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ACTION WHA-00

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	LAB-01	MFLO-00	MOFM-00	MOF-00	CDC-00	VCIE-00	NSAE-00
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STATE FOR WHA/CEN, EEB/CBA, AND GLOBAL PARTNERSHIP CENTER
 COMMERCE FOR ITA
 SOUTHCOM FOR ADMIRAL STAVRIDIS, AMBASSADOR TRIVELLIE, AND AMBASSADOR
 FORD

E.O. 12958: N/A
 TAGS: BBSR, EAID, ECON, SOCI, HO
 SUBJECT: MISSION CORPORATE SOCIAL RESPONSIBILITY STRATEGY

1. Summary: Embassy Tegucigalpa has launched a new initiative to promote Corporate Social Responsibility (CSR) and Public-Private Partnerships (PPPs). This strategy consists of the compilation of a live list of CSR programs and public-private partnerships involving U.S. companies in Honduras, support for good governance organizations, Ambassador advocacy and other Country Team speaker opportunities. An initial list of active CSR programs appears below. Post hopes this list will be useful to the Department and SouthCom in their consideration of program support and partnerships, possibly in conjunction with the organization projecthonduras.com. End Summary.

 THE STRATEGY

UNITED STATES DEPARTMENT OF STATE
 REVIEW AUTHORITY: DONNA M DIPAOLO
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2. The first element of the initiative consists of the compilation of a live list of CSR programs and PPPs in Honduras. This list is continually updated as new information becomes available through submission of business and NGO literature on CSR programs. Companies on the list agree to allow Embassy Tegucigalpa to cite them as examples of good CSR in meetings and public speeches.

3. The next piece consists of support for good governance organizations. The Department of Commerce recently awarded the Honduran-American Chamber of Commerce (AmCham) and FUNDAHRSE and FUNDEMOS, the two leading CSR NGOs, a USD 21,200 grant to support their CSR activities. In 2009, these groups together will train 240 company representatives in CSR and also carry out a newspaper and radio campaign to highlight the importance of CSR in Tegucigalpa, San Pedro Sula, La Ceiba, and the island of Roatan, in order to diffuse the information more widely. The Ambassador presented the Commerce grant to the groups in the form of an oversized check at a press event in San Pedro Sula November 20.

4. The last part consists of advocacy and public speaking opportunities for the Ambassador and Country Team members and invited experts. The Mission is actively involved in the promotion of CSR and regularly discusses it in his meetings and speeches. In recent months, the Ambassador spoke on the subject of CSR at AmCham, FUNDAHRSE, and GE events, and at a seminar held by the NGO projecthonduras.com. Earlier in the year, Post had the privilege of hosting Celina Pasani-Tousignant, an expert on CSR in the U.S., who served as the keynote speaker for the AmCham's 25th Gala Dinner. These sorts of high-profile events and State Department speaker programs offer a unique opportunity to highlight the importance of CSR.

 CSR PROGRAMS IN HONDURAS

5. The following is a list of the CSR programs of which Post is currently aware, in no particular order:

--Wal-Mart: (Award for Corporate Excellence Nominee 2008.) A partner institution of the Honduras Millennium Challenge Account (MCA) and USAID, Wal-Mart's two major Small and Medium Enterprise (SME) programs guarantee the sale of SMEs' fruit and vegetables through Wal-Mart's agricultural company, Hortifruti. Wal-Mart also provides technical training and agronomic and business assistance to farmers aimed at increasing efficiency and profitability. These programs promote diversification of Honduran agricultural production. More than 700 local producers have received training that covers at least 150 non-traditional crops. Wal-Mart estimates this has generated about 3,500 direct and indirect jobs in rural areas. 92 percent of

vegetables and 50 percent of products sold at Wal-Mart-owned stores in Honduras are locally grown. Wal-Mart currently offers its employees 16 benefits more than legally required, including transportation in poor, crime-ridden areas for those working in stores that close after 10pm; payment of health insurance and funeral expenses; and one month's salary for each year worked for any employee who voluntarily leaves the company.

--Cargill: (ACE Nominee 2007.) Grupo Alcon, the local subsidiary of Cargill, has partnered with CARE International in a two-year commitment to help adolescent workers in the Sula Valley of northern Honduras. Through CARE's ENTRA program (Educacisn Bsica para Nios y Nias Trabajadores), working children receive distance learning from volunteer facilitators. Cargill has committed nearly USD 200,000, with an expected 350 children to be reached by the partnership. Cargill is an Education Programs facilitator for the Junior Achievement program and has improved public school facilities

in San Pedro Sula, Villanueva, La Ceiba, Tegucigalpa, Santa Cruz de Yojoa and Siguatepeque. Cargill's school program in 2007 with CARE included donations for school supplies, teacher training, medicine for students, and support for single parents with more than two children in school. The program, carried out through six educational facilities, had a 100 percent retention rate for the 2,206 students served. Cargill has adopted an orphanage, giving financial support and the services of a Cargill physician. Cargill has contributed to the financing of health centers and public hospital clinics. Annual campaigns have focused on dengue and rabies, and Cargill has helped by neurosurgeon nurses' salaries and given medical assistance to the Honduran Institute of Child and Family (IHNFA).

--Citigroup: (ACE Nominee 2007.) The Junior Achievement-Banks in Action project teaches high school students the elements of banking. The program culminates with an interschool competition, with the winning school having the chance to represent the country in a regional Latin American competition. During 2006, 100 teams (300 students) from 37 public high schools in Honduras participated in the interschool competition. During 2006, Citi supported the NGO FUNADEH with computer training scholarships for 240 youth in its educational center in the Chamelecon area, which covers 54 neighborhoods of high social priority in San Pedro Sula, a city in which 25 percent of the 100,000 inhabitants are under the age of 15. Citi in Honduras has also supported Operation Smile since 1997. Citi's employees were key supporters of the construction of a Cleft Lip and Palate Clinic inaugurated in February 2006. Citi's volunteers helped to provide dental and orthodontics care, speech therapy, and psychology treatment. A total of 1,791 Honduran children with cleft lip and palate malformations have now received operations from this effort.

--American Aggregates/Agrecasa: Agrecasa's varied CSR programs include improving local roads, repairing and improving installations for the Eliza Murillo rural school in Brisas del Mar, donating a wall of a new church and a new school built in Brisas del Mar, planting 1200 trees, donating USD 10,000 for a drinking water system in La Union, donating 140 food baskets for Mother's Day, donating USD 1,000 to the Puerto Cortes Technical University, and donating hospital equipment to the Enrique Aguilar de la Esperanza in Intibuca, among others.

--McCann Erickson: McCann Erickson launched a campaign on June 10, 2008, called Honduras, Merecetela! The company hopes to change attitudes by contributing to the construction of a new Honduran who knows how to love his or her country, in both its natural and historic dimensions. The campaign includes illustrated pieces in print media, six TV spots, a radio jingle, and banners and signs on bus stations, digital screens, and other outside structures. Starting in November, the company plans to carry out interviews with different Honduran groups about how to increase civic participation and education and teach Hondurans to take pride in their country.

--Fruit of the Loom: Fruit is the largest private foreign employer in Honduras, and its CSR programs center on environmental programs and worker safety and training. To that end, they are certified yearly by the Cal Safety Compliance Corporation (CSCC), an outside audit company that focuses on the maquila sector. Fruit's buyers, such as Disney and GAP, also audit the company on industrial security, including employee safety and fire prevention. Fruit has formed a National Energy Committee to think of energy-saving programs and instruction for employees. It has reduced the company's energy use and increased water treatment, waste management, and recycling: for example, scraps of Fruit fabric are now used to cushion auto harnesses and to line European caskets instead of being thrown out. Fruit also provides training for employees on the prevention of disease and on proper cleanliness at work and home. Its company training center, FOLTEC, has four classrooms employees have each received 15 hours of continuing education so far this year. Doctors free of charge are available at Fruit's plants. In November 2008, a doctors' fair will be held to see the children of employees.

--BAC/Credomatic (GE): In 2007, 511 BAC volunteers devoted 5,528 hours to community service programs in the areas of health and education. The 80 who participated in the Junior Achievement program benefited 1,400 children in Tegucigalpa, San Pedro Sula, and La Ceiba. BAC has also donated computers through its program FutureKids. In 2007, 2556 SMEs received credit through BAC and 29 received non-financial services, with a total value of over USD 94,000. In addition, 217 SMEs in the fledgling tourism sector received training on providing good customer service. The company

also teaches customers about credit. In the middle of 2007, 14

financial education messages were sent to 180,000 cardholders and bank customers. At the same time, the company conducted a campaign on good credit card usage, with information diffused through television, movies, the press, radio, flyers, bookmarks, and banners. In November, it launched the second of seven publications on good credit card management, which were included in account statements sent to customers. BAC received an award from the Central American Technical University (UNITEC) for its CSR programs and is one of the seven companies recognized by the good governance organization FUNDAHRSE (Dept of Commerce grantee) for having gone above and beyond its CSR duties in all dimensions. It serves as an example for other private companies and trained 90 such Honduran representatives in three separate events over 2007, the most in the region. The company also provides training for employees and suppliers on waste reduction, water use, and other good environmental practices.

--Manpower: Manpower's program to help disabled and older workers enter the job market has benefited 1,800 workers in Central America, including 77 in Honduras. It also provides continuing education for its workers and suppliers at any place, any time, so as not to add hours to the workday.

--Crowley Shipping: Crowley Honduras has supported Fundacion Amor y Vida (Love and Life Foundation) since 2005, combining both money and personal involvement. Fundacion Amor y Vida is a non-profit, non-governmental foundation, whose purpose is to provide to love and protection to low-income orphans and other children infected with HIV/AIDS. The project was born on September 1, 1994, in San Pedro Sula. Supported by a group of volunteers who give monthly contributions, the foundation has a nurse, babysitters, housekeeper, a cook, teachers and maintenance personnel. A small clinic inside the complex provides medical services and medications to control the devastating effects of the disease. A volunteer doctor checks the children and personal clinic files and control. Currently the foundation has 37 children between 3 and a half and 18 years old. The foundation also provides education to all the children. Crowley Honduras's scholarship project began in February 2006 and currently includes three students from the Universidad Nacional Autonoma in San Pedro Sula. The financial amount and duration of the scholarship for each student is for USD 1,000 per year (USD 100 monthly) and the scholarship is renewed with demonstration of good grades and status as a full-time student until completion of a bachelors' degree (4 years). Selection of the student each year is handled by the university. Candidates must have a GPA of 80 percent each semester and verified financial needs and major in Business Administration, Marketing, Economics, Finance or Administrative Technology. Crowley awards one scholarship per year, for a maximum

of four students.

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--Dole: A total of USD 791,150 was donated for various programs, with the largest share (USD 278,300) going school improvement. Donations supported spelling and math contests, health clinics, vaccination programs, and infectious disease control. Projects currently in the works include, among others: USD 37,276 for the remodeling of Manuel Bonilla Park in La Ceiba; USD 4,513 for the repair of sports fields and the construction of a safety fence at the 200-student Francisco R. Lozano school in Yoro; USD 2,640 for the construction of two classrooms at 400-student Basic Learning Center Rafael Heliodoro Valle in Tepusteca; USD 3,730 for flood control in the communities of El Cinco and El Agricultor; and USD 5,000 for the construction of latrines in Isletas (Central Zone) for 300 families.

 PUBLIC-PRIVATE PARTNERSHIPS

7. PPPs are still in early stages in Honduras. However, some activity can already be seen, principally through USAID and the Panamerican Agricultural University at Zamorano, which itself is partially supported by USAID funding. In addition, Honduras is part of the pilot program between the Department of State and ZANA Network, which will allow Honduran companies free access to ZANA for one year for business networking purposes.

8. The organization projecthonduras.com, whose annual conference in Copan the Ambassador attended, offers a unique opportunity for PPP networking. Projecthonduras.com was started by a Honduran-American to help bring together U.S. groups by networking more than 100 organizations, most of them with private-sector supporters, to help those in need. JTF-Bravo provided USD 20,000 of Defense Advanced Research Projects Agency (DARPA) funds for the recent conference and

hopes to support the conference again next year. SouthCom's direct contact with the organization could lead to a productive partnership to leverage wider knowledge.

9. The following is a list of the PPPs of which Post is currently aware, with U.S.-sponsored programs first:

--Desafio 100: A partnership between USAID; Paz y Conveniencia (part of the San Pedro municipality) and the National Prevention Program; the Honduran Manufacturers' Association (AHM), the Chamber of Commerce of Cortes (CCIC), the Chamber of Commerce of Tegucigalpa (CCIT), the National Honduran Business Council (COHEP), and the Tegucigalpa Rotary Clubs; and the companies Grupo Lovable, Plasticos Gamoz, Gran Central de Buses, Hulera de Sula, and FRUVETSA. The

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project aims to provide outreach centers and employment for former gang members. The Rotary Clubs plan to invest USD 90,000, along with providing volunteers. Other figures are as yet unavailable, due to the fact that the project is still in its early stages. The first 26 former gang members obtained employment at the participating companies in late October 2008.

--Waste Water Treatment Program: This USAID program will include implementation of at least two of the basic elements of regional waste water regulation (EPA-CCAD-Chemonics), training on waste water treatment plant inspections procedures (EPA), the Coca-Cola Global Development Alliance to improve wastewater compliance (USAID/EGAT), and the development of a Manual of Appropriate Sustainable Wastewater Treatment Systems (EPA). The Coca-Cola program will improve access to water by replacing an outdated and run-down water supply system to better meet the needs of a community near Tela. When the new system is complete, it will provide water all day to 350 families.

--Sustainable Fisheries Program: This USAID program, carried out in conjunction with Darden Restaurants and the World Wildlife Fund, will reduce illegal fishing of undersized lobster.

--Climate Change Tracking Alliance: This USAID program, carried out in conjunction with the Water Center for the Humid Tropics of Latin America and the Caribbean (CATHALAC), aims to reduce region's vulnerability to climate change through four components: 1) Development of satellite-based regional forecasting applications for the Regional Visualization and Monitoring System for Mesoamerica (SERVIR), including climate indices and weather derivatives; 2) Application of environmental data products to assessing the impacts of climate change on biodiversity, and development of other select vulnerability and impact assessment; 3) In-depth capacity-building for the countries in the use of such adaptation-related products/tools; and 4) Incorporate SERVIR products into the National and Regional Decision Making Processes to Develop Strategies to adaptation to climate change.

--Bosques Pico Bonito: Bosques Pico Bonito counts on the support of a wide range of contributors, including the Government of Honduras, USAID, the Government of Japan, the Clinton Foundation, Citigroup, Goulston and Storrs, IRG, the KL Felicitas Foundation, McKinsey and Associates, Wainwright, Winrock, Bio CF, and Brinkman and Associates. The mission of Bosques Pico Bonito is to be a recognized world leader in establishing and managing business models that achieve commercially attractive triple bottom line results in the areas of sustainable forestry, environmental and biodiversity restoration and protection, and social equity. In so doing, the company will promote sustainable livelihoods by strengthening community participation in resource management. Bosques Pico Bonito

will plant over one million trees and commercial reforestation will take place on thousands of hectares of previously degraded land. The project will include reintroducing native species to restore habitats for rare and endangered species, and for slope stabilization and watershed protection purposes. As part of local community involvement, Bosques Pico Bonito will heavily promote sustainable forestry and agroforestry management practices on private land areas adjacent to the Project and parklands and as a result, aims to achieve even broader sustainable forestry management and preservation, and replace the previous slash and burn farming practices. The company will provide jobs with benefits to several hundred community members.

--The Program for Rural Honduran Business Development of Zamorano: The Zamorano Agricultural School receives support from USAID and American Schools and Hospitals Abroad. PROEMPRESAH has small and medium enterprise projects financed by the Inter-American Development Bank (USD 1.9 million) and the European Union (USD 2.59 million with an additional USD 500,000 for food security). These

projects have created and strengthened 100 companies in the Honduran rural sector, with more than 4,000 beneficiaries, split equally between men and women.

--Zamorano/Monsanto Bioengineering Project: Zamorano and Monsanto have teamed up to limit three types of corn plagues in Honduras through the adoption of new GMO seeds.

--Zamorano/Syngenta Biodiesel Project: One potential biodiesel feedstock crop, *Jatropha curcas*, has generated much interest for its adaptation to dry-land cropping and its potential to provide income to small farmers in sub-tropical regions. Zamorano and Syngenta outlined the development of a *Jatropha*-to-biodiesel value chain in the Central American highlands through a mid-term research project to be carried out over the next five years. Each of the project components will support advances in the *Jatropha curcas* value chain and fill a void of knowledge in bio-fuels production throughout much of the Americas. All these activities will be included in Zamorano's celebrated Learning-by-Doing modules, integrating students in all aspects of this research.

--Zamorano/Banco Hipotecario Training Program: Banco Hipotecario, a Salvadoran bank, provides financial assistance for training Zamorano professionals. Activities include internships, exchanges of Banco Hipotecario executives' know-how and experiences with the students and the faculty of Zamorano, research and development projects, and help for student loans.

--Municipal Credit Market: Banco FICOHSA has administered two trusts with resources from the Inter-American Development Bank for

municipal works. The first is a USD 26 million trust for Puerto Cortes, with a sovereign guarantee from the Government of Honduras, to finance water and sanitation projects. The second is a USD 70 million IDB loan through the GOH to finance projects in Tegucigalpa and San Pedro Sula. Banco BAMER and the companies Roche and ESA Consultores will assist the IDB and FICOHSA with financial, environmental, and technical considerations.

--CA-5: The GOH, in conjunction with the International Finance Corporation, is designing a Public-Private Partnership company to finish the CA-5 for USD 100 million. The company Fondo Vial will be responsible for maintenance and tolls.

--Developing Health Globally: In 2007, working in partnership with the Honduran Ministry of Health, GE donated USD 3 million of basic laboratory equipment, patient monitoring devices, surgical suite equipment, maternal and infant care products and diagnostic tools such as x-ray and ultrasound for its Developing Health Globally program. This program aims to improve access to quality healthcare for some of the world's most vulnerable populations. GE is working in partnership with the Honduran Ministry of Health to improve healthcare delivery in impoverished areas in Honduras to impact mortality rates over the long term. GE is leveraging products, technology and knowledge from its energy, water, healthcare and consumer and industrial businesses to provide sustainable, total-system upgrades to existing public hospitals. GE field engineers and application specialists ensure that proper installation and training is completed for all donated equipment to yield sustainable, best-case results. The GE Hispanic Forum selects employee volunteers as GE ambassadors to ensure that improvements are sustained. GE ambassadors team with hospital leaders to track and review site control plans and foster ongoing relationships. These relationships involve coaching and mentoring site staff; sharing GE best practices; identifying community-building opportunities; and enabling ongoing process improvements. The 2008 program will take place in the following locations: Enrique Aguilar Cerrato Hospital - La Esperanza, Intibuca; Juan Manuel Galvez Hospital - Gracias, Lempira; Escuela Hospital - Central Tegucigalpa; Olanchito Hospital - Olanchito, Yoro; Integrado Hospital - Santa Barbara, Santa Barbara; San Lorenzo Hospital - San Lorenzo, Valle.

--Sight to the Blind: This nonprofit offers eye care for low-income Honduran patients through the Tegucigalpa-based office of Juan Oden Nasralla, MD. Alcon Laboratories in Ft. Worth, TX is a major donor of ophthalmic pharmaceuticals, supplies, and equipment: annual donations in past years have ranged from USD 50,000 to USD 250,000 in products. Another donor is King Benevolent Fund International of Bristol, VA which donated pharmaceutical products valued at USD 87,697 in 2007. Lombart Instruments of Norfolk, VA, has also contributed.

10. Embassy Tegucigalpa hopes this information is helpful and looks forward to all possible areas of public-private collaboration.

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