



HONDURAN PRIVATE ENTERPRISE COUNCIL

**NATIONAL
STRATEGY
FOR SUSTAINABLE
ENTERPRISES
IN HONDURAS**

A proposal for society

Strategy for Sustainable Enterprises in Honduras
National Enterprise Meeting
ENAE IX NATIONAL ENTERPRISE MEETING

PREFACE

The Honduran Private Enterprise Council (COHEP) with the generous technical and financial contribution of the Bureau for Employers' Activities for ACT-EMP Employers and the Enterprises Department of the International Labour Organisation (ILO), has made an effort of more than three years diagnosing, analyzing and developing proposals, with the aim of establishing the conditions that a thriving enterprise sector requires in order to better contribute to the economic development of the country.

For this, a very complete analysis on the situation of the enterprise associations was developed: their strengths, weaknesses and their areas of opportunity to impact on the development of their united enterprises; an Enterprise Survey throughout the country and an Enterprise Context Assessment were executed based on documentary information generated on a national level by different secondary sources, such as those that gather and Analyse the different international organisations. These tasks have allowed the deep analysis of the conditions in which the productive commercial activities are executed in Honduras, as well as long-term sustainability of enterprises.

Based on these works, a National Strategy for Sustainable Enterprises in Honduras has been designed, with an Action Plan leading to the improvement of the Business Climate. Its main elements are submitted in the different sections of this document, ordered according to the seventeen (17) Pillars of Sustainable Enterprises defined by the ILO, and that constitute a proposal of interventions to be made, both from the public sector as well as from the enterprise sector itself, in order to carry out the most urgent reforms in the context of the Honduran enterprises, the expected impact of which should result in greater possibilities of growth, productivity, stability and sustainability.

The reforms proposed constitute specific activities that are not limited to exclusively outlining a vision of the state to which one aspires for the business environment, but that also encourage real changes in the factors that limit the productivity and competitiveness of the Honduran enterprises, seeking to eliminate the obstacles that hinder their growth; they establish promotion programmes and business services that do not signify transfers of state financial resources, always scarce in small economies with high levels of poverty, and they encourage a significant improvement in labour training as a means for elevating productivity and the workers' income.

I remind you that: "The word enterprise is full of noble meanings. Enterprise is to undertake; to create something new where there was nothing before. It is also to persist. Enterprise is risking, insisting, persevering in an effort and even assuming the possibility that this may fail. Enterprise is also team, collective work, a way of fulfilment in the community. Enterprise is movement and dynamics. It is change in itself and permanent adaptation to the phenomena of social changes. It is to employ, offer work and train good professionals and offer everyone more and better life quality." Therefore, only free enterprise, as a system, offers the opportunity to achieve the best levels of prosperity.

Finally, I present this Strategy to the consideration of the Government of the Republic, the National Congress, the Presidential Candidates who will participate in the electoral process, but particularly and with greater emphasis to the productive business sector of the country as the commitment we assume today and which we hope all of the mentioned actors share. Enterprise welfare is as important as family welfare, the former being the material condition for the other; fulfilling it means promoting investment, even productive development, the prosperity of the enterprises, the generation of exports and employment, as key factors for improving the living conditions of the Honduran population in general, as well as the sustained development of Honduras.

Tegucigalpa M.D.C. October 2nd of 2013
ALINE FLORES
President

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Executive Summary

Business development, understood as the increase of the number of enterprises, improvement in the sustainability of the existing enterprises and the formalization of operations of thousands of enterprises that operate without incorporating into the fiscal systems and the labour legislation, is a necessary condition to encourage the economic growth of Honduras. A dynamic business sector contributes to the internal demand, to the generation of decent employment and to elevate the general income level in the economy. To trigger a strengthening process of the Honduran business sector, it is necessary to introduce qualitative and quantitative improvements into the business environment, improving the institutions that support the productive activities and the public policies that govern their operation, facilitating the opening of enterprises, facilitating transactions and reducing their cost and also simplifying the procedures that must be carried out to contract, associate, acquire assets and inputs, services and raise sales.

With the purpose of establishing the conditions required by a healthy business sector that contributes better to the economic development of the country, the Honduran Private Enterprise Council (COHEP), with the generous contribution and technical support of the Enterprises Department and the Bureau for Employers' Activities of the International Labour Organisation (ILO), has carried out during 2012/2013 a Survey of Enterprises throughout the country and an Assessment of the Business Context, which have allowed a deep analysis of the conditions in which the productive and trade activities are executed. Based on these works, a Strategy for the development of sustainable enterprises has been designed, the main elements of which are submitted in the sections of this document and which constitute a concrete proposal of interventions to be performed both from the public sector as well as from the business sector itself, in order to carry out the most urgent reforms in the context of the Honduran enterprises, the expected impact of which will result in greater possibilities of growth, stability and sustainability.

In the first part of the document, an introductory section is submitted, which includes a justification for the proposal, a description of the methodology used in the preparation of the action plan, its objectives and the strategic principles that govern the interventions included in the measures for reform. The second part includes the detail of the measures proposed, divided by thematic areas and ordered by execution term and priority, to which has been associated the geographic area of the country where their adoption would have the greater incidence, given the state of the conditions of competitiveness in the different regions of Honduras, as well as the description of the expected result and a set of indicators, which has the purpose of facilitating the monitoring of the execution of the interventions and measuring their results. In the third section, a logical schedule of the measures is presented, according to the timeframe and order in which one would expect the reforms would be executed and a proposal for the execution mechanism, where one would expect that both the public sector as well as the business sector, would participate jointly.

The reforms that are proposed constitute specific activities that are not only limited to outlining a vision of the state to which one aspires for the business environment, but that also encourage real changes in the factors that limit productivity and competitiveness of the Honduran enterprises, eliminate obstacles that hinder their growth, establish promotion programmes and business services that do not signify transfer of government financial resources, always scarce in small economies with high levels of poverty, and encourage a significant improvement in labour training as a means for raising the social risk situation. As well, the strategy considers the disparity in the conditions of the enterprises located in the rural area, in comparison with those that operate in the larger cities; the differences that arise in the different sectors of economic activity in which they participate and especially, the condition of informality, which in any case constitutes the greater limitation for businessmen to access quality services, to achieve a sustainable level of sales and a diversification of income that allows them to survive in adverse conditions.

Priority Interventions and Topics for Urgent Attention

Among the measures proposed to create a propitious context for sustainable enterprise development, there are certain areas of reform that due to their critical importance derive into topics for urgent attention:

- Regulatory aspects: Approval of a law for establishing the electronic signature; Elimination of minimum capital and the creation of a simplified process to create an enterprise, without the intervention of a notary.
- Access to credit: Reform and recapitalization of public banking, creation of leasing and billing as financial services.
- Property rights: Transfer of the Registries to centres associated with the Property Institute.
- Trade and Integration: Operation of an electronic teller, with access through Internet in public-private alliance for all procedures relating to foreign trade.
- to labour income.
- The strategy emphasized the creation of opportunities for micro, small and medium size enterprises, as well as for minorities and population segments in...
- Entrepreneurship: Establish a National Programme of Enterprise Acceleration and Incubation, including the support for entrepreneurship of young people and gazelles.
- Social dialogue: Strengthening of the Economic and Social Council.
- Macroeconomic Context: Issuance of an incentives law for the formalization of enterprises and the modernization of the monetary and exchange policy management.
- Regional dimension: Uniform municipal procedures and costs of operation permits, environmental licenses and construction permits.

This minimum set of reforms, the execution of which is indispensable and of high priority, would represent in itself an important qualitative leap in the operational context of Honduran enterprises, facilitating the introduction of improvements in productivity and competitiveness and improving the conditions for the creation of enterprises.

An ad hoc execution mechanism for these priority measures, integrated in a public-private manner, is necessary so that at the same time it provides the necessary agility and competences, it ensures the permanency of its objectives over time, facilitates the assessment of its results and the formulation of the changes deemed necessary.

Introduction

The Honduran Private Enterprise Council (COHEP), in the framework of a collaboration programme with ILO, has made an extensive effort of information gathering on the current situation of the national business community, the conditions in which enterprises operate taking into account their geographic location within the Honduran territory, the sector of economic activity where they perform, their operation aspect such as formal or informal enterprises, their size and time in operation and the factors that affect their competitiveness, survival possibilities and growth and the sustainability of their operations. As well, a deep analysis was performed of the 17 factors that according to the ILO methodology are determinant for the quality of the business climate in the country, with the purpose of identifying the key barriers that hinder the creation and development of enterprises.¹

Based on the effort described in the previous paragraph, a work team integrated by members of the member organisations, the ILO, COHEP and external consultants, formulated a pragmatic proposal for a Strategy with the reforms necessary to improve the business climate and take advantage of the great potential and comparative advantages that Honduras has for the development of enterprises, conform a favourable environment for the creation of decent employment and contribute to the country's economic growth and the improvement of the living conditions of the Honduran people. The approach of this Strategy of Reform is practical and focused on actions. The analytical aspects are included in separate supporting documents.

The Strategy is presented in the following sections of this document. It has been approved by the Board of Directors of COHEP and the Assembly of Presidents of the Member Organisations. It constitutes the vision of the enterprise sector of its contribution to the development of Honduras, persuaded that the aspirations for economic and social improvement will only be achieved through the increase of the participation of the private sector and especially of the entrepreneurs, in the economic activity and that this participation must be rooted in a series of common principles and objectives and be directed depending on the particular conditions of the enterprises, conformed attending to the needs dictated by their geographic location, their size and the sector of activity where they develop.

The proposal is based on the main findings of the Survey and the Diagnosis, in the sense that both documents characterized and sized the problems, demonstrating that they cannot be resolved through the route of the exclusive action of the public sector, the resources of which will never be sufficient, and that it is necessary that public action is supplemented with the fruit of the effort of the enterprises. The proposal is also based on the belief that the creation of a favourable environment for entrepreneurship and the generation of decent jobs and incomes in a sustainable manner, is an effort that requires the close cooperation between the Government, Private Enterprise and the Workers, united to improve the competitiveness and productivity of the country in an environment that is friendly towards investment, business associability, innovation and the creation of dynamic comparative advantages. The proposal emphasizes the need of strengthening the business context for all the enterprises but above all for the micro, small and medium size enterprises, as well as endowing entrepreneurs with a series of business services that facilitate the creation of enterprises and their development.

Finally, the survey also showed the need of transferring the initiative of development to the local level in order to increase the participation of citizens, improve transparency in the assignment of resources and the execution of projects and provide the entrepreneurship process with the possibility of building their foundations on the local conditions, potentialities and advantages found near the context of the enterprise. Depending on these findings, the strategy promotes the decentralization of some of the most relevant public functions for enterprise development, as a complement for the other reforms that interweave the problems and solutions.

¹ The documents that include the information and the diagnosis referred to are part of this strategic proposal and are identified as "Assessment of the Business Context, Honduras 2013," and "Results of the Honduran Enterprises Survey."

The COHEP presents this set of documents to the Honduran society, the authorities and the political and social organisations, with the purpose of disclosing opinions, discussing and achieving agreements that guide the joint action of all the actors and that finally, lead to the achievement of the objectives proposed and the concretion of our Vision of a prosperous, free and democratic Honduras and of a dynamic, innovating and competitive enterprise sector that contributes leadership, knowledge and resources with ethics and social responsibility.

Methodology for the formulation of the strategy

The diagnosis performed showed the need of executing an extensive programme of reforms that covers practically all the 17 factors identified in the International Labour Conference of the ILO in the year 2007, which are required to improve the business climate in Honduras. The answers of the businessmen to the survey also revealed problems within a large range of topics, from macroeconomic policies up to insecurity and the status of the political institutions and the administration of justice.

Although all the reforms thus detected are necessary and have a degree of priority and urgency, it was considered that the strategy proposal should be centred above all, but not exclusively, on those factors where the private sector can propose and contribute its own policies and concrete actions, supplementing those of the government, with the purpose of building a virtuous synergy, capable of maximizing the probability of achieving the fundamental objectives of the proposal, identified around the competitiveness and productivity of the country as the base for the development of the enterprises. In this context, certain areas where the reforms must originate exclusively from the actions of the State, are not included in the formulation of the strategy, although the results of the analysis are submitted in the annexed document "Assessment of the Business Context, Honduras 2013", with the purpose of contributing with those who formulate the public policies, and who will have the challenge of designing and executing the solutions to this problem. The strategic interventions suggested are included independently of whether the most adequate vehicle or agent of reform is the State or the Private Sector.

In consequence, the process for the preparation of this Strategy covered the following stages:

- a) Identification of the problems associated with the creation and development of enterprises;
- b) Determination of the essential factors for improving the business climate where the action of the private sector may develop to complement State action;
- c) Establishment of the general and specific objectives of the reform proposal;
- d) Selection of the strategic principles that frame the proposal of policies and concrete actions and of the fundamental characteristics of a successful enterprise;
- e) Stratification of the dimensions in which the specific interventions will be executed;
- f) Design of the policies, programmes, projects and activities that develop the conceptual frame of the proposal;
- g) Establishment of an order of priorities, temporality and feasibility for the interventions incorporated in the action plan;
- h) Selection of an execution and follow-up mechanism; and,
- i) Drafting and edition of the proposal for the Action Plan.

The methodological approach of the proposal is consistent with the Law for the Establishment of a Vision for the Country and Nation Plan for Honduras; as well as with the National Strategy of Competitiveness derived from the Nation Plan 2010-2022 and consequently, the geographic dimension is a central aspect of the strategic planning. Beyond that consistency, in the use of these concepts resides the persuasion of the enterprise organisations that only empowering the communities will it be possible to establish in the country the weights and counter-weights that are needed for the democratic system to work effectively, efficiently attending to the problems that the Honduran people suffer daily. Although the proposal is essentially of an economic nature, the consequences of its integral implementation will be contributing significantly to resolving the problems of security, corruption and the absence of quality in the health and education services, all of which prevent businessmen, participating in the survey, from expressing a greater degree of satisfaction with the business climate and democracy.

The interventions included in the proposal are ordered depending on three criteria: geographic region with greater incidence according to the state of competitiveness; timeframe for their execution; and, level of importance for the achievement of the objectives of the proposal. In this sense, those interventions that must be executed in a short term and with a high degree of importance, occupy the first level of priority; those of short term and medium importance, the second, and so on.

Specific execution schedules integrate the actions proposed according to the levels of priority to establish a coherence and logic for actions over time.

The execution mechanism proposed consists in the assignment of a Public-Private Work Group, to implement and follow-up on the actions proposed for the public sector, where officers ascribed to the Secretariats of the Presidency and Planning and from other entities, are incorporated permanently ad hoc, according to the nature of the intervention to be executed. The private counterpart would be designated by the COHEP, in consultation with the enterprise organisations. The work group would be directly supported by an executive unit, as has been described in the respective section.

Strategy for the Development of Sustainable Enterprises in Honduras

The Honduran economy has been suffering a stall in the productivity of factors, which acts repressing the growth of the potential product. The macroeconomic imbalances and the policies executed to deal with them have resulted in conditions that discourage making high quality investments. Together with this, there is a perception of a progressive and continuous deterioration of institutionalism, conditions which together with the population growth and the insufficient governmental capability to extend the coverage of quality public services, have induced a stand-still in the reduction of poverty and inequality that are rapidly worsening the economic and social situation in Honduras. As shown in the “Assessment of the Business Context, Honduras 2013,” and the “Results of the Survey on Enterprises of Honduras”, which are part of this set of documents, it is urgent to formulate and adopt a strategy that attends to the various dimensions of the problems that afflict the country and prevent it from propitiating a more accelerated growth, generating decent employment and providing the citizens with a better life quality.

The formulation of the Strategy for enterprise development that is presented in the following sections, attends to various dimensions; a first dimension is related with the strategic principles on which the proposed interventions are founded, both for the public sector as well as for the private sector with the purpose of improving the business climate for enterprise development; a second dimension, that incorporates the geography of the development of enterprises; and a third dimension, that attends to the differences between enterprises that arise from their relative size and that makes it possible to formulate specific initiatives to ensure an effective participation and access of the different size productive establishments, which operate in different sectors of the economic activity, to the virtuous circle of economic growth and generation of opportunities. All these dimensions are made operable through programmes, projects and specific activities, selected amongst the best international practices depending on the success shown in generating a positive impact on development.

Objectives of the strategy proposed

General

- a) Improve the business climate in Honduras;
- b) Promote the development of sustainable enterprises in Honduras;
- c) Establish specialised promotion programmes for the creation and expansion of enterprises in Honduras;
- d) Promote the formalization of business activities of the Honduran population; and,
- e) Improve the efficiency of the infrastructure, administrative procedures and support services for the operation of enterprises in Honduras.

Specific

- i. Reduce the obstacles that hinder the access to financial services for the micro, small and medium-size enterprises (MiPyMes);
- ii. Increase the quality of the services of technical training and adjust them to the business demand;
- iii. Facilitate the process for opening enterprises, obtaining permits and tax payment in order to reduce the transaction costs;
- iv. Introduce improvements in the legal and regulatory framework to support the operation of enterprises in Honduras;
- v. Improve the capability of formulation and execution of infrastructure projects in order to improve the quality of the support services for enterprises;
- vi. Strengthen the property system and credit guarantees in order to consolidate the institutions that sustain business development,
- vii. Have available statistical information, continuous assessment mechanisms and an institutional base to Analyse the competitiveness trends of the Honduran enterprises; and,
- viii. Build a portfolio of business services, designed to adjust to the needs of the enterprises according to their location, size and sector of economic activity, in order to ensure their survival and sustainability.

Strategic Principles for Supporting Enterprise Development

Productivity and Competitiveness

The approach set forth in this document attends to the need of improvement of two crucial elements for the survival of the enterprise sector: productivity, consisting in the efficient use of productive factors and competitiveness, consisting in the achievement or maintenance of market positions. In that sense, Productivity is determined as a function of the following factors: the education system and the training of human resources; infrastructure and basic equipment (energy, water and sanitation, transport, telecommunications), adequate technologies; business organisation; quality of labour relations; access to credit; and cooperation and business services, whilst Competitiveness depends on more specific factors of the capabilities of the enterprise, such as the differentiation of products, the quality, the design, the availability of market information services, certification and standardization mechanisms, possibility of deliveries on time, and post-sale services. The strategic reforms oriented towards elevating productivity, especially in the agricultural sector, have a very high priority and contribute directly to improving the competitiveness position of the enterprises.

At the same time, the proposal recognizes that there are, within the conceptual framework itself, external factors, with regard to the enterprise, that are crucial for contributing to the possibility that the goals of productivity and competitiveness of society as a whole are successfully achieved, and in this understanding, the treatment of the macroeconomic policy, the trade policy, the defence of property rights, the competition context and the political-social factors, are incorporated as elements of the environment, and the reforms that are recommended in these contexts have the purpose of contributing to a favourable environment for entrepreneurial initiatives and projects, propitiating a business climate that is friendly for economic growth and the generation of decent employment through the creation of enterprises, the strengthening of their sustainability and improvement of their survival, especially for the micro, small and medium size enterprises (MiPyMes).

The improvements in productivity and competitiveness should lead to an acceleration of economic growth in Honduras. However, even in a full employment situation, an important proportion of these jobs is generated in activities where the worker's remuneration is under the poverty level, which in Honduras is measured under US\$2.00 per day. The solution for increasing the workers' income goes through raising labour productivity and the quality of employment, supporting the enterprises in improving the capabilities of their workers so that they can perform more complex tasks, supporting the adoption of innovations in the productive processes and facilitating an efficient approach to the markets. This virtuous process contributes to consolidate and expand the middle class, which at the same time makes the domestic market grow and generates demand for the products and services that generate enterprises, helping them grow in a sustainable manner.

Geography of Entrepreneurship

The data that result from the Enterprise Survey show marked differences in the situation of the productive units depending on their location within the national territory. As well as the factors associated with the degree of development of the territory where they are located, the differences originate from an inequitable access to infrastructure, quality public services, protection and security services, business services and of human resources training, information and communication technologies (ICTs), commercial regimes and of promotion and financial services.

The territorial dimension of this strategic proposal not only responds to the results of the Enterprise Survey that is also part of this set of documents, but also derives from the recognition that the creation of dynamic comparative advantages can only occur based on the management of the territory, depending on its potential and its own characteristics and conditions. Amongst the structural changes that are required for triggering an inclusive economic growth in the context of a globalized economy, the restructuring of productive forms and business management, integrating elements of associability, enterprise cooperation, productive integration and development of new enterprise competences, stand out for their importance; and simultaneously, the modernization of local public administration, that comprises a process of

decentralization, the efficient coordination between public administration territorial institutions, enterprises assuming responsibilities in matters of productive promotion and the creation of decent employment and the use of new functions and spaces for governance.

Associability and complementarity

In a framework defined by the aforementioned elements, it is necessary to incentivize the introduction of innovations, that allow enterprises to successfully incorporate new ways of production and commercialization of goods and services to increase the production scale; make substantive changes in enterprise management and organisation (alliances, productive chains, networks, horizontality); form new labour relations (subcontracting, on-line services, use of the cloud and social networks); and contracting international financial and trading services. These facilities also require changes in public administration (reforms oriented towards consolidating territorial management), socio-institutional regulations and consensus between public and private actors with regard to enterprise development; and, cultural changes that facilitate the recognition of entrepreneurship as a sustainable and permanent vehicle of social mobility. The successful management of territorial productive systems requires the training of human resources according to local needs; facilities for the creation and incorporation of productive innovations and the management and improvement of the sustainability of productive processes and the consumption of resources, materials and energy; ensuring the territorial offer of enterprise development services for the micro and small producers; having enterprise incubators or nurseries; with agencies of territorial economic development and local employment observatories; and, territorial systems of business information.

At the same time, the territorial productive systems must be kept permeable to the introduction of innovation in all its dimensions: technological and environmental process innovations (new equipment, new facilities, improvements in the production line, quality control, computerization, eco-efficiency, clean production, ecological production, etc.); product innovations (new materials, improvements in design and diversification of products, creation of brands, quality certification, environmental control) and market innovations (new uses, new distribution channels, new marketing techniques, etc.); management and organisation innovations (improvements in productive flexibility and efficiency, promotion of creativity, qualification of human resources, improvements in the labour processes, access to information networks, relationship with providers) and social, labour and institutional innovations (promotion of innovating activities, social dialogue and protection, improvement of labour relations, promotion of decent employment, decentralization of decisions on innovation, consensus of public and private agents, dissemination of “good practices”).

Factors for business success

The results of the Survey of enterprises also suggest factors that distinguish a successful enterprise in Honduras: a) Size of enterprise beyond the micro enterprise level; b) Ties with the external market (the exporting and importing enterprises have an advantage in comparison with the those that only operate in the internal market); c) Human capital (those enterprises that value most the training in business topics and that are led or integrated by people with middle or higher education, have greater capability for growing and facing adversities successfully); d) Multi-activity (diversification reduces risk, thus increasing the probability of business success); and, e) Formality (formal enterprises are in average more successful than the informal ones). This important finding highlights the importance of encouraging instruments that reduce the high degree of informality in which the enterprises operate, facilitating the performance of productive operations and business operation, orienting education and training services for labour and offering services that assist in the creation, growth and development of enterprises, increasing their productivity and encouraging their competitiveness.

The most relevant means to incentivize the appearance of these factors (enterprise expansion, increase of profitability, elevating the productivity of HR for a more intelligent work, reducing costs and increasing competitiveness) require that as well as introducing improvements for the business climate, a greater use of ICTs by the enterprises is incentivized; the exploitation of mobile technologies, “cloud” computer services and gathering and use of massive data, are developments that potentially strengthen the operative

efficiency, lower fixed costs and enable more flexible labour relations. The connectivity with Internet, the speed and cost are also crucial aspects to improve in the short term.

The Honduran enterprises of any size, that face the difficulties proper of their environment, as productive units that operate with the limitations characteristic of a small economy, anywhere in the country and in any sector of economic activity, will have greater probabilities of success if, in their search for innovations to destroy the status quo of existing products and services to generate new ones, they can find support in shared information, costs and services, technical assistance and mentoring and can also have financial services designed especially for them, including access to risk capital, through seed capital funds or angel investors and also if they can try out their ideas in a sort of “virtual laboratory”, where the experience of other entrepreneurs, the analysis of similar projects in other markets and the discussion of their projects and plans with certified experts, allows them to increase the feasibility of their project, before taking the underlying financial risk, which will significantly increase the probability of survival of the enterprises, will incentivize the formalization of their operations, will facilitate the creation of trade ties abroad and will generate a propitious environment in order to build a diversified portfolio of products and services.

Specific Measures and Actions

Presentation

The proposed measures or actions to execute the proposal follow the spirit of the 17 axes identified by ILO for the development of sustainable enterprises, except in the case of the territorial handling of competitiveness and the promotion of the micro, small and medium size enterprises (MiPyMes), which have been added as elements considered essential in the transformation that we seek to achieve in the case of Honduras. In this same context, in the identification of the measures or actions to undertake, we have taken into consideration the existing disparities in the degree of development between the different regions or territories of the country.²

The Strategy includes two types of complementary interventions: (1) Priority short-term intervention measures; (2) Medium and long-term intervention measures.

For each identified action, we have anticipated and described the expected desired result of its execution, the priority that is conferred upon them in the categories of high, medium and low categories depending on their importance, as well as the timeframe in which they should be executed, setting out three horizons in this regard: a. short term: 2014-2015; b. medium term: 2016-2017; c. long term: beyond 2017, since some activities will require more time, so that their continuity is anticipated.

An indicator has also been identified that intends to establish a criterion of concretion or a measuring parameter for the execution of each one of the actions proposed, which comprises elements such as the number of new enterprises, trained workers, number of discussion or awareness workshops held, preparation of proposals, approval of laws and others. In this sense, two critical elements must be noted: 1) in the majority of actions it is necessary to develop base information to determine the degree of advance that is achieved in the execution processes; and 2) with regard to other actions, the need of making studies and proposals to different public or private institutions came up, in order to establish their feasibility, such as activities prior to making the reforms.

Finally, congruently with the strategy that differentiates strategic, regional and special objectives, using the definitions of regional development potential established in the Nation Plan, the regions of the country where the actions executed would impact more directly are identified.

The detailed charts with the specific interventions suggested, their expected results, the regions of greater impact and the prioritization considered necessary, are presented below.

² **Stalled Territories:** generally characterized for being poorer territories than the national average of income per capita and that grow less than the national average. In other words, these are poor territories that will continue to be poor. **Convergent Territories:** territories that being relatively poor grow at rates higher than the national average, which allows them to close development gaps with the national average. **Declining Territories:** are relatively rich areas that grow slower than the average. **Winning Territories:** zones with higher income and growth levels than the national average, which makes them dynamic zones with the capability of “supporting” the national economy and achieving higher objectives.

Strategic Dimension: enterprise environment

Economic Policy

Macroeconomics

“The monetary, fiscal and exchange policies should guarantee stable and predictable economic conditions. A rational economic administration should balance the two objectives of creating more and better jobs and fighting inflation, and anticipating policies and regulations that stimulate long-term productive investment. One should also pay attention to increasing aggregate demand as a source of economic growth depending on the national conditions. In the case of developing and less developed countries, achieving adequate macroeconomic conditions generally requires the decisive support of the international community through the relief of the debt burden and official aid for development.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Fiscal policy	Collaborate with the Private Sector in the formulation of a Bill of Law of incentives for the formalization of enterprises with favourable tax proposals from the micro, small and medium size enterprises (MiPyMes) and new entrepreneurs.	Incentivize the formalization of enterprises.	High	Short	Bill of Law prepared and submitted before the National Congress for their approval.	National
	Assess the fiscal sustainability of the different transfer programmes with social purposes and restructure them attending to the need of having a basic social protection system.	Extend the number of citizens covered by basic social protection schemes.	Medium / Low	Short	- Holding two (2) workshops for the presentation of results and recommendations - Action plan prepared	Stalled / convergent
Monetary policy	Define a scheme for establishing the rate of monetary policy, of the type of the Taylor Rule	Strengthen the objective of long term neutrality of the monetary policy on the investment	Medium/High	Medium	Approval of the resolution that establishes the new rule for the BCH.	National

		decisions of entrepreneurs				
Exchange policy	Taking into account a new scheme for the establishment of the monetary policy, increase the flexibility of the exchange adjustment.	Achieving a more competitive exchange rate in support of the diversification of exports and development of enterprises with ties with external markets.	Medium/High	Short	Approval of the reforms by the BCH.	National

Trade and Integration

“Upon suppressing the obstacles that prevent the access to national and foreign markets, one must take into account the different levels of development of the countries. Efficiency increases generated by economic integration can result in positive effects in employment whether in terms of quantity or quality or a combination of both. Nevertheless, given that the liberalization of trade may also result in the displacement of jobs, a greater informality and the increase of inequalities in matters of income, the governments must adopt measures, in consultation with the social correspondents, to better assess the incidence of the trade policies on employment and decent jobs. It is also necessary to adopt measures on a regional and multilateral level in order to eliminate the commercial distortions and help the developing countries to strengthen their capacity to export products of aggregate value, manage change and develop a competitive industrial base.”

Public sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Tariffs and export promotion	Perform the necessary reforms to ensure that a maximum tariff rate of 1% for importing all capital goods and inputs for the farming sector is applied.	Reduce costs and increase the productivity of the sector.	High	Medium	Approval of the reforms of the tariff structure.	Stalled / Convergent / Winning
Export Insurance	Create appropriate guidelines and regulations for the offer of insurance and export funding.	Provide security for the exports of the micro, small, and medium size	High	Short	Insurance portfolio that registers the market participation of the product.	National

		enterprises (MiPyMes).				
Procedures	Perfect the operation of the single electronic window for handling the export and import procedures, facilitate the access to this through electronic means and strive to have it managed through a public-private alliance.	Simplify the import and export procedures.	High	Short	Initiation of operations of the single window.	National

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Logistics	Review regulatory provisions that apply to the sector of merchandise transportation services, in order to suggest reforms to adjust them to a development strategy of multi-modal operators.	Improve the competitiveness of Honduras in logistics.	Medium	Medium	Regulations issued and/or reformed.	National
	Promote investment projects in logistic centres through public – private alliances.	Improve the efficiency in the distribution of cargo movement.	Medium	Medium	Number of logistic centres in operation.	Winning
	Set-up special programmes of training in logistics	Increase the offer of qualified jobs in the	Low	Short	Professional training offer in logistics.	Winning / Convergent

	competences.	sector.				
Quality Certification	Implement awareness programmes on the importance of quality certifications.	Increase the interest in extending the number of enterprises in export activities.	Medium	Term	Establishment of an agreement COHEP and FIDE to carry out the programme.	Winning / Convergent
	Establish a competitive fund administered in public-private alliance for providing funding and technical assistance for the enterprises with exporting potential that require it.	Acquire the necessary certifications and thus facilitate their access to the international markets.	Medium	Medium	Hold the first competition for funds and technical assistance, number of participants.	Winning / Convergent
Markets	Develop a market intelligence service to detect export niches /opportunities for high value products and associate them with the potentials of regions and national enterprises.	Open new market opportunities for the enterprises .	High	Medium	Market intelligence service begins operations.	Winning / Convergent / Stalled
Organic Agriculture	Establish a support programme to create the conditions in terms of certifications, infrastructure, training, financial, commercial and institutional feasibility studies on a particular number of organic	Promote the identification of products adequate to each region and the integration of areas lagging behind with regard to the economic system.	High	Short	Specialised programme begins operations through a private specialised institution.	Winning / Convergent / Stalled

	agricultural products.					
Export Mentor Programme	Establish a mentor programme to take advantage of the experience and the commercial channels of enterprises that already export.	Support enterprises to extend the exporting base of the country.	High	Medium	Number of enterprises receiving mentorship for exporting.	National
Scale economies for exporting	Create a simplified regime to support horizontal business mergers and/or alliances between Small and Medium size Enterprises (PyMes) with exporting potential.	Create scale economies between Small and Medium size Enterprises (PyMes).	High	Medium	Pilot project carried out.	Winning / Convergent

Inclusion and Financial Access

“A financial system that works well is a growth catalyst for a dynamic Private Sector. If the access of the Small and Medium size Enterprises (PYME) is facilitated, with the inclusion of coops and incipient enterprises, to financing, for example, to credit, financial leasing, risk capital funds and other types of similar or new instruments, the appropriate conditions are created for a more inclusive development process of the enterprises. The financial institutions, particularly the multilateral and international ones, should be encouraged to include decent employment in their credit practices.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Public Funding	Carry out an integral reform of public banking incorporating the private sector into its governance, recapitalizing it and depoliticising its	Make possible its function as a support vehicle of funding for the rural and urban micro, small and medium size enterprises	High	Short	Approval of the reforms of the Banadesa Law by the National Congress. Contribution of the reconstructed capital.	Declining / convergent / stalled

	operation.	(MiPyMes) and increase the credit sources available to this sector.				
	Capitalise BANHPROVI with additional long-term resources to attend to the credit demand from the agro-food sector as a priority.	Increase national agricultural production.	High	Medium	Additional funds transferred.	Convergent / Stalled
	Reform the constitutive BANHPROVI Law to authorise it to contract national / external loans with autonomy of action.	Increase the resources available for financing productive activities.	High	Short	Bill of Law including reforms approved by the National Congress.	National
Guarantees	Set up a national fund of guarantees with private participation and mechanisms that ensure financial self-sustainability.	Make possible the access to credit for those enterprises with problems regarding lack of guarantees.	High	Short	Project approved by the National Congress.	National
Credit Information	Introduce reforms to the regulations of the CNBS (National Banking and Insurance Commission in Honduras) on assessment and classification of credits in order to incorporate the risk mitigating instruments such as the Reciprocal Guarantee Fund,	Promote access to credit for enterprises that do not possess real estate assets.	High	Short	Reforms to the Portfolio Classification Standards approved by the CNBS (National Banking and Insurance Commission in Honduras).	National

	farming insurance, purchase-sale contracts for future deliveries and secured transactions.					
Regulation	Issue the norms and perform the necessary legal reforms so that the banks and other financial institutions may incorporate financial leasing and billing into their offer of financial products, since they are ideal products for financing Small and Medium size enterprises (PyMes).	Extend financing to enterprises.	High	Short	Regulations approved by the CNBS (National Banking and Insurance Commission in Honduras) or a bill for a decree approved by the National Congress.	National
Capital Market	Promote the development of the capital market supporting the institutional consolidation of the entities that intervene, channelling long-term savings into the private sector instead of the public sector and using adequate investment criteria in pension funds and modernising the legislation on societies, introducing protection measures for the minority shareholder to	Expand the property and the funding sources for entrepreneurship and the operation of the enterprises.	Medium	Medium	Preparation of a study and proposal for discussion among COHEP, AHIBA, CNBS, the Stock Exchange and the Ministry of Finances.	Declining / Convergent

	strengthen investment in shares.					
Productive Investment	Formulate a financial mechanism of support for entrepreneurs, in alliance with the banking system.	Provide seed capital for priority projects.	Medium	Short	Preparation of a study and proposal for discussion between COHEP, AHIBA, the Stock Exchange and the Ministry of Finance.	Declining / Winning
	Organize trusts with productive projects of Small and Medium size Enterprises (PYMES) of the agro-industrial chain and other sectors according to the geographical region.	Diversify the risk and create the possibility of contract securitisation in order to achieve greater access to funding	Medium	Medium	Preparation of a proposal for approval between COHEP, AHIBA and the CNBS.	Declining / Winning / Stalled

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Agricultural Financing	Promote the establishment of a programme for the offer of financial services adapted to the particularities of the crops, in particular the productive cycles.	Improve the conditions for farming credit.	High	Medium	Programme established through AHIBA. Number of banks participating.	Convergent / Winning / Stalled
	Analyse the creation of financial instruments that cover risk for agricultural products, particularly those that are most exposed to climate events.	Increase the funding from the private banking sector for the agricultural sector.	Medium	Medium	Study prepared and submitted in at least two (2) events for their discussion.	Winning / Convergent
Guarantees	Establish a programme to	Extend financing	High	Medium	Subscription of an agreement	Declining / Winning /

	promote the use of financial leasing and billing among the Micro, Small and Medium size Enterprises (MiPyMes) disseminating knowledge on these financial products.	for the enterprises			between COHEP and the OPDF's, NGO's and Coops for its development.	Convergent
	Carry out a disclosure and training campaign on the benefits and the mechanisms for use of the Law of Secured Transactions and the operation of Registry of Secured Transactions between the Micro, Small and Medium size Enterprises (MiPyMes).	Increase the use of this guarantee system and facilitate the access to credit.	Medium	Short	Budget assignment for the campaign in the Chambers of Commerce.	Declining / Winning / Convergent
Micro-finance	Review the regulatory framework of micro-finance to promote financial sustainability of their operation based on the best international practices.	Increase feasibility of micro enterprises beyond the medium-term	Medium	Medium	Reforms to the legal framework approved and under implementation.	
Training	Establish a programme to train the Micro, Small and Medium size Enterprises (MiPyMes) in procedures of credit applications and financial services: basic financial education, procedures and	Improve the possibilities for obtaining funding	High	Medium	Growth of the participation of funding for Micro, Small and Medium size Enterprises (MiPyMes) in the portfolio of commercial banks	Training

	requirements, range of banking services, existing programmes and lines.					
Special Programmes	Establish a programme with the banks for identifying growing enterprises, especially Small and Medium size Enterprises (PYMES) in rapid expansion/Gazelles	Extend banking on the Micro, Small and Medium size Enterprises (MiPyMes) level	High	Medium	Increase in the number of Small and Medium size Enterprises (PYMES) that receive bank funding	National

Legality

Legal and Regulatory Framework

“A badly conceived regulation and the imposition of unnecessary bureaucratic burdens on the enterprises limit the creation of new enterprises and the business activities underway of the existing enterprises and lead to informality, corruption and costs derived from efficiency loss. Well conceived regulations, transparent, responsible and properly communicated, including those that support the labour and environmental regulations are good for the markets and society; they facilitate formalization and encourage systemic competitiveness. The regulatory reform and the suppression of the obstacles which the enterprises face should not undermine these regulations.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Enterprise Start-up	Approve the electronic signature law.	Facilitate the operation of enterprises and promote the use of ICTs and the e-commerce.	High	Short	Approval and enactment of the Law.	National / Declining
	Extend the delegation of the administration of Mercantile Registries to a greater number of associated centres of the Property	Facilitate the registration of enterprises .	High	Short	Number of new Associate Centres.	Winning and Convergent

	Institute, other than Tegucigalpa and San Pedro Sula.					
	Reform the Code of Commerce, through registration with a free private form (making the intervention of a notary optional) and eliminate the minimum capital requirement.	Simplify the creation process and registration of individual and social traders.	High	Medium	Hold discussion forums with the Supreme Court and Congress. Reforms approved.	National
	Complete the implementation of the single electronic window for opening enterprises.	Facilitate the creation and formalisation process of enterprises.	High	Short	Beginning of operations of the single window.	Declining and Winning
Commercial Litigations	Reinforce the integrated system of Arbitrage Centres.	Streamline the resolution of commercial conflicts.	High	Medium	Hold at least three (3) training workshops	Declining and Winning
Property Registrations	Transfer the Registry of Real Estate Property to a foundation that operates as an Associate Centre of the Property Institute.	Streamline transactions, reduce their costs and eliminate arrears in the entire country	Medium	Medium	Initiation of operations of the Property Registry as an associated centre.	National
	Establish a programme to ensure full operability, consistency of procedures and operation of the Unified Registry System (SURE-its acronym in Spanish) including the progressive incorporation of the registry of	Ensure its full operability, consistency of procedures and operation.	Medium	Term	Preparation of a feasibility study and formulation of a proposal. Investment of financial resources performed.	National

	property rights, ownership rights and cadastre.					
	Implement a single cadastral system, integrated on a national level and centralise entitlement at one single institution.	Protect private property and improve the operation of the real estate market.	Medium	Short	Reforms of various laws approved by the National Congress.	National

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Notary Services for registration	Propose a reform of the Notary Tariffs for the registration of enterprises through incentives and measures that reduce and/or eliminate the payment of notary services.	Reduce the cost of opening procedures for enterprises .	High	Short	Approval of Tariff reforms.	National
Taxes	Create a Law of Incentives for the Formalisation of Enterprises that includes the unified payment of taxes (Income Tax, sales, IHSS (Honduran Social Security Institute) contributions, others) or a deferment for an initial period of operations after the registration of the enterprises.	Incentivise the formalisation of Micro, Small and Medium Enterprises (MiPyMes)	High	Medium	- Preparation of a proposal for the Executive Branch and/or Congress. - Holding at least 2 socializing events.	Winning, convergent and stalled

Rule of Law and Guarantee of Property Systems

“A formal and effective legal system that guarantees all citizens and enterprises that contracts are respected and fulfilled, that the imperium of the law is respected and that property rights are guaranteed, is a fundamental condition not only for attracting investment, but also for generating certainty and cultivating trust and justice in society. Property is more than mere entitlement; the extension of property rights can be an enabling tool and can facilitate access to credit and capital. Those rights also lead to the obligation of fulfilling the norms and regulations established by society.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Guarantee of Property Rights	Early intervention through the operators of justice, in property conflicts that arise in the rural and urban areas, in order to guarantee, protect, defend and ensure the constitutional right to private property.	Reduce the uncertainty of national and foreign investments.	High	Permanent	Establishment of an Observatory of Respect of the Right to Property.	National

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Rights of Intellectual Property	Implement campaigns for public awareness on the importance of the protection of intellectual property, training businessmen / innovators too.	Achieve better knowledge of intellectual property rights and about the need of protecting and registering their innovations.	Medium	Medium/Long	% of the budget assignment of the trade associations to the campaigns per year.	Declining, Winning and Convergent

Role of the State and Public Policy
Socio-Institutional Aspects

Justice and Social Inclusion

“Inequality and discrimination are incompatible with the development of sustainable enterprises. Clearly defined policies that aim to social justice, social inclusion and equal opportunities in employment are required. The effective exercise of the right to organise oneself and to collective negotiation also constitutes an effective means to guarantee the equitable distribution of the increases of productivity and the adequate remuneration of the workers.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Gender	Perform a diagnosis to Analyse the impact of the programmes of conditioned transfers on the economic habits of women heads of households who are receptors.	Incentivise the implementation of supplementary projects that boost the use of the transfers in activities that generate permanent income.	High	Medium	Preparation of a specialised study and dissemination of the results in at least 2 events.	Stalled / Convergent
	Establish programmes of business training for women assigning part of the resources to the programmes of conditioned transfers, mainly in the rural area, administered on a regional level.	Propitiate the empowerment of women to perform a commercial / productive activity that generates income for the family.	Medium	Medium	Number of women working under the programme.	Stalled / Convergent

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Salary Policy	Establish worker compensation and recognition programmes for productivity.	Establish the recognition of the material contribution of the workers to the increase of profitability of the enterprise.	Medium	Short	Establishment of an businessmen/worker agreement at the CES (Economic Social Council) level.	Declining / Winning
Gender	Promote the certification of the enterprises that apply policies and standards of gender equity.	Contribute to the fulfilment of the agreements on non-discrimination at work and, consequently improve the access to other markets.	Medium	Medium	Establishment of a specialised certification programme	National

Human Rights

“Competitiveness should be founded on values. The respect of human rights and of international labour standards, especially trade union and association freedom and collective negotiation, the abolition of child labour, forced labour and all forms of discrimination, is a distinctive feature of societies that have successfully achieved integrating sustainability and decent employment.”

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Business Ethics	Promote the adoption of Ethics Codes among the enterprises, through the business organisations	Set up a labour culture aligned with the best international practices.	High	Short	Promotion campaigns carried out by the organisations.	Declining / Winning / Convergent
Social Responsibility	Incorporate into Business Social	Improve the labour climate.	High	Medium	Publication of the agreement reached between	Declining / Winning

	Responsibility the issue of respect of human rights in the relations with the interested parties.				COHEP and FUNDAHRSE	
	Establish a business alliance of support for human rights and citizen security.	Strengthen the citizens' perception of the social value of entrepreneurship.	Medium	Short	Subscription of the frame agreement between the member organisations of COHEP.	National

Decent Employment and Social Dialogue

“Social dialogue based on trade union and association freedom and the right to collective negotiation, particularly through institutional and regulatory frameworks, is essential for achieving effective, equitable and mutually beneficial results for the governments, the employers, the workers, and society as a whole.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Minimum Salary	Reinforce the application criteria and methodologies for the establishment of the minimum salary defined in the Great National Agreement.	Link the salary more closely with productivity.	High	Short	Agreement subscribed at the CES incorporated to the minimum salary decree.	Stalled / Winning / Convergent
	Maintain the scheme of multi-annual agreements so as to award predictability of the labour costs for the enterprises.	Facilitate investment decisions.	High	Short	Agreement subscribed at the CES incorporated to the minimum salary decree.	Stalled / Winning / Convergent
CES (Economic Social Council)	Strengthen legally the structure and operation of the CES (Economic Social	Strengthen dialogue, reaching consensus and social agreement.	Medium	Short	Establishment of an agreement with the government and issuance of a decree.	National

	Council)					
Controversies Solution	Legally fortify the instances of solution of pre-legal controversies.	Alleviate the work load of the courts and streamline the process of labour trial proceedings .	High	Medium	Issuance of reform of the Labour Code.	National
Employment per hour	Evaluate the experience of the Employment per Hour Programme to decide a future use.	Increase the number of employees with salaries.	High	Short	Issuance of the Law or adjustment of the programme for the creation of an appropriate regime.	National

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Promotion of decent employment	Implement information and promotion programmes at the business associations' level.	Reinforce the commitment with decent employment of the enterprises themselves.	Medium	Medium	Inclusion of a regular section in the trade union bulletins.	Stalled / Convergent / Winning
CES (Economic and Social Council)	Participate together with the State and the trade unions in an institutional strengthening programme of the CES.	Create capability at the CES to Analyse and formulate proposals with a solid technical base.	High	Medium	- Establishment of an agreement at the CES - Assignment of funds for operation	National

Political Aspects

Good Governance

“Some political democratic institutions, some public and private transparent entities which are accountable, some effective measures for fighting corruption, and a responsible entrepreneurial governance are key conditions for the market economies and the enterprises to obtain better results and adjust better to the values and long-term objectives of society.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Transparency	Approve and implement the Law of Citizen Oversight proposed in the Great National Agreement.	Improve the function of social audit.	High	Medium	Approval of the Law in the National Congress.	National

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Corruption	Create instances of social auditing in the business organisations for overseeing the transparency in the processes of public contracting.	Reduce the opportunities of corruption in the contracts with public funds.	High	Short	Subscription of an agreement between COHEP and the Chambers of Commerce. Entities operating in the Chambers of Tegucigalpa and Cortés.	National

Transparenc y	Introduce provisions in the Ethics Code of the enterprises that promote the use of good business practices against corruption in the contractual activities with the public sector.	Elevate the weight of moral punishment against the acts of corruption on the enterprise level.	High	Mediu m	Subscription of an agreement with FUNDAHRSE for the promotion of codes of ethics with those contents.	National
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Political Stability

“Peace and political stability are basic prior conditions for strengthening the constitution and the growth of sustainable enterprises, whilst war and civil conflicts are important factors that discourage investment and the development of the Private Sector.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Security	Create coordination mechanisms that allow better articulation and effectiveness between the security policies, national and local, so that there is cooperation between organisations and local and national entities.	Increase the security of the context of the enterprises and their workers.	High	Short	Effective introduction of the concept of a community police force and the integration of mayors' offices to the formulation of security projects.	National

Attention to population in social risk	Establish a tripartite fund to finance locally the reinsertion of young people and persons in social risk into productive activities and enterprises.	Improve economic and social opportunities for young people and people in risk.	Medium	Short	- Approval of funds transferred to the programme - Number of young people participating	National
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Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Citizen Security	Collaborate with the government in the implementation of a strategy to reinsert into the productive system young people who have been recovered from delinquency and immigrants who have returned.	Open opportunities of generation of income in the country to prevent recidivism.	High	Medium	Preparation and approval of a proposal from COHEP to its associates. Number of participants in the programmes.	National
Security for Enterprises	Prepare guidelines for measures and a directory of security services for the enterprises.	Increase the sense of security of the workers.	High	Medium	Directory prepared and accessible through Internet.	Declining / Winning

Political Security	Establish a public information campaign to strengthen the democratic values and re-establish the citizens' trust in political institutions.	Strengthen democratic institutions	Medium	Short	Reports of Incidence Assessment of the campaign presented.	National
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Associability and Unions

Entrepreneurship Culture and Innovation

“The recognition by the governments and society of the key function of enterprises in the development and firm support, both public and private, of the entrepreneurial initiative, innovation, creativity and the concept of tutoring, especially in the case of new enterprises, small enterprises and specific groups such as women and young people, are important determinants of a propitious environment for enterprise. The respect of the rights of the workers should be incorporated into the programmes relative to the entrepreneurial culture.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Young Entrepreneurs	Offer soft funding and subsidies for seed capital for young people's enterprises prioritising the innovating ones.	Facilitate the creation of new businesses.	High	Short	Programme established and operating in COHEP	Declining / Winning
Training	Review the curricula and articulation of basic, middle and higher education to introduce and strengthen the competences of entrepreneurial education on all levels, including training in business models.	Generate a greater number of business entrepreneurs on each educational level.	High	Medium	Hold at least 3 labour workshops between COHEP, the Ministry of Education and the private education centres.	Convergent / Stalled

Innovation	Establish a National Incubation and Acceleration System of enterprises, including a National Programme of Associability Promotion through the business organisations.	Facilitate the creation of new businesses.	Medium	Medium	Programme designed and launched in at least two (2) business organisations.	National
Planning and Coordination	Generate together with the private sector and on the basis of new variables to be included in the home survey of the INE, a data base on entrepreneurship, preferably in the framework of the Global Entrepreneurship Monitor.	Correct the scarcity of information on business entrepreneurship.	Medium	Long	Agreement subscribed between COHEP and the INE in order to extend the home survey and prepare indicators, with the funds assigned.	National
	Establish a diagnosis and perform a mapping with continuous monitoring, on responsible agencies and on-going programmes for entrepreneurship support, to perform coordination actions and provide information to possible entrepreneurs.	Map the projects of support for entrepreneurial development in order to determine the offer available and place this information at the service of entrepreneurs.	High	Medium	Inventory of projects with contact addresses and details of the services available on the COHEP web site.	Declining / Convergent

Guidelines and entrepreneurship awards	Create with help from the private sector an on-line guide for the Honduran entrepreneur on business models, mentoring offers and business coaching and how to set up business networks	Facilitate the creation and operation of businesses.	High	Short	Establishment of the on-line guide in FEDECAMARAS and in REDMICROH.	National
	Establish a programme of technical support for the pre-investment stage to support the creation of new enterprises.	Facilitate the creation of new businesses.	High	Short	Agreement subscribed between COHEP and ANDI to create the programme with funds assigned.	Convergent / Stalled
	Establish an incentives programme to channel the remittance funds as investment funds in new entrepreneurship initiatives	Promote the creation of new enterprises.	Low	Long	Preparation of a study proposal from the COHEP and the AHIBA for AMHON.	National

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Awards for Young	Establish an annual contest	Stimulate the process of	High	Short	Award events held for at	National

Entrepreneurs	with national and regional awards for young entrepreneurship.	creation of innovating ideas.			least two consecutive years.	
	Establish a national annual inter-school tournament of Entrepreneurship “Become an entrepreneur and Learn” regionally based.	Make children familiar with the idea of entrepreneurship at the basic learning level.	Medium	Short	Mini-entrepreneurs receiving awards in at least six cities	National
Agricultural Sector	Together with the farming sector associations, agree on a strategy for specialised enterprise development services.	Raise productivity of the agricultural sector	High	Medium	Establishment of an agreement COHEP-FENAGH and FHIA for the creation of services for the agriculture entrepreneur.	Convergent / Stalled
Public-Private Collaboration	Establish a collaboration agreement between the enterprise-government-university sectors in promotion initiatives for the entrepreneurship culture that comprises government recognitions of entrepreneurs, the preparation	Create synergies in the promotion of entrepreneurship.	Medium / High	Short	Agreement subscribed and operating. At least two (2) events held jointly and two (2) courses and/or seminars imparted.	National

	of education curricula with contents oriented towards entrepreneurship, guidelines for entrepreneurs and the development of a statistical data base					
Training	Establish a technological internship programme for university students with the purpose of helping them to become familiar with the needs of enterprises in matters of services in the ICTs field and offering them information about demand	Offer university students on-the-job training opportunities.	Medium / High	Medium	Number of students participating in internships in enterprises affiliated with the Chambers of Commerce .	Declining / Winning
Innovation	Agree with enterprises and universities, the financing for research of common interest between them.	Boost the strengths of the enterprises and the research capacity of universities in order to generate products for practical applications.	High	Medium	Agreement subscribed and project selection mechanism defined with funds assigned.	Declining / Winning

Loyal Competition

“It is necessary to establish regulations on competition for the Private Sector that include the universal respect for labour and social standards and eliminate the anti-competitive practices on a national level.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Prices of Public Services	Establish the provisions that regulate the fact that the prices of public services which are not offered under competition conditions (ports, electricity, transportation, others), are established reflecting their fair costs.	Ensure that the enterprises have a predictable overview of costs in order to achieve good competitiveness levels.	High	Short	Approval of the respective law by the National Congress.	National
Concessions and Public-Private Alliances	Prioritise the projects that set-up public-private alliances generated by the national enterprise sector in the project agenda of COALIANZA.	Extend the range of opportunities for the development of new products or services.	High	Short	Subscription of an agreement between COHEP and COALIANZA.	National

	Establish the horizontal regulations to define that the services offered through concessions and public-private alliances do so under competitive or market conditions.	Ensure that the costs for the users are reasonable.	High	Short	Review of the AAP's Law and approval of the specific provision on service prices.	National
	Follow-up on the implementation of public-private alliances.	Ensure compliance with the contract obligations of the APP's.	Low	Medium	Establishment of the concessions regulator.	National

Enterprise Development Services

“The government, the enterprises and their trade associations should develop a portfolio of services to remedy the support, information and assistance vacuums that the medium, small and micro enterprises require and, in some cases, even the big ones, to achieve conditions of sustainability in the development process of their entrepreneurships.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Formalization of enterprises	Approve and implement a law of incentives for the formalisation of enterprises offering adequate follow-up of its operation.	Increase the formalisation of enterprises.	High	Medium	Number of enterprises registered with the IHSS under the approved scheme.	Declining / Winning / Convergent

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Basic Services for Entrepreneurs	Launching of pilot programmes that offer basic incubator services for enterprises with emphasis on: validation of business plans and models, physical space, wide band Internet, accounting services, tax assistance, secretarial services, marketing support, risk capital, market intelligence.	Promote the emergence of new enterprises.	High	Medium	Establishment of at least two pilot programmes through the business organisations.	Convergent Winning Declining
Services for Existing Enterprises	Encourage the creation of business accelerators in order to support existing enterprises that have proven they have a successful model and a trained managerial payroll and require capital and/or business coaching.	Propitiate the growth, the increase of the business scale, the introduction of innovations or the incursion into new markets.	High	Medium	Establishment of at least two (2) pilot projects in business organisations.	Declining / Winning
	Create training programmes of productive chains with technical assistance in a financing scheme shared between the		High	Medium	Supplier Development Programme operating in at least two productive chains.	Winning / Convergent

	anchor enterprise, the suppliers, the enterprise organisation and the regional or local level authority.					
	Create mentoring and Business Coaching programmes for entrepreneurs that do not require other enterprise services.	Develop the ability to respond punctually to the requirements of enterprise services.	High	Short	Funding obtained for the execution of the pilot programmes.	Convergent / Stalled
	Organize training events for micro-enterprises to help them formulate business plans, set-up business models, assist them to boost the business coach facilities and to integrate into or in enterprise networks	Increase the preparation level of entrepreneurs for the establishment and development of enterprises.	Medium	Medium	Number of training workshops held.	Convergent / Stalled
Enterprise Information	Set up Competitiveness Observatories of the productive chains and territories to survey information and statistics from primary sources.	Increase the information base to improve the planning process of activities and service rendering for enterprises.	High	Medium	At least one (1) observatory in operational stage.	Winning / Convergent / Stalled
Certify competences in order to offer consulting services to enterprises	Perform a diagnosis of the competence certification of support service providers for enterprises.	Extend the support service offer for enterprises.	Low	Medium	Number of service providers in process or certified.	National
Leadership	Structure a permanent	Facilitate the renewal of	Medium	Medium	Training programme	National

	mechanism and training of entrepreneurial leaders to facilitate the renewal of management cadres in the enterprise organisations and strengthen their social and economic function.	management cadres in the enterprise organisations and strengthen their social and economic function.			for entrepreneurial leaders operating.	
Participation in trade associations	Maintain activities to recruit enterprises in the trade associations that obtain satisfaction from the services offered.	Improve the perception of the usefulness of associations and trade associations.	Medium	Medium	At least two annual surveys performed.	National

Geographic Dimension: territorial context

Regional Development

Decentralization

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Enterprises Opening	Define a reengineering project for the municipal processes to uniform and simplify procedures on a national level and where possible, unify the costs for the enterprises.	Simplify the registration of enterprises.	High	Medium	At least three (3) big municipalities and six (6) medium ones participating in the process.	National
Operation Permits	Standardise the procedures for obtaining operation permits in all the municipalities through a simplified and	Expedite and lower the costs for issuance of operation permits.	High	Short	Process completed in at least one (1) commonwealth.	National

	low-cost process.					
Natural Resources	Transfer to the local authorities the faculties for awarding licenses, permits and concessions for the exploitation of renewable and non renewable natural resources.	Improve the efficiency and transparency of the authorization processes and increase the impact on the development of the regions.	High	Medium	Approval of the transfer of licenses up to type 2.	Stalled / Convergent

Material Infrastructure

“The sustainability of enterprises and human development depend fundamentally on the quality and quantity of the existing infrastructure, as the material infrastructure for the enterprises, the transportation systems, schools and hospitals. The secure and accessible access to water and energy also constitute a great challenge, especially in the developing countries. Local access to sectors of auxiliary activity such as service providers and machinery providers and manufacturers, also particularly aids the enterprises.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Roads	Transfer the responsibility of non concessional road maintenance to the regions, through the decentralisation of the Road Fund and its organisation through road districts under the supervision of the mayors' offices.	Improve the condition of the roads, assigning the resources proportionally to the mileage of each district in order to maintain a minimum quality in the transportation networks.	Medium	Short	- Reforms to the law of Road Fund approved - At least three districts created and operating - Operation plan for the remaining districts in execution	National
Electricity	Reduce the cost and number and procedures for obtaining construction permits for electric networks in	Facilitate and accelerate the entry into operation of the new electric	High	Short	Number of permits issued -in the regional offices.	Winning / Convergent / Stalled

	ENEE and as soon as possible regionalise the award of such permits.	networks.				
	Execute the reforms that may be necessary in the electric power sector to ensure the quality, cost and stability of the electric power service in all the regions of the country.	Make the electric power services more efficient.	Medium / High	Short / Medium	Reforms approved and made, process initiated in the entire country.	National
Incentives to attract new investments	Modify standards that allow for funds such as pension funds to participate in public-private alliance schemes for infrastructure development.	Increase available savings and complement projects on a regional level.	Medium	Short	Standards approved by the CNBS.	National
Transfers to Municipalities	Establish a supervision mechanism to ensure that the funds from the constitutional transfer to the Municipalities are invested in productive infrastructure and services for the citizens, in at least 80% of the amount transferred annually.	Increase the welfare level of the citizens in the municipalities.	High	Short	Supervision mechanism established and operating in SEPLAN.	National

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Infrastructure Development Strategy	Establish mechanisms for participating in the formulation of regional or local project proposals, depending on the needs set forth by the private sector on that level.	Prioritise works with greater capability of contributing to the generation of income and employment on the regional or local level.	Medium	Short	Establishment of an agreement between COHEP, AMHON and SEPLAN	Convergent / Stalled
Investment Guarantees	Provide information on guarantee sources for private investment in infrastructure including multilateral sources as part of the service portfolio of the business organisations.	Extend the number of national enterprises participating in the performance of infrastructure projects.	Medium	Medium	Information mechanism established and available through the Internet.	Convergent / Stalled

Social Protection

“A sustainable universal social security model based on taxes or any other national model that provides citizens access to essential services such as quality health assistance, unemployment benefits, maternity protection and a basic pension, is fundamental to improve productivity and propitiate the transitions to a formal economy. Health protection and workers’ security at the workplace is also vital for the development of sustainable enterprises.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Institutional Reform	Propose and bring to a consensus at the CES the institutional reform of the social provision system for the private sector, based on the	Extend the population with preventive coverage.	National	Short	Agreement subscribed among workers, businessmen and government. Bill of law submitted to the National	High

	best international practices on the matter, with the support of ILO.				Congress for their approval.	
Contribution of informal workers	In the frame of the law of incentives for formalisation, conceive and structure a special mechanism that facilitates the affiliation of informal enterprises to the social security system, based on a special regime with financial sustainability.	Improve access to social security for informal enterprises.	National	Medium	Proposal prepared and incorporated into the legislative decree approved.	Medium
Health System	Decentralise the administration and provision of health services, including the contracting and management of human and financial resources, acquisition of supplies and construction and maintenance of health services centres.	Extend coverage of health services with greater efficiency.	National	Short	Health services operating in a decentralised manner in at least five (5) municipalities.	High

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Reforms	Discuss in the framework of the CES the possibility of separation of the illness and maternity regime from the disability, old	Achieve that both regimes are financially sustainable and that coverage is extended.	High	Short	Financial resources of both regimes (IVM-its acronym in Spanish) under totally separate administration	National

	age and death regime of the IHSS.				s with an agreement on the mechanism to cover insufficiencies.	
	Bring the reform of the social provision system for the private sector to a consensus at the CES	Find support for the reform.	High	Short	At least 2 discussion workshops held.	National

Education, Training and Learning

“Human talent is the most important productive factor of contemporary economy. It is important to focus on the development of a qualified labour force and the increase of human capabilities through permanent high quality education, training and learning systems to help workers find good jobs and enterprises to find the qualified workers they need. As well, financial support should be provided to improve poor workers’ access to training and perfecting qualifications. Thus, society will be able to achieve the double goal of economic success and social progress.”

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Education and Training Policy	Set up the national system of professional training, separating the functions of rendering training services from the definition of policies, standardisation and competence certification.	Reduce conflicts and effectively incorporate the providers of technical training services on a private level to the national education and training offer.	High	Short	Approval of reform of the INFOP Law.	National
	Elevate technical education for work to the category of State policy.	Propitiate improvements in human capital productivity.	High	Short	Declaration of national priority issued and in operation through the Ministry of Labour	National
Service Provision	Articulate through a curricular reform, basic education, technical middle	Convert professional education into a social mobility vehicle.	High	Short	Agreement subscribed with the Education Secretariat.	National

	school, university education and non formal education.					
	Develop programmes of dual training between public education centres and private enterprises.	Allow the worker/student to achieve better productivity and perspectives of labour insertion.	High	Short	Number of enterprises receiving students under the program.	National
	Structure and implement a national programme of enterprises/technical training, of paid learning internships as a scheme of dual training school / enterprise	Facilitate labour insertion.	High	Short	Number of participating enterprises in the programme.	National
	Establish a programme of periodic surveys on the needs of the enterprises for adjusting the training that the INFOP regional centres offer.	Respond to the economic profile and the specific demand for training in the regions, increasing the quality and reducing the obsolescence and methodologies of teaching.	High	Short	At least two regions of influence of INFOP centres surveyed. Changes in the training offer executed.	National
Decentralization of Services	Delegate education administration/management to regional entities	Identify better and respond more promptly to the regional and local needs.	High	Medium	Decentralization process of the education administration initiated.	National
	Establish an incentives program for education and training through the reform of	Increase the effectiveness of transfers.	High	Short	Transfer programmes moved to at least 10 municipalities.	

	current programmes of transfers to students (transportation and academic excellence bonuses) to transfer them to the municipalities.					
	Facilitate private participation in medium education on a regional and local level, complementing with scholarship programmes for students with academic potential.	Distinguish and reward academic excellence.	High	Medium	Establishment of an agreement COHEP – FENIEPH for awarding scholarships.	Convergent / Stalled
Gender measures in technical training	Define and implement support measures for the technical training of women.	Improve income for women.	Medium / High	Short	Specialised programme operating in COHEP.	Declining / Winning
	Establish links between monetary transfer benefits and technical training for women.	Stimulate productive training of women beneficiaries of government bonds.	Medium / High	Short	Specialised training offer at INFOP.	Declining / Winning
Young People	Formulate and approve the proposal to extend the programme “Pro-employment”, with ties with the young people to increase hiring of those less favoured.	Connect less favoured young people with quality jobs.	Medium / High	Short	Pro-employment Programme in operation in the Chambers of Commerce .	Declining / Winning
Agricultural Sector	Prepare and approve a proposal to standardise	Increase work productivity in	Medium / High	Medium	Agreement subscribed and operating between	Convergent / Stalled

	technical competences of careers and technical occupations of the agricultural sector.	agricultural production.			COHEP and UNAH.	
Productivity	Increase investment in training programmes.	Improve work productivity on the enterprises level, increase their income and consolidate their sustainability as a productive unit.	High	Medium	Extension of the number of enterprises that offer training according to survey results.	Declining / Winning

Responsible environmental management

“In the absence of adequate regulations and incentives, markets may allow non desired results for the environment. Fiscal incentives and regulations should be used, including public contracting procedures, in order to promote consumption and production trends compatible with the demands of sustainable development. Solutions based on private markets, such as employment with environmental criteria when assessing the credit risk or investment yield, also constitute effective means to face that problem.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Regulations and Information	Define an appropriate regulatory framework for waste management for agricultural enterprises.	Reduce the incidence on the environment and motivate the creation of waste processing enterprises.	Medium	Medium	Regulation approved by SERNA.	Convergent / Stalled
	Disseminate the contents of the guidelines for good environmental practices for enterprises.	Improve the sustainability of enterprises and reduce the environmental impact.	Low	Short	Guidelines of good practices accessible through the COHEP web site.	Declining / Winning
	Encourage the adoption of sustainable practices in	Increase the producers' income	High	Medium	Agreement subscribed between COHEP and	Convergent / Stalled

	agriculture, particularly those oriented towards organic product farming.				EAP to provide technical assistance to producers under a special programme.	
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Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Climate futures	Perform a study to assess the possibility of developing a local or Central American market of climate futures, options and insurance that is accessible to agricultural producers.	Determine the feasibility of developing and introducing into the market financial options to attend to the climate risk.	Low	Medium	Study prepared and conclusions submitted in a public event.	National

Specific Dimension

Micro, Small and Medium size enterprises (MiPyMes) and productive chains

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Investment Promotion	Develop a support system for investment promotion of urban micro, small and medium size enterprises (MiPyMes) in service and technology sectors.	Improve the opportunities of decent employment on the urban level.	High	Medium	At least six (6) micro, small and medium size enterprises (MiPyMes) receiving investment in risk capital under the programme.	Declining
Taxes	Prepare a proposal for a flat fees payment system to promote the formalisation and tax contribution of	Reduce the reluctance of enterprises to formalise their activities.	High	Medium	Proposal prepared and incorporated into the text of the bill of law presented to the National	National

	the micro-entrepreneurs to be included in the Law of Incentives for the Formalisation of enterprises.				Congress.	
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Research and development for innovation: Use of ICTs

“Extending the access to information and communication technologies (ICTs) is another fundamental challenge in the era of knowledge economy. The use of ICTs is then fundamental for the development of sustainable enterprises, so that it must be fully used for such a purpose. Accessible wide band technology is also very important for the countries and enterprises, and should be facilitated.”

Public Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Sector Promotion	Review and establish a new public policy of promotion and adoption of ICTs.	Direct budget resources to the support of ICTs.	High	Medium	Issuance of a policy from the National Innovation Council.	Declining / Winning
Human Resources	Strengthen technically and economically the university programmes related with ICTs.	Extend the university offer.	Medium	Medium	Increase in the number of students enrolled in majors related with ICTs.	Declining
	Review the curriculum of basic education in order to adapt it better to teaching the use of ICTs.	Improve the education of school-age children on the use of ICTs in entrepreneurial projects.	High	Medium	Subscribe an agreement with FEREMA to execute a pilot project.	Declining / Winning
	Seek help in international programmes such as “One laptop per child,” which has been able to provide a laptop per child in several countries with small populations.	Expand the scope of this programme, with good organisation and execution, evaluating the impact periodically.	High	Medium	Resources obtained for computer endowment programmes through COHEP for pilot projects.	Declining / Winning

Private Sector

Strategic Objective	Specific Measures	Expected Result	Priority	Term	Indicator	Impact Region according to competitiveness
Strategy on ICTs	Prepare and implement a clear, effective and realistic strategy to support the development and use of ICTs in enterprises and establish a programme to facilitate their access to these.	Increase the use of ICTs on the enterprise level.	Medium	Medium	Survey results that show significant increases of the use of ICTs in enterprises.	Declining / Winning
Software Acquisition and ICTs services	Carry out long term agreements with the ITC cluster so that the latter is positioned as a software and computer service provider for local enterprises at convenient costs.	Improve the market opportunities for the service enterprises in the ICTs field.	High	Long	Cluster being set-up.	Declining
Technical Training	Propitiate the development of short programmes of extracurricular labour training in the use of ICTs.	Have a better qualified labour force to work with these tools.	Medium	Medium	Training programme through business trade associations operating. At least 4 courses imparted.	Declining

Scheduling and Logical Integration

The scheduling proposed is submitted, ordered according to the execution timeframe and priority order set forth for each intervention. These categories were established in accordance with the information provided by the survey and the degree of importance that the participating businessmen attribute to each problem that it is intended to resolve, as obstacles for the performance of the enterprises. In that sense, it is expected that the short-term interventions, when implemented, will result in a significant improvement of the business climate and will favour enterprise development in a high degree, setting up the foundations for the execution of the medium-term interventions.

Priority Interventions: 2014-2015 (per trimester)

Action	2014				2015			
	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec
Preparation of a bill of law of incentives for the formalisation of enterprises								
Implementation of the single electronic window for opening enterprises								
Eliminate the requirement of minimum capital								
Approve Law of Electronic Signature								
Reform Trade Code								
Reform Notary Tariff								
Reform and capitalisation public bank								
Set-up national fund for guarantees								
Regulatory reforms CNBS portfolio classification								
Issue regulations on leasing and billing								
Create financial training program for micro, small and medium size enterprises (MiPyMes)								
Programme identification of gazelles								
Programme attention viable micro, small and medium size enterprises (MiPyMes) with financial exclusion problems								
Issuance regulations export insurance								
Electronic single window for the management of export and import procedures								
Simplification and reduction programme of import and export procedures								
Support programme for organic agriculture								
Assess experience Programme Employment by the Hour to decide future use								
Mentoring programme between enterprises to export								
Creation of a simplified regime of mergers and alliances between exporting micro, small and medium size enterprises (MiPyMes)								
Early intervention in conflicts related with property								

Issuance of standards to establish market prices in public services								
Issuance of standards to establish market prices in services through public-private alliances								
Reduce cost and simplify process for obtaining permits for the installation of electric networks								
Reforms in the electricity sector to guarantee supply continuity								
Creation of a supervision mechanism of the use of transfers to municipalities								
Participation mechanism in proposals of infrastructure projects								
National programme of funding for young entrepreneurs								
Creation of on-line guidelines for the entrepreneur								
Technical pre-investment support programme								
Annual tournament with awards for young entrepreneurship								
Signature of enterprise-government-university agreement for entrepreneurship support								
Creation system based on surveys to adjust technical training of INFOP to the demands of the enterprises								
Creation dual training programme								
Issuance State policy on professional training								
Separating standardisation, accreditation of centres and certification functions from professional training								
Curricular reform to articulate basic, middle technical and university and non-formal training								
Reform wire transfer programmes for students, transfer to municipalities								
Reach a consensus at the CES for the institutional reform of the social provision system for the private sector								
Decentralise the administration and rendering of health services								
Reach a consensus at the CES for the separation of IHSS regimes								
Achieve articulation amongst security policies, national and local								
Create social auditing instances in enterprise organisations								
Issuance of regulations on productivity criteria for establishing the minimum salary and tri-annual adjustments								

Strengthen instances for resolving pre-judicial labour controversies								
Promote the adoption of Ethics Codes among enterprises								
Mentoring and Entrepreneurial Coaching programmes for entrepreneurs								
Issue guidelines for measures and directory of security services								
Unification of municipal procedures and costs for operation permits								

Medium-term Interventions: 2016-2017 (per trimester)

Action	2016				2017			
	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec
Taking into account a new scheme for establishing monetary policy, increase the flexibility of exchange adjustment to achieve a more competitive exchange rate in support of the diversification of exports and the development of enterprises linked to external markets								
Assess the fiscal sustainability of the different programs of transfers with social purposes and restructure them attending to the need of having a basic social protection system								
Extend the delegation of the administration of the Mercantile Registries to a greater number of centres associated with the Property Institute, other than Tegucigalpa and San Pedro Sula to facilitate the registration of enterprises								
Formulate a financial mechanism of support assigned to entrepreneurs, in alliance with the banking system, to provide seed capital to priority projects								
Carry out a broadcasting and training campaign of the benefit and the mechanisms for using the Law of Chattel Guarantees and the operation of the Registry of Chattel Guarantees among the micro, small and medium size enterprises (MiPyMes) to increase the use of this system of guarantees and facilitate access to credit								
Implement awareness programmes on the importance of quality certifications								
Establish a contest fund administered in public-private alliance to provide funds and technical assistance to enterprises with exporting potential that require it								
Intervene promptly through the operators of justice in conflicts about property that arise in rural and urban areas								

Transfer the responsibility for non concession road maintenance through the decentralisation of the Road Fund and its organisation through road districts under the supervision of the mayors' offices								
Modify standards that allow funds such as pension funds to participate in public-private alliance schemes in infrastructure								
Establish an informative programme to increase the competences of the private sector within the opportunities of public-private alliances that supports the participation of the enterprises in the execution of these projects.								
Establish an annual national inter-school tournament of Entrepreneurship "Start an enterprise and Learn" on a regional basis so that children in the basic level of education become familiar with the idea of enterprising								
Establish a pilot programme of compensation and recognition of workers for productivity								
Establish a tripartite fund for financing on the local level the reinsertion of young people and people in social risk to productive activities and enterprises								
Establish a public information campaign to strengthen democratic values and re-establish the citizens' trust in political institutions								
Issue an executive decree for legally strengthening the structure and operation of the CES in order to convert it into a stronger instance for dialogue, reaching consensus and social agreement								
Disseminate the contents of the guidelines for good environmental practices for enterprises, with the purpose of improving their sustainability and reducing the environmental impact.								
Define a scheme for establishing the rate of monetary policy, Rule of Taylor type								
Reinforce the integrated system of Arbitrage Centres to expedite the resolution of trade conflicts								
Formulate a proposal of a tax system that incentivises the formalisation of micro, small and medium size enterprises (MiPyMes), whether through a unified tax payment (Income tax, sales, IHSS contributions, others) or a deferment for an initial period of operation after the registration, in the context of a Law of Incentives for Formalisation								

In the framework of the law of incentives for formalisation, conceive and structure a special mechanism that facilitates the affiliation of the informal enterprises to the social security system, based on a special regime with financial sustainability								
Prepare a proposal for a flat fee payment system to promote the formalisation and tax contribution of micro-entrepreneurs for their inclusion in the Law of Incentives for Formalisation of enterprises								
Approve and implement a law of incentives for the formalisation of enterprises								
- Capitalise BANHPROVI with additional long-term resources to attend to the credit demand for the agro-food sector as a priority - Reform its constitutive law in order to authorise it to contract national/external loans with autonomy of actions to increase the resources available for financing for productive activities								
Promote the establishment of a programme for the offer of financial services adapted to the particularities of agricultural products and services, particularly to the productive cycles								
Establish a programme to promote the use of financial leasing and billing among the micro, small and medium size enterprises (MiPyMes)								
Carry out the necessary reforms for ensuring that a maximum tariff rate of 1% is applied for the import of all the capital goods and inputs of the agricultural sector								
Review and establish a new public policy of promotion and adoption of ICTs								
Review the curriculum of basic education to adapt better to teaching the use of ICTs								
Seek aid in international programmes such as the "One laptop per child", which has been able to provide one laptop per child in several countries with small populations for expanding the scope of this program								
Review the curricula and articulation of basic, middle and higher education to introduce and strengthen the competences of entrepreneurial education on all levels, including training in business models								
Establish a diagnosis and carry out mapping with continuous monitoring of responsible agencies and on-going programmes of support for entrepreneurship								
Convene, together with the agricultural sector trade associations, a strategy for specialised entrepreneurial development services								

Establish a technological internship programme for university students with the purpose of making them familiar with the needs of enterprises in matters of services in the field of ICTs and offer them information about the demand								
Establish an initial fund of US 500,000 with participation of enterprise trade associations / universities / Government in order to finance a competitive contest of common interest research among the participating actors								
Prepare a reform proposal of national technical training programmes								
Define and implement support measures to maximize the technical training of women								
Establish ties between monetary transfer benefits and technical training of women								
Formulate and approve the proposal for extending the programme Proempleo								
Prepare and approve a proposal to standardize the technical competences of the careers and technical occupations of the agricultural sector.								
Establish entrepreneurial training programmes for women assigning part of the resources of the programmes of conditioned transfers								
Establish a mechanism to collaborate with the government in the implementation of a strategy to reinsert young people recovered from delinquency and returned immigrants into the productive system								
Approve and implement the Law of Citizens' Oversight proposed in the Great National Agreement to improve the function of social auditing								
Introduce into the Ethics Code of enterprises, provisions that promote the use of good business practices against corruption in the contractual activities with the public sector								
Define and implement together with the State and the labour unions, a programme for institutional strengthening of the CES								
Issue guidelines for incorporating into the policies of Social Business Responsibility, the topic of respect of human rights in the relations with their interested parties in order to improve the labour climate								
Promote the adoption of sustainable practices in agriculture, particularly oriented towards growing organic products to increase the producers' income								

Establish two pilot programs of basic services offer for enterprise incubators with emphasis on: validation of business plans and models, physical space, wide band internet, accounting services, tax assistance, secretarial services, marketing support, risk capital, market intelligence								
Encourage the creation of enterprise accelerators, to support existing enterprises that have proven they have a successful model and a trained managerial staff and require capital and/or entrepreneurial coaching to grow, increase the business scale, introduce innovations or incursion into new markets								
Create training programmes of productive chains through the offer of technical assistance in a scheme of shared funding between the anchor enterprise, the suppliers, the trade organisation and the authority on a regional or local level								
Set-up Competitvity Observatories of the productive chains and territories to gather information and statistics from primary sources and participate more effectively in the national planning process								
Define a re-engineering project of the municipal processes to uniform and simplify the procedures on a national level and where possible, unify the costs for the enterprises in the entire country								
Transfer to the local authorities the powers for awarding licenses, permits and concessions for the exploitation of renewable and non renewable natural resources								
Develop a support system for investment promotion of urban micro, small and medium size enterprises (MiPyMes) in service and technology sectors								
<ul style="list-style-type: none"> - Transfer the Real Estate Property Registry to a foundation that operates as an Associate Centre of the Property Institute to expedite the transactions, reduce their costs and eliminate arrears in the entire country - Establish a programme to ensure full operability, consistency of procedures and operation of the Unified Registry System (SURE-its acronym in Spanish) including the progressive incorporation of the registry of property rights, ownership rights and cadastre - Implement a unique cadastral system, integrated on a national level and centralize entitlement in one single institution 								
Establish and implement a strategy to promote capital market development								

Organize trusts with productive projects of PYMES – small and medium size enterprises – of the agro-industrial chain and from other sectors according to the geographic region								
Analyse the creation of financial instruments for risk coverage for agricultural products								
Review the regulatory framework of micro-finances								
- Review regulatory provisions that apply to the merchandise transportation services sector in order to suggest reforms to adjust them to a development strategy of multi-modal transportation operators - Identify and expand the opportunities of investment projects in logistics centres through public-private alliances								
Establish an updated programme of technical training in foreign trade logistics								
Establish a cooperation programme with FIDE to identify commercialisation markets and mechanisms on a specific objective for a number of export products								
Strengthen technically and economically the university programmes related with the ICTs								
Prepare and implement a clear, effective and realistic strategy to support the development and use of ICTs in enterprises and establish a programme to facilitate their access to these								
Propitiate the development of short extracurricular labour training programs in the use of ICTs								
Offer information about guarantee sources for private investment in infrastructure, including multilateral sources as part of the service portfolio of the entrepreneurial organisations								
Establish a National Incubation and Acceleration of Enterprises System including a National Programme of Promotion of Associability through trade organisations								
Prepare a proposal of reform for delegating the educational administration/management of public schools and high-schools to regional entities								
Carry out a diagnosis to analyse the impact of programmes of conditioned transfers on the economic habits of women who are heads of households								
Promote the certification of the enterprises that apply policies and regulations of gender equity								
Define mechanisms and instances of regional and local dialogue with the private sector								

Implement on the level of trade associations a programme of information and promotion to reinforce the commitment with decent employment of the enterprises themselves							
Define a regulatory framework appropriate for waste management for agricultural enterprises							
Establish a programme of “Entrepreneurial Forums – best practices for increasing efficiency and productivity.” The topics will respond to the demands submitted by the enterprises.							
Organise training events for micro-enterprises that will help them formulate business plans, set-up business models, assist them in maximizing entrepreneurial coaching facilities and becoming part of entrepreneurial networks							
Structure a permanent mechanism for education and training of entrepreneurial leaders							
Maintain activities to recruit enterprises among the trade associations, perform surveys on the satisfaction degree of the members with the services offered							

Long-term Interventions: 2017 – 2018 (per semester)

Measure	2017		2018	
	Jan-June	July-Dec	Jan-June	July-Dec
Offer operability to a public-private commission in order to follow-up on the implementation of public-private alliances, makes recommendations with regard to bottle-necks, inefficiencies and opportunities				
Establish an incentives programme to channel the remittance funds as investment funds in new entrepreneurial initiatives				
Carry out a study to assess the possibility of developing a local or Central America market of futures, options and climate insurance that is accessible to agricultural producers				
Perform a diagnosis on the certification of competences of support service providers for enterprises. Prepare a proposal of a new certification system and registry of competences and service providers.				
Implement public awareness campaigns on the importance of intellectual property protection, also training entrepreneurs/innovators so that they have better knowledge of the rights of intellectual property and of the need to protect and register their innovations				
Achieve long-term agreements with the ICT cluster so that it positions itself as a software and computer service provider for local enterprises at convenient costs. In exchange, the ICT sector will have a good long-term market enabling it to stretch the yield of their investments and develop their own technologies				
Generate together with the private sector and based on new variables to be included in the survey of homes of the INE, a database on entrepreneurship, preferably in the framework of the Global Entrepreneurship Monitor.				

Organisation for execution

Execution Mechanism

The Execution Mechanism proposed consists in the integration of a Public-Private Work Group to implement and follow-up on the actions proposed by the public sector, which officers ascribed to the Secretariats of the Presidency and Planning and other entities would join ad hoc permanently, according to the nature of the intervention to be executed. The counterpart for the entrepreneurial sector would be designated by the COHEP, in consultation with the entrepreneurial organisations, who would also be responsible for the execution of the measures when the responsibility falls on the entrepreneurial sector.

For the execution of the interventions, the Public-Private Work Group integrated for that effect, would find support on an Executive Unit, established inside the COHEP, which would have the responsibility of coordinating the work meetings, offer follow-up to the execution of the decisions, prepare action plans and specific schedules for the activities contemplated in each thematic area, prepare follow-up reports, estimate and analyse the indicators proposed, develop the tools and strategies proposed for favouring entrepreneurial development and generally, all the work necessary so that the strategy proposed may achieve the desired goals.

The Executive Unit will be able to subscribe agreements with specific enterprise organisations, to carry out the required interventions, based on competences, i.e. with FIDE to set-up the trade information services; with AHIBA to design the financial products for micro, small and medium size enterprises (MiPyMes), etc. As a minimum, the Executive Unit will require the following staff: a Technical Director, two sector specialists and an administrative assistant.

Action Plans for each thematic area

At the beginning of the implementation of the Action Plan, the Executive Unit must formulate schedules of the specific activities for each one of the intervention areas, based on the calendars for priority actions and the medium-term schedule, with the purpose of developing the tools mentioned in the measures proposed and thus be capable of offering an adequate follow-up to each one of these measures, which will allow the production of reports and strategic information to introduce corrections or complementary reforms that may be detected as necessary during the execution of the strategy.

Follow-up mechanism, monitoring and assessment

The Executive Unit will guarantee that for each one of the principles and main actions incorporated into the strategic approach, the indicators to monitor the execution and measure and assess the impact of its execution on the growth of the entrepreneurial sector will be estimated. These indicators should also allow other entities and institutions, who wish to be involved in the execution of the strategic proposal, a framework to assess the success of the interventions.

Two follow-up levels will be required for the execution of the activities: one semestral report and one annual report. An intermediate assessment in mid 2016 will allow the review of the progress and the problems encountered, in order to make necessary adjustments and maximize the execution.

At the beginning of the program in 2014, the base information that is necessary will be collected to serve as benchmark (baseline) and against which the changes produced by this Action Plan will be measured. Other measures will also be identified to perform experimental measuring studies of the impacts of the interventions, according to standard methodologies for measuring results.

Support instruments for the execution of the proposals

As necessary and feasible, the Action Plan will use external specialised services to support the implementation of the proposals with instruments that maximize the technical quality of these, for example with support instruments that may include technical discussion workshops, legal counselling, cost-benefit analysis, comparative analysis against better international practices, communication and explanation campaigns, etc.

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Acronyms

AHIBA	Honduran Association of Banking Institutions
AHM	Honduran Association of Bonded Factories (Maquiladores)
AMHON	Association of Municipalities of Honduras
ANDI	Industrial National Association
APP	Public Private Association
BANADESA	Agricultural Development National Bank
BANHPROVI	Honduran Bank for Production and Housing
BCH	Central Bank of Honduras
CADERH	Counselling Centre for Human Resources Development
CDE	Entrepreneurial Development Centres
CENPROMYPE	Micro and Small Enterprise Promotion Centre
CENTREX	Export Procedures Centre
CES	Economic and Social Council
CGT	General Workers Centre
CHICO	Honduran Chamber of the Construction Industry
CNA	Anti-corruption National Council
CNBS	Bank and Insurance National Commission
COALIANZA	Commission for the Promotion of the Public-Private Alliance
COHEP	Honduran Council of Private Enterprise
CONAMIPYME	National Council of the Micro, Small and Medium size Enterprise
CTH	Confederation of Honduran Workers
CUTH	Unitarian Workers Confederation
DEI	Income Executive Head Department
EAP	Pan-American Agricultural School
FEDECAMARAS	Federation of Chambers of Commerce
FENAGH	National Federation of Farmers and Cattle Raisers of Honduras
FEREMA	Foundation Ricardo Ernesto Maduro
FIDE	Ibero-American Development Foundation
FHIA	Honduran Foundation for Agricultural Research
FUTH	Workers Unitarian Federation of Honduras
GEM	Global Entrepreneurship Monitor
I+D	Research and Development
IHSS	Honduran Institute of Social Security
INE	National Statistics Institute
INFOP	National Institute of Professional Training
IP	Property Institute
MiPyMes	Micro, Small and Medium size Enterprise
OPDF	Private Organisation of Financial Development
OIT	International Labour Organisation
PIB	Domestic Gross Product
PNUD	United Nations Development Program
PyMes	Small and Medium size Enterprises
REDMICROH	Microfinance Network of Honduras
RRHH	Human Resources
SAG	Secretariat of Agriculture and Husbandry
SARAH	Automatized System of Customs Revenues of Honduras
SEFIN	Secretariat of Finances
SEPLAN	Secretariat of Planning
SERNA	Secretariat of Natural Resources and Environment
SIC	Secretariat of Industry and Commerce
SIDUNEA	Automatized Customs System
SOPTRAVI	Secretariat of Public Works, Transportation and Housing
STSS	Secretariat of Labour and Social Security
SURE	Unified Registration System
TIC	Information and Communication Technology
UNAH	National Autonomous University of Honduras
UNITEC	Central American Technological University

Member Organisations
COHEP

Association of Feminine Entrepreneurial Leaders of Honduras	A.L.E.P.H.	Honduran Chamber of Consulting Enterprises	CHEC
Association of Coffee Exporters of Honduras	ADECAFEH	Honduran Chamber of the Construction Industry	CHICO
Hotel and Similar Association of Honduras	AHAH	Hondurans Council of the Oil Industry	COHPETROL
Honduran Association of Oil Products Distributors	AHDIPPE	CROPLIFE Honduras	CROPLIFE
Honduran Association of Distributors of Automobile Vehicles and Similar	AHDIVA	Drugstore National Association	AND
Honduran Association of Banking Institutions	AHIBA	Federation of Chambers of Commerce and Industry of Honduras	FEDECAMARA
Honduran Association of Coffee Producers	AHPROCAFE	National Federation of Customs Agents of Honduras	FENADUANAH
Honduran Association of Renewable Energy Producers	AHPER	National Federation of Farmers and Cattle Raisers of Honduras	FENAGH
Association of Timber Entrepreneurs of Honduras	AMADHO	National Federation of Private Education Institutions of Honduras	FENIEPH
Association of Communication Media of Honduras	AMC	Export Investment and Development Foundation	FIDE
Honduran-American Chamber of Commerce	AMCHAM	Network of Microfinance Institutions of Honduras	REDMICROH
Courier National Association of Honduras	ANCH	Association of Coffee Toasters of Honduras	TOSCAFEH
National Association of Artisans of Honduras	ANAH	Honduran Association of Cargo and International Logistics Agencies	AHACI

National Association of Rice Millers of Honduras	ANAMH	Honduran Association of Shipping Companies and Representatives	AHCORENA
National Association of Metal Mining of Honduras	ANAMIMH	Honduran Association of Bonded Entrepreneurs (Maquiladores) of Honduras	AHM
Association of Manufacturers of Pharmaceutical Products of Honduras	ANAPROFARH	Honduran Association of Producers of Balanced Food for Animals	AHPROABA
National Association of Aquaculture Farmers of Honduras	ANDAH	Honduran Association of Cold Meat Producers	AHPROEM
National Association of Industrial Entrepreneurs of Honduras	ANDI	National Association of Pig Raisers of Honduras	ANAPOH
National Association of the Textile Industry	ANDITEX	National Association of Radio Stations of Honduras	ANARH
National Association of Meat Packers	ANEDEC	National Association of Poultry Raisers of Honduras	ANAVIH
National Association of Wood Transformer Enterprises	ANETRAMA	National Association of Exporters of Honduras	ANEXHON
National Association of Private Universities of Honduras	ANUPRIH	National Association of Small and Medium size Industries of Honduras	ANMPIH
Association of Sugar Producers of Honduras	APAH	Association of Free Trade Zones of Honduras	AZAFRANCAH
Associated Honduran Advertising Agencies	APHA	Chamber of Commerce and Industries of Atlantida	CCIA
Association of Pharmacy Owners	APROFA	Chamber of Commerce and Industries of Cortés	CCIC
Association of Security and Private Investigation Enterprises of Honduras	ASEMSIPH	Chamber of Commerce and Industries of Progreso	CCIP

Association of Private Telecommunication Enterprises	ASETEL	Federation of Agro-Exporters of Honduras	FPX
Chamber of Housing Financing Institutions	CADEIFINH	Associated Managers and Entrepreneurs of Honduras	GEMAH
Counselling Centre for Human Resources Development of Honduras	CADERH	Poultry Producers of Honduras	PROAVIH
Honduran Chamber of Brokerage Firms	CAHBOLSA	Association of Private Hospitals of Honduras	ASHOPRHO
Honduran Chamber of Insurance Agencies	CAHDA	Association of Urban Developers and Housing Promoters of Honduras	ASUPROVIH
Honduran Chamber of Equivalent Products	CAHPROE	Association of Water Purifiers of Honduras	Purificadores de Agua
National Chamber of Tourism of Honduras	CANATURH	Honduran Association of Entrepreneurs of Products Derived from Oil	ADHEP
National Chamber of Real Estate of Honduras	CANABIRH	Development Association for the Southern Region	ADESUR
Chamber of Commerce and Industries of Tegucigalpa	CCIT	Association of Audit Firms registered in the Honduran College of University Professionals in Public Accounting	