

Phase-out strategy for Swedish support to

Honduras

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Summary

Swedish development cooperation with Honduras is to be phased out over the period 2008–2011. Sweden will continue to be an active development partner for Honduras during the entire phase-out period.

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The overall objective for Sweden's development cooperation with Honduras over the period 2008–2011 is improved democratic governance including extended recognition and application of human rights, and better living conditions for women, men, girls and boys living in poverty in rural areas. Sweden will apply a rights perspective and integrate the perspective of poor women, men, girls and boys on development.

During the phase-out period, development cooperation will be concentrated on two sectors: democratic governance including gender equality and local development, and water and sanitation in rural areas within the sector for natural resources and environment. The choice of sectors for Swedish cooperation has primarily been made on the basis of development problems in Honduras, the national poverty reduction strategy, Swedish comparative advantages and the results of Swedish development cooperation that have been achieved in these areas up to now.

The phase-out of Swedish development cooperation will be implemented, as far as possible, in such a way that the sustainability of results already achieved and the sustainability of institutions and organisations receiving Swedish support can be ensured. Since the majority of Swedish initiatives are being implemented together with other donors, the issue of sustainability will primarily be dealt with by working to secure greater funding from existing donors and/or by inviting new donors to participate. Sweden will also assist institutions by providing Swedish support for their work on developing plans for financial sustainability. Part of promoting sustainable results will mean that Sweden, together with other donors, will continue to work towards harmonisation, adaptation and ownership in accordance with the Paris Declaration.

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Introduction

The phase-out strategy for Sweden's development cooperation with Honduras 2008–2011 is presented below.

The overall objective of Swedish development cooperation is to help create the conditions for poor people to improve their living conditions, which also governs Swedish development cooperation with Honduras. Sweden has had cooperation with Honduras since the mid-1980s. This cooperation expanded in connection with the natural disaster Mitch and the Stockholm Declaration at the end of the 1990s.

In view of the situation in the country in terms of its weak democracy and structural poverty, and based on the results previously achieved and the possibilities and comparative advantages that Sweden has, development cooperation during the period will be concentrated on two sectors. These two sectors are democratic governance and human rights, including gender equality and local development, and water and sanitation in rural areas within the natural resources and environment sector. The thematic priorities of the Swedish Government are well reflected in these two sectors. Sweden will also work to secure the sustainability of the results achieved and to document the cooperation that has taken place.

Part 1 describes the objectives and focus of cooperation and Part 2 presents the background, focusing on a performance assessment of the cooperation areas currently receiving Swedish support and conclusions to be used as a basis for the approaching strategy period.

Part 1. Objectives and focus of the cooperation

1.1 Objectives and priorities for the phase-out period and phase-out process

Swedish development cooperation with Honduras is based on the national Poverty Reduction Strategy (PRS). The overall national objective for poverty reduction is “significant and sustainable poverty reduction achieved through high, accelerated, equally distributed and sustainable economic growth – which will enable poor people to have access to production factors and markets, to public services and to

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genuine political participation, through the full recognition of their rights and their social participation, while taking account of regional development (in the country)”¹.

The overall objective of Sweden’s development cooperation with Honduras is improved democratic governance including greater recognition and application of human rights, and better living conditions for women, men, girls and boys living in poverty in rural areas. Sweden will apply a rights perspective and integrate the perspective of poor women, men, girls and boys on development.

In this way, cooperation will help achieve the objective for Swedish development cooperation referred to in Sweden’s policy for global development (PGD) – to create the conditions for poor women and men to improve their living conditions. It will also help achieve the PGD objective of contributing to equitable and sustainable global development. Cooperation will be based on the two PGD perspectives: the perspective of poor people on development and the rights perspective.

The process objective for the strategy period is to implement a phase-out of development cooperation that as far as possible ensures the sustainability of the results achieved and the sustainability of institutions and organisations receiving Swedish support by continuing to contribute to the implementation of the international agenda for aid effectiveness.

The overall issue to be discussed in the dialogue will be how to gain a greater understanding in Honduran society for the perspective of poor people and for people’s rights.

During the course of the phase-out it will be particularly important to continually identify key areas that Sweden is to work with so as to achieve the best possible sustainability of the results. The dialogue with other donors will be significant. It will primarily focus on how other donors could contribute to taking over Sweden’s role in the dialogue with the government on particularly sensitive political issues such as human rights, corruption, SRHR and gender equality.

¹ “Estrategia de la Reducción de la Pobreza” (ERP/PRS), draft version from 18 January 2008, p.87.

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1.2 Focus and scope

During the previous strategy period, Swedish development cooperation has been in line with the PRS objective in so far as the specific programmes receiving Swedish support aim at increasing political participation and at greater recognition and application of human rights, which will enable cooperation to continue in these areas during the phase-out period. Greater social participation and access to public services focusing on regional development will also continue to be part of the country programme during the phase-out period.

Sweden will concentrate its ongoing cooperation on two sectors: democratic governance and human rights, including gender equality, and natural resources and environment (water and sanitation). The concentration to these two sectors has been justified with regard to the country's development problems, to the results of Swedish development cooperation achieved so far in these areas and to Swedish comparative advantages. The thematic priorities of the Government are the basis of the entire programme for development cooperation with Honduras.

It is planned to reduce the resources and number of initiatives according to table 1 below.

Table 1. Indicative volume for development cooperation with Honduras.

Year	2008	2009	2010
Number of initiatives (approximate number)	18	13	12
SEK million	90	70	45

Resources outside the budget allocation for countries in Latin America are expected for research cooperation, regional programmes, funds for Swedish NGOs (via Sida's SEKA Department), international educational programmes and any humanitarian relief that may be necessary. During the phase-out period, a greater Swedish focus on dialogue and strengthening strategic partnerships to improve the conditions for sustainability, and on documentation and performance monitoring can be expected. The period of activity is expected to end in December 2010. No payments for bilateral cooperation are planned for 2011; research cooperation via SAREC will, however, continue until June 2011.

1.2.1 Democratic governance, human rights and gender equality

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During the phase-out period support to the area of democratic governance and human rights will focus on consolidating democratic reforms. Sweden will give special priority to strengthening institutional conditions for electoral procedures, support to and strengthened collaboration with civil society for a deeper democratic development, support to gender equality reforms and support to the implementation of human rights including rights for people living with HIV and AIDS. Support will also be given to consolidating local government in the western region of the country. Experience in Honduras has shown that resources administered locally to improve the living conditions of people living in poverty produce concrete results in a more effective, transparent and sustainable manner than resources administered from the central level.²

National sector objective: The conditions have been created to consolidate a democratic state governed by the rule of law that guarantees everyone's access to justice and security and participation in all areas, based on respect for, and the promotion and defence of, human rights.

Objectives for Swedish support to the cooperation area:

- A rights-based, and strongly representative and participatory electoral process nationally and locally.
- Greater gender equality in the public sector and in political participation.
- Greater transparency and accountability in the public sector.
- Greater citizen participation in decision-making processes.

Process objective: That the results achieved, as far as possible, will be permanent.

Issues to be discussed in the dialogue: Sweden is to regularly work towards a greater awareness of, and action for, the fundamental principles of non-discrimination, participation, transparency and accountability in public activities and in society as a whole.

Forms of cooperation

Swedish cooperation in the area includes institutional support to the national Ministry of Women and project support to the human rights ombudsman. Cooperation with organisations in civil society includes institutional support to journalist and lobby organisations and to a

² Analysis of the results of cooperation between Sweden and Honduras, Tegucigalpa September 2006.

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national network working to draw attention to the HIV/AIDS situation in the country. Swedish support to electoral reforms has been channelled via multilateral actors and has been focused on strengthening the election authority and the population register authority. The three forms of cooperation, i.e., institutional support, project support and channelling support via multilateral actors, have proved to be positive and mutually strengthening for further developing and strengthening institutional capacity and effectiveness in a strongly politicised and thus fragmented sector. The strongly politicised environment is also a continuing challenge particularly with regard to gaining broader agreement in the field of democratic governance and human rights. During the phase-out period Sweden will therefore continue to channel its support to the sector via multilateral actors and in the form of project support and institutional support.

Phase-out and scope

The phase-out period will mean that 14 programmes already agreed on and funded by Sweden will be ended in the field of gender equality, human rights and democratic governance. In both the dialogue with the various institutions and organisations receiving support, and in designing the phase-out support, the focus in all of the programmes and projects will be on the progress of the processes and the sustainability of the results achieved. Sweden will also work towards a greater commitment from existing or new donors so as to promote sustainability.

1.2.2 Natural resources and environment (water and sanitation)

Access to water and sanitation is identified as a key factor for reducing poverty in most municipal development plans in rural areas in Honduras. Greater access to water and sanitation is regarded as having a direct impact in terms of improved health, particularly for women and children, and is a fundamental requirement for greater and sustainable productivity in rural areas. During the phase-out period, Sweden will continue to support programmes for water and sanitation in a number of rural municipalities.

National sector objective: To provide 90 per cent of the population with access to drinking water and 85 per cent with access to sanitation before the end of 2010.

In addition to this, the objective of the national Strategic Plan for Modernising the Drinking Water and Sanitation Sector is: Improved municipal water and improved sanitation services by strengthening

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institutional frameworks, improving the infrastructure and developing supplier capacity and consumer participation.

Objective for Swedish support to the cooperation area: To make considerable progress in relation to the Millennium Development Goal for drinking water and sanitation in ten municipalities with access by 90 per cent for drinking water and 80 per cent for sanitation by 2010.

Process objective: Consolidation of existing cooperation with other donors to ensure the sustainability of the results.

Issues to be discussed in the dialogue: Within the cooperation area, Sweden will actively pursue the issue of consistent application of the overall law on water and sanitation.

Forms of cooperation

In this sector Sweden will provide support for a pilot programme targeted at five municipalities in the country's poorest areas. Local authorities' planning and implementation of their plans in partnership with local NGOs has been an effective way for Sweden to support decentralisation processes and the greater access of poor people to water and sanitation under the Millennium Development Goals. Sweden will therefore continue to support programmes for water and sanitation in a number of rural municipalities during the phase-out period. This support is also expected to contribute to safeguarding fundamental human rights, particularly for people living in poverty in these areas. The support is directed at locally adapted solutions, and at factors that promote the sustainability of the programme. By ensuring that existing legislation is maintained at municipal level with regard to strategic environmental assessments and the scrutiny of environmental impact, Sweden will contribute to the sustainable use of water resources and better waste management.

Phase-out and scope

To ensure a responsible phase-out in the sector, Sweden should continue to support democratic processes and contribute to greater respect for human rights, gender equality, greater transparency and decentralisation as well as to their implementation during the phase-out process. Sweden's contribution to methods development in the sector should be seen as an important complementary initiative during the phase-out period. Other donors in the water sector in rural areas have shown an interest in taking over when Sweden phases out its initiatives.

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The sustainability of these initiatives will be facilitated through the cooperation established with other donors at an early stage.

1.2.3 Research

The objective of research support is a strengthened national knowledge system and an increased capacity to analyse poverty structures. Support to research also focuses on increased scientific knowledge and direct solutions to reduce poverty and improve the living conditions of women, men, girls and boys.

Specifically for the phase-out period, the expected results are to contribute to an improved capacity for analysis and research in the fields of health and technology, and the promotion of a more research-friendly environment.

1.2.4 Increased effectiveness of development cooperation

The effectiveness of development cooperation is dealt with in direct relations and cooperation with the government, both at the central sector level and at local level, and within the donor coordination mechanism, the G16 (the *Stockholm Declaration Monitoring Group*). The heterogeneity of the donor community is a challenge, and there are no other Nordic Plus donors. The dialogue on development issues is coordinated through the G16, which Sweden will chair in the second half of 2008. The G16 has a dialogue plan for issues relating to reforms in democratic governance, gender equality, the PRS and other matters. In the G16, Sweden is working for human rights to be included on the agenda of the dialogue with the government. Sweden supports the government's initiative for greater effectiveness in development cooperation, together with other partners.

Forms of cooperation

The country programme includes various forms of development assistance, including bilateral support to programmes and projects, co-financing and other partnership arrangements with multilateral partners and cooperation via Swedish NGOs.

Dialogue on the conditions for sustainable results

The dialogue with both state and civil organisations is to include the issue of the measures necessary to ensure sustainability, both with

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regard to results and to institutions/organisations. Sustainability is linked both to an adequate institutional capacity and to financial and political commitments, primarily on the part of central government. The expected effect of the dialogue is that the conditions will have been created for sustainable results, and for the sustainability of institutions and organisations supported by Sweden.

1.3 Implementation of support and phase-out

1.3.1 Cooperation with other donors including local/Swedish parties and multilateral actors

Since the majority of the Swedish initiatives for programmes and projects are being implemented together with other donors, the issue of sustainability will primarily be dealt with by promoting greater funding from existing donors and/or inviting new donors to participate. This process has already begun, and several parties have shown an interest in increasing their initiatives when Sweden phases out its activities. Where Sweden has been the main source of funding, institutions will be urged to develop plans for financial sustainability in which Sweden can contribute by acting as the broker between central government and donors. Capacity development is another way of improving institutional sustainability and will therefore be included in the phase-out work.

At present Sweden's main cooperation partners in co-financing arrangements are the United Nations Development Programme (UNDP), the World Bank, the Organisation of American States (OAS) and the International Development Bank (IDB). Other donors taking part and contributing in various forms to joint programmes without direct co-financing arrangements include the European Commission, Spain, Germany through the KfW Entwicklungsbank, Canada and Switzerland. The USA will take part in the preparations for the election process. There is scope for greater cooperation with Swedish and possibly even international NGOs.

1.3.2 Risk management

There may be an increased risk of corruption in the final stages of cooperation. To be able to deal with this risk, Sweden should come to an agreement with other donors on a division of responsibilities for monitoring the phase-out including final reports of the various projects

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and programmes. Other ways of dealing with the potential risk will also be identified.

1.3.3 Capacity and human resources

There will be a Swedish presence via the section office until the end of 2011. The section office will have sufficient funds and staff resources to implement and monitor the phase-out programme, including chairing the G16 and the special activities for the phase-out itself.

The private sector has an important role to play in the work of promoting sustainable development. Economic growth and increased trade are therefore important for reducing poverty. Initiatives that strengthen and create opportunities for the business sector in Honduras and that lead to increased trade with the country can contribute to this development. This strategy therefore allows short-term cooperation during the phase-out period so as, for example, to join the Swedish Trade Council in part-financing a study that looks into the possibilities of strengthening the local business sector and providing greater opportunities for trade with Honduras.

1.4 Monitoring and documentation

Swedish development cooperation with Honduras will be documented in several ways, based among other things on the Stockholm Declaration. In Honduras, the Declaration is a living document with which Sweden is closely associated. The result of the study will be presented in May 2009, 10 years after the Declaration was signed.

Documentation of Swedish development cooperation with Honduras will also be supported through Sida's annual monitoring of the process connected with the national poverty reduction strategy. The monitoring conducted for the past five years through the Institute of Social Studies (ISS) is also expected to remain a useful instrument for the dialogue between different partners.³

During the phase-out period a performance assessment will be conducted of Swedish development cooperation in relation to the objectives set. The performance assessment will begin before the end of the phase-out period and support for this work will consist of the study on the implementation of the Stockholm Declaration, the monitoring

³ See <http://www.iss.nl/Cross-cutting-themes/PRSP> for a complete list of these reports.

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reports from the Institute of Social Studies, external evaluations and other studies. An event to draw attention to the results of Swedish development cooperation in Honduras and Nicaragua is planned to take place in Sweden in 2010.

Part 2. Background

In the process of establishing the phase-out strategy, account has been taken of several factors. These include a broad analysis of each cooperation area currently receiving support, opportunities and comparative advantages that Sweden has to achieve sustainability in the phase-out process and an analysis of the situation in the country.

2.1 Summary analysis of each cooperation area currently receiving support

Because the strategy governing development cooperation with Honduras over the period 2001–2007 was primarily regional in approach, it gives no clear objectives for each cooperation area at country level. The overall objective for development cooperation has been to raise the living standards of the poor, which requires both consolidated democracy, economic growth and more social equality. The objectives of economic and social equality and democratic governance were regarded as being of particular relevance in Central America and the Caribbean. These objectives therefore formed the point of departure for development cooperation in Honduras in the previous strategy period.

After Hurricane Mitch, democratic governance and human rights, infrastructure and social issues have been among the most important areas for Swedish development cooperation with Honduras. The infrastructure components were resource-intensive, the results were tangible and the activities were concentrated to a short period of time (mainly 2000–2002). The components within democratic governance and human rights have had a longer history. They have been focused on developing capacity and strengthening institutions and on support to democratic processes. The results have been qualitative rather than quantitative and have contributed to the promotion of democracy and poor people's rights.

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Democratic governance, human rights and gender equality

Swedish support to the programme for democratic governance channelled via the UNDP started in the 1990s, before Sweden initiated its cooperation programme with Honduras. Swedish support has contributed to the process that led to electoral reform and other political processes, the reform of the defence sector, the reduced spread of light weapons, security and justice and the registration of property ownership. By supporting the country's Human Development Report and its circulation, and the follow-up of the Millennium Development Goals, Sweden has helped to sustain a national debate about development. Other results of Swedish support include the white paper for the defence sector and the development of tools for analysis and dialogue, which have been useful for consensus building between the political parties. The National Violence Observatory established with Swedish support, represents a valuable database. A recently conducted Swedish evaluation of the UNDP programme recommended continued support to three areas: democratic political reforms, security and social cohesion and the Human Development Report⁴. Through its partnership with the UNDP, Sweden's role in the dialogue on sensitive issues regarding the democratic process has been considerably strengthened. A further conclusion of the evaluation is that this programme has enabled Sweden to contribute and to continue to contribute to a rights-based and strongly representative and participatory democracy at both national and local levels.

Support to the election authority and the national population register in cooperation with the OAS was originally a contribution to the preparations for, and later implementation of, the electoral law adopted in 2004. The national population register is the only agency responsible for registering personal data and is therefore a guarantee for the right to an identity. The direct result of the Swedish contribution to both institutions was that the general elections in 2005 were accepted as being free and fair, although they were less than perfect. One of the reasons for the relative success of the elections was the establishment of a database with an updated register of the electorate. The staff at both institutions have improved their capacity through education and training; standards have been set and procedural handbooks have been compiled. Further support is needed to consolidate both institutions and to ensure confidence in the 2009 general elections. A number of risk factors are associated with the project because of the strongly

⁴ Sida Evaluation 07/24: Program för demokratisk samhällsstyrning i Honduras 2004-2007, *Programme for democratic governance in Honduras 2004-2007*, Sida-UNDP. Authors: Juan Carlos Castaldi, Gloria Noreña and Marco Handal. Tegucigalpa, October 2007.

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politicised environment but these are both outside the scope of the project and of the government's influence. It is considered that it will be possible for this support to continue to contribute to a qualitatively improved electoral process.

Swedish development cooperation has helped to introduce and institutionalise an agenda for gender equality in Honduras. The National Institute of Women's Affairs (INAM), whose director has the rank of a minister, was set up with the support of Sweden. The first gender equality policy and gender equality plan, and the act on gender-related violence and subsequent action plan were also developed with Swedish support. Institutional support has also helped Sweden to contribute to the establishment of women's offices at the local level. These offices have proved to be important in disseminating the gender equality plan and in addressing specific cases of gender discrimination. The INAM has contributed to a more widespread awareness of gender equality issues, particularly with regard to gender-related violence and especially in the police and legal systems and the social sectors. The INAM is strongly dependent on Sweden, since no other donor provides institutional support and central government funding is very limited. The issue of the INAM's financial and institutional sustainability will therefore be important during the phase-out period.

The ombudsman for human rights in Honduras, CONADEH, the National Commission of Human Rights, has received Swedish support since this institution was established in 1996. Institutional capacity and effectiveness have been developed, including a decentralised organisation. This has led to an increased focus on crimes against human rights both at national and local levels and particularly with regard to women's rights. Sida considers that, because of its long commitment, Sweden should prepare final support in 2008 in partnership with Denmark, which will be responsible for funding during the period 2009–2010.

Civil society

Sweden supports both national organisations and Swedish NGOs, such as Diakonia, Forum Syd and Kooperation utan gränser (the Swedish Cooperative Centre). When it comes to direct support from the section office to Honduran organisations, support has been given to the national Anti-Corruption Council (CNA) since its establishment in 2005 and one of the most important results has been the drafting and dissemination of the first national transparency report in 2007.

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CEDOH is a think-tank that has produced, published and circulated studies in subjects related to democratic governance, justice and security. The organisation C-Libre has taken part in the work of drawing up and lobbying for a law on the right to public information, which was finally adopted at the end of 2006. Through its support to C-Libre, Sweden has helped to improve the conditions for transparency and accountability in the public sector, and greater citizen participation and involvement. The National Forum for HIV/AIDS is civil society's only nation-wide organisation working with HIV and AIDS. A recently conducted evaluation shows that this organisation has helped increase society's commitment with regard to preventing and treating HIV and AIDS and defending the rights of people living with HIV and AIDS⁵. Sweden considers that the National Forum for HIV/AIDS has a clear agenda for advocating human rights with a gender equality perspective. Based both on the previous results and on the recommendations of the evaluation, support should continue to be given to several of these organisations during the rest of the strategy period.

Natural resources and environment (water and sanitation)

The decentralised programme for water and sanitation is a pilot programme for five municipalities in the poorest areas of the country. The local authorities' planning and implementation of their plans in partnership with local NGOs have led to specific results and have been relatively cost-effective. Both municipalities and local water councils have shown a strong commitment to the decentralised and participatory model. This has led to more people in poor areas gaining access to water and sanitation.

Research cooperation

The Swedish programme for research cooperation with Honduras has been focused on improving capacity for analysis and research, and creating knowledge that can help reduce poverty and promote economic growth. The programme has contributed to better research capacity in medical science (TBC and HIV/AIDS) and engineering/technology (hydrology and geo-technology), to the development of information and communications technology (ICT) at university level and to the reform of the National Autonomous University of Honduras (UNAH). The university reform has not advanced according to plan

⁵ Utvärdering av svenska stödet till nationellt forum för hiv/aids i Honduras (*Evaluation of Swedish support to the National Forum for HIV/AIDS in Honduras*). Authors: Iris Padilla and Juan Enrique Opazo. Tegucigalpa, October 2007.

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because of internal opposition to the reform and of weak leadership. Considerable improvements have, however, been made in the administrative and financial systems. The phase-out has been planned so that the post-graduate education for a number of Hondurans studying at Swedish universities can be completed.

Cooperation areas that have been phased out

At the beginning of January 2008, Sweden had already reduced the number of sectors from six to two, to facilitate the phase-out process. The sectors no longer being funded are infrastructure, including housing, statistics, health care and education. After Hurricane Mitch, Sweden was a major actor with regard to reconstruction of the transport network and housing, which facilitated economic and social development. By supporting statistics, the fundamental conditions have been created for planning and following up development at national level. Sweden has helped lay the foundation for programme-based initiatives and system reforms of the social sectors. In the health care sector, poor people have gained better access to decentralised services.

2.2 Conclusions of the phase-out strategy

According to a study undertaken on views of Swedish development cooperation in Honduras and that was confirmed by testimony from the G16 members, the Honduran government and civil society, the general view is that Swedish development cooperation is respected, not so much for its funding and technical expertise, but for the role that Sweden has played in various aspects of cooperation. Sweden has played and is continuing to play a leading role as an advocate and pioneer for greater effectiveness in development cooperation through new, innovative tools and mechanisms for aid delivery, particularly with regard to the Paris Agenda. Another aspect of the Swedish role is that Sweden is regarded as capable of conducting a positive dialogue with the government on sensitive issues and of promoting a public debate on these issues in a manner that few other donors are capable of. Sensitive issues where Sweden has made a contribution have involved corruption and governance, human rights, gender equality and sexual and reproductive rights. Sweden is regarded as having a comparative advantage in the field of democratic governance and human rights. The third aspect is Sweden's ability to focus on strategically important structural and institutional processes, and its ability to create alliances with different partners to drive these processes forward. One example of the latter is the planned support to local poverty reduction plans at

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municipal level, which have drawn the interest and support of other donors. This general picture obviously offers opportunities for Sweden during the phase-out period. It is clear that the phase-out programme, including the processes in which Sweden will be involved, will need to be based on the social capital that has been acquired. Since the section office in Honduras is a small office with few employees, Sweden is cooperating with other bilateral and multilateral donors and with national and international NGOs to maximise the results of Swedish support. Most of Sweden's programmes are implemented in a similar manner together with other partners. Sweden is playing an active role in the dialogue and processes linked to the programmes being supported, such as those related to capacity building and strengthening ownership. Not only do these types of activities improve the institutional frameworks, but they also contribute to securing sustainability. Other donors have expressed an interest in increasing their involvement in areas where they are cooperating with Sweden, in line with the EU code of conduct and the Paris Declaration.

The situation in the country includes both opportunities and challenges. Honduras is formally a democracy but a weak one and the country has not been able to deal with either the underlying causes of poverty or their expression. The extent to which politics and electoral campaigns will affect the public sector will be even more apparent during the strategy period and this is a risk that needs to be dealt with during the phase-out of the cooperation programme. However there are actors for change who are working for reforms, for strengthening institutional frameworks and introducing a state governed by the rule of law. These are actors and processes that Sweden should continue to support during the phase-out period.

The Government therefore considers that it is important and feasible for Sweden to continue to support key democratic processes and contribute to greater respect for human rights, gender equality, greater transparency and decentralisation as well as to their implementation during the phase-out process. The Government also considers that it is important to support and strengthen actors for change at institutional level and to support the forces in civil society that are contributing constructively in the above-mentioned areas. In addition, Sweden considers it relevant to provide assistance when implementing well-defined local priorities for poverty reduction and to strengthen successful coalitions between local administrations and civil society. The Government considers that research cooperation will contribute to university reform and to improved research capacity. The above areas

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take account of other donors' activities and presence, which strengthens the combined efforts of these donors. The Government's overall assessment is that the opportunities and comparative advantages enjoyed by Sweden and the results that have been achieved, support the decision to focus on democratic governance including gender equality and local development, and water and sanitation in rural areas in the natural resources and environment sector during the phase-out period.



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