Development dates
To provide preventive care to the national population by assigning unemployed doctors.	- Strategy to extend primary care hours and enable the CEEMs with the hiring of 294 physicians nationwide. - Approval and operationalization of the national human resources policy -Strategy for forming family health teams	2026
Create 9 hospitals	The 9 hospitals and their progress are as follows: 1. Salamá Hospital, Olancho: The second stage was completed in December 2024, including earthworks and foundations. The third stage, which includes equipment and commissioning, is underway. Capacity: 36 beds. Services: Internal medicine, pediatrics, general surgery, and gynecology and obstetrics. 2. Santa Barbara Hospital: Currently under construction, with progress in earthworks and structural design, the next stage, which includes equipment and commissioning, is underway. Capacity: 186 beds. Services: Pediatrics, gynecology, general surgery, internal medicine, neonatology, endocrinology, nephrology, traumatology, dermatology, cardiology, dentistry, orthopedics-traumatology, urology, gastroenterology 3. Ocotepeque Hospital: The second stage was completed in December 2024, including earthworks and foundations. The third stage, which includes equipment and commissioning, is underway. Capacity: 36 beds. Services: Internal medicine, pediatrics, general surgery, gynecology and obstetrics. 4. Bay Islands Hospital, Roatan: Construction began in 2017 and has made significant progress, with a projected area of 10,962.01 square meters. Capacity: 93 beds. Services: Internal medicine, pediatrics, general surgery, gynecology and obstetrics, and orthopedics. 5. Tocoa Hospital, Colón: Currently under construction, with progress in earthworks and structural design. Capacity: 109 beds. Services: Internal medicine, pediatrics, general surgery, gynecology and obstetrics, cardiology, physical medicine and rehabilitation, and orthopedics. 6. Choluteca Hospital: Currently under construction, with progress in earthworks and structural design. Capacity: 159 beds. Services: pediatrics, general surgery, gynecology and obstetrics, physical medicine and rehabilitation, nephrology, and dialysis unit. 7. Trauma Hospital in Tegucigalpa: Designs are underway and the site and environmental studies are underway. Capacity: 160 beds. Services: Outpatient Clinic, Emergency Room, Operating Room, Inpatient Clinic, Imaging,	1. Salamá Hospital, Olancho: Estimated completion and commissioning date: November 2025. 2. Santa Barbara Hospital: Estimated completion and commissioning date: early 2026 3. Ocotepeque Hospital: Estimated completion date: November 2025. 4. Bay Islands Hospital, Roatan: Estimated completion and commissioning date: early 2026 5. Tocoa Hospital, Colón: Estimated completion and commissioning date: early 2026 6. Choluteca Hospital: Estimated completion and commissioning date: early 2026 7. Trauma Hospital in Tegucigalpa: Estimated start date: Construction is projected to begin in late 2026. 8. Trauma Hospital in San Pedro Sula: Estimated start date: Construction is projected to begin in late 2026.

Lines of action	Specific actions	Development dates
	Teaching, Laboratory. Transfusion Service, CEYE (Emergency Medical Center), Morgue, General Services, Intensive Care Unit, Intermediate Therapy Unit, Blood Bank, Pharmacy 8. Trauma Hospital in San Pedro Sula: Designs are underway and the site and environmental studies are underway. Capacity: 150 beds. Services: Outpatient Clinic, Emergency Room, Operating Room, Inpatient Clinic, Imaging, Teaching, Laboratory, Transfusion Service, CEYE (Center for the Study of the Blood and Endocrinology), Morgue, General Services, Intensive Care Unit, Intermediate Therapy Unit, Blood Bank, Pharmacy. 9. Bay Islands Emergency Hospital, Roatan Equipment and commissioning are underway. Capacity: 40 beds. Services: Internal medicine, pediatrics, general surgery, gynecology and obstetrics.	9. Bay Islands Emergency Hospital, Roatan Estimated start date: May 2025
Ensure vaccination of 100% of the population.	-Implementation of the plan to increase vaccination coverage -National vaccination and deworming day -Follow-up vaccination campaign for measles, rubella, and polio.	2025
Develop the Investment Program for the Hospital and Health Center Network, covering national, regional, and local areas, in accordance with the SESAL National Plan. Each municipality will also have a first-class CT scanner and operating room.	Strengthening the response capacity of the SESAL hospital network through the acquisition of medical and electromechanical equipment, by financing projects with external funds, to improve the efficiency, effectiveness, and sustainability of health services. The estimated budget executed for this equipment was L 378,933,177.19 during the 2024 period.	2024
Draft the National Health System Law	Preparation and approval of the proposed document for the National Health System Law. Currently, the SESAL is responsible for providing medications for the centralized health network (20 Health Regions and 28 Hospitals).	2026
Eliminate surgical backlog.	-Development of the national plan to reduce surgical backlog. -Planning gynecology and surgery brigades in priority hospitals. -Remodeling and equipping operating rooms to increase surgical hours	In progress
Expand sexual and reproductive health care.	Through the National Plan for the Reduction of Maternal Mortality, the Maternal Health, Neonatal Health, and Family Planning Protocols have been updated, thereby improving the quality of sexual and reproductive health care.	2026

Lines of action	Specific actions	Development dates
Expand the network of mental, dental, eye, and senior care.	-Submission of the mental health policy proposal -Delivery of the proposed mental health law -Strategy to increase ophthalmologic care coverage through outpatient ophthalmologic care clinics in: Colinas Santa Barbara, Siguatepeque Comayagua Polyclinic, and San Felipe Hospital -Draft manual of prioritized dental procedures for outpatient care	2025
Expansion of the national vaccination schedule	-Introduction of the dengue virus vaccine. -Introduction of the Hexavalent vaccine	2025
Increase in the number of specialist physicians in the public health system.	-Contest for specialist doctors -Expansion of services in the hospital network with the construction of 9 hospitals. -Increase in the number of scholarships for national and international postgraduate studies. -Training of specialized resources with pandemic funds.	Competition for specialist doctors : 2024 The training of specialized resources will begin in 2025. -The rest of the actions are in progress.
Improve the coordination of various programs and projects at the state level to ensure coverage of nutrition, early childhood protection, sex education, and public health-related behaviors.	Coordination with SIGADENA to improve the health of the population protected by SENAF and in general.	Every year
Raising awareness about the use of contraceptive methods and mechanisms for preventing contagious diseases in the country.	Updated Family Planning Care Protocol, including ECPs; training of 200 human resources to improve the quality of care, counseling, and access to modern methods; and increased service coverage. Coordination with the Social Communication Unit to implement a communications campaign.	2026
Greater speed in the acquisition of medicines.	SESAL is implementing new improvements and strategies to narrow the gap in medication supply. The main ones are detailed below. -Change in the methodology for estimating and scheduling medications, adjusting it to the actual need for medications in each health unit. -Timely medication purchase planning by establishing purchasing processes with sufficient lead time, taking into account current procurement laws and regulations. -Search for alternative purchasing mechanisms for hard-to-obtain medications.	2026
Increase in the number of technical personnel hired for disease prevention campaigns such as dengue.	-Training of Entomologists for vector control activities. -Recruitment of resources during the dengue emergency	2024-2025
Expansion of sexual and reproductive health care	-Updating the Family Planning Care Protocol, including ECPs, training 299 human resources to improve the quality of care, counseling, and access to modern methods, increasing service coverage.	2026

Lines of action	Specific actions	Development dates
	-Training in maternal health services and obstetric emergencies: 1,394 human resources. Basic medications and the necessary equipment are available to provide care.	
Expansion of maternal and child health	Improved quality of care in maternal and child services	2026
Improve the different institutions involved in the collection and quality of data and statistics, which are available for use in decision-making.	-Updating and implementing statistical forms for collecting primary sources -Automation of manual information collection processes. -Interoperability of information systems for decision-making. -Single integrated electronic health record	Actions in progress. The single electronic file is in the pilot phase.

The following Table presents the indicators and targets for health within pillar 2 of the Strategy , as well as the programs that will contribute to achieving the targets.

Table 29 Health indicator and goals

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	
Maternal mortality ratio (per 100,000 live births)	47	45	40	38	36	34	○ Provision of Primary Care Health Services (Health Regions) ○ Provision of Second Level Health Services (Hospital Services) ○ Transfer ○ Women's City Program ○ Regional Initiative for the Elimination of Malaria (IREM) Project ○ Comprehensive Support Project for the Social Protection System ○ Project: Immediate Health Response to Contain and Control the Coronavirus and Mitigate its Impact on Health Service Delivery (RISP-HO1) ○ Project: Immediate Response to Contain and Control the Coronavirus and Mitigate its Impact on Health Care Provision (RISP-HO2) ○ Project: Construction and equipment of three hospitals (Tegucigalpa, San Pedro Sula, and Roatán) to strengthen the Honduran hospital network ○ Honduras Covid-19 Emergency Response Project ○ Essential Health and Emergency Preparedness Services Project ○ Project: Design, construction, and equipment of the new hospital in the cities of Choluteca and Tocoa to support the hospital network of the Republic of Honduras ○ Project: Biomedical reequipment of the María Pediatric Specialties Hospital ○ Project: Construction and equipment of the administrative building and the national health surveillance laboratory in Tegucigalpa
Under-five mortality rate (per 1,000 live births)	21	20	18	16	15	14	
Number of family health teams (ESFAM)	343	343	343	349	349	352	
Percentage of supply of basic medicines in the Public Health System	90	92	94	96	98	99	
Construction of a drug laboratory	0	0	1	0	0	0	
Percentage of surgical delay	59	39	19	0	0	0	
Ratio of doctors per 10,000 inhabitants	10.83	14	16	18	19	20	
Ratio of nurses per 10,000 inhabitants.	4.14	16	25	30	35	40	
Incidence rate of diarrhea in children under 5 years of age (per thousand inhabitants)	88	85	83	80	78	75	

Source: Secretariat of Strategic Planning, 2025.

4.3. Decent employment

Objective: To improve access to the labor market for Hondurans, especially young people, women, and vulnerable groups, by creating decent employment and improving working conditions for the economically active population, particularly in terms of job quality and wages.

Link to the Sustainable Development Goals

According to the findings of the assessment, the labor market in Honduras faces significant challenges characterized by high levels of informality, low labor force participation, and an unequal distribution of employment and wages. Labor force participation and employment are below the regional average, particularly affecting women, youth, and people in rural areas. Informality rates are high, even in the highest income quintiles. The employment structure is marked by a high concentration in low-productivity sectors, such as commerce, services, and the primary sector, with few opportunities for well-paid or formal jobs. Furthermore, the percentage of economically inactive people has increased without recovering to pre-pandemic levels. Although some sectors have shown slight improvements, precarious employment, low wages, and a lack of social security continue to be obstacles to the economic and social development of the Honduran population.

Based on the identification of these challenges, in Pillar 2 of the PRS, the Honduran government commits to implementing strategic actions to promote the creation of decent employment opportunities, with a special focus on young people and women, who face greater barriers to accessing the labor market. This commitment seeks not only to reduce existing gaps but also to foster an equitable work environment that contributes to the sustainable development of communities. To this end, a fundamental action is the development of the workforce's technical capacities, aligned with the demands of the current labor market. This approach will provide workers with the necessary tools to effectively integrate into key sectors of the economy, and will promote both their job stability and the growth of national industries. Furthermore, the creation of microenterprises will be encouraged through access to seed capital funds, which are also directly linked to the country's economic growth (Pillar 1 of the PRS).

This effort will place a particular emphasis on single mothers, providing them not only with financial resources but also with the technical support necessary to ensure the success and sustainability of their ventures. This support will be delivered through a comprehensive approach to promote the development of technical skills and capacity building, which will include training in key areas such as: a) business

management, *marketing* , and finance, as well as access to support and collaboration networks; b) access to credit programs exclusively for women, such as the National Solidarity Credit Program for Rural Women (CREDIMUJER), which is operated in coordination with the National Entrepreneurship and Small Business Service (SENPRENDE); they will also be provided with financial products from state banks and all other resources that facilitate the operation of their businesses.

With these actions, the employment sector reaffirms its commitment to building a more inclusive and dynamic labor market that allows everyone to develop their potential and contribute to the country's economic and social progress. The details of these actions are described in the following table.

Table 30 Lines of action on employment and commitment dates

Line of action	Specific actions	Development dates
Microenterprises have been created and provided with seed capital, with priority given to the most vulnerable and poorest sectors of society, especially single mothers.	This initiative will be carried out through rural banks, Banhprovi, Banadesa, and the "Brother/Sister, Come Home" program.	2025

The following table presents the employment indicators and targets under Pillar 2 of the Strategy, as well as the programmes that will contribute to achieving the targets.

Table 31 Indicators and goals of the Employment Strategy

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	
New jobs created	85,879	100,000	120,000	130,000	140,000	150,000	○ Decent Employment Policy with Sustainable Companies: Honduras in Solidarity for Growth and Equity ○ Leaving Traces Program ○ Virtual Job Exchange Project for People with Disabilities ○ Comprehensive Employment Service Project - Yes Employment
Unemployment rate	5.2	4.5	4	3.8	3.5	3	
Underemployment rate	43.3	37	31	25	19	13	
Informal employment	40.2	38	35	30	25	20	
IHSS Coverage	896,472	1,100,000	1,300,000	1,500,000	1,700,000	2,000,000	

Source: Secretariat of Strategic Planning, 2025.

4.4. Productive activities in the field

Objective: To promote the sustainable development of the country's primary sector, improving productivity, competitiveness, and resilience, while reducing poverty, ensuring environmental sustainability, and fostering social inclusion through comprehensive public policies and specific actions that involve all stakeholders.

Link to the Sustainable Development Goals

The Honduran agricultural sector faces significant structural challenges related to limited access to means of production such as water, land, and capital, as well as a lack of technical assistance in production, processing, and marketing. Historical challenges such as land tenure, the limited participation of rural women and youth, the lag in the implementation of agrarian reforms, and the strengthening of cooperatives and other forms of social or solidarity economy enterprises exacerbate the situation. Added to this are inadequate irrigation, storage, and supply systems for basic grains, as well as limited access to inclusive and sustainable financing.

These challenges have been exacerbated by global economic factors that have increased fuel and fertilizer prices, affecting production costs. However, the crisis has also created opportunities, such as increased production of bio-inputs and organic fertilizers. Furthermore, the sector faces a significant lack of updated data, as the last National Agricultural Census was conducted in 1993. This situation significantly limits strategic planning and the ability to respond to current challenges.

Given this situation, the Honduran government has designed a comprehensive plan to revitalize the agricultural sector, with the goal of transforming it into an engine of inclusive and sustainable development. This effort, which is part of Pillar 2 of the PRS, includes the development of a National Agricultural Census that will accurately identify the sector's needs and opportunities, ensuring strategic planning based on reliable data.

Comprehensive strategies will be implemented to transform the agricultural sector, focusing on the inclusive production of staple grains and essential products in the basic food basket. These initiatives will seek to strengthen food security and stabilize prices, reducing speculation and market volatility. A national extension and technical assistance strategy will also be established to support producers with the necessary knowledge and resources, promoting the sustainable use of water resources through an agricultural irrigation plan. Among the programs created to address these objectives, the following projects were incorporated into the budget structure of the Ministry of Agriculture and Livestock (SAG): the Integrating Innovation for Rural Competitiveness in Honduras Project (COMRURAL), the Comprehensive Rural Development and Productivity Project (PROOCIDENTE), and the Alliance for the Dry Corridor-Food Security Project in the South (PROSASUR), all aimed at promoting the development of the agrifood sector. The COMRURAL project aims to increase the competitiveness of organized producers through their participation in productive alliances within the framework of value chains, under the modality of co-financing producer organizations through transfers in the form of Seed Capital. In addition, this project contributes to strengthening local capacities for the provision of services to productive alliances.

Access to resources will be a priority, with actions aimed at increasing agricultural financing and strengthening the national strategic reserve of basic grains. To this end, BANADESA will be revived and operated as a development bank focused on democratizing access to agricultural credit, especially for small and medium-sized businesses in the sector. Furthermore, the National Agrarian Institute will be strengthened to lead the legalization of lands and efficiently redistribute unproductive national and communal lands.

Furthermore, the government will fully respect private property rights for agricultural production. Free, prior, and informed consultation with rural communities, Indigenous peoples, and Afro-descendants on agricultural projects that impact their territories will be prioritized, ensuring their participation in key decisions and respecting their rights.

Finally, the SAG will be restructured to better respond to the needs of the rural population [118]. These comprehensive actions aim to transform the agricultural sector, guarantee social equity, and position Honduras as a benchmark for inclusive and sustainable rural development. The details of these actions are described in the following table.

[118]The restructuring of the sector is a proposal put forward in the 2023-2043 PESAH. One year after its dissemination, efforts are underway to manage resources and finance medium- and long-term actions.

Table 32 Lines of action for the development of productive activities in the field and commitment dates

Lines of action	Specific actions	Development dates
Develop the National Agricultural Census	The National Agricultural Census (CAN) is currently in its implementation phase. The pilot test, training, and official CAN data collection have been completed.	June 2024-April 2025 The results are scheduled to be released in the last quarter of 2025.
Coordinate the implementation of programs and projects aimed at developing the agricultural sector, both government and international cooperation.	The following projects, aimed at promoting the development of the agri-food sector and previously part of INVEST-H, were incorporated into the SAG budget structure as of June 2023.	January-June 2023
	The National Program for Soil Management, Conservation, and Fertilization (PROSUELOS) has been managed, as part of the PESAH 2023-2043 program, with funding from the Food and Agriculture Organization of the United Nations (FAO) and other strategic partners, with the aim of creating a national map containing data on soil fertility.	April 2024
	Actions have been initiated within the framework of the National Program for Agricultural, Livestock, and Aquaculture Genetic Development (AGROGEN), which contributes to the competitiveness of the agri-food sector through the development of technologies and the generation of highly productive, nutritionally sound, and resilient plant and animal genetic material, capable of ensuring greater quality, performance, and adaptability to the challenges of climate change. The first Livestock Reproduction Center was inaugurated at the National University of Agriculture (UNAG) in the municipality of Catacamas, department of Olancho, and the El Carao Experimental Station was reactivated to house tilapia fingerlings.	Started in 2024
	The AGROJOVEN project has been implemented, with the main objective of promoting intensive agricultural production systems as an enterprise, involving young people from various communities, providing them with production inputs (netting, seeds, fertilizers, among others).	Started in 2024

Lines of action	Specific actions	Development dates
Implement a comprehensive strategy for the transformation and inclusive development of the agricultural sector.	Through the COMRURAL II and III projects, incorporate subsistence producers and producers in the transition stage into a commercial stage, who will benefit from investment funds.	In implementation
	Establish 2,007 Rural Savings and Credit Funds (CACR) initiatives to boost the country's agricultural economy, in partnership with state institutions (the Directorate of Agricultural Science and Technology (DICTA), PRONADERS, SEMPRENDE, and the Ministry of Social Development (SEDESOL) with the Solidarity Network Program).	January 2025-December 2026
Implement a comprehensive strategy for the inclusive production of basic grains and other agricultural products in the basic food basket.	Implementation of presidential bonuses through the provision of production inputs and technical support for the introduction of new technologies. This bonus includes: ○ The Productive Technology Bonus is aimed at subsistence producers of basic grain production, who are provided with seeds, fertilizers, and fruit tree seedlings. ○ The coffee voucher provides inputs and tools for good agricultural practices, fertilizers, coffee plant nurseries, and technical assistance. ○ The Livestock Bond consists of a transfer of new production technologies, electric fences, grass seed, poultry, pig breeding stock, insemination of heifers with new breeds to improve livestock genetics, and technical assistance.	From March to December of each year
Establish a national outreach and technical assistance strategy.	The Agrifood Extension Program has begun implementation. Its intervention strategy is through an agreement with local governments, giving priority to municipalities within the Dry Corridor. This program aims to provide services to small-scale producers based on their agricultural products and the potential of the territory, promoting resource governance and the participation of local stakeholders in ensuring food security for the population. The program provides technical assistance, promotes the implementation of school and family gardens, supports the organization and formalization of producer groups, and connects	February-December 2025

Lines of action	Specific actions	Development dates
	them with local markets and other SAG programs and projects so they have access to inputs and financing, among other resources.	
Strengthen government support services for the functioning of the agricultural sector and improve the agribusiness environment.	To strengthen government support services, decentralized institutions and SAG programs are being equipped with new technologies to provide quality services that allow users to increase their competitiveness. Likewise, the protocol for coffee exports to the Chinese market has been approved . The protocol for shrimp, tobacco, melon, and sea cucumber is currently in the approval process.[119]	February-December 2025
Establish a comprehensive strategy for agricultural irrigation and sustainable use of water resources in the agricultural sector.	Development of a national study of water potential for agriculture. Update of the national irrigation and drainage master plan. Updating the country's irrigated area records	2025-2026
Improve access to financing.	The reactivation of BANADESA seeks to create a synergy with SAG to create financial products tailored to the growing cycles of agricultural products, ensuring that producers have access to inclusive financing.	Every year
	The FINAGRO unit was created, which will have the function of promoting financial products that benefit producers.	Every year
	Within the framework of the 2023-2043 PESAH (Pesah) program, SAG, with support from the World Food Program (WFP) and the insurance company BanRural, has successfully created a Parametric Agricultural Insurance program to support corn and bean producers. This will help mitigate the effects of climate change in the Lempira, La Paz, Santa Bárbara, Ocotepeque, Comayagua, Valle, and Olancho regions .	January 2025
Increase access to assets for productive use.	This will be implemented through the aforementioned actions related to: financial assets through formal banking, strengthening rural banks, and producer associations with working capital, production inputs, productive infrastructure, and cooperatives through the implementation of Business and Investment Plans.	

[119] DICTA has received nuclear technology equipment sponsored by the International Atomic Energy Agency (IAEA), with an investment of 2.2 million lempiras, and the Agri-Food Information System (SISAGRO) program has received technological equipment to use new nuclear technologies to implement soil, water, and nutrient management, which will contribute to improving the management of coffee, corn, and bean crops, with an investment of 4.1 million lempiras. Furthermore, the National Agri-Food Health and Safety Service (SENASA) has strengthened its National Residue Analysis Laboratory (LANAR) with an investment of 1.2 million lempiras, to contribute to the evaluation of food for pathogen-free and chemical residues. In addition, a one-stop shop is being implemented, allowing those requiring permits and other requirements established in the regulations for the commercialization of products to be requested in a single unit.

Lines of action	Specific actions	Development dates
Guarantee producers mechanisms for production	Among the mechanisms to guarantee production is the implementation of social bonds, such as the Productive Technology Bond, the Livestock Bond, and the Coffee Bond, which guarantee production in the areas where small and medium-sized producers participate the most by providing inputs and production tools. Providing equipment to ensure production by providing irrigation kits covering 1 to 4 hectares to subsistence farmers and implementing and managing waterline projects to irrigate hectares of land, ensuring production and security, and promoting crop diversification. SAG launched two varieties of corn and bean seeds with high nutritional value available to producers. The SENASA certification process is currently underway.	2025
Ensure the right of rural communities, indigenous peoples, and Afro-descendants to free, prior, and informed consultation, with binding force, on any agricultural project that the State, private companies (national or foreign) of any type, or public-private partnerships intend to develop in their neighborhood.	In each project, prior informed consultation is held with the leaders of organizations representing Indigenous and Afro-descendant peoples prior to intervention. This is done in order to establish participatory agreements that respect their rights throughout the project implementation process. This is within the framework of ILO Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries.	2022-2024
Establish a comprehensive strategy for innovation and sustainability of natural resources that promotes value addition.	The Rural Competitiveness Program promotes innovation and sustainability in the added value of products in the agri-food sector.	2025
Restructure the Secretariat of State in the Offices of Agriculture and Livestock (SAG) with a greater focus on agricultural producers.	The physical infrastructure of the SAG's regional offices nationwide, as well as its central offices, will be improved. A collection center for artisanal fishermen in Puerto Cortés will also be built. Among the improvements to the regional offices, investments were made in productive infrastructure, such as seed storage facilities in Choluteca. The necessary equipment and tools will be provided to more SAG offices at the central level. The technological infrastructure will be strengthened with the implementation of the Agrifood Sector Information System	2024-2025

Lines of action	Specific actions	Development dates
	(SISAGRO), which will provide statistical and geographic information on the agrifood sector. Reactivation of the El Carao Experimental Station to provide tilapia fingerlings. The AGROALIMENTA radio program is currently being implemented, providing information on the different stages of the agri-food chain (production, processing, storage, distribution, marketing, and consumption). The Undersecretariat of Coffee Growing was created to enable the comprehensive, resilient, competitive, inclusive, and sustainable development of Honduran coffee growing. The National Livestock Plan was aligned with the State Policy for the Agrifood Sector of Honduras, and progress was made in finalizing the drafts for the National Livestock Platform and the reform of the Livestock Development Law, which are ready for presentation to Congress.	

The following Table presents the indicators and targets for productive activities in the field within pillar 2 of the Strategy, as well as the programs that will contribute to achieving the targets.

Table 33 Indicators and goals of the Strategy in productive activities in the field

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	
Production of basic grains (millions of quintals)	19,685.51	21,290.60	22,541.84	23,793.07	25,044.30	26,295.54	○ Alliance for the Dry Corridor-PROSASUR (USAID-GAFSP) ○ Coffee Fertilization Bonus to support small and medium-sized producers ○ COMRURAL III (Project Integrating Innovation for Rural Competitiveness in Honduras) ○ Strengthening Urban Water Supply Productive Technology Bonus Program ○ National Irrigated Agriculture Program (PRONAGRI) ○ National Agri-Food Development Program (PRONAGRO) ○ Irrigated Agricultural Development Project (PDABR) ○ Project for the economic and social inclusion of small rural producers in the northeast region of Honduras (PROINORTE) ○ Water Security Project in the Dry Corridor Comprehensive Rural Development and Productivity Project (PRO-OCCIDENTE) ○ National Fisheries and Aquaculture Development Program (PROPESCA) ○ National Program of Rural and Urban Savings Banks ○ Regional alliances for the dissemination of iron-rich beans in Latin American and Caribbean countries (FONTAGRO) ○ Technical Cooperation Agreement between SAG/DICTA and the GOAL INTERNATIONAL Association ○ Technical Cooperation Agreement between the Directorate of Agricultural Science and Technology and the Latin American Network of Rural Extension Services (RELASER) ○ Manure Transformation into Fertilizer, KoLFACI Project ○ Strengthening Horticultural Technology Capacities in the Central American Dry Corridor ○ HORTINNOVA Project ○ Research on Optimal Cultivation Methods to Reduce Greenhouse Gas Emissions in Latin America - KoLFACI Optimo
Hectares of land coverage area under irrigation (number of ha)	2,432	2,000	2,000	2,000	2,000	2,000	
Number of productive technological bonds	536,971	280,000	280,000	280,000	280,000	280,000	
Number of livestock bonds	15,000	15,000	15,000	15,000	15,000	15,000	
Number of coffee bonds	90,000	85,000	85,000	85,000	85,000	85,000	
Corn productivity (quintals per manzana)	35	40	42	44	46	50	
Bean productivity (quintals per manzana)	14.6	16.5	17.5	18.5	20	22	
Rice productivity (quintals per manzana)	44	54	58	62	66	70	

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	
Technical assistance provided	36,041	30,000	30,000	30,000	30,000	30,000	○ Surveillance and control of animal diseases (poultry, cattle, horses, pigs, aquaculture, etc.) ○ Phytosanitary surveillance and control of pests and diseases in plant products. ○ Certification of primary production establishments in Good Agricultural Practices (GAP) ○ Good Manufacturing Practices (GMP) ○ Hazard Analysis and Critical Control Points (HACCP).
Total amount of credit disbursed to the agricultural sector (millions of Lempiras).	1764	6500	7,000.00	7,500.00	7,500.00	7,500.00	
Total amount of credit disbursed to the agri-food sector (Millions of Lempiras)	1,148.41	1,453.10	1,699.93	1,988.67	2,326.47	2,721.64	
Total amount of credit disbursed for the housing sector (Millions of Lempiras)	3,760.82	4,758.64	5,566.93	6,512.52	7,618.73	8,912.83	

Source: Secretariat of Strategic Planning, 2025.

The following table presents the projects that the current government administration has planned to strengthen programs linked to the development of productive activities in the countryside that will contribute to meeting the ERP goals.

Table 34 Plans to strengthen programs linked to the development of productive activities in the field that contribute to the ERP

Program	Strengthening plans	Development date
Coffee Fertilization Bonus to support small and medium-sized producers	Delivery of fertilizer to small and medium-sized coffee producers, as well as inputs and tools for production (construction of coffee seedling nurseries, coffee dryers, backpack sprayers, pruning shears, pruning saws, machetes, files, hoe, and hoe). Implemented through annual POAS (Planned Agricultural Assistance Programs).	Each year, from February to December, in accordance with the Annual Operating Plan (AOP), progress can be viewed on the various monitoring and tracking platforms (SIAFI, SIGPRET, ROI, etc.).
	Provide technical assistance in best practices for coffee cultivation, and strategic alliances to support small coffee producers in formalizing their product and incorporating added value.	
COMRURAL III (Project Integrating Innovation for Rural Competitiveness in Honduras)	Strengthen organized producers who are part of prioritized agricultural chains by providing them with support focused on commercial agriculture through the implementation of business and investment plans, improving their production systems, and connecting them to new formal markets to increase their income.	February 2025 to December 2027, project completion date.
	Strengthen producer organizations in areas such as finance, markets, gender awareness, production, governance, resilience, and climate change, among others.	
Strengthening Urban Water Supply	Infrastructure project to rehabilitate eight urban water systems and strengthen water service governance in 13 municipalities in Honduras.	February 2025 to December 2026, project completion date.
Productive Technological Bonus Program	This program is implemented annually, in accordance with the allocation of national funds established by the National Congress. Production inputs (basic grain seeds; corn, beans, rice, maize, and fertilizer) are provided each year. Beneficiary coverage depends on the budget allocated each year.	Each year, from February to December, according to the plan in the POA, progress can be viewed on the different monitoring and tracking platforms (SIAFI, SIGPRET, ROI, etc.)
	Technical assistance will be provided to small producers in the use and management of fertilizer and in the sowing of seeds for the first and second cycles.	

Program	Strengthening plans	Development date
National Irrigated Agriculture Program (PRONAGRI)	Delivery and installation of small irrigation systems on plots of land, along with technical assistance in system management and use. Strengthening water resource governance for producers in irrigation districts. This is implemented through annual POAS.	Each year, from February to December, according to the plan in the POA, progress can be viewed on the different monitoring and tracking platforms (SIAFI, SIGPRET, ROI, etc.)
National Agri-Food Development Program (PRONAGRO)	Strengthen the governance of agricultural sectors through the development of agri-food chains, promoting the participation of those involved in the various links. Chain committee meetings are held, with the participation of representatives from the various links in the sectors, where agreements are finalized and reached for the benefit of all. This is implemented through annual POAS.	Each year, from February to December, according to the plan in the POA, progress can be viewed on the different monitoring and tracking platforms (SIAFI, SIGPRET, ROI, etc.)
Irrigated Agricultural Development Project (PDABR)	The project aims to install and rehabilitate irrigation infrastructure on farmers' plots. It will be implemented in accordance with the project's logical framework.	February 2025 to December 2025
Project for the economic and social inclusion of small rural producers in the northeast region of Honduras (PROINORTE)	Strengthen organized producers by implementing business plans with the injection of seed capital, financing of productive infrastructure, technical assistance, and the implementation of organizational plans as established in the assessment conducted for each group. Connect them to new local and formal markets until establishing contracted production, among other things. This will be implemented in accordance with the project's logical framework.	February 2025-December 2027
Water Security Project in the Dry Corridor	Construction project for Integrated Safe Water Systems (SIAS) in Manazapa and Las Mercedes, La Venta, La Paz, and Curarén, and rehabilitation of drinking water treatment plants in the municipalities of Nacaome and San Lorenzo. The project will be implemented in accordance with the project's logical framework.	February 2025-December 2026

Program	Strengthening plans	Development date
Comprehensive Rural Development and Productivity Project (PRO-OCCIDENTE)	The project aims to benefit households below the poverty line by addressing the productive development needs of the beneficiary population, which is comprised of: (a) agricultural producers in the project's intervention area corresponding to the seven clusters, through access to technology, information, technical assistance, and credit; (b) micro, small, and medium-sized enterprises led by women, through technical assistance for access to new products and markets; and (c) youth-led ventures, through access to technical assistance and the provision of services. The project will be implemented in accordance with the project's logical framework.	February 2025-December 2027
National Fisheries and Aquaculture Development Program (PROPESCA)	It is responsible for regulating the development of the fishing and aquaculture subsector, achieving a balance in commercial marine species and promoting the production of other freshwater species. This program issues permits and licenses for the marketing of artisanal and industrial fisheries products, and for aquaculture products, and is implemented annually.	Each year, from February to December, according to the plan in the POA, progress can be viewed on the different monitoring and tracking platforms (SIAFI, SIGPRET, ROI, etc.)
National Program of Rural and Urban Savings Banks	Training and technical assistance are provided to legalize rural savings banks to access savings and financing services and promote domestic production.	2025
Regional alliances for the dissemination of iron-rich beans in Latin American and Caribbean countries (FONTAGRO)	FONTAGRO's initiatives promote investment in research, development, and innovation in the agri-food sector by creating public-private institutional ecosystems in the form of regional platforms spanning more than two countries. Five countries are participating in this project: Panama, Nicaragua, Honduras, the Dominican Republic, and Colombia.	2025

Program	Strengthening plans	Development date
Technical Cooperation Agreement between SAG/DICTA and the GOAL INTERNATIONAL Association	Four agreements were established for research, training, field trips, technical assistance, and the installation of a virtual classroom for agricultural extension purposes. These agreements include: FONTAGRO, PRAWANKA, CATHOLIC RELIEF SERVICE (CRS), and the Nuestra Cuenca Goascorán Program.	2026
Technical Cooperation Agreement between the Directorate of Agricultural Science and Technology and the Latin American Network of Rural Extension Services (RELASER)	The Regional Agricultural Extension Platform has been promoted through public-private partnerships in the central and western agricultural regions with the Latin American Rural Extension Network (RELASER).	2025
Manure Transformation into Fertilizer, KoLFACI Project	SAG, through the Undersecretariat of Agriculture, implemented projects funded by the Korea-Latin America Food and Agriculture Cooperation Initiative (KoLFACI) with resources from the Rural Development Administration (RDA). These initiatives promoted changes and innovations in resource management, climate change adaptation, and research and development in various areas of the Honduran agri-food sector. To this end, five projects were developed with funding from the KoLFACI Initiative. The following actions have been carried out: Trials were established in three strategic locations in the country (La Esperanza, Olancho, and Ocotepeque), using five manure-based byproduct treatments. These trials seek to evaluate organic fertilization alternatives to optimize bean crop yield. A trial was implemented with seven manure-based byproduct treatments, focused on improving organic fertilization and the productivity of corn, one of the country's staple crops.	2026

Program	Strengthening plans	Development date
Strengthening Horticultural Technology Capacities in the Central American Dry Corridor. HORTINNOVA Project	The project aims to strengthen the technical capacities of producers and technical staff in the use of protected vegetable cultivation techniques in areas of Honduras' Dry Corridor. Currently, tomato, bell pepper, jalapeño, cabbage, lettuce, and onion crops have been planted in protected structures in Comayagua, with the participation of seven replications on producers' farms and educational centers.	2025
Research on Optimal Cultivation Methods to Reduce Greenhouse Gas Emissions in Latin America - KoLFACI Optimo	GHG samples were taken, according to the Bioversity-CIAT Colombia Alliance protocol, in four strategic locations during the dry season, generating key data for evaluating sustainable agricultural practices. An exchange of experiences and criteria was conducted in Nicaragua for the selection of livestock farms as experimental sites. This process was supported by INTA and CIAT Nicaragua, consolidating a collaborative network to address common challenges in the livestock sector. Fifteen chambers were installed to measure emissions: five with urine, five with feces, and five as a control. This technology provided precise information on the impact of livestock practices on emissions. During the summer cycle, 864 gas samples were collected, analyzed at CIAT Honduras and sent to CIAT in Cali, Colombia.	2025
Surveillance and control of animal diseases (poultry, cattle, horses, pigs, aquaculture, etc.)	To implement this program, kits for pest diagnosis and biosecurity have been purchased. The List of Regulated Pests for Honduras has also been updated in coordination with the Regional International Health Organization. This will strengthen phytosanitary and quarantine surveillance processes.	2026

Program	Strengthening plans	Development date
Phytosanitary surveillance and control of pests and diseases in plant products.	The National Technical Committee for Plant Health (CONASAVE) was formed in response to the phytosanitary emergency caused by the outbreak of the Central American Flying Locust. This committee will serve as an advisory body to the Technical Directorate of Plant Health in the development of pest prevention and control programs.	2026

4.5. Universal housing, water and sanitation

Objective: To universalize access for all Honduran households to housing with drinking water and sanitation.

Link to the Sustainable Development Goals

As outlined in the assessment, Honduras faces a high housing deficit accumulated over decades, characterized by a lack of new housing and the need to improve existing ones, especially for the most vulnerable sectors of the population who suffer from overcrowding and severe deprivation. The absence of an adequate regulatory framework and long-term planning has led to exclusionary policies and a lack of regulation, which has exacerbated construction in at-risk areas, as evidenced by the disasters caused by Tropical Storms Eta and Hurricane Iota in 2020. Furthermore, public resources have been largely allocated to commercial projects, while low-income families face financial barriers and limitations in accessing credit or construction materials. These problems are compounded by the lack of a comprehensive strategy coordinating the efforts of the State with local, private, and international actors, as well as the lack of a National Territorial Planning Plan and land policies that ensure basic habitability criteria.

Based on the diagnosis of the main housing problems identified in this document, and as part of Pillar 2 of the ERP, the government is committed to implementing concrete actions to improve housing conditions and access to essential services for the population. In this regard, priority will be given to increasing the number of homeowner families, accompanying this effort with improving the quality of existing housing to guarantee decent living conditions. Furthermore, the legalization of property ownership will be promoted through the Property Institute (IP), providing legal security for families and facilitating their integration into housing support programs.

Regarding basic services, efforts will be made to guarantee continuous, high-quality access to drinking water, sanitation, and solid waste collection. This includes reviewing the privatization and municipalization processes for drinking water and sanitation services, seeking to reverse practices that have limited their reach and equity. Through these integrated actions, the sector's commitment is to ensure decent housing and essential services that improve the quality of life of Honduran families. The details of these actions are described in the following table.

The following table presents the indicators and targets for housing, water and sanitation, as well as the programs that will contribute to meeting the ERP goals.

Table 35 Indicators and goals of the Strategy on Housing, water and sanitation

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	
Quantitative housing deficit (preliminary)	161,475	113,886	113,772	113,658	113,544	113,430	Strengthening Urban Water Supply
Qualitative housing deficit (preliminary)	1,571,692	1,108,490	1,107,381	1,106,273	1,105,166	1,104,060	
Percentage of housing with access to energy	88.2	100	100	100	100	100	
Electricity coverage index	86.2	93	95	100	100	100	
Electricity generation renewability index	52.30%	70%	74%	80%	79%	78%	

Source: Secretariat of Strategic Planning, 2025.

4.6. Sports and recreation

Objective: To promote access to sports and recreation as collective rights for the comprehensive development of the physical and mental health of the general population and specifically of children and young people.

Link to the Sustainable Development Goals

ODS 3:
Garantizar una vida sana y promover el bienestar para todos en todas las edades.

ODS 11:
Lograr que las ciudades sean más inclusivas, seguras, resilientes y sostenibles

ODS 16:
Promover sociedades pacíficas e inclusivas para el desarrollo sostenible, facilitar el acceso a la justicia para todos y crear instituciones eficaces, responsables e inclusivas a todos los niveles.

Following what was highlighted in the diagnostic chapter, for years, sports in Honduras have been viewed primarily as commercial and spectacle-based, which has led to a neglect of non-profit sports activities, which are those practiced in neighborhoods, communities, rural areas, and factories as a form of recreation and to strengthen crucial social ties. So much so that many of these activities and sports are not even recognized by the country's formal government. Furthermore, there is poor sports infrastructure. However, it is important to view sports as a system of prevention and refuge that families use to escape violence, crime, and other forms of crime, and all the consequences that these entail.

Given the problems identified in sports and recreation, in pillar 2 of the ECRP, the government undertakes the commitment to position these activities as fundamental collective rights, essential for the physical, mental, and social well-being of the entire population, with a particular emphasis on people with fewer resources, who depend more on public services. This recognition implies the creation of a solid institutional framework that facilitates the development of inclusive public policies and guarantees that all people have access to quality sports and recreational activities, thus promoting health, social integration, and the formation of values in communities. Along these lines, through PCM 11-2022, CONDEPOR was created as the governing body for sports, physical education, and recreation ; also, to recognize sports and recreation as collective rights. A bill was drafted and submitted to the Presidency, and is awaiting approval.

Likewise, as part of this vision, preventive and corrective maintenance will be performed on existing sports and recreational facilities. These facilities will offer modern and accessible spaces for sports, encouraging the participation of children, youth, and adults in a safe and structured environment. Support will also be provided to athletes in competitions.

With these actions, the sports and recreation sector reaffirms its commitment to building a healthier, more active, and cohesive society through sports and recreation. The details of these actions are described in the following table.

Table 36 Lives of action in sports and recreation matters and commitment dates

Lines of action	Specific actions	Development dates
Recognize sports and recreation as collective rights and create the institutions for their development	-Through PCM 11-2022-The National Commission for Sports, Physical Education and Recreation (CONDEPOR) was created as the governing body for sports, physical education and recreation. - A bill was drafted to recognize sports and recreation as collective rights, which has already been submitted to the Presidency and is awaiting approval.	The law is awaiting approval. No specific date has been set.
Build Olympic villages and sports centers in major cities.	-Preventive and corrective maintenance of existing sports and recreational facilities. -Reconstruction of sports and recreational facilities in conditions unfit for use. -Construction of sports and recreational facilities.	Permanently and continuously
Promote sports disciplines (soccer, basketball, volleyball, swimming)	-Execution of sports and recreational activities. -Support for athletes in national and international competitions; -Donation of clothing and sports equipment.	Permanently and continuously

The following Table presents the indicators and goals for the sports and recreation area within pillar 2 of the Strategy.

Table 37 indicators and goals of the Strategy for sport and recreation

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	
Number of sports and recreational spaces reconstructed and improved	32	80	95	105	113	115	○ Construction, improvement and maintenance of sports, recreational and administrative facilities ○ Recreational Activities, Sports Training and High Performance Athlete Training
Number of sports and recreational spaces built	43	116	146	174	209	239	
Number of sports scholarships	0	440	880	1320	1980	2970	

Source: Secretariat of Strategic Planning, 2025.

4.7. Culture and heritage of the peoples

Objective: To promote the arts and culture in general by supporting individual and collective creators, as well as fostering appreciation for their expressions among the Honduran population, thus strengthening national identity.

Link to the Sustainable Development Goals

ODS 4:
Garantizar una educación inclusiva y equitativa de calidad y promover oportunidades de aprendizaje permanente para todos.

ODS 11:
Lograr que las ciudades y los asentamientos humanos sean seguros, resilientes y sostenibles.

ODS 16:
Promover sociedades pacíficas e inclusivas para el desarrollo sostenible, facilitar el acceso a la justicia para todos y construir a todos los niveles instituciones eficaces e inclusivas que rindan cuenta.

As noted in the PRS diagnosis, the cultural sector in Honduras faces numerous challenges stemming from a lack of investment, institutional neglect, and a commercialized view of culture. Five factors, in particular, are recognized as having limited the development of this sector: a) the neglect of the country's heritage and historical sites due to the decline in institutional budgets, as well as in international cooperation and tourism, which has also led to a decline in research and records on the state of heritage; b) the lack of a legally established State cultural and artistic policy and a responsible official, as well as a lack of regulations to manage the issue and the relationship between actors and institutions dedicated to the recording, dissemination, and promotion of culture and heritage; c) the substitution of the State's institutional role in the management, dissemination, and conservation of heritage, the arts, humanistic reflection, and scientific knowledge; and d) the disconnection of cultural and artistic issues from development.

Given this situation, the Honduran government, as part of its actions for the ERP under Pillar 2, is committed to consolidating the arts and culture as drivers of citizen participation and social cohesion. This approach seeks to integrate communities through artistic and cultural expressions, recognizing them as fundamental tools for strengthening national identity, promoting intercultural dialogue, and fostering a sense of belonging in a diverse and plural environment.

Within this framework, work will be done to approve the Law on Culture, Arts, and Heritage, which will serve as a comprehensive regulatory framework to protect, preserve, and develop the country's cultural heritage. This law will also promote public policies that allow for greater investment in the arts and culture, ensuring their accessibility for all sectors of the population and prioritizing their role in sustainable development. Likewise, the Observatory of Cultures will be created, an institution that will position itself as an international benchmark in the production, interpretation, and dissemination of the country's cultural wealth. This observatory will have access to the Culture Satellite Account, allowing for the collection and analysis of relevant data that strengthens strategic planning and decision-making in the cultural sphere. Furthermore, the creation of creative cultural industries will be promoted. With these actions, the sector commits to building a more cohesive society, proud of its heritage, and aware of the transformative value of arts and culture. The details of these actions are described in the following table.

Table 38 Lines of action on culture and heritage and commitment dates

Lines of action	Specific actions	Development dates
Approve the Law on Culture, Arts and Heritage.	It is found as a draft law in the Office of Ministers.	2025
Promote arts and culture through community arts education programs, cultural festivals, and the creation of public spaces for creative development, prioritizing the inclusion of young people and vulnerable groups, with the goal of strengthening citizen participation and promoting social cohesion in urban and rural communities.	-Artistic and cultural events, training, educational artistic expressions, and various audiovisual materials produced for the general population without distinction based on gender, life cycle, or vulnerability. -Construction of improvement works on physical and virtual spaces to promote cultural services for Honduran citizens. -Recovery and strengthening of cultural spaces, both physical and virtual, to ensure access to documentation and the protection of documentary heritage. -Execution of various activities that promote reading; increasing access to literature, culture, and knowledge, as well as the preservation of cultural documentary heritage for the general population at different stages of their lives. -Affiliation of new libraries to the public library network. -Expansion of the network of Houses of Culture. -Serving children, young girls, and adults with gender inclusion in the various Artistic Training, Technical and Artisan Training, Production Management, and special programs of the units of the Directorate of Artistic Training and Education. -Concerts by the Victory Symphony Orchestra and the National Band of the Supreme Powers.	These lines of action have made significant progress during 2022-2024 [120]. Each year, the scope and geographic area of action of the SECAPPH Implementing Units are expanding.
Create the Observatory of Cultures as an international benchmark for the production, interpretation, and dissemination of national culture, with access to the cultural satellite account.	In line with international commitments, to achieve the satellite account indicators in Honduras.	2024

[120]The Secretariat of Culture, Arts and Heritage of the Honduran Peoples (SECAPPH) has achieved a significant population impact, with more than 216,000 people directly benefiting from cultural, artistic, and heritage programs during the 2022-2024 period, surpassing the goals set for 2024. Regarding the creation and consolidation of cultural infrastructure, the number of Houses of Culture has increased from 12 in 2022 to 50 in 2024, which has allowed the consolidation of the National Network of Houses of Culture. Regarding the expansion of the Public Library Network, there was an increase from 15 in 2022 to 93 in 2024. Additionally, cultural infrastructure such as the Manuel Bonilla National Theater, the Nicolás Avellaneda Theater, and artistic training spaces have been improved. Likewise, the Intangible Cultural Heritage (ICH) has been strengthened through workshops and the creation of the National Plan for the Safeguarding of Indigenous and Afro-descendant Languages, as well as the creation of alphabets and educational materials in indigenous languages such as Garifuna, Pesh, and Tol. To strengthen the cultural reading of this heritage document, three International Book Fairs (2022-2024) have been organized, also bringing together more than 50 national and international writers, attracting thousands of visitors. In addition, 226 artistic events and more than 27 artistic training workshops were held in 2024, reaching more than 29,716 people. Likewise, vehicles, equipment, musical instruments, printing machinery, etc. have been acquired with a historic investment of approximately 74 million lempiras to fulfill the strategic objective of SECAPPH at the national level.

Lines of action	Specific actions	Development dates
Creation of creative cultural industries	-Promotion of Cultural and Creative Industries -Implementation of the Creative Cultural Industries Empowerment Project for Music and Visual Arts Clusters (PICCCCMAH), benefiting 26,653 people directly and boosting the creative economy in 36 municipalities. - Publication of 28 titles (books and fanzines) in 2023 and 2024, distributing more than 18,000 copies in libraries, schools, and at events. - Training diploma launched for artists enrolled in the PICCCMAH.	2024-2025

Table 39 presents the indicators and goals for the culture and heritage area

Indicators	Baseline	Goals					Programs linked to the achievement of goals
	2024	2030	2034	2038	2042	2046	
The Network of Cultural Centers in the municipalities of Honduras has been expanded.	50	60	70	80	90	100	○ Strengthening the cultural and creative industries of music and visual arts clusters in Honduras. ○ Strengthening cultural management, the arts, and people's heritage at the national level, and formulating public policies for cultural, arts, and people's heritage.
The public library network has been expanded	93	133	153	173	193	213	
The number of Hondurans benefiting from the enjoyment of art and culture has increased with cultural and artistic training programs and projects developed and differentiated by age, gender, and social status.	216,009	960,293	997,282	1,259,046	1,589,516	2,006,728	
The Observatory of Cultures was created	100%	100%	100%	100%	100%	100%	

Source: Secretariat of Strategic Planning, 2025.

The following table presents the projects that the current government administration has planned to strengthen cultural sector programs that will contribute to meeting the ERP goals.

Table 40 Plans to strengthen culture and heritage programs

Program	Strengthening plans	Dates for its development
Strengthening cultural management, the arts, and people's heritage at the national level, and formulating public policies for cultural, arts, and people's heritage.	SECAPPH has implemented an Institutional Strategic Plan and an Annual Operating Plan for 2025. The actions are diverse, among which the following can be identified: Key support includes the creation of national dance and theater companies; collaboration on public policies with Indigenous and Afro-Honduran communities; the revitalization of traditional music and dance; the promotion of intangible cultural heritage; support for artisan groups, particularly Indigenous and Afro-	2023-2025

Program	Strengthening plans	Dates for its development
	Honduran women; and the creation of spaces for learning native languages. Artistic and technical training spaces are also being improved through programs for youth, seniors, and vulnerable populations, including prisoners and people with disabilities; art therapy workshops and public spaces for cultural production are being implemented, supporting the independent artistic sector; library resources are being expanded through book production and donations; and the restoration of the National Library and archives. Finally, the third International Book Fair will be held in 2025, reinforcing its commitment to cultural development.	
Strengthening the cultural and creative industries of music and visual arts clusters in Honduras.	To empower Honduran musical and visual artists in their role as cultural catalysts and in the development of the local, regional, and national creative economy. This project currently has operational planning in place and is currently underway. It includes the following activities: training, advisory services, technical assistance, and funding (seed capital for cultural projects) targeted at the project's target population. The project will restore cultural and artistic spaces (Manuel Bonilla Theater, Avellaneda Theater, Ceiba House of Culture, and Hondutel Communications Palaces); equip musical instruments; and hold regional cultural and artistic events.	2024-2025

5. Pillar 3 of the ERP: Programs focused on the population living in poverty and vulnerable groups

According to the asset approach addressed in the Conceptual Framework, achieving sustained poverty reduction in Honduras requires addressing this problem at its structural roots, promoting the accumulation and productive use of fundamental assets. As previously mentioned, this approach recognizes that poverty is not limited to a lack of income, but is directly related to the lack of human, physical, financial, and social capital necessary to generate sustainable opportunities.

In this regard, Honduras has strategies designed for populations living in poverty and vulnerability, such as the Solidarity Network, PROASOL, Solidarity Scholarships, and Free Energy (a subsidy for poor households consuming less than 150 kWh). These initiatives not only seek to address immediate needs but also strengthen the population's capacity to overcome structural poverty, reducing inequalities and promoting inclusive and sustainable development. It is important to highlight that these actions are part of the country's Social Protection System and constitute the third and final pillar of the PRS, which brings together programs and services focused on populations living in poverty or extreme poverty, characterized by highly vulnerable conditions.[121]

Unlike the second pillar of the ERP—whose actions are universal and do not require specific access conditions—the third pillar consists of targeted programs, specifically designed to serve people living in poverty, extreme poverty, or vulnerability. These programs establish clear eligibility criteria and are aimed at providing specific support to those most in need.

[121] An example of a vulnerable group is children, whose rights have been undermined by the disappearance of the special protection subsystem coordinated by the Secretariat for Children, Adolescents, and Families.

SEDESOL, PROASOL, and the Solidarity Network are some of the entities with the express mandate of contributing to empowering the poor and vulnerable population so that they can have effective access to public goods and services and participate in the country's development opportunities. These mandates, which are fulfilled by ensuring the realization of the rights of this population, complement the work of the various ministries that provide public services to the general population and implement development strategies. One of the main advantages of the participation of these entities is their ability to provide public services in a more personalized manner because they operate with a territorial approach focused on the real needs of the population, which allows them to overcome the limitations of traditional ministries, whose actions tend to be more generalized and centralized. These social institutions more precisely identify excluded groups through targeting tools and community work, allowing them to design and implement interventions tailored to specific contexts, such as rural areas, indigenous communities, or marginalized urban neighborhoods. By working with local stakeholders and directly supporting families, they achieve a more sensitive, flexible, and effective response to the barriers that prevent access to basic rights, thus ensuring more fair and equitable care.[122]

5.1. Solidarity Network

The Red Solidaria Program was created in 2006 and was active until 2006, supported by the pillars of the first Poverty Strategy and with the objective of reducing the structural factors of extreme rural poverty. It was restructured in 2022 by Executive Decree PCM-08-2022 and institutionally created as a decentralized and autonomous entity with technical, financial, and administrative autonomy, attached to the Secretariat of State in the Office of Social Development. Its purpose is to execute projects assigned or pre-designed by said Secretariat, focused on progressively improving the living conditions and access to social protection mechanisms of households living in poverty and extreme poverty.

Due to budgetary constraints, the Solidarity Network currently prioritizes its actions in 2,007 villages, and concentrates its support in the following six areas of intervention (Figure 5.1):

1. **Infrastructure:** To eliminate constraints stemming from the supply of services, investments are made in educational, healthcare, and communications infrastructure, housing, and basic services such as electricity, water, and sewage disposal, so that the population has options to expand their capabilities. This type of policy has the added benefit of changing the family and community environment and, therefore, the prices obtained from economic activity.

[122]The information in this pillar of the ERP is based on information from the following sources: 1) Government Plan to Refound Honduras 2022-2026 https://www.libre.hn/plan-de-gobierno-de-xiomara-2022-2026 ;
2) Honduras, Paths to Building a Resilient Society, Systematic Update of Country Diagnostics – World Bank Group https://documentos.bancomundial.org/es/publication/documents-reports/documentdetail/099614207262356822 ;
3) A Path to Poverty Reduction and Inclusive Growth – World Bank Group, https://documentos.bancomundial.org/es/publication/documents-reports/documentdetail/099041123095011464/p177381033c9dc06f0b1830f4a7b5788402 ;
4) Public Policies and Poverty from the Case of Honduras https://dialnet.unirioja.es/descarga/articulo/6310251.pdf and
5) Analysis of poverty in Honduras – SPE

2. **Health and nutrition:** To support the development of human capabilities, adequate nutrition is ensured through the provision of or access to balanced and sufficient food for families lacking it, along with support for families to make use of health services.
3. **Education:** To build capacity, support and services are included to enable families to access educational services.
4. **Protection:** To address security restrictions, individual and collective insurance mechanisms are included, as well as non-contributory pensions for people lacking social security, among others.
5. **Income opportunities:** To eliminate opportunity constraints and thus access labor markets, the strategy includes job training and initiatives that facilitate women's incorporation into market-based productive activities, with direct support such as basic infrastructure that increases productivity in home-based work. The strategy also includes microcredit to finance individual and community-based productive activities. Additionally, housing improvements or construction are contemplated to build wealth and improve family living conditions.
6. **Local strengthening:** Finally, actions are tailored to the different realities of the regions, municipalities, and villages in the country where they are implemented. To ensure their viability and relevance, central-level planning is complemented by local-level participatory planning, in which relevant stakeholders can influence the definition of the specific actions to be carried out. Participatory planning helps ensure that the set of synergistic actions is tailored to the local situation, thus constituting a key element. This can be achieved by strengthening local capacities for planning, monitoring (social oversight), and administrative management, among others.

Figure 5.41. Areas of intervention of the Solidarity Network

Source: "Red Solidaria: basic packages, its organizational and operational structure", Sedesol, Tegucigalpa, May 2022

Following the principle of comprehensiveness described in the Conceptual Framework, the Solidarity Network establishes packages of goods and services that are implemented sequentially within the same territory. [123]While 70 percent of the Solidarity Network's budgeted resources are allocated to CCTs, [124]under this approach, the Solidarity Network expands the traditional concept of "social policy," integrating it into a broader development policy. In addition to actions aimed at serving the population living in poverty, it includes the provision of key elements to boost economic growth, such as training, investment and savings promotion, and the generation of greater employment opportunities, thus contributing to increased productivity. In line with their specific objectives, the six packages are structured through the following services and actions:[125]

[123]While some interventions are carried out directly by the Solidarity Network Program, such as cash transfers, others are carried out by other actors, such as PROASOL (which implements School Lunch Programs) or SESAL (which implements Family Health Teams).

[124] The current method of monetary transfers consists of direct cash delivery, supported by personalized certificates with unique codes, photographic records, and on-site verification by Red Solidaria technical staff. In some cases, this delivery is carried out using mobile units equipped with ATMs, allowing funds to be delivered to hard-to-reach communities. With the goal of improving operational efficiency and transparency in the management of public funds, a gradual transition to mixed schemes combining this in-person delivery with electronic methods—such as bank transfers and digital payments—is being considered in those territories where the necessary infrastructure exists.

[125]Taken from the document "Red Solidaria: basic packages, its organizational and operational structure", SEDESOL, Tegucigalpa, May 2022.

Educacional package

1. Actions to reduce illiteracy and increase adult basic education coverage.
2. Expansion of coverage and improvement of the quality of Pre-basic and Basic Education, with emphasis on the third cycle.
3. Expansion of coverage and quality of Secondary Education in rural areas through alternative modalities.
4. Provision of school meal services in targeted communities.
5. Actions to reduce absenteeism, grade repetition, and school dropout.
6. Implementation of the Free Enrollment Program as an incentive for children to enter the education system.

Health package

1. **Promotion:**
   Through training provided by the Family Health Teams (ESFAM), the following areas are promoted: self-care and healthy lifestyles; primary health care; Integrated Community Child Care (AIN-C) and Integrated Management of Childhood Illness (IMCI/AIEPI) strategies; exclusive breastfeeding; prenatal, childbirth, postpartum, and newborn care; sexual and reproductive health; primary environmental health—emphasizing healthy environments and spaces through community surveillance; promotion of the consumption of micronutrient-rich foods of both animal and plant origin; strengthening, organizing, and advising health committees in targeted villages; and the rational use of the health services network.
2. **Prevention:**
   Measures aimed at preventing the incidence of diseases and mitigating their consequences, including micronutrient supplementation and sustained vaccination for children; human papillomavirus (HPV) vaccination for adolescents; folic acid administration to girls from age 12; education on Sexual and Reproductive Health and Family Planning; for women, vaccination, supplementation, early pregnancy detection, family planning, and cervical cytology; meetings and/or workshops for adolescents according to group interests; and vaccination and supplementation for older adults.
3. **Care:**
   Treatment and management of prevalent diseases in the following groups:
   - **Children:** deworming; management of acute diarrheal diseases; management of acute respiratory infections (ARI); treatment of skin problems; and monitoring of growth and development.
   - **Women of reproductive age:** prenatal care; institutional childbirth care; postpartum care; family planning; cervical cytology; and oral health care during pregnancy.
   - **Adolescents:** differentiated care in family planning and sexual and reproductive health.
   - **Older adults:** management of respiratory symptoms; chronic degenerative diseases; urinary tract infections; sexually transmitted infections; emerging diseases (COVID-19); vector-borne diseases (malaria, dengue, leishmaniasis); clinical laboratory services (hematology and blood chemistry); diagnostic imaging services (ultrasound for pregnant women and other cases); and emergency care (wounds, burns, childbirth care, postpartum hemorrhage, polytrauma, and anaphylactic shock).

Social protection package

1. Minimum income support to help households with their basic consumption.
2. Promotion of human capital development.
3. Cash transfers to households in extreme poverty with children and adolescents ages 6 to 18 who are enrolled in the public school system, as long as they are registered and attend at least 80% of school days in any of the national education system's modalities.
4. Encouraging attendance at health checkups for children under five and for pregnant and postpartum women.
5. Strengthening and establishing the social protection network.
6. Creating the Solidarity Fund for the Disability Sector.

Infrastructure package

1. **Housing:** improvement or replacement of housing, and construction of eco-stoves and/or eco-cookers; infrastructure that provides dignified spaces with legal security; availability of basic services, including roof replacement, wall plastering, floor construction, or the replacement or provision of a minimum housing unit in the case of new homes.
2. **Water and sanitation:** improvement of water intake sources (repairs, cleaning, etc.); construction of drinking water systems; and construction of basic sanitation works.
3. **Health and education infrastructure:** improvement of infrastructure in educational facilities; classroom equipment (furniture); construction of school classrooms; improvement of infrastructure in small health centers; construction of small health centers; and equipment for small health centers.
4. **Environment:** protection of micro-watersheds; restoration of public forest areas; and training on forest management.

Income opportunities package

1. Promotion of self-employment.
2. Support for entrepreneurship, with equal participation of women and men.
3. Improvement of the family's productive and management capacity through strengthened skills, abilities, and competencies.
4. Improvement of household income by linking families to markets where they can sell their products under favorable conditions for producers.
5. Improvement of the family diet by ensuring that families have access to nutritious and varied food produced through their own initiatives.
6. Participation in more dynamic markets with value-added products, encouraging productive and income diversification in production units, especially those with high participation of indigenous or rural family agriculture.
7. Organization, creation, and strengthening of rural savings and loan groups as an alternative mechanism for financing and capital-building, offering savings and loan services to members and others, supporting community stores, selling basic goods and inputs, and supporting community projects, among other activities.

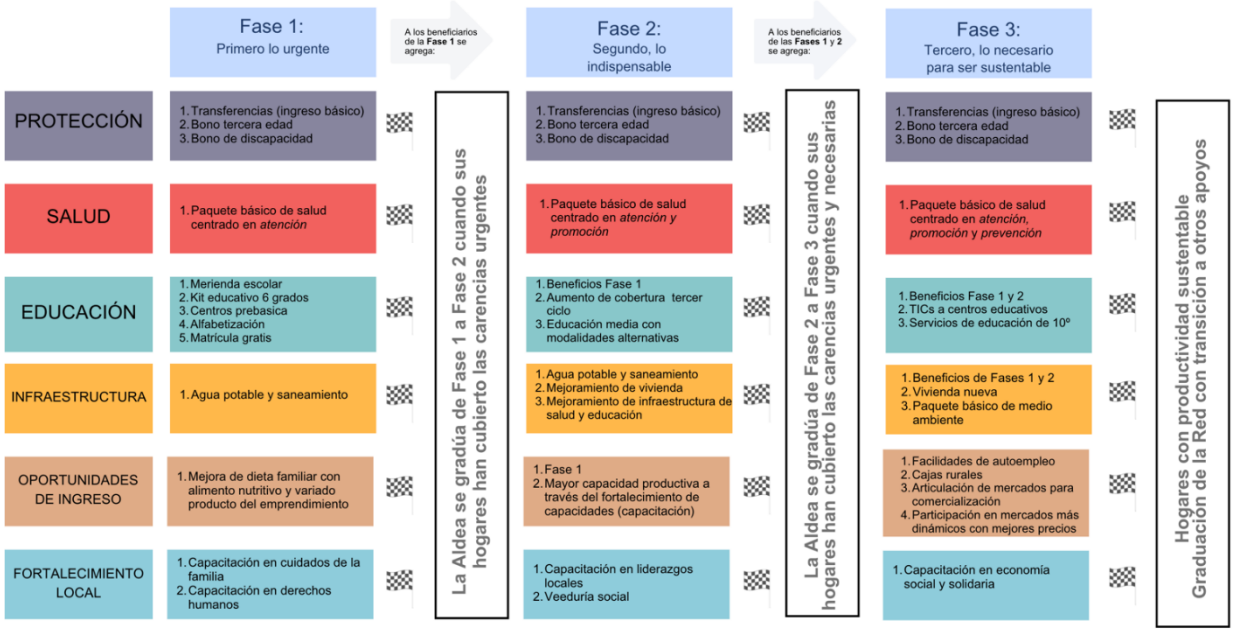
Local and human development

1. Includes training activities on human rights, local leadership, social and solidarity economy, and family care.

Regarding the implementation of the actions, it should be noted that, in order to leverage the synergies between the components of each package and ensure efficient implementation, Red Solidaria relies on a gradual introduction strategy in the villages, sequentially incorporating each benefit to trigger a virtuous cycle of asset accumulation and the generation of productive opportunities. This seeks to empower communities to take ownership of the projects, providing them with the necessary tools to generate their own resources, achieve sustainability, and become financially independent from government support.

Figure 5.2 illustrates the concept of progressive gradualness, which involves an evolution in three progressive phases toward the "graduation" of families and villages, understood as the moment in which the capacities and context to achieve sustainable development are available.

Figure 5.42. Phases of progression towards the "graduation" of each Village



Under this concept, the first step is to classify villages by phase, based on their deficiencies in the six intervention areas of the Solidarity Network. That is, if a village lacks drinking water and sanitation services, it will be classified in Phase 1 for the infrastructure pillar (see Figure 5.2), and so on.

The classification of villages into phases therefore allows for the mapping of the components of each package for progressive implementation, bringing each family and village to a state of greater development. In this regard, Phase 1 will focus on villages with the most pressing needs, which will be addressed primarily in the protection area with the provision of a basic income, senior citizen bonuses, and disability bonuses for eligible individuals. In health, the basic package will prioritize the "care" component, and in education, it will focus on ensuring school meals, a sixth-grade educational kit, pre-school centers, literacy programs, and free tuition. The infrastructure area will focus on ensuring safe drinking water and sanitation for all families, while the income opportunities area will focus on family diets. Local empowerment will prioritize providing training in family care and human rights. Once these package components are implemented, the corresponding villages and families would move into Phase 2 of care.

Phase 2 focuses on villages where the urgent needs of Phase 1 have already been addressed, but where essential gaps remain. The benefits, in this case, will be added to those received in Phase 1 for villages that began with emergency care. In the health sector, the additional component will be access to the basic package, which adds promotional benefits. In education, the increase in coverage for third-level education and secondary education with alternative modalities is added. In infrastructure, the improvement of housing and the improvement of health and education infrastructure are added. In income opportunities, investments are added to expand productive capacity through capacity building, and in the local strengthening area, the training of local leaders and social oversight are added.

Likewise, upon moving to Phase 3, the benefits of the previous phases are maintained, but in the case of health, the basic prevention package is added; in education, investments are added to provide information and communications technologies in schools, and the expansion of educational services for 10th grade is prioritized. In infrastructure, the complementary elements are new housing and the basic environmental package. In terms of income opportunities, this Phase prioritizes self-employment facilities, rural banks, market linkages for product marketing, and participation in more dynamic markets. Meanwhile, the area of local strengthening will focus on training in the social and solidarity economy.

By moving to a new Phase, the white flag can be symbolically raised to address the corresponding needs. Once Phase 3 is completed, when households are expected to reach a sustainable productivity status, the Solidarity Network's "graduation" would be achieved, and the village and households could be linked to other types of public support, which they would presumably be better able to take advantage of.

The "gradual" strategy, which was initiated, still faces implementation challenges, including the structuring of services and actions corresponding to the basic packages and their incorporation into sectoral plans and budgets. This requires systematic coordination with Pillar 2 (through each institution's Institutional Strategic Plans) [126]. It is worth noting that between 2022 and 2024, the Single Social Record was compiled in more than 400,000 households in the 2,007 targeted villages, providing a precise snapshot of the population's needs. This information will be a key input for determining service gaps and structuring goods and services packages according to sectoral strategies and modalities.

The following table presents a set of actions that operate through the Solidarity Network and that integrate the social protection framework of SEDESOL:

Table 41 Actions or projects that operate through the Solidarity Network within the framework of social protection

Actions	Aim
Sister, Brother Come Home	The Solidarity Network is currently carrying out actions to benefit returned migrants by distributing cards redeemable for food and supplies at the National Supplier of Basic Products (BANASUPRO), with a value of L4,000 in two L2,000 cards. The goal is to benefit 10,000 people so far. This initiative was activated through PCM-08-2025, specifically in Article 7, "which establishes the creation of the 'Sister, Brother, Come Home' program," through which actions will

[126] Taken from the document "Red Solidaria: basic packages, its organizational and operational structure", Sedesol, Tegucigalpa, May 2022.

Actions	Aim
	be promoted for the economic and social reintegration of returned migrants into their families, society, and the country. Likewise, services will be promoted for an orderly return to the national territory, meeting the conditions of dignity and security for every Honduran." Additionally, SENPRENDE provides a Solidarity Bonus that includes initial financial assistance of L 2,000 for returning adult migrants, an additional bonus of USD 100 for people over 18 years of age, and USD 1,000 in seed capital to boost entrepreneurship.
Social Protection Program II IDB 5681	This program aims to reduce the percentage of households living in relative and absolute poverty by providing access to education, healthcare, entrepreneurship training, social protection, social development initiatives, infrastructure, and food security.
Credit program for agroindustry and rural banks CABEI 2332 / CABEI 2248 SECTION B	The "Credit Program for Agroindustry and Rural Banks" aims to contribute to improving the living conditions of the poor and extremely poor in Honduras by strengthening the productive and associative skills of micro, small, and medium-sized producers and entrepreneurs working for rural banks, as well as facilitating access to favorable credit terms to increase food security and the development of the country's agricultural and agroindustrial sectors. It also seeks to promote the establishment and strengthening of rural banks as a financing alternative to generate comprehensive development and reduce extreme poverty, while also improving the productivity of people in rural areas.
Establishment of the Solidarity Fund for the Disability Sector	This fund will serve as a repository of national and international financial resources aimed at improving the living conditions of persons with disabilities throughout the country by providing financing and technical and administrative advice for projects based on the five defined strategic lines, which, in harmony with the Sustainable Development Goals, are cross-cutting with this fund to improve the country's achievement indicators. Each year, projects submitted in a timely manner will be funded according to the annual calls for proposals publicly disseminated through official SEDESOL channels. Community-based organizations and groups whose mission and vision are closely linked to direct work with the disability sector and whose direct and indirect beneficiaries are persons with disabilities, their families, caregivers, and the communities in which they operate may apply. The fund will function as a channel to contribute to the achievement of social inclusion for persons with disabilities, providing organizations and groups working in this sector with the opportunity to implement projects that contribute to inclusion and social development.

The following table shows the actions that the Program has contemplated to continue expanding and improving its coverage.

Table 42 Lines of action of the Red Solidaria Programs and commitment dates

Lines of action	Specific actions	Development dates
Implement a budget allocation for the Red Solidaria Program to ensure the allocation of resources to the selected villages.	1) The Ministry of Finance, in coordination with the Red Solidaria Program, will define the methodology that public institutions must follow for budget allocation; 2) the Ministry of Finance will generate a specific budget registry or category for Red Solidaria, thereby allowing for the identification and monitoring of resources allocated to goods and services in the Program packages; 3) Public institutions must annually register the planned actions and the resources allocated for their execution in the Red Solidaria budget category; and 4) Once the information has been reported by the institutions, the Ministry of Finance will review and analyze the use of the category's budget in order to use that information for decision-making.	2025
Expand the coverage of the Program	Expand the program to vulnerable urban areas through the urban census of extreme poverty, which is identifying 120,000 households.	2026

The Annex reports on the annual coverage and budget projections for the program for the period 2022-2025.

5.2. Solidarity Action Program

PROASOL was created under Executive Decree PCM-20-2022 as a decentralized entity of SEDESOL, with technical, administrative, and financial autonomy. Its mandate is to provide social care to people belonging to vulnerable groups in Honduras. Through its programs and projects, it seeks to contribute to the country's social protection agenda.

PROASOL's mission is to respond to the needs of inclusive social care to develop opportunities and empower the most vulnerable social groups prioritized by social policy, including those living in poverty, contributing to personal, family, and social development within the framework of community resilience and sustainability.

This initiative is designed to implement programs and projects derived from public policies, tailored to prioritized vulnerabilities with an inclusive and gender-based approach, intervening in an orderly and coordinated manner in human development. To this end, the Program operates along different axes, such as social assistance, human empowerment, educational strengthening, and complementary health care. PROASOL's main strategic actions are concentrated in two programs. The first, the Social Promotion and Care Program, consists of assisting vulnerable populations so that, both individually and as a society, they can identify and strengthen their technical and social capacities through complementary training

processes, physical and mental health assistance, entrepreneurship promotion, and social assistance. All of this with a particular focus on the different vulnerabilities, seeking to ensure that such actions facilitate vulnerable groups and their populations in taking action, solving problems, defining objectives, understanding and addressing development needs to achieve these objectives sustainably and improve their quality of life. PROASOL's second strategic intervention is provided through the National School Feeding Program (school snacks), which aims to provide supplies for the preparation of a daily ration of nutritious and safe food to all children in pre-primary and elementary school levels in government-run educational centers nationwide, with a cross-cutting intervention targeting indigenous peoples, vulnerability, gender, and the Solidarity Network.

In line with the ERP, PROASOL directs its efforts toward various vulnerable groups living in poverty, including the following:

- Vulnerable school-age children.
- Homeless people living on the streets.
- Migrants returned by force.
- People with disabilities.
- Vulnerable older adults.
- Displaced and affected by natural disasters, pandemics, epidemics and other risks.
- People who are discriminated against and/or lack access to medical care due to chronic or contagious diseases.
- Displaced persons or victims of crimes resulting from violence.
- Ethnic minorities discriminated against for their roots in indigenous peoples or Afro-descendants.
- People addicted to any type of drug
- People discriminated against for belonging to the LGBTIQ+ community;
- Human Rights Defenders
- Other groups designated by the country's Public Policy on Social Protection
-

In accordance with Executive Decree PCM 20-2022, programs and projects targeting the aforementioned groups are identified through social information systems and the State's available technical tools. A next step to fulfill this mandate is to achieve greater coordination and capacity within the Social Development Observatory to identify eligible beneficiaries based on their vulnerability, and to strengthen PROASOL's information and targeting systems. This is accompanied by increased budget allocations to fulfill its function, including on-site presence to promote the identification of people in vulnerable conditions and their referral to State services.

Among the monetary transfers operated by the Solidarity Action Program are the following:

- My Scholarship to Climb the Ladder: Provide monetary transfers to students in vulnerable situations enrolled in the "My Scholarship to Climb the Ladder" project, across all educational levels in the country's eighteen departments.

- Monetary aid (Bono Esperanza, Bono Oro, Bono Rosa, Bono Valiente, and Solidaridad): Assisting people in vulnerable situations with an inclusive and gender-based approach, through vouchers and monetary transfers as an economic, social, and survival contribution.
- Social and humanitarian aid (Cajas de la Esperanza): Provide food assistance and short-term survival supplies to residents living in areas vulnerable to natural disasters within the country.

The total budget of the Social Action Program amounts to L 1.42 billion, representing less than 1 percent of GDP, according to 2024 figures. Regarding its components, school meals account for more than 72 percent of the Program's total budget, with the remainder distributed to various vulnerable groups, including older adults, people with disabilities, women, and children.

The following table shows the actions the Program plans to take to continue expanding and improving its coverage.[127]

Table 43 PROASOL lines of action and commitment dates

Lines of action	Specific actions	Development dates
Update of beneficiaries	Periodic updating of diagnostic information regarding the situation of vulnerable people served by PROASOL according to its mandate.	2026
Improvement in the quality of services	Optimization and improvement of the quality of existing services to increase the satisfaction of the vulnerable population served.	2026
Development of strategic alliances	Development and strengthening of strategic alliances with national and international cooperation agencies.	2025
Analysis of coverage gaps of the Program	Preparation of specific diagnoses of vulnerable groups that currently do not have a program or project specifically targeted at them by PROASOL, according to its mandate.	2026
Offer of new services	Design of new, innovative social service offerings tailored to the emerging needs of the vulnerable population that must be served as mandated.	2026
Interinstitutional strengthening	Strengthening coordination with SEDESOL and other social policy implementing entities, enabling information sharing and strategic decision-making based on a comprehensive view of the needs of vulnerable populations and the public service offering.	2026

[127] These lines of action are part of a Strategic Plan for the Program that is still in the validation stage.

The Annex provides information on the annual coverage and budget projections for the Program for the period 2022-2025.

5.3. Other actions for people living in poverty and vulnerability

Within Pillar 3 of the ERP, two other programs focus on the population living in poverty and vulnerable groups: the Solidarity Scholarship Program and the Free Energy Program.

The Solidarity Scholarship Program aims to strengthen and increase capacities and access to education by providing various types of scholarships to youth living in poverty, extreme poverty, and/or social vulnerability. This program will reduce inequality and social inequity, promoting the construction of a Honduras that is united and free from violence.

The Free Energy Program is a subsidy for residential subscribers of the National Electric Energy Company (ENEE) who consume up to 150 kilowatt hours (kWh) per month. This benefit seeks to alleviate the economic burden on the country's most vulnerable sectors of the population. During 2024, more than 800,000 low-income Honduran families benefited from this program, receiving electricity free of charge. The impact of ENEE subsidies as a percentage of GDP was 0.7 percent in both 2023 and 2024; it is planned to reach 0.6 percent in 2025.

The indicators and targets for Pillar 3 are presented in the following Table

Table 44 Indicators and goals of the Strategy for Red Solidaria and PROASOL

Indicators	Baseline	Goals			Programs that contribute to achieving the goal
	2024	2030	2034	2046	
Savings and credit institutions in urban and rural areas with local development capacity in extremely poor communities	3,600	3,600	3,600	3,600	Solidarity Network
Credits granted by rural banks (millions)	20	20	20	20	Solidarity Network
Number of people self-employed directly through Rural Banks	36000	36000	36000	36000	Solidarity Network
Community Councils or solidarity roundtables in villages focused on extreme poverty and poverty	-	-	-	-	Solidarity Network
Number of families living in poverty and extreme poverty that receive conditional transfers	217,254	217,254	217,254	217,254	Solidarity Network

Indicators	Baseline	Goals			Programs that contribute to achieving the goal
	2024	2030	2034	2046	
Number of families living in poverty and extreme poverty that receive monetary transfers	65,586	65,586	65,586	65,586	PROASOL
Number of families in vulnerable conditions that receive social or humanitarian aid	111,000	111,000	111,000	111,000	PROASOL
Number of people in vulnerable conditions who receive training and support for technical, productive, social and entrepreneurial skills	3,698	3,698	3,698	3,698	PROASOL
Number of children in vulnerable situations at the pre-primary, basic and secondary levels who benefited from non-monetary aid	64,810	64,810	64,810	64,810	PROASOL
Number of students belonging to vulnerable groups benefiting from scholarships for the three levels	33,198	33,198	33,198	33,198	PROASOL
Number of children at pre-primary and basic levels served with school meals, nationwide	1,329,522	1,329,522	1,329,522	1,329,522	PROASOL

Source: Secretariat of Strategic Planning, 2025

6. Transversal axes of the ERP

The ERP incorporates two fundamental cross-cutting pillars that ensure a comprehensive and sustainable approach to its implementation: gender and climate change, both key elements in ensuring that the actions and policies promoted are inclusive, equitable, and resilient. The objectives, lines of action, indicators, and targets for both pillars are presented below.

6.1. Gender

Objective: Protect and promote the human rights of women and girls, ensure gender equality at all levels of decision-making, include women and girls in the digital transformation, support women entrepreneurs, and reduce unpaid domestic and care work. Also, eliminate all forms of gender-based

discrimination and violence, and guarantee universal access to sexual and reproductive health and reproductive rights.

Link to the Sustainable Development Goals

ODS 4: Garantizar una educación inclusiva y equitativa de calidad y promover oportunidades de aprendizaje permanente para todos.

ODS 5: Lograr la Igualdad entre los géneros y empoderar a todas las mujeres y las niñas.

ODS 8: Promover el crecimiento económico sostenido, inclusivo y sostenible, el empleo pleno y productivo y el trabajo decente para todos.

ODS 16: Promover sociedades pacíficas e inclusivas para el desarrollo sostenible, facilitar el acceso a la justicia para todos y construir a todos los niveles instituciones eficaces e inclusivas que rindan cuenta.

As evidenced throughout the assessment, women in Honduras face multiple challenges that limit their development and well-being. Poverty is one of the most serious problems, affecting a large proportion of women, who are also more often affected by extreme poverty than men. Female-headed households face greater economic hardship, which exacerbates their vulnerability.

In the area of reproductive health, teenage pregnancies are particularly alarming, reflecting limitations in access to family planning services and comprehensive sexuality education, which widens the gaps in access to opportunities. Gender-based violence is another critical obstacle. Honduras stands out in the region for its high rates of femicide, and a large number of women have experienced some form of violence throughout their lives, with psychological violence being the most common. Both in the workplace and in the community, women face environments where violence is prevalent.

In the educational and labor market, women face significant gaps. Their labor market participation is considerably lower than that of men, and many young women lack access to either education or employment, perpetuating their economic exclusion. Furthermore, women spend significantly more time than men on unpaid work, reinforcing gender inequalities and limiting their development opportunities.

Thus, within Pillar 2 of the ERP, in line with the Third Plan for Equality and Gender Justice of Honduras 2023-2033 (III PIJGH), the goal is to implement inclusive, gender-sensitive policies that address the various inequalities and barriers to access to fundamental rights for women in Honduras. First, priority will be given to increasing targeted investment in gender issues, recognizing that an adequate budget is key to implementing policies that directly benefit women. Likewise, the goal is to mainstream the gender approach and women's human rights into all public institutions, ensuring that these policies permeate every level of the state apparatus [128].

[128] Through gender mainstreaming, we will seek to systematically incorporate a gender perspective into the policies, plans, programs, structures, and practices of public institutions to ensure that decisions, from planning to implementation, take into account gender inequalities and promote equity.

To promote female leadership, efforts will be made to increase women's participation in elected positions and foster their political representation and integration into the labor market, which will promote equity and reduce economic gaps. In the health sector, comprehensive care coverage will be expanded to address the specific needs of women, with a special focus on sexual and reproductive health.

Finally, the government will seek to decisively combat domestic violence by increasing the number of cases prosecuted to ensure justice and zero tolerance for this type of violence. These lines of action reflect a commitment to building a more inclusive, equitable, and respectful country for women's rights. The details of these actions are described in the following table.

Table 45 Lines of action on gender and commitment dates

Lines of action	Specific actions	Development dates
Increase targeted investment in gender issues	-Review and update of the General Budget Provisions with a Gender Focus to be submitted to the National Congress and approved for the following fiscal year (2026). -Monitoring compliance with the 2025 Provisions of the General Budget of Revenue and Expenditure of the Republic. -Meetings of the Technical and Strategic Committees of the Gender-Sensitive Budget to monitor compliance with budget regulations. - Continue with the Gender Marking strategy in its second Traceability phase. -Coordinate with the National Congress of the Republic the presentation of Public Hearings on Gender.	Technical Roundtables meet every month of the year; Strategic Roundtables every three months; Gender Hearings every six months.
Mainstreaming the gender and women's human rights approach in public institutions	-Creation of the National Women's Policy and its Action Plan - IIIPIJGH. -The General Provisions for a Gender-Based Budget, in the Annual Operating Plan (POA) of the Secretariat for Women (SEMUJER), provide technical advice for the establishment of Gender Units, the provision of tools, and the methodology for gender mainstreaming in 110 institutions.	Activities are planned for 110 state institutions through 2025 to provide them with tools for gender mainstreaming.

Lines of action	Specific actions	Development dates
Increase women's political participation in elected positions	1. Development of leadership training processes, focusing on empowering women in public spaces and decision-making within their communities (Choluteca, Olancho, Francisco Morazán, and El Paraíso). 2. Training process with representatives of Commonwealths on topics of leadership, economic empowerment and defense of human rights (HR) of girls and women (La Paz, Choluteca and El Paraíso). 3. Training process in Human Rights, Planning and Gender-Sensitive Budgeting for women leaders (Santa Bárbara, Comayagua, La Paz). 4. Technical assistance to the National Electoral Council and the Electoral Court of Justice for gender mainstreaming at the institutional level, seeking to eliminate inequality gaps between men and women and increasingly promote women's leadership. Through the National Women's Policy Axis - IIIPIJGH "The Right to Basic Protection and Comprehensive Care System" the Gender Parity Initiative is implemented, supported by the IDB, which constitutes a public-private partnership that promotes four strategic objectives: a. Economic empowerment of rural women and access to agricultural production resources. b. Participation and presence of women in leadership positions in public and private companies, c. Increasing the competitiveness of women-owned businesses, d. Safe work spaces, free from violence, harassment and discrimination against women.	Activities are planned for 2025.

Lines of action	Specific actions	Development dates
Increase female participation in the labor market	Through the Gender Parity Initiative with the IDB.	Activities are planned for 2025.
Increase the number of cases of domestic violence against women prosecuted	Through the PNM's "Right of Women and Girls to a Life Free from Violence" pillar, SEMUJER advocates through various working groups and committees to reduce impunity rates and resolve cases of domestic violence against women. The Monitoring Committee for the Implementation of the Law Against Domestic Violence is led by this Secretariat.	Activities are planned for 2025.
Establish the “Strategy for the Promotion of Sexual and Reproductive Health for Honduran Youth”	-Training processes aimed at Municipal Women's Offices (MWOs) nationwide on human rights issues with a focus on gender, sexual and reproductive rights, and violence prevention, so that they can replicate these experiences in their communities. -Two campaigns aimed at adolescents and young people, which will be coordinated with other institutions: * Strategic campaign for information, communication and prevention of HIV/AIDS and other STIs. * Campaign on the consequences of alcohol and addictive substance use and their relationship to sexual behavior and teenage pregnancy. - Through the Community Education Module (MEC) of the Ciudad Mujer Program, the H&M strategy addresses adolescent sexual and reproductive health through educational centers.	Activities are planned for 2025.

One of the strategic programs that contributes to the above actions is Ciudad Mujer (Women's City), which provides comprehensive care, support, and assistance to women who request it, while seeking to eradicate violence against women and promote gender equality. To this end, the Program is divided into two major modules that offer specific services to the female population. The first module, "Attention

and Protection of Women's Rights," provides services to women victims of violence in six Honduran cities (Tegucigalpa, Choloma, San Pedro Sula, Ceiba, Choluteca, and Juticalpa), where the following services are highlighted:

- Psychological Processes. Specialized psychological support for women victims and survivors of violence, helping them recover emotionally and strengthen their mental health.
- Self-help groups. Self-help groups in which women actively participate, sharing experiences and strengthening their resilience.
- Experience Sharing Days. These are days where women can share their stories, build mutual support, and learn about their right to a life free from violence.
- Life and Safety Plans. Workshops for developing life and safety plans, empowering women and providing them with tools for their autonomy and protection.
- Gender and Human Rights Awareness and Empowerment. Awareness programs to inform and empower women about their rights.

The second module, "Community Education," strengthens gender and human rights education to promote a culture of equality and respect. This module offers a variety of educational programs aimed at different sectors of society, with the goal of raising awareness and training on key issues such as gender equality, women's human rights, and the prevention of gender-based violence, including:

- Gender and Women's Human Rights Educational Programs. Gender and human rights educational programs target communities in the municipalities where the Ciudad Mujer Centers operate. These programs are designed to raise awareness and empower people about the importance of gender equality and respect for women's rights.
- Training for Parents and/or Guardians in Gender and Women's Human Rights. Through these programs, we train parents and guardians on issues related to gender and women's human rights, with the goal of enabling them to positively influence the development of adolescents and promote relationships based on respect and equality.
- Training of Trainers in Gender and Women's Human Rights. We implement a training program aimed at key individuals within the community, empowering them to act as trainers on gender and women's human rights issues. These individuals become multipliers of knowledge and promoters of change within their communities.
- H&M Strategy for Adolescents. Through the H&M strategy, we train adolescents on gender and human rights issues, providing them with tools to understand and promote gender equality, violence prevention, and respect for women's human rights.
- Community Education Program for Femicide Prevention. This program aims to raise awareness and educate communities about femicide prevention, helping to create a safe environment for women and promoting the reporting of gender-based violence.

- Single Gender-Based Violence (GBV) Prevention Days. Awareness-raising and training days are held in communities to prevent gender-based violence, providing the population with tools to identify, prevent, and respond to cases of violence.
- Celebration and Commemoration of Key Dates for Women's Human Rights. The Ciudad Mujer Centers organize events and activities to celebrate and commemorate key dates related to women's human rights, such as International Women's Day, fostering collective reflection and action in favor of equality and social justice.

Table 46 Indicators and goals of the Strategy on the gender axis

Indicators	Baseline	Goals					Programs that contribute to the achievement of goals
	2024	2030	2034	2038	2042	2046	
Gender Reversal Index	4.8%	6.8%	8.8%	10.8%	12.8%	14.8%	-Strategy for the Promotion of Sexual and Reproductive Health for Honduran Youth -National Solidarity Credit Program for Rural Women (CREDIMUJER) -Women's City Program -Economic Empowerment Program -Young Women's Autonomy Program -Women's Citizenship Construction Program -Strengthening Women's Right to Decide Program - Consulting and provision of tools and methodology for gender mainstreaming. -Legislative reforms -Training and empowerment actions -Support for Women's Networks; - Institutional support; -Awareness campaigns -Education and awareness; -Support for victims; -Training of law enforcement
Number of institutions that mainstream the gender approach in public management	36	110	110	110	110	110	
Percentage of women in elected positions	19.6%	25.2%	30.7%	30.7%	30.7%	30.72%	
Percentage of women in deputy positions	32.4%	43.1%	53.7%	53.7%	53.7%	53.7%	
Percentage of women in mayoral positions	6.8%	7.3%	7.7%	8.2%	8.2%	8.8%	

Indicators	Baseline	Goals					Programs that contribute to the achievement of goals
	2024	2030	2034	2038	2042	2046	
Number of domestic violence cases resolved by courts nationwide	15,111	21,417	25,621	29,825	34,029	38,233	
Gender Inequality Gap Index	0.7260	0.789	0.831	0.873	0.915	0.957	

Source: Secretariat of Strategic Planning, 2025.

Table 47 Plans to strengthen gender programs

Programs	Strengthening plans	Development dates
Strategy for the Promotion of Sexual and Reproductive Health for Honduran Youth	1. Training processes aimed at Municipal Women's Offices (OMM) nationwide on Human Rights issues with a focus on Gender, Sexual and Reproductive Rights, and Violence Prevention, so that they can replicate these in their communities. 2. Two campaigns aimed at adolescents and young people are planned, which will be coordinated with other institutions: * Strategic campaign for information, communication, and prevention of HIV/AIDS and other STIs. * Campaign on the consequences of alcohol and addictive substance use and their relationship with sexual behavior and teenage pregnancy. Through the Community Education Module of the Ciudad Mujer Program, the H&M strategy addresses adolescent sexual and reproductive health through educational centers.	2025
National Solidarity Credit Program for Rural Women (CREDIMUJER)	Within the framework of the Gender-Sensitive Budget Roundtable, both strategic and technical, SEMUJER has managed to increase the budget allocation by allocating resources for this program, which was 5 million lempiras in 2022 and 25 million lempiras in 2025. In order to comply with budgetary provisions, SEMUJER and SENPRENDE will be forming a team to ensure the effective use of funds for the benefit of Honduran women. Training sessions are planned for entrepreneurs to begin the process of organizing themselves and accessing credit.	2025
Women's City Program	"Cooperation Agreement Between the Ciudad Mujer Program and the Ministry of Education." Campuses in Choloma, San Pedro Sula, La Ceiba, Juticalpa, Choluteca, and Tegucigalpa (in terms of infrastructure). 1. Expansion of the Ciudad Mujer Centers (CCM) - Objective: Expand coverage to serve more women in rural and marginalized areas.	2025 , with quarterly planning and execution (subject to budget approval)

Programs	Strengthening plans	Development dates
	- Actions: Build new CCMs and expand existing ones in communities with high demand. 2. Improvement of Existing Infrastructure - Objective: Renovate and modernize existing CCMs. - Actions: Evaluate and repair infrastructure, creating multifunctional spaces for workshops and services. 3. Resource Targeting - Objective: Prioritize construction in vulnerable communities. - Actions: Construct CCMs in high-poverty areas and ensure accessibility for women with disabilities. 4. Monitoring and Evaluation - Objective: Ensure the effectiveness of infrastructure. - Actions: Establish a monitoring system to assess beneficiary use and satisfaction. Implementation - How: Joint Coordination Ciudad Mujer Honduras – SEDUC/ DIGECEBI These actions will help create adequate spaces for services and empower women in their communities. The construction of a new Women's City Center is planned for the municipality of Santa Rosa de Copán, with coverage for four additional departments: Lempira, Copán, Ocotepeque, and Intibucá.	

Programs	Strengthening plans	Development dates
Economic Empowerment Program	Through the National Women's Policy - Third Plan for Equality and Gender Justice, the focus of the "Right to Basic Social Protection and the National Comprehensive Care System" initiative is to focus and prioritize rural and urban women, heads of households who face greater socioeconomic barriers and lack access to resources and opportunities for comprehensive development. The goal is to transform their economic autonomy, living conditions, and quality of life through training, access to financing, and the creation of support networks. The goal is to provide them with tools to develop their entrepreneurial skills, increase their income, and strengthen their participation in economic decision-making at both the family and community levels.	2025
Young Women's Autonomy Program	The program aims to focus on strengthening the decision-making capacities of groups of young women in rural communities and areas with high poverty who face multiple forms of inequality and social exclusion. Priority is given to young women who lack access to quality education, formal employment, and resources for personal and professional development. It also seeks to strengthen their autonomy through technical skills training, empowerment in decision-making, and access to economic and social opportunities. The Community Education Module in the Ciudad Mujer Program develops training processes on gender and human rights, new masculinities, sexual and reproductive rights, utilizing a Training of Trainers strategy, community protection strategies, adolescent pregnancy prevention, and support networks for available services, among others.	2025
Women's Citizenship Construction Program	Through the National Women's Policy – Third Gender Equality and Justice Plan, the focus of the initiative "Women's Right to Social and Political Participation in Decision-Making" is leadership development, focusing on women's empowerment in public and community decision-making spaces.	2025

Programs	Strengthening plans	Development dates
Strengthening Women's Right to Decide Program	Training processes in women's human rights, international human rights regulations, and gender-sensitive planning and budgeting for women leaders.	2025
Women's City Program	"Cooperation Agreement Between the Ciudad Mujer Program and the Ministry of Education." Campuses in Choloma, San Pedro Sula, La Ceiba, Juticalpa, Choluteca, and Tegucigalpa (in terms of infrastructure). 1. Expansion of Ciudad Mujer Centers (CCM) - Objective: Expand coverage to serve more women in rural and marginalized areas. - Actions: Construct new CCMs and expand existing ones in communities with high demand. 2. Improvement of Existing Infrastructure - Objective: Renovate and modernize current CCMs. - Actions: Evaluate and repair infrastructure, creating multifunctional spaces for workshops and services. 3. Targeting of Resources - Objective: Prioritize construction in vulnerable communities. - Actions: Construct CCMs in areas with high poverty and guarantee accessibility for women with disabilities. 4. Monitoring and Evaluation - Objective: Ensure the effectiveness of infrastructure. - Actions: Establish a monitoring system to evaluate the use and satisfaction of beneficiaries. Implementation- When: Throughout 2025, with quarterly planning and execution.- How: Joint Coordination Ciudad Mujer Honduras – SEDUC/ DIGECEBI These actions will help create adequate spaces for services and empower women in their communities.	2025 (subject to budget approval)

6.2. Climate change

Objective: To promote inclusive, sustainable, and resilient economic development that strengthens adaptation and mitigation to the effects of climate change and extreme events, integrating policies for the conservation and sustainable use of natural resources.

Link to the Sustainable Development Goals

As outlined in the assessment, Honduras faces high vulnerability to climate change, manifested in recurring natural disasters such as hurricanes, floods, and droughts, which severely affect the food security and livelihoods of rural communities. This vulnerability was evident in events such as Tropical Storms Eta and Hurricane Iota in 2020, which caused severe economic losses and left persistent collateral effects on the population and the environment. These climate crises have generated internal displacement and international migration, exacerbating poverty and inequality, especially in the most marginalized regions. The agricultural sector, a pillar of the Honduran economy, is one of the most affected by climate change. Extreme weather events reduce agricultural productivity, negatively impacting farmers' incomes and food availability for the population. Although the country contributes little to global greenhouse gas emissions, the climate consequences it faces are disproportionate, highlighting the need for public policies aimed at resilience.

In response to the growing challenges posed by climate change, the Honduran Ministry of Natural Resources is implementing a series of strategic actions aimed at strengthening the country's capacity to mitigate and adapt to its impacts. These actions are aligned with international commitments and seek to consolidate a national path toward a more resilient, low-carbon economy.

One of the most relevant measures is the update of the Nationally Determined Contributions (NDCs), a process that is moving toward version 3.0. This update will allow for more ambitious goals to be defined in terms of adaptation, mitigation, climate finance, and social inclusion. At the same time, the **National Decarbonization Strategy is being promoted, which already includes a roadmap with indicators and goals for 2050, aimed at reducing emissions and transforming the country's economic model.** Likewise, a National Climate Empowerment Strategy has been developed **, which seeks to strengthen citizen participation and environmental education. Work is also underway to update the Climate Change Law,**

accompanied by the development of new regulations to facilitate its effective implementation. To secure the necessary resources, the creation of a **National Climate Finance Policy and a Loss and Damage Fund will be promoted, the objective of which is to establish a national mechanism to respond to the adverse impacts of climate change . In addition, the National Climate Change Monitoring System (SNMCC)** is being developed . This is in addition to strengthening the Environmental and Social Safeguards System **to ensure that interventions respect social and environmental rights, ensuring transparency and citizen participation.** Finally, progress has been made in implementing a tool to calculate the corporate carbon footprint **, in collaboration with the Central American Bank for Economic Integration (CABEI)** .

Furthermore, it should be noted that SEDESOL has an Internal Protocol for Dealing with Emergency Situations (in draft version) [129], as well as a Humanitarian Aid Plan that consists of the delivery of food rations, which are distributed in places with the greatest need and as a means of immediate response to the emergency [130].

Likewise , the Solidarity Network - in its Social Protection axis - has the Adaptive Social Protection structure, which is enabled through Ministerial Agreement No. 036-2022 in Article 71, which states that the Solidarity Network Program may execute actions to create emergency TMCs or Humanitarian Cash Transfers and / or redefine existing TMCs in terms of their design (amounts, conditionalities, eligibility, among others) with the objective of mitigating the impacts of emergency situations, by providing temporary financial support to eligible households directly affected by an emergency situation, derived from natural disasters, health emergencies, economic crises, climate shocks and social contingencies, among others. It should be noted that the Solidarity Network implements its actions within the framework of emergencies when the Permanent Contingency Commission (COPECO) dictates the guidelines for each of the sectors involved, currently the Solidarity Network acts according to the SEDESOL emergency protocol.

In addition to all these actions, ENEE's investment program to improve its generation, transmission, and distribution network includes the National Loss Reduction Program, which will have an investment of L5,287,141 million lempiras during the 2025-2030 period.

[129] The protocol contains the steps to follow in the event of emergency response interventions, from anticipatory steps to the post-intervention phase. It is a set of procedures and actions established to prevent and mitigate situations arising from a disaster, emphasizing that an adequate response to an emergency is essential to minimize damage and protect human life. This document establishes the response phases that SEDESOL and its implementing branches will implement in the event of a disaster, from preparation and prevention to recovery, ensuring timely, orderly, and effective response in any situation. This protocol arises from the lessons learned in the field in recent emergencies that have been responded to nationwide in recent years as a result of storms, droughts, and other emergency processes. These identified the need to improve strategic and operational institutional coordination and, consequently, improve care services for the populations most in need.

[130] The food ration delivered is designed as a survival ration, which meets the objective of guaranteeing basic food security for affected families in the early days of the crisis. Immediate assistance to those living in poverty and extreme poverty includes the provision of food items that are part of the Honduran basic food basket. These items may arrive in boxes or sacks, depending on the supplier's availability. This strategy, coordinated between BANASUPRO and the Ministry of Social Development, allows for an efficient response to the critical food and nutrition needs in affected communities and shelters.

All of these actions reflect Honduras's firm commitment to addressing climate change in a sustainable, inclusive manner, geared toward the well-being of present and future generations. The details of these actions are described in the following table.

Table 48 Lines of action on climate change and commitment dates

Lines of action	Specific actions	Development dates
Update of the NDC (Nationally Determined Contributions) in 2021, aligning the country with the objectives of the Paris Agreement.	Honduras has already begun its NDC 3.0 process, launching methodologies that will enable focal points to establish ambitious measures for adaptation, mitigation, climate finance, and social inclusion.	End of 2025
Implementation of the National Decarbonization Strategy starting in 2022, with a mitigation horizon of 2050.	A roadmap with measures and indicators for 2050 is currently in place, which will allow for a more resilient and low-carbon economy; the next step is to implement this instrument at the national level.	Progress by the end of 2025
Proposal and drafting of a National Climate Empowerment Strategy, scheduled for publication in December 2024.	A draft of the instrument is already available and has been submitted to the SPE for approval.	Progress by the end of 2025
Draft update of the Climate Change Law	The draft version of the updated Climate Change Law will be submitted to the National Congress this week for approval, incorporating the observations of the National Commission on Environment and Climate Change. Work is currently underway to align the draft Regulations for the Climate Change Law with this latest version, before moving on to a dissemination/validation phase. Having these Regulations will allow for better implementation of the new Law.	End of 2025
National Climate Financing Policy	Work is currently underway to lay the legal groundwork for this instrument, and the next step will be to develop a first draft in accordance with the guidelines established by the SPE.	Progress by the end of 2025
National Resilient Recovery Strategy	The instrument has already been developed, socialized, and approved, requiring the implementation of its action plan by the various entities involved.	Progress by the end of 2025
Damage and Loss Fund	Currently, work is underway to lay the legal groundwork for this mechanism through the update of the Climate Change Law. Honduras will establish a National Loss and Damage Mechanism. The next steps are to prepare the country in technical, political, and financial terms to meet the international standards established by the United Nations Framework Convention on Climate Change (UNFCCC).	Progress by the end of 2025
Climate Library and Monitoring System	Work has already been done to update the legal framework for the establishment of the National Climate Change	Mid-2025

Lines of action	Specific actions	Development dates
	Monitoring System (SNMCC), as well as to develop the strategy for its implementation. The SNMCC's IT platform is currently being developed, with various modules and submodules for data collection and processing. One of these is "Biblioclima," a repository for knowledge management on climate change at the national level.	
Environmental and Social Safeguard System	To achieve this action, the following are planned: 1. Analysis of the legal status and current situation of the REDD+ safeguards framework in Honduras. 2. Evaluation of the level of safeguards compliance in current REDD+ activities in the country. 3. Strategic proposal for strengthening and adapting the Safeguards Information System (SIS). 4. Implementation and monitoring of safeguards, promoting transparency and citizen participation. 5. Development of a financial mechanism for the sustainability of the SIS.	Mid-2025
Central American Bank for Economic Integration (CABEI) and Carbon Footprint	An electronic tool for calculating the corporate carbon footprint is now available, and is expected to be implemented through the SNMCC's operations.	Progress by the end of 2025

Table 49 Indicators and targets of the climate change strategy

Indicators	Baseline	Goals					Programs that contribute to the achievement of goals
	2024	2030	2034	2038	2042	2046	
New forest areas incorporated into restoration processes (hectares)	192,828	210,000	140,000	140,000	140,000	140,000.	○ Update of the NDC (Nationally Determined Contributions) in 2021, aligning the country with the objectives of the Paris Agreement. ○ Implementation of the National Decarbonization Strategy starting in 2022, with a mitigation horizon of 2050. ○ Proposal and drafting of a National Climate Empowerment Strategy, scheduled for publication in December 2024. ○ Draft update of the Climate Change Law ○ National Climate Financing Policy ○ National Resilient Recovery Strategy ○ Damage and Loss Fund ○ Climate Library and Monitoring System ○ Environmental and Social Safeguard System ○ Central American Bank for Economic Integration (CABEI) and Carbon Footprint
Current, updated and/or approved forest management plans in community forestry areas for the comprehensive use of forest resources	37	49	57	65	73	81	
Assisted community forest management contracts	60	65	69	73	77	81	
Productive forest area under forest management plan	1,366,565	1,390,565	1,406,565	1,422,565	1,438,565	1,454,565	
Number of declared micro-basins	1,334	3,850	4,000	4,150	4,250	0	
Percentage of forest cover	55.44%	53.72%	52.58%	51.44%	50.30%	49.16%	
Percentage of marine areas under conservation and protection regime	6.96	11.6	12.1	15	16	18.5	

7. Citizen Participation in the construction of the ERP

Citizen participation has emerged as a fundamental pillar in the construction of a new governance model in Honduras. This approach recognizes that the legitimacy and real impact of public policies depend directly on a deep connection with the needs, voices, and aspirations of citizens.

Citizen participation is important for reducing inequalities because it promotes the representation of diverse groups and a population with strong capacities to exercise their rights. It not only confers greater legitimacy on policies and strengthens democracy, but also improves policies by facilitating their creation, with the potential for greater ownership and relevance to different inequalities [131].

In line with the above, on March 21, 2025, the Ministry of Social Development, together with the Ministry of Finance and the Ministry of Strategic Planning, developed the socialization of the draft Poverty Reduction Strategy 2022-2046.

The purpose of this event was to present and explain the draft Strategy for Poverty Reduction and Growth, highlighting its main lines of action and intervention proposals. It also sought to create a space for dialogue and consultation with civil society organizations to gather input, observations, and recommendations that will contribute to strengthening the strategy's content and implementation.

The event had a valuable and important participation of approximately ninety (90) entities, including civil society organizations, international cooperators and key institutions and State secretariats for the updating of the Strategy for Poverty Reduction [132].

During the event, a detailed explanation of the three (3) fundamental pillars of the document was presented: 1) Stability and inclusive growth; 2) Public services and programs to reduce inequalities; 3) Targeted programs to serve the poor and vulnerable. This was followed by a broad participation session, including a question and answer session, to clarify any doubts the organizations in attendance had and to gather key input for the design of a sustainable and viable strategy.

The civil society organizations and international partners present highlighted the efforts and commitment of President Xiomara Castro's Solidarity Government to advance poverty reduction, social protection, and economic development, thus ensuring adequate care for the Honduran population.

Finally, to ensure comprehensive participation from all stakeholders, the draft Strategy for Poverty Reduction and Growth was shared, allowing for a detailed review and submission of comments to the Ministry of Social Development for incorporation into the document.

In addition to the socialization event, the participatory process for developing the PRS included substantive input from key stakeholders such as the Honduran Council of Private Enterprise (COHEP) and the Association for a More Just Society (ASJ). Both sectors offered strategic observations that strengthened the Strategy's content and direction.

[131] SEDESOL's 2024-2030 Social Protection Policy Proposal.

[132] The institutions and organizations invited to the ERP presentation are presented in the appendix.

The National Action Plan (COHEP) focused its comments on aspects related to economic growth, such as attracting domestic and foreign investment, productivity, formal employment, the regulatory environment, and the social security system. It also noted the need to review the objectives of some of the pillars and improve the monitoring and evaluation model. In response to these observations, adjustments were made, including changing the title of the Strategy, incorporating the role of the private sector in Honduras's Industrial Policy, and reformulating the objectives of the climate pillar and agricultural productive activities. Furthermore, in line with the COHEP's comments, the PRS monitoring model was strengthened to ensure that it is periodically reviewed to maintain its objectives and goals.

For its part, the ASJ organized its recommendations around four pillars: investment, financing, institutionality, and citizen participation. In its observations, it addressed gaps in health, education, infrastructure, migration, and productive development, and emphasized the need to rationalize public spending. It also recommended strengthening the State's technical capacities and improving public management and accountability. In line with these comments, the ERP includes lines of action to expand the coverage and quality of health care, such as the creation of new hospitals, the modernization of medical equipment, and an increase in the number of specialist physicians. In education, strategies were included to promote continuing teacher training; and in road infrastructure, projects that will connect rural communities with markets and sources of employment were prioritized.

These latest adjustments, combined with the input gathered during the socialization event, consolidate a PRP with an inclusive and viable vision, built on dialogue with various sectors of society.

8. Fiscal Framework of the ERP

Honduras's fiscal policy is based on solid fiscal instruments, through the MMFMP Framework. As previously noted, this framework serves as a roadmap that guides strategic economic and fiscal policy decisions and constitutes the first step in formulating the General Revenue and Expenditure Budget of the Republic. The latter is based on the Operating and Strategic Plans of each public sector institution.

The MMFMP includes a description of fiscal execution figures at the end of the periods and the outlook for the next four years; it also describes the economic and fiscal policy guidelines linked to the Government's Strategic Program.

The Macroeconomic Framework also includes the future behavior of the main macroeconomic variables, as well as the expected fiscal outcomes for the short and medium term. It is important to note that the fiscal estimates are based on the national context and the country's priorities; they are also aimed at improving public financial management and, above all, reducing social inequalities. Furthermore, the fiscal estimates are consistent with the current Multi-Year Fiscal Performance Rules established in the LRF and are in line with the targets established in economic programs with international organizations. It should be noted that the estimates made in the MMFMP are monitored every six months.

As part of the fiscal policy approach to be applied to finance the PRS, a gradual path has been outlined for a return to fiscal consolidation, and policies have been designed to create fiscal space to boost productive investment and, thereby, contribute to economic and social well-being, as well as greater economic growth, job creation, and support for the most vulnerable sectors. Likewise, there is a commitment to maintaining prudent levels of public debt, which entails adopting fiscal policy measures

anchored to the LRF (Financial Framework for Fiscal Reduction). In addition, actions will be taken to improve tax collection efficiency, allowing the government greater fiscal space. These measures are detailed in Chapter 3.

8.1. Fiscal Goals

Fiscal space for productive investment is also part of the goals established in the economic program with the IMF, which is why it has been included in the fiscal estimates . This will allow for a larger NFPS deficit, provided financing is obtained to implement programs and projects.

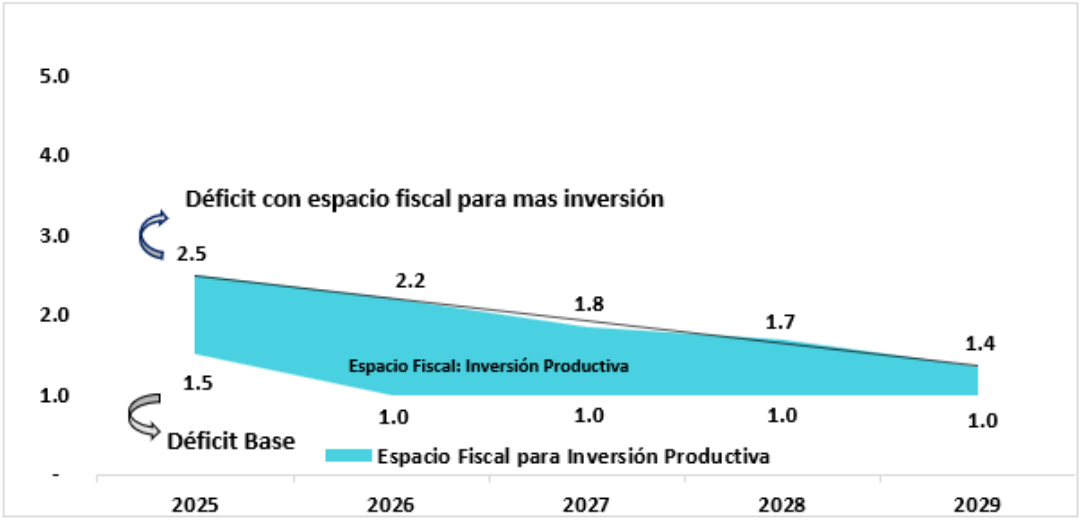
In 2025, responsible management of public finances will continue, and among the fiscal measures, a target for the NFPS deficit of 2.5 percent of GDP has been set for the current MMFMP. This deficit includes fiscal space of 1.0 percent of GDP, which will be allocated to productive investment with the goal of impacting inclusive economic growth and the country's economic development.

As part of the process of returning to fiscal consolidation, a deficit target for 2025 was set below the established target (3.4 percent of GDP). It is worth noting that the fiscal targets of the Multiannual Fiscal Performance Rules are in line with the 2025 General Budget of Revenue and Expenditure of the Republic.

2026-2029

Short- and medium-term fiscal forecasts are anchored to due compliance with the FRL for the 2026-2029 period, based on the reform, validity, or interpretation of said Law. Furthermore, the fiscal forecasts estimate a gradual decline in the fiscal deficit as part of fiscal policy measures through a fiscal consolidation process. However, fiscal space is contemplated for productive investment that will drive inclusive and equitable growth by reducing social inequality gaps. Furthermore, the enforcement capacity of the country's tax oversight agencies is expected to be strengthened.

Graph 43 SPNF/GDP Fiscal Deficit



Fuente: DPMF-SEFIN.

Source: DPMF-SEFIN

To strengthen the efficiency of public spending, the government will take the following specific measures during the current administration, with an impact on the coming years:

- will be made towards a Medium-Term Expenditure Framework.
- A budget execution programming manual will be adopted and implemented to strengthen expenditure control.
- Regarding salary, a salary policy will be developed, which is currently lacking.
- A more detailed analysis of the Fiscal Rules will also be carried out, based on the country's current needs, since as the process of returning to fiscal consolidation continues, deficits will have to be gradually reduced, and fiscal space will become increasingly smaller.
- Progress will continue to be made in serving the most vulnerable sectors, and a minimum level of social investment and significant levels of productive investment are expected to be maintained, impacting inclusive and equitable economic growth. All of the above must be anchored to the LRF or to possible reforms or interpretations thereof.
- Continue implementing the Government's economic program supported by the agreement with the IMF.
- Well-calibrated methodologies for measuring fiscal risks will be encouraged.
- The amendment to the Organic Budget Law will be monitored, the approval of which will strengthen the Single Treasury Account, which was submitted to Congress in 2024.
- The technical, regulatory, procedural, and implementation capabilities for the development of the Single Fund will be strengthened.
- In terms of sustainability, prudent levels of public debt will be maintained, and financing resources will be accessed to cover the needs and all fiscal spaces for productive and social investment, through programs, projects, and budgetary support.
- The development of the domestic financial market will be encouraged.
- A budget allocation process will be implemented according to the Institutional Strategic Plans, incorporating the goals and service packages of the Solidarity Network Program, to advance the implementation of prioritized goods and services for the poorest populations and territories.

9. Institutional and organizational capacities for the implementation of the Strategy

The effective implementation of the PRS depends largely on the government's ability to organize and execute actions efficiently. Despite having a public policy framework for social protection that promotes a comprehensive response for the poorest and most vulnerable populations, historical institutional and budgetary weaknesses have limited its consistent implementation, resulting in partial and fragmented coverage. Fiscal policy has slightly reduced inequality, but has increased poverty more than in any other country in the region.

In response to historical and current institutional weaknesses in the social protection system, the Honduran government implemented a major institutional restructuring to establish new governance and strategic management to strengthen the social protection system. This process is still in its infancy and requires sustained strengthening efforts in various areas, including: (i) institutional capacity; (ii) budget allocations to the sectors prioritized by the Social Protection Floor and the Updated Poverty Reduction Strategy; and (iii) the State's capacity to convert these resources into public goods and services that not only improve the living conditions of households living in poverty and extreme poverty, but also enable them to contribute to economic growth.

Therefore, it is necessary to continue the process of strengthening the institutional framework (regulatory, organizational, and technical), both at the central and territorial levels, to achieve the progressive and growing functioning of the Comprehensive Social Protection System. This includes its governance, strategic management, and institutional capacity; clarifying the key actors, their competencies, and capacities; ensuring coordination mechanisms; avoiding duplication of functions; and strengthening the mechanisms for coordination, monitoring, and oversight of the social protection system's priorities, both at the central level and at local levels and units. This also includes promoting the creation of a technical and sustainable civil service.

Likewise, the following substantial reforms are required to build a Comprehensive Social Protection System, organized into six areas:

- Governance (at the central and territorial levels) and strategic leadership strengthened (regulations, identification of actors, etc.).
- Institutional, technical, and budgetary capacity, especially at the territorial level (mapping of service networks, identification of gaps, prioritization/targeting of actions, territorial planning/budgeting, etc.).
- Protection subsystems for specific groups or themes developed, aligned and articulated with the Comprehensive Social Protection System.
- Strategies implemented to strengthen the resilience of the vulnerable to climate shocks.
- Synergies generated with the productive and economic sector.

9.1. Governance of the Social Cabinet

The Social Cabinet is the primary governance mechanism for the social sector. It functions as a space to coordinate, articulate, organize, and provide feedback on actions with the institutions that comprise the government's social sector. Its purpose is to promote and validate mechanisms that respond to social needs and structure the provision of public policies aimed at the development and social protection of the most vulnerable populations.

9.1.1. Structure of the Social Cabinet

Figure 9.1 illustrates the organizational structure of the Social Cabinet within the operational framework of the PRS. As mentioned above, SEDESOL is the entity responsible for leading the PRS actions, largely

supported by SEFIN and the SPE, and serves as the main coordinating body of the Social Cabinet. [133]This cabinet, chaired by the Secretary of State in the Office of Social Development, is organized into two main levels: the Executive Social Cabinet, which operates at the political level and is oriented toward the executive direction of policies, and the Technical Team, which works at the technical level to ensure the effective implementation of programs and projects.

At the operational level, the Technical Team is composed of directors, coordinators, and delegated staff from each institution involved in social management. This team is organized through a Technical Directorate, while the Executive Cabinet includes an Executive Directorate.[134]

Figure 44 General structure of the Social Cabinet

Source: Own elaboration

Within the framework of the ERP, the Cabinet is made up of 15 government entities that have planning, programming, and coordination functions and/or that participate in the supply of goods and services to the population within pillars 2 and 3 of the ERP [135]. These entities include: SEDESOL; Ministry of Finance

[133]The powers of SEDESOL are established in Article 1, Executive Decree PCM Number PCM 19-2022, published in La Gaceta, No. 35,999, of August 11, 2022.

[134]The Executive Directorate of the Social Cabinet has a support and monitoring body for decisions made. The executive body is represented by the highest institutional authority (Secretaries of State, Ministers, Commissioners, managers, Directors, etc.). The Technical Directorate of the Social Cabinet is composed of Directors, Coordinators, and other delegated personnel from each institution, with experience in monitoring the incorporation of guidelines into the Annual Operating Plans (AOPs) of public institutions in the social sector, as well as actions that contribute to the implementation of social policy, and the formulation and validation of instruments and strategic plans for said policy.

[135]A total of 42 institutions are assigned to the Social Cabinet, each with its own programs. Therefore, the list detailed above does not respond to a closed selection process; rather, those with direct responsibility for the effective implementation of the ERP are prioritized.

(SEFIN); Ministry of Strategic Planning (SPE); Ministry of Health (SESAL); Solidarity Network; PROASOL; SAG; SEDUC; Ministry of Culture, Arts and Heritage of the Peoples of Honduras (SECAPPH); CONDEPOR; National Entrepreneurship and Small Business Service (SENPRENDE); FHIS; INE; Ministry of Labor and Social Security (SETRASS); Ministry of Human Rights (SEDH); Ministry of Women (SEMUJER); National Youth Institute (INJUVE); Social Housing Program (CONVIVIENDA); Ministry of Children, Adolescents and Families (SENAF); Ministry of the Interior, Justice, and Decentralization (SGJD); Ministry of Foreign Affairs and International Cooperation (SRECI); and IHSS (Figure 2).

Figure 45 ERP Governance 2022-2046

Source: Own elaboration

Beyond the Social Cabinet, the success of the ERP also depends on coordination with non-governmental actors, such as the academic sector, the trade union sector, social economy organizations, international cooperation, civil society organizations, humanitarian actors, private companies, financial institutions and political institutions (Figure 9.3).

Figure 46 Non-governmental actors

Source: Own elaboration

9.1.2. Functions of the Social Cabinet within the framework of the Strategy

Within the framework of the PRS, the Social Cabinet will play multiple key roles in its implementation and oversight. These actions will prioritize the execution of policies, programs, and projects defined in the three pillars of the Strategy.

In addition, the Cabinet will be responsible for implementing solutions that reduce technical and administrative risks in the Strategy's operation, avoiding impacts on the proper implementation of the defined lines of action. They will also be responsible for providing, guiding, and sharing updated information that allows participating institutions to prepare their AOPs. This will ensure that the implemented programs and projects have relevant data that contribute to reducing poverty in the country.

Another essential function of the Cabinet will be the signing of agreements, accords, and other technical and financial cooperation instruments with various institutions and organizations, both public and private, to achieve the goals established in the Strategy. Likewise, the Cabinet will seek to disseminate the achievements and challenges of the PRS, promoting transparency and citizen engagement.

Likewise, the Cabinet, as part of its functions, may promote training activities that strengthen the skills and capabilities of the actors who comprise it. It may also facilitate mechanisms for ongoing dialogue between the public and private sectors that promote effective synergies to improve the social conditions of the population. Finally, the Social Cabinet is empowered to assume any other function assigned to it by the Presidency of the Republic, reaffirming its strategic role in the country's social governance.

9.1.3. Inter-institutional coordination mechanisms

To support the functioning and coordination among the institutions participating in the ERP, the Social Cabinet has an Internal Technical Committee responsible for coordinating and articulating

efforts among the various entities that comprise the Cabinet [136]. Its main powers, which are linked to the implementation of the Strategy, are the following four:

1. Coordination: Integrating the various areas of SEDESOL with the state institutions responsible for the interventions to be promoted, in this case, for the operation of the ERP. This effort includes program design, information generation, evidence production, and human resource training.
2. Coordination: Establish efficient and effective links with the various implementing entities of the Strategy and with other institutions involved in development and poverty reduction. These coordination efforts will seek to align priorities. In addition, spaces and mechanisms will be created to collaborate with the private sector and other relevant social actors.
3. Feedback: Provide strategies and actions that benefit the entities participating in the Strategy, generating comprehensive solutions that mitigate technical and administrative risks in their operational execution. These actions will seek to ensure the correct implementation of policies, programs, and projects, optimizing their impact and efficiency.
4. Organization: Systematize lines of action and procedures through tools such as the Institutional Program Offer Registry (ROPI), the AOP Regulation, and the Program Offer Monitoring System (SIMOP). This will allow for effective measurement of the impact of programs and projects in relation to the goals set forth in the Strategy.

In addition to the fundamental role played by the Internal Technical Committee in coordinating and articulating the Strategy's efforts, SEDESOL has an Intersectoral Coordination Directorate that links the Secretariat with other implementing institutions to generate efficient and effective coordination. Its work focuses on coordinating sectoral and intersectoral efforts, creating alliances with the private sector and other stakeholders. As part of its responsibilities, the Directorate acts as a liaison between the Red Solidaria Program and the Poverty and Vulnerability Observatory. It is also responsible for promoting a comprehensive approach through management tools and methodologies that strengthen interventions in priority regions, establishing agreements with the Strategic Monitoring Directorate to define and monitor key indicators. In this way, the Intersectoral Coordination Directorate will ensure continuous, transparent, and effective monitoring of actions relevant to the PRS.

In addition to the aforementioned bodies, the Social Cabinet is articulated through a regulatory and operational framework, aiming to ensure the effective implementation of public policies for the benefit of the most vulnerable sectors. Specifically, the framework for inter-institutional

[136] Additionally, within the Social Cabinet, it is possible to create Special Committees comprised of different institutions to address the same issue.

collaboration in Honduras is based on a series of legal provisions that allow the government to effectively coordinate efforts for the implementation of public policies and development projects (Table 9.1). This inter-institutional cooperation is primarily supported by three legal documents: the General Law of Public Administration of Honduras, the Regulations on the Organization, Functioning, and Powers of the Executive Branch (Executive Decree PCM-008-97), and Executive Decree PCM-19-2022 (see Table 3.6).

9.2. Advances and needs in governance issues

Interinstitutional collaboration within the Social Cabinet has made significant progress under the current administration (2022-2026). While there are still areas that require strengthening, the achievements represent important steps forward. Below are some of the most significant advances, as well as the actions pending to strengthen the governance of the Social Cabinet [137].

9.2.1. Progress in the current administration

- In 2022, SEDESOL was created, strengthening its regulatory and guiding role in social policy. It was given a central position within the social sector secretariats, allowing for clear and strategic direction. As part of this transformation, the implementation of social protection programs and projects was transferred to the Solidarity Network Program and PROASOL.
- SEDESOL, with support from the Inter-American Development Bank (IDB), has led the creation of a draft for the Social Protection Framework Law, which is scheduled to be submitted to Congress.
- A significant step has been the progress made in drafting a new Public Procurement Law, which will soon be submitted to the National Congress. This legal framework seeks to

[137] Each of the entities involved in the Strategy's implementation has undertaken specific efforts to optimize its internal procedures and strengthen its management, ensuring greater effectiveness and efficiency in its operations. For example, SEFIN has been working on the development of a Public Finance Statistics Manual and a Budget Execution Programming and Cash Management Manual; it has also made progress in streamlining administration and personnel; it also created an interface on its website for monitoring budget execution (including resources designated to address emergencies); and it is working on updating the modules of the Integrated Financial Administration System (SIAFI). For its part, SECAPPH has developed field monitoring guides to identify areas for improvement; it has a functions manual that establishes powers and responsibilities; and is in the process of appointing an internal auditor for the institution, among other things. The SAG created its internal process manuals, defined a standard for the acquisition of technological goods and services, modernized the Data Center (including the establishment of a virtual storage space for data protection), and established an accountability platform for the delivery of social benefits to the population. Likewise, the SESAL (Ministry of Health and Social Security) has implemented the Single Integrated Health Record (EUIS) and the Logistics Management Information System for Medications and Supplies (SALMI) in several hospitals across the country. It has expanded hospital data network connectivity as part of the Digital Health Transformation Plan and has strengthened the medication supply chain through the Logistics Unit for Medications and Supplies. Finally, the SEDUC (Ministry of Education and Social Security) has the National Educational Information System of Honduras (USINIEH), which is responsible for supporting the Secretariat's educational and administrative processes through the implementation of information technologies. The advantage of having USINIEH is that all SEDUC information systems and subsystems are managed by a single entity to ensure consistency, reliability, integrity, and availability of information.

streamline bidding processes, making them more competitive and efficient, especially in areas such as the procurement of medicines and infrastructure.

- The current administration has promoted the signing of Interinstitutional Cooperation Agreements as a key instrument for advancing social protection. These agreements have allowed for the coordination of efforts among government entities, non-governmental organizations (NGOs), academic institutions, and international organizations, with the goal of implementing joint projects and maximizing resources.
- in the 2,007 targeted villages has also been achieved . They act as agents of change in their communities and support the execution of projects in the territory, achieving the collection of data from more than 400,000 households in poverty and extreme poverty .
- In addition, important agreements have been formalized, such as the one established between the Ministry of Health and the Solidarity Network to build and equip key hospitals, in collaboration with the Pan American Health Organization.
- On the other hand, the launch of the Single Social Sector Information System (SUISS)—planned for the first quarter of 2025—marks a milestone in data management by centralizing information on social interventions. This system, presented as a commitment to the IMF, will allow for more precise analyses for strategic decision-making, consolidating the administration's achievements in strengthening social governance.
- A notable advance has been the implementation of SIMOP, which allows for the registration of the entire institutional program offering of the social sector. As previously noted, this system, led by SEDESOL, facilitates the monitoring of programs in key areas such as health, education, housing, and social protection. To date, 29 social sector entities have registered 136 programs and projects with interventions in the country's 298 municipalities, with detailed georeferencing of the benefited villages. SIMOP has also allowed for the graphic mapping of institutional interventions, providing precise information on which entity executes each project. This innovative approach strengthens transparency and data-driven decision-making.
- In addition to SUISS and SIMOP, SEDESOL has the following information systems that support institutional operations and the ERP's programs and actions:[138]
  - Management Planning and Evaluation System: a tool for institutional strategic planning, goal monitoring, and budget execution.
  - Social Inclusion and Gender Equity Information System: coordinates activities related to gender equity.

[138]Other systems developed by SEDESOL include the Modernization System; the Administrative Management System; the Judicial Process Management System; the Human Talent Management System; the Correspondence System; and the Technology Unit Control System.

- Honduras Beneficiary Information and Registry System (SIRBHO): socioeconomic registry of vulnerable households.
- Returned Migrant Assistance System (SIAMIR): registry of repatriated migrants.
- ROPI: Registry of Institutional and Social Organization Program Offerings.
- SEDESOL Listens: Managing complaints, reports, and claims as a mechanism for citizen participation.
- Geostatistics and Spatial Econometrics System.[139]

Despite progress in systems development, it is recognized that it is necessary to link these instruments to sectoral planning and budgeting exercises, as well as to target programs to improve the conditions of different territories and population subgroups. This step will improve the connection of information reported by the different systems with management processes, which in turn will enrich decision-making.

9.2.2. Future actions

In general, it is proposed to design a collaborative management model that integrates all actors involved in the formulation and implementation of the Policy, ensuring effective coordination at various levels. Furthermore, horizontal coordination mechanisms between the different levels of government must be established, as well as vertical coordination that extends to local communities, ensuring fluid coordination with key actors such as the government, civil society, the private sector, academia, and international cooperation agencies. It is essential that programs and services be developed within a current regulatory and institutional framework that guarantees coherence and alignment with established policies. Likewise, the managerial and strategic capacities of all levels of the institutional architecture must be strengthened, from the highest political authorities, such as the Social Cabinet, to directors, coordinators, and operational and technical teams . This will be reflected in sectoral planning and budgeting with a territorial focus, which will be implemented through the Institutional Strategic Plans.[140]

Below are the key actions in which SEDESOL and other relevant stakeholders will collaborate during the ERP implementation period, with the goal of strengthening its operational efficiency and fostering a comprehensive and sustainable management model.[141]

1. Creation of the Operating Regulations for the Poverty Reduction Strategy 2022-2046 with the objective of establishing the guidelines, procedures, and mechanisms necessary to guarantee the effective, coordinated, and transparent implementation of the Strategy. These regulations will seek to strengthen the coordination of the actions of the involved institutions, optimize available resources, foster accountability, and promote the achievement of the established goals.

[139] SEDESOL, Social Protection Policy Proposal 2024-2030.

[140] SEDESOL, Social Protection Policy Proposal 2024-2030.

[141] Actions 1, 3 and 6 were identified as part of the consultancy, so their validation is requested.

2. Development of a detailed institutional diagnosis to identify gaps in institutional development and identify organizational and territorial gaps. This diagnosis will serve as a basis for defining other organizational strengthening strategies.
3. Development of standardized guidelines to ensure that all inter-institutional agreements have a uniform structure and essential core elements, promoting clarity and consistency in their formulation. This action also includes the incorporation of the PEIs to ensure that the priorities established by the ERP are aligned with the State's management processes.
4. Establishment of a robust monitoring mechanism to ensure compliance with the responsibilities assumed in the agreements, thus ensuring the effectiveness of inter-institutional collaborations.
5. Design clear and transparent operating rules for social programs that detail key aspects such as diagnosis, design, eligibility and operation criteria, as well as indicators, goals, and results.
6. Strengthening an evaluation and monitoring system that allows for operating under a results-based management model, facilitating impact measurement and informed decision-making. This includes instruments such as design, process, and outcome evaluations, as well as the development of Public Expenditure Tracking Surveys (PETS).
7. Strengthening a transparency and accountability system that allows the Honduran population to access and understand the content of policies and the functioning of programs, with a focus on population subgroups and different territories nationwide. To achieve this, relevant information must be provided in an easy-to-understand manner and through accessible channels (both physically and culturally).[142]

10. Implementation Plan

The following tables summarize the PRS implementation plan. This plan establishes concrete goals, precise indicators, and responsible areas by sector, designed to monitor and evaluate progress toward achieving the defined objectives. The plan is designed based on a comprehensive and territorial approach, with biannual targets that allow for adjustments to interventions over time. In this sense, the plan acts as a strategic guide to direct efforts toward poverty reduction and promoting inclusive growth in the coming years. However, changes in macroeconomic and social conditions may require periodic reviews to adapt to the progress made, address new challenges, and take advantage of emerging opportunities in the national and international context.

The ERP intervention plan is presented below, in the following order: Pillar 2 (education; health; employment; rural productive activities; housing; water and sanitation; sport and recreation; culture) and Pillar 3 (heritage and the Solidarity Network and PROASOL).

[142] SEDESOL, Social Protection Policy Proposal 2024-2030.

10.1. Pillar 2 of the ERP: Public services and programs to reduce inequalities

10.1.1. Poverty

Table 50 Indicators, goals and those responsible for the Poverty Sector

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Households in poverty	62.9%	58.8%	52.8%	47.8%	37.8%	27.8%	General
Households in extreme poverty	40.1%	36%	30%	25%	15%	5%	General
Inequality index	0.49	0.45	0.40	0.30	0.20	0.10	General
ERP expenditure as a percentage of GDP (2023 baseline)	7%	7%	7%	7%	7%	7%	General

Source: own elaboration

10.1.2. Education

Table 51 Indicators, goals and those responsible for the Education Sector

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Illiteracy rate	9.39	8.04	7.14	6.24	5.35	4.0	
Pre-basic coverage rate	74%	79%	83%	86%	90%	95%	SEDUC
Basic coverage rate (I and II cycle)	79%	83%	86%	88%	91%	95%	SEDUC
Basic coverage rate (III cycle)	49%	54%	57%	61%	65%	70%	SEDUC
Average coverage rate	28%	33%	37%	41%	44%	50%	SEDUC
Dropout rate	2.5%	2%	2%	2%	1%	1%	SEDUC
Number of Students Served: Pre-school	213,528	235,665	250,689	265,713	280,737	295,761	SEDUC
Number of Students Served (Basic I and II cycles)	1,032,186	1,332,186	1,532,186	1,732,186	1,932,186	2,132,186	SEDUC
Number of students served: Basic (3rd cycle)	367,476	403,007	422,462	441,917	461,372	480,827	SEDUC
Number of Students Served: Average	219,815	272,559	305,917	339,275	372,634	405,992	SEDUC
Schooling rate	7.4	7.8	8.1	8.3	8.6	9	SEDUC
Number of children at pre-primary and basic levels served	1,222,827	1,355,434	1,443,841	1,534,840	1,628,432	1,743,056	SEDUC

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
with school meals nationwide							

Source: own elaboration

10.1.3. Health

Table 52 Indicators, goals and those responsible for the Health Sector

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Maternal mortality ratio (per 100,000 live births) *	47	45	40	38	36	34	SESAL
Under-five mortality rate (per 1,000 live births) *	21	20	18	16	15	14	SESAL
Number of Family Health Teams (ESFAM) **	343	343	343	349	349	352	SESAL
Percentage of supply of basic medicines in the Public Health System ***	90	92	94	96	98	99	SESAL
Construction of drug laboratories	0	0	1	0	0	0	SESAL
Percentage of surgical delay *****	59	39	19	0	0	0	SESAL
Ratio of doctors per 10,000 inhabitants ******	10.83	14	16	18	19	20	SESAL
Ratio of nurses per 10,000 inhabitants. ******	4.14	16	25	30	35	40	SESAL
Incidence rate of diarrhea in children under 5 years of age (per 1,000 inhabitants) *******	88	85	83	80	78	75	SESAL

Source: own elaboration

10.1.4. Employment

Table 53 indicators, goals and those responsible for the Employment Sector

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
New jobs created	85,879	100,000	120,000	130,000	140,000	150,000	General
Unemployment rate	5.2	4.5	4	3.8	3.5	3	General
Underemployment rate	43.3	37	31	25	19	13	General
Informal employment	40.2	38	35	30	25	20	General
IHSS Coverage	896,472	1,100,000	1,300,000	1,500,000	1,700,000	2,000,000	General

Source: own elaboration

10.1.5. Productive activities in the field

Table 54 Indicators, goals and those responsible for the Productive Activities Sector in the field

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Production of basic grains (millions of quintals)	19,685.51	21,290.60	22,541.84	23,793.07	25,044.30	26,295.54	Directorate of Agricultural Science and Technology (DICTA)
Hectares of land coverage area under irrigation (number of ha)	2,432	2,000	2,000	2,000	2,000	2,000	National Irrigation Program (PRONAGRI)
Number of productive technological bonds	536,971	280,000	280,000	280,000	280,000	280,000	Ministerial Office of the SAG
Number of livestock bonds	15,000	15,000	15,000	15,000	15,000	15,000	Under-Secretary of Livestock
Number of coffee bonds	90,000	85,000	85,000	85,000	85,000	85,000	Secretary of Coffee Growing
Corn productivity (quintals per manzana)	35	40	42	44	46	50	SAG
Bean productivity (quintals per manzana)	14.6	16.5	17.5	18.5	20	22	SAG

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Rice productivity (quintals per manzana)	44	54	58	62	66	70	SAG
Technical assistance provided	36,041	30,000	30,000	30,000	30,000	30,000	SAG
Total amount of credit disbursed to the agricultural sector (millions of Lempiras).	1,764.00	6,500.00	7,000.00	7,500.00	7,500.00	7,500.00	SAG
Total amount of credit disbursed to the agri-food sector (Millions of Lempiras)	1,148.41	1,453.10	1,699.93	1,988.67	2,326.47	2,721.64	SAG
Total amount of credit disbursed for the housing sector (Millions of Lempiras)	3,760.82	4,758.64	5,566.93	6,512.52	7,618.73	8,912.83	SAG

Source: own elaboration

10.1.6. Housing, water and sanitation, and energy4

Table 55 Indicators, targets and those responsible for the Housing, Water and Sanitation, and Energy Sector

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Quantitative housing deficit	161,475	113,886	113,772	113,658	113,544	113,430	BANHPROVI
Qualitative housing deficit	1,571,692	1,108,490	1,107,381	1,106,273	1,105,166	1,104,060	BANHPROVI
Percentage of housing with access to energy	88.2	100	100	100	100	100	ENEE

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Electricity ge index	86.2	93	95	100	100	100	ENEE
Electricity generation renewability index	52.30%	70%	74%	80%	79%	78%	ENEE

Source: own elaboration

10.1.7. Sports and recreation

Table 56 Indicators, goals and those responsible for the Sports and Recreation Sector

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Number of sports and recreational spaces reconstructed and improved	32	80	95	105	113	115	CONDEPOR
Number of sports and recreational spaces built	43	116	146	174	209	239	CONDEPOR
Number of sports scholarships	0	440	880	1320	1980	2970	CONDEPOR

Source: own elaboration

10.1.8. Culture and heritage

Table 57 Indicators, goals and those responsible for the Culture and Heritage Sector

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
The Network of Cultural Centers in the municipalities of Honduras has been expanded.	50	60	70	80	90	100	Unit of Houses of Culture
The public library network has been expanded	93	133	153	173	193	213	General Directorate of Books and Documents

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
The number of Hondurans benefiting from the enjoyment of art and culture has increased with cultural and artistic training programs and projects developed and differentiated by age, gender, and social status.	216,009	960,293	997,282	1,259,046	1,589,516	2,006,728	SECAPPH implementing units: Directorate of Artistic Training and Education, Directorate of Arts, Cultures, and Heritage, and Directorate of Books and Documents.
The Observatory of Cultures was created	100%	100%	100%	100%	100%	100%	Unit of Houses of Culture

Source: own elaboration

10.2. Pillar 3 of the ERP: Programs focused on serving the population living in poverty and vulnerable groups

10.2.1. Solidarity Network and PROASOL

Table 58 Indicators, goals and those responsible for Red Solidaria and PROASOL

Indicators	Baseline	Goals			Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2046	
Savings and credit institutions in urban and rural areas with local development capacity in extremely poor communities	3,600	3,600	3,600	3,600	Solidarity Network
Credits granted by rural banks (millions)	20	20	20	20	Solidarity Network
Number of people self-employed directly through Rural Banks	36000	36000	36000	36000	Solidarity Network
Community Councils or solidarity roundtables in villages focused on extreme poverty and poverty	-	-	-	-	Solidarity Network
Number of families living in poverty and extreme poverty that receive conditional transfers	217,254	217,254	217,254	217,254	Solidarity Network
Number of families living in poverty and extreme poverty that receive monetary transfers	65,586	65,586	65,586	65,586	PROASOL
Number of families in vulnerable conditions that receive social or humanitarian aid	111,000	111,000	111,000	111,000	PROASOL
Number of people in vulnerable conditions who receive training and support for technical, productive, social and entrepreneurial skills	3,698	3,698	3,698	3,698	PROASOL
Number of children in vulnerable situations at the pre-primary, basic and secondary levels who benefited from non-monetary aid	64,810	64,810	64,810	64,810	PROASOL

Indicators	Baseline	Goals			Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2046	
Number of students belonging to vulnerable groups benefiting from scholarships for the three levels	33,198	33,198	33,198	33,198	PROASOL
Number of children at pre-primary and basic levels served with school meals, nationwide	1,329,522	1,329,522	1,329,522	1,329,522	PROASOL

10.3. Transverse axes

10.3.1. Gender

Table 59. Indicators, goals and those responsible for the Gender Axis

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
Gender Reversal Index	4.8%	6.8%	8.8%	10.8%	12.8%	14.8%	
Number of institutions that mainstream the gender approach in public management	36	110	110	110	110	110	1. Public Policy Unit, SEMUJER 2. Education Unit, SEMUJER 3. Health Unit, SEMUJER 4. Economic Unit, SEMUJER 5. Social and Political Participation Unit, SEMUJER 6. Violence Prevention Unit, SEMUJER
Percentage of women in elected positions	19.6%	25.2%	30.7%	30.7%	30.7%	30.72%	National Electoral Council (CNE)
Percentage of women in deputy positions	32.4%	43.1%	53.7%	53.7%	53.7%	53.7%	SEMUJER
Percentage of women in mayoral positions	6.8%	7.3%	7.7%	8.2%	8.2%	8.8%	SEMUJER
Number of domestic violence cases resolved by courts nationwide	15,111	21,417	25,621	29,825	34,029	38,233	Supreme Court of Justice
Gender Inequality Gap Index	0.7260	0.789	0.831	0.873	0.915	0.957	SEMUJER

10.3.2. Climate Change

Table 60 Indicators, goals and those responsible for the Climate Change Axis SEQ

Indicators	Baseline	Goals					Area(s) responsible for implementing actions to achieve the indicator
	2024	2030	2034	2038	2042	2046	
New forest areas incorporated into restoration processes (hectares)	192,828	210,000	140,000	140,000	140,000	140,000	SAG
Current, updated and/or approved forest management plans in community forestry areas for the comprehensive use of forest resources	37	49	57	65	73	81	SAG
Assisted community forest management contracts	60	65	69	73	77	81	SAG
Productive forest area under forest management plan	1,366,565	1,390,565	1,406,565	1,422,565	1,438,565	1,454,565	SAG
Number of declared micro-basins	1,334	3,850	4,000	4,150	4,250	0	SAG
Percentage of forest cover	55.44%	53.72%	52.58%	51.44%	50.30%	49.16%	SAG
Percentage of marine areas under conservation and protection regime	6.96	11.6	12.1	15	16	18.5	SAG

11. Risk matrix

The risk matrix presented below aims to identify the main challenges that could affect the implementation and achievements of the ERP. For better organization, risks have been classified into four main categories: **financial** , related to insufficient resources and inaccuracies in macroeconomic assumptions; **technical or management** , which include operational problems such as limited inter-institutional coordination; lack of installed capacity for the operation of programs and projects, as well as for carrying out adequate monitoring, in addition to poor management of funds; **political and social** , associated with the loss of political support and low citizen participation; and **contextual or external** , which include factors beyond the direct control of the actors involved in the execution of the Strategy, such as natural disasters, security crises and pandemics. In Table 1, each risk is evaluated in terms of its probability of occurrence (high, medium or low) and its impact (high, medium or low), in addition to specific measures for its mitigation and the actors responsible for their implementation. This tool will allow for prioritizing strategic actions and strengthening the government's response capacity to potential threats.

Table 61. ERP Risk Matrix

Risks	Type of risk	Probability (high/medium/low)	Impact (high/medium/low)	Risk mitigation measures	Responsible actors
Lack of resources through external financing to make productive investments for programs and projects.	Financial risk	Average	High	Have a broad portfolio of both multilateral and bilateral organizations that provide resources for the country and that are disbursed according to the implementation schedule. Have fungibility figures for resources to issue Sustainable Sovereign Bonds in international markets.	SEFIN (General Directorate of Public Credit (DGCP) and the DPMF)
Risks in macroeconomic assumptions	Financial risk	Low	Average	Act precisely through economic policy measures to counteract fluctuations in expected estimates.	SEFIN-BCH
Low inter-institutional coordination	Technical or management risk	Medium	High	Establish coordination guidelines for the ERP that, among others, include specific coordination mechanisms (working groups; inter-institutional committees; joint action plans; agreements). Create inter-institutional agreements or memoranda of understanding that	SEDESOL

Risks	Type of risk	Probability (high/medium/low)	Impact (high/medium/low)	Risk mitigation measures	Responsible actors
				clearly define the roles, responsibilities, and commitments of each institution.	
Low execution of programs and projects due to the country's lack of installed capacity to develop the estimated programs and projects and the lack of executing units with qualified personnel to manage the execution of programs and projects.	Technical or management risk	Average	High	Have a bank of projects that already have designs and are ready for incorporation and have a priority rating. That the implementing units manage programs and projects in a timely manner and monitor their progress. SEFIN created a new unit within the DGCP to monitor the implementation of institutional programs and projects.	Social Cabinet
Lack or inconsistencies of information for Monitoring and Evaluation of the Strategy	Technical or management risk	Medium	Medium	Create Monitoring and Evaluation guidelines that establish concrete actions, responsibilities, timelines, and resources.	Results-Based Management Directorate (DIGER)
Poor fund management	Technical or management risk	Medium	High	Strengthen internal controls (independent audits) and transparency and accountability mechanisms.	SEFIN SEDESOL
Lack of gender focus in implementation	Technical or management risk	Medium	Medium	Train officials in gender perspectives, establish equality goals and indicators, and include a gender perspective in monitoring and evaluation.	SEDESOL SEMAN
Loss of political support for the Strategy over the years, attributed to the low acceptance of the ERP by citizens or to political instability and changes of government	Political and social risk	Medium	High	Design effective communication campaigns that clearly explain the benefits of the strategy to citizens Engage community leaders, civil society organizations, and the media to broaden the reach of the message and foster social support. Share these results with citizens and political stakeholders, highlighting	Social Cabinet (SEDESOL)

Risks	Type of risk	Probability (high/medium/low)	Impact (high/medium/low)	Risk mitigation measures	Responsible actors
				tangible achievements that demonstrate the value of the strategy. Develop a transition plan that facilitates the continuity of the strategy in scenarios of political change.	
Low citizen participation	Political and social risk	Medium	High	Disseminate information campaigns, involve NGOs and community leaders	SEDESOL
The occurrence of negative exogenous events that undermine the capacity of the relevant authorities to implement commitments (e.g., security crisis, pandemic, etc.).	Contextual or external risk	Medium	High	Create multisectoral contingency plans; strengthen information and early warning systems; and train officials in crisis management.	Social Cabinet
Natural disasters linked to climate change (such as hurricanes, tropical storms, floods, droughts)	Contextual or external risk	Medium	High	Have an early warning system. Convene the inter-institutional committee on natural disasters. The executive branch declares a national emergency and instructs SEFIN to find resources within the current budget to address the emergency. Have natural disaster insurance.	SEFIN - Secretariat of the Permanent Contingency Commission (COPECO) and delegated institutions

12. General Framework for Monitoring and Evaluation of the ERP

A monitoring and evaluation framework for the PRS is essential to ensure its effectiveness and sustainability over time. This framework will allow progress toward the stated objectives to be measured and analyzed, identify areas for improvement, and adjust interventions according to the emerging needs of the population. By providing data-based evidence, the framework will support informed decision-making in government, optimize the use of resources, and help ensure that policies and programs generate a real and positive impact on the quality of life of the most vulnerable people.

Based on the above, this section details the arrangements established for the monitoring and evaluation of the Strategy, highlighting the mechanisms and areas responsible for generating information. The PRS monitoring and evaluation plan is based on the policies, mechanisms, and tools developed by the Honduran government to monitor the achievement of national objectives and targets. In particular, it emphasizes the progress made by the current administration in consolidating a monitoring and evaluation system. However, it also recognizes the existing areas of opportunity to move toward a single, fully integrated framework that strengthens the monitoring and evaluation of public policies.

12.1. Structure for monitoring and evaluation

The Honduran government has adopted a Results-Based Management Model (RBM) to improve the efficiency and effectiveness of public administration [143]. The RBM proposes a shift from the traditional approach to managing public institutions, focusing efforts on achieving results and impacts for people, especially the disadvantaged, and society as a whole. In this way, the Model promotes actions to ensure that public institutions are not simply organizations that produce goods and services, but rather generate high public value.

One of the five fundamental components of the Model is monitoring and evaluation, which aims to continuously monitor and evaluate the performance of policies and programs [144]. The monitoring and evaluation actions of the 2022-2046 PRS are based on this framework of the MGR.

In the context of the ERP, the institutional provisions derived from the MGR in this area involve a set of institutions responsible for coordinating, supervising, and guiding the monitoring and evaluation of policies and programs.

At the central level, monitoring and evaluation functions fall to both the DIGER (General Directorate of Public Administrations), which is responsible for implementing the MGR (Ministry of Public Administrations), and the SPE (Special Public Service). The DIGER is a decentralized entity of the Presidency of the Republic with administrative, technical, financial, and budgetary independence. Its objectives, within the framework of the ERP (Regulatory System for Public Management by Results and Transparency) are: (i) to guide results-based management through the Public Management by Results

[143] Information obtained from: https://www.diger.gob.hn/acerca-de-diger

[144] The remaining components are: Strategic Planning: Defining clear and measurable objectives aligned with national priorities; Organizational Modernization: Updating institutional structures and processes for more effective management; Results-Based Budgeting: Allocating financial resources based on the achievement of specific goals; and Transparency and Accountability: Ensuring that government actions are transparent and accountable to the public.

and Transparency System (SIGPRET) [145]to generate public value and ensure accountability; (ii) to evaluate the results of the Strategy; (iii) to implement feedback processes for information resulting from the evaluation process; and (iv) to evaluate compliance with the Strategy's transparency goals.

For its part, the SPE plays a fundamental role in the monitoring and evaluation of government programs, ensuring the effectiveness, transparency, and sustainability of public policies. As the lead agency for strategic planning, its role consists of designing, implementing, and overseeing the monitoring and evaluation framework, using tools such as indicator matrices, annual monitoring reports, and midterm and final evaluations. Furthermore, the Secretariat acts as a key link between different government institutions, promoting coordination and alignment with national strategic objectives, as well as with international commitments such as the SDGs.

At the sectoral level, the special monitoring and evaluation units of the State Secretariats involved in implementing the Strategy will play an active role and coordinate with DIGER to ensure the smooth implementation of all stages of the monitoring and evaluation process.

Furthermore, monitoring and evaluation activities should include the participation of other government institutions with central monitoring and evaluation functions, such as SEDESOL, which has responsibilities in this area and serves as the Strategy's governing body [146]. At the same time, civil society organizations and academia will be invited to discuss the results achieved in the Strategy's implementation.
Other agencies, such as the National Institute of Statistics and Census (INE), will also be involved. The INE will provide data for the construction of indicators through its census and survey program. The INE will also implement a planned calendar of surveys and censuses to meet the data and information needs of the ERP. It will also provide capacity-building support to sectors and territories to strengthen administrative data systems.

[145]The SIGPRET is based on a Results Consistency Matrix (RCM) to conduct periodic assessments of physical, financial, and transparency measures at the institutional level. It is a key tool in public management in Honduras, aimed at improving efficiency, transparency, and accountability in public administration, contributing to the country's comprehensive development.

[146]SEDESOL has the Single System for the Evaluation of Social Public Policies (SUEPPS), a tool developed by the Government of the Republic of Honduras to ensure relevant and timely information on the results of programs and projects derived from social public policies. Through SUEPPS, monitoring will be conducted based on annual program plans, which will allow verification of the implementation of planned activities, their achievements, outputs, and the use of budgeted resources. It also has the Comprehensive Social Monitoring and Analysis System (SIMAS), an interactive multimedia platform that centralizes social and economic data from various data collection tools administered by the Social Development Observatory. Among other tools, this tool facilitates the analysis and evaluation of programs designed to combat poverty and promote social development in Honduras.

12.2. Monitoring and Evaluation Plan

In general, monitoring and evaluation will involve generating and managing information on the progress of physical and financial indicators, as well as the impact of PRS programs and projects and aspects related to the quality of their operation, including an analysis of their sustainability and lessons learned.

The aspects contained in the ERP monitoring and evaluation plan are detailed below.

12.2.1. Monitoring

Monitoring of the Strategy, during the period 2022-2046, will be based on the following tools and actions:

Indicator matrix: Each of the general and specific objectives of pillars 2 and 3 of the PRS has a set of indicators with targets for the 2022-2046 period, with biannual values. These indicators are linked to the lines of action described in these pillars. Considering the medium-term horizon of the PRS, the target benchmarks will be reviewed throughout the Strategy's implementation period. Therefore, it will be necessary to conduct an ongoing analysis of national and international long-term development scenarios and projections, as well as to monitor projected trends and vulnerabilities, all of which will be taken into account in the Strategy's planning. The Secretariat for Strategic Planning will be responsible for collecting the indicator data, with the support of SEDESOL, as the PRS's governing body, through the Programmatic Monitoring Directorate.

Annual Monitoring Report : An annual report will be prepared on the progress of the PRS. This report will be analytical and serve as a reference document for planning the next development cycle and, respectively, the medium-term budget framework. The annual reports will include an analysis of the progress of the indicators. The structure of the annual reports will reflect the progress of the Strategy. DIGER, with support from SEDESOL, will be responsible for developing the annual reports.

To ensure adequate monitoring, the national statistical system, including the INE and other producers of official statistics and holders of administrative data, will guarantee the collection of disaggregated data according to the aforementioned criteria.

It should be noted that the ERP contemplates a review of its objectives and goals every four years to ensure they remain relevant and aligned with the national reality. Additionally, a review may be conducted to determine whether previously established goals and objectives remain valid or, given the circumstances of the country or its environment, require updating. This process will allow for the necessary adjustments based on the emerging needs of the population and the country's social, economic, and territorial context.

12.2.2. Assessment

The Strategy evaluation plan, for the period 2022-2046, will have the following components:

Midterm evaluations : Evaluation reports will be prepared by the various government administrations responsible for implementing the PRS. The following years will be proposed for evaluation: 2028, 2032, 2036, 2040, and 2044. The evaluations will analyze the impact of the action lines on the poverty targets and the progress made toward achieving the results by sector. This will allow for adjustments, if necessary, to the proposed targets based on the progress made. This evaluation will reflect the adequacy (relevance and effectiveness) of the general and sectoral strategies developed to achieve these results. At the national level, DIGER will be responsible for developing the midterm evaluations of the PRS.

At the sectoral level, the State Secretariats participating in the Strategy, with the support of DIGER, will be able to prepare annual evaluation plans for their policies, programs, and projects linked to the Strategy. Special priority should be given to the evaluation of large investment projects, focusing on their results and reviewing operational aspects that allow for improving their efficiency and effectiveness. Sectoral evaluation plans must have a territorial and gender focus, and consider Indigenous and Afro-Honduran peoples. The execution of all sectoral evaluations will be managed by the State Secretariats themselves, with technical support and feedback from DIGER.

Final Evaluation : In 2046, upon completion of the PRS implementation, a final report will be prepared on its results and its impact on the poverty and sectoral targets. The report, in addition to highlighting the main findings in the Strategy's implementation, must include a sustainability analysis and lessons learned at the technical, administrative-financial, and operational levels. DIGER will be responsible for developing the final PRS evaluation.

All monitoring and evaluation reports will be disseminated through official media. These reports must be linked to the voluntary reporting of the 2030 Global Agenda for Sustainable Development. These reports will be submitted to the highest-level decision-making bodies.

12.3. Capacity building in monitoring and evaluation

In recent years, the Honduran government has made significant progress in building a monitoring and evaluation system. Regarding data generation, the government has strengthened its data ecosystem with resources such as the Permanent Multiple Purpose Household Surveys (EPHPM) – INE; the Administrative Registries of the Solidarity Network in its six areas of intervention; the Programmatic Monitoring System (SIMOP) of SEDESOL, which focuses on key thematic areas such as health, education, housing and urban development, food and nutrition, protection of rights, social inclusion, among others; and, soon, the Population and Housing Census and the National Household Income and Expenditure Survey (ENIGH).

However, the need to continue strengthening the monitoring and evaluation system is recognized so that it is solid, robust, and integrated with state management processes. In general terms, monitoring activities have been more developed compared to evaluation activities. One of the main historical challenges lies in the limited awareness of the importance of evaluation, its purpose in promoting public accountability, and its fundamental role in learning processes to improve the results of public policies.

Furthermore, deficiencies persist in the skills and capacities needed to conduct quality evaluations and effectively use their results in decision-making. Faced with these challenges, the current administration has implemented various actions to address them: guidelines and training programs have been developed to raise awareness about the relevance of evaluation and its approaches, while progress has been made to establish a legal framework to support the assessment of public policies. Since 2022, concrete progress has also been made in the conduct of evaluations, marking an important step toward consolidating a comprehensive monitoring and evaluation system.

During the 2022-2046 PRS implementation period, it will be essential to promote additional actions to consolidate and strengthen the country's monitoring and evaluation system. These actions should focus on:

- Design a unified institutional framework for monitoring and evaluation in Honduras, which serves as the harmonizing axis for all government actions in this area and promotes the generation and use of reliable, objective, and evidence-based information.
- Establish specific monitoring and evaluation guidelines for the ERP that coordinate actions in this area among the different entities, define their responsibilities and functions, and detail a clear work schedule.
- Continue strengthening capacities in monitoring, data collection, analysis, information dissemination, report writing, and evaluation at the national, sectoral, and subnational levels to ensure the effective implementation of the Monitoring and Evaluation Plans.
- Strengthen the skills and capacities of state institutions and ministries in the systematic and ongoing use of various evaluation methodologies (design, operational, impact), along with PETS (National Evaluation System) to track the ultimate benefits generated by investments.
- Create inter-institutional agreements with the INE to propose the inclusion of relevant questions in the EPHPM questionnaire/report to complement the poverty analysis, as well as additional information on household income and expenditures.
- Use up-to-date and accurate data: It is essential that social programs be based on up-to-date and accurate information on the conditions of poverty and vulnerability in the country. To achieve this, it is necessary to complete and optimally use the Single Social Sector Information System and the Population and Housing Census, ensuring their effective integration into the beneficiary identification processes. This census should be used as a central tool for the design and implementation of social policies, both in urban and rural areas, with the aim of ensuring adequate targeting of resources to the neediest households and guaranteeing efficiency and equity in the distribution of aid. The implementation of and This approach based on robust data will allow for a more accurate and transparent allocation of resources, optimizing the impact of programs on reducing poverty and inequality.
- Implement more precise targeting models for social programs, which involves eliminating bottlenecks to ensure that resources reach beneficiaries in a timely manner, improving coverage and precision in the allocation of funds. This will allow for more efficient access to vulnerable groups. To this end, targeting models based on the analysis of socioeconomic data and the specific needs of vulnerable populations will be developed and applied. Targeting models should consider not only traditional poverty indicators but also additional factors such as disability, gender, age, and employment status. This integration of variables will allow for more precise identification of the most vulnerable groups, ensuring that resources are allocated equitably to those truly in need.
- Implement ongoing monitoring and evaluation mechanisms to rigorously track the evolution of poverty in the country, adjusting targeting criteria according to the changing

realities and needs of households. This system will allow for the evaluation of the impact of social programs, identify potential deviations, duplications, or errors in the allocation of benefits, and ensure transparency in the distribution of resources.

These actions, in addition to contributing to the ERP, will also support the strengthening of the country's monitoring and evaluation system, capable of responding to current and future challenges.

12.3.1. Information systems

For the operation of the ERP, the country has developed and optimized various information systems that allow for the collection, analysis, and monitoring of key data on social programs, beneficiaries, and vulnerable groups. These systems facilitate evidence-based decision-making, ensuring better planning, evaluation, and inter-institutional coordination. Through tools such as the SEDESOL Listening Line 136, the Management Planning and Evaluation System (SIUPEG), the Honduran Beneficiary Information and Registry System (SIRBHO), and the Institutional Program Offer Registry (ROPI), among others, the aim is to optimize public investment and improve the impact of social protection policies. Furthermore, the Gender Management System for Social Development (SIGEDES) and the Information System for the Registry of Assistance to Returned Migrants (SIAMIR) prioritize the inclusion and differentiated attention of groups with specific needs. The implementation of these systems will allow for more efficient management of resources and detailed monitoring of actions that contribute to the country's social well-being and sustainable development.

Table 62 ERP information Systems

System	Function	Responsible area
Line 136 SEDESOL Listens	It is the system of attention to the citizens of the country, in which they can present complaints, reports and requests for information on social protection programs and projects, communicating with the executing institution and providing a solution to the citizen's request, by calling the free line 136 and through the portal www.sedesol.gob.hn	SEDESOL
Management Planning and Evaluation System (SIUPEG)[147]	The Management Planning and Evaluation System (SIUPEG) is a platform that allows for the registration, monitoring, and evaluation of programs, projects, products, and indicators, generating timely, real-time reports to the Highest Institutional Authority (MAI), which contribute to timely decision-making for the continuous improvement of the Institution's programs, projects, processes, and procedures.	UPEG-SEDESOL
Gender Management System for Social Development (SIGEDES)	The Gender Management System for Social Development (SIGEDES) is currently being updated. Its objective is to analyze and highlight the achievement of specific goals and objectives related to gender equality, measure investment disaggregated by gender, and demonstrate the scope of SEDESOL's actions and the future of the social sector. [148]This portal also includes an educational section where workshops and courses with a	GENDER-SEDESOL

[147]The SIUPEG System is at a 98% implementation phase.

[148] Institutional support is essential, as the platform is multi-user and requires manual uploading of information periodically.

System	Function	Responsible area
	gender focus can be posted. Training processes required on topics related to the gender perspective can be included.	
Honduras Beneficiary Information and Registry System (SIRBHO)	This system allows for the collection of data on the vulnerable population to be served in targeted villages or areas affected by an emergency. This is achieved through the collection of the FSU (Fulfillment of Unemployment and Development) using two methods: the household survey and self-registration, when its use is approved in certain areas of the country.	SEDESOL/ INTERDATA/ODS
Registry of Institutional and Social Organizations Programmatic Offers (ROPI)	The ROPI guarantees inter-institutional coordination among the State Secretariats, with the goal of optimizing public investment by identifying, mapping, and continuously updating information on programs and projects at the national level, focused on the target population of the Social Protection Policy, ensuring adequate programmatic and operational monitoring.	SEDESOL/ODS
Information System for the Registry of Assistance to Returned Migrants (SIAMIR)	SIAMIR seeks to optimize the processing of administrative data on the returned migrant population in order to improve the analysis and characterization of vulnerable populations, facilitating the recognition of their sociodemographic, employment, residential, health, educational, and other relevant profiles. This, in turn, will promote interoperability processes between the institutions responsible for implementing social protection actions and programs aimed at this population group.	SEDESOL/ODS
Single Social Sector Information System (SUISS)	The SUISS emerges as a technological solution designed to integrate and manage data related to the programs, beneficiaries and resources of the social sector in Honduras. Therefore, it records programs and interventions throughout the country, improving transparency and decision-making. This system has significant technical potential to consolidate itself as a centralized interoperability platform, capable of serving as a single point of access to social programs. This approach would optimize not only the internal management of programs, but also the experience of citizens accessing them.	SEDESOL/ODS
Programmatic Offer Monitoring System (SIMOP).	SIMOP allows for the registration of the entire institutional program offering in the social sector. It facilitates the monitoring of programs in key areas such as health, education, housing, and social protection. It allows for the graphic mapping of institutional interventions, providing precise information on which entity executes each project.	SEDESOL

Source: own elaboration

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