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HONDURAS

FIRST CENTER OF OPPORTUNITIES FOR YOUNG MIGRANTS

(HO-T1339)

DONORS MEMORANDUM

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PROJECT SUMMARY
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Between 2010 and 2017, the growth of the Honduran economy outpaced the average for the rest of Latin America and the Caribbean. However, the country's economic development has not translated into significant poverty reduction, or into structural changes in production and employment. Inequality and poverty levels remain high in comparison with the rest of the region.

In recent years, Honduras has had very high levels of migration. Thousands of people are emigrating in hopes of improving their situation in another country, for reasons such as economic fragility, the high degree of informality, crime and violence, lack of opportunities, and family reunification. Though studies show that emigrants are not the poorest of the poor, informal evidence gathered by the International Organization for Migration (IOM) seems to indicate that, when migrating in groups as in the case of the caravans, very poor and vulnerable people who would not normally attempt to migrate are beginning to embark on these migratory journeys. As 65.35% of Hondurans are under the age of 30, and the country has one of the highest youth unemployment rates in the hemisphere, emigrants are predominantly young people. Although it is impossible to determine the exact number of emigrants, repatriations (voluntary or not) can be used as indicators of the magnitude of this phenomenon. In 2018, 75,276 people returned to Honduras and this represented an increase of 56.8% from 2017. Between January and June 2018, approximately 12,000 minors (under the age of 18) were returned to the Northern Triangle: 357 were repatriated from the United States and 11,389 from Mexico. During the first half of 2018, 5,901 minor Honduran migrants (1,840 of these unaccompanied) were turned over to the immigration authorities by Mexico and the United States. These figures do not include migrants who cross the border without being detained, or for deaths and disappearances.

The structural challenges driving migration prevent returning migrants (deported or returning voluntarily) from going back to their households of origin and, therefore, they are very likely to attempt to migrate again within a short period of time. To date, the education system does not allow students to enroll once the school year has begun, and employment and entrepreneurship opportunities are scarce (reasons, in addition to insecurity, that compel young people to migrate).

The project's objective is to create a model that will facilitate the inclusion of returning young migrants, so that they have alternatives to migration, through the creation of an Center of Opportunities for Young Migrants (the Center) that will offer: (i) quality education, collaborative work spaces, shared learning opportunities, and job training, with a service approach based on protecting minors, and (ii) facilitate access to data on migration that can be used as an input for public policy design. Training will be driven by demand and will include beneficiaries residing in the Center, as well as members of the local community. The anticipated impact is that 630 young people will return to the education system or to the labor market. The project is expected to provide training to 300 young people through the residential program in addition to 600 members of the local community. Furthermore, it is anticipated that 600 residents of the Center, the local community, and other cities/countries will receive leadership training so that they can become agents of change in their communities.

The project will allow the study of the response of migrants to alternative opportunities in their country of origin, once they return, in order to get them to stay and not make another attempt at irregular migration. The project is expected to be replicable in other countries in the region and to provide inputs for the preparation of future IDB Group operations.

ANNEXES

Annex I	Results Matrix
Annex II	Summary Budget
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APPENDICES

Proposed resolution

INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF THE IDB LAB PROJECT INFORMATION SYSTEM

Annex IV	Itemized budget
Annex V	Diagnostic needs assessment (DNA) of the executing agency (includes due diligence and integrity analysis)
Annex VI	Project status reports (PSRs), fulfillment of milestones, and fiduciary agreements
Annex VII	Procurement plan

ABBREVIATIONS

EPHPM	Ongoing Multi-purpose Household Survey
FUNSEPA	Fundación Sergio Paiz Andrade
ILO	International Labour Organization
INE	National Institute of Statistics
IOM	International Organization for Migration
IWR	Institute for the Works of Religion
OHCHR	Office of the High Commissioner for Human Rights in Honduras
UNICEF	United Nations Children's Fund

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Country and geographic location:	Honduras-San Pedro Sula, Tegucigalpa, and the department of El Paraíso		
Executing agency:	Fundación Alivio del Sufrimiento		
Focus area:	Knowledge economy		
Coordination with other donors/Bank operations:	There will be collaborations with the OHCHR, IOM, UNICEF, the Episcopal Conference of Italy, the Vatican Bank-IWR, the Norwegian Refugee Council, with operation RG-T3152: Digital Skills as a Tool for Inclusion and Productivity executed by LMK ¹ in Honduras, El Salvador, and Nicaragua, ² HO-L1188: Improving Educational Quality to Develop Skills for Employment: Project Youth, and HO-L1202: Digital Transformation for Increased Competitiveness.		
Project beneficiaries:	The project will directly benefit 630 young people who will return to the formal education system or join the labor market. It will provide technical and life skills training to 300 young people through the residential program, 600 young people through community programs, and 600 young people who will participate in the Scholas Leadership Program.		
Financing:	Technical cooperation funding:	US\$1,000,000	18%
	Total IDB Lab contribution:	US\$1,000,000	
	Counterpart: ³	US\$4,495,000	82%
	Cofinancing:	-	
	Total project budget:	US\$5,495,000	100%
Execution and disbursement period:	36 months for execution and 42 months for disbursement.		
Special contractual conditions:	The appointment of a project coordinator will be a condition precedent to the first disbursement.		
Environmental and social impact review:	This operation was screened and classified on 10 April 2019 in accordance with the requirements of the IDB's Environment and Safeguards Compliance Policy (Operational Policy OP-703). Since the impacts and risks are limited, the project is proposed for classification as a category "C" operation.		
Unit responsible for disbursements:	IDB Country Office in Honduras (COF/CHO).		

¹ LMK: Labor Market Division.

² RG-T3152: Digital skills as a tool for inclusion and productivity, executed by LMK in Honduras, El Salvador, and Nicaragua, approved in December 2018. The objective of this technical cooperation operation is to develop young people's digital skills in three Central American countries: El Salvador, Honduras, and Nicaragua.

³ Most counterpart resources will be from UNICEF, the Episcopal Conference of Italy, and the Vatican Bank-Institute for the Works of Religion (IWR). The details of counterpart funds are being discussed at the time of preparing this document. Details will be updated in the Bank's systems.

I. THE PROBLEM

A. Description of the problem

- 1.1 **Growth.** Between 2010 and 2017, the Honduran economy experienced an average annual growth of 3.7%, surpassing that of the rest of Latin America and the Caribbean (2%). However, annual per capita GDP growth was 1.51%, which was below the 2.48% average for Central America and the Dominican Republic. The country's economic development has not translated into significant poverty reduction or into structural changes in production and employment. Economic activity continues to be linked to the production of primary and other low-value-added goods, while productivity has remained stagnant. Inequality and poverty levels continue to be high in comparison with the rest of the region with notable urban-rural disparities. General poverty and extreme poverty in Honduras affect 64.3% and 40.3% of households, respectively.^{4,5}
- 1.2 **Youth employment and migration.** Underemployment in Honduras is 44.4%, and over 80% of the workforce is informal.⁶ The country has one of the highest proportions of young people in the region, and its working-age demographic is projected to undergo a prolonged period of growth,⁷ although the economy is limited in its capacity to generate quality jobs. Young people who neither study nor work represent 26% of the population between the ages of 15 and 24, above the average for Latin America and the Caribbean (15,5%).⁸ Furthermore, the quality of education is questionable; according to 2015 data from the Proyecto Mejorando el Impacto al Desempeño Estudiantil de Honduras [Improving the Impact on Student Performance Project] (MIDEH) in Honduras, only 34% of young people in grade nine had achieved a satisfactory reading level, and this rate was just 7% in mathematics (MIDEH, 2016). Lacking opportunities, these young people who neither work nor study are the most vulnerable to migration in search of a better future.
- 1.3 In recent years, Honduras has had very high migration flows. Thousands of people are emigrating in hopes of improving their situation in another country, for reasons such as the country's economic fragility, the high degree of informality, crime and violence, lack of opportunities, and family reunification. Recently, thousands of migrants, including women, children, and very young men left Honduras in migrant caravans. Though studies show that emigrants are not the poorest of the poor, informal evidence gathered by the International Organization for Migration (IOM) seems to indicate that, when migrating in groups, very poor and vulnerable people who would not normally migrate are beginning to embark on these migratory journeys. In addition, there is the problem of the internal displacement of people seeking safety by fleeing dangerous areas affected by gang activity. As 65.35% of Hondurans are under the age of 30 and the country has one of the highest youth

⁴ IDB Group Country Strategy with Honduras 2019-2022.

⁵ According to the National Institute of Statistics (INE), the 2013 poverty and extreme poverty rates in the El Paraíso municipio (the center of the project's operations) were 50% and 45%, respectively.

⁶ IDB, based on data from the INE, Ongoing Multi-purpose Household Survey (EPHPM), 2017.

⁷ It is estimated that the working-age population will grow at an average year-on-year rate of 5% until it reaches its peak in 2040 (IDB, 2018).

⁸ IDB, 2018.

- unemployment rates in the hemisphere, emigrants are predominantly young people. Although it is impossible to determine the exact number of emigrants, repatriations (voluntary or not) can be used as indicators of the magnitude of this phenomenon; for example, according to official data, Hondurans between the ages of 14 and 17 comprised 9.6% of the country's population in 2016. However, this same age group represented 14.1% of Honduran migrants detained in Mexico or at the border between Mexico and the United States.
- 1.4 In 2018, 75,276 people returned to Honduras, a figure that was 56.8% higher than in 2017. Between January and June 2018, approximately 12,000 young people (under the age of 18) were returned to the Northern Triangle: 357 were repatriated from the U.S. and 11,389 from Mexico. During the first half of 2018, 5,901 minor Honduran migrants (1,840 unaccompanied) were turned over to the immigration authorities by Mexico and the United States. These figures do not include migrants who cross the border without being detained, or for deaths and disappearances.
 - 1.5 The Government of Honduras has a General Directorate for the Protection of Honduran Migrants that coordinates the work of the Honduran Migrant Protection Office, the Returning Migrant Assistance Office, Service Centers for Returning Migrants, and the Municipal Service Centers for Returning Migrants. More recently, the Honduran Migrant Solidarity Fund and the Migrant Support Task Force were created. Unfortunately, these institutions' efforts are focused on providing specific emergency assistance to Hondurans who have just begun their journey or who have just returned to the country after being deported; they do not offer the comprehensive support that results in more permanent inclusion upon their return, or preventative measures such as alternative opportunities.
 - 1.6 **The problem.** Once deported, it is very difficult for returning migrants (deported or returning voluntarily) to return to their community of origin because these communities normally lack educational opportunities (it is not possible to enter the educational system in the middle of the school year) and work opportunities, and are plagued by high rates of crime and violence, which are the very reasons people emigrate in the first place. Consequently, returning migrants are highly likely to try to migrate again within a short period of time. Many young people are also forced to migrate internally in search of safer areas before leaving the country.
 - 1.7 The main problem that the proposed project aims to address is the need for a comprehensive model that responds to young people's needs for security and access to quality training so that they can re-enter the education system or the labor market. There are no institutions that are equipped, safe, and offer adequate activities for the socioeconomic inclusion of returning young people or those who are at risk of irregular migration. To date, the education system does not allow students to enroll once the school year has begun, and employment and entrepreneurship opportunities are scarce (which, in addition to insecurity, are the reasons driving young people to migrate).
 - 1.8 This project also aims to respond to challenges related to: (a) obtaining reliable data on migration, which is necessary to understand the characteristics of internal displacements and the migrant population and, therefore, to design adequate responses; and (b) young people's and young adult migrants' need to obtain and access different kinds of information, such as, support services and shelters during their return journey, as well as support programs once they are back in the country.

- 1.9 **Project objective.** The project's objective is to generate a model that will facilitate the inclusion of returned young migrants and internally displaced young people, so that they have alternatives to migration, through the creation of a Center that will: (i) provide quality education, collaborative work spaces, shared learning opportunities, and job training, with a service focus on protecting minors, and (ii) facilitate access to data on migration that can be used as inputs for public policy design.
- 1.10 Alivio del Sufrimiento [Relief from Suffering] is a foundation based in the department of El Paraíso, Honduras, with residential facilities that provide a safe shelter to young people who choose to temporarily leave their communities of origin. It implements the only addiction rehabilitation program in the country and manages a school, a hospital, and the local public hospital. In addition to its quality facilities, El Paraíso has other advantages: (i) it is a reasonably safe area in comparison with other urban centers (Tegucigalpa, San Pedro Sula, Choluteca, El Progreso, etc.), and this allows it to take in young people who are unwilling to return to their communities of origin in other parts of the country because they do not feel safe there; (ii) the area is not a source of out-migration, so it is not overburdened with migratory phenomena and can take in young and vulnerable migrants; and (iii) considering the unstable situation in Nicaragua, the Center in El Paraíso could also take in young and vulnerable Nicaraguans if migration from Nicaragua were to increase.

II. THE INNOVATION PROPOSAL

A. Description of the project

- 2.1 The project's expected impact is to achieve the socioeconomic inclusion of returned young migrants by contributing to their education and training for their future integration into the education system and the labor market and expand the range of opportunities available to them in Honduras. To this end, it will create a model that facilitates the inclusion of returned young people through various components such as the creation of a Young Migrant Service Center (the Center) that offers quality education, collaborative work spaces, shared learning opportunities, and job training, with a service focus on protecting minors and facilitating access to data on migration that can be used as an input for public policy design. Training will be demand-driven and will include beneficiaries residing in the Center and the local El Paraíso community. This is expected to become a benchmark model that can be scaled up through the public system.
- 2.2 **Innovation.** The proposal's distinguishing element is its use of technology (augmented reality, virtual reality, gamification, online learning platforms, etc.) to provide technological and life skills education and training opportunities for returned young migrants through science, technology, and art. The approach is innovative because it uses technology for various purposes: (a) as an element that is more attractive to young people than more traditional education and training proposals; (b) as a tool to access quality content, innovative methodologies, and international best practices in training in the use of new technologies in order to achieve exponential results for hard-to-reach populations (last mile) that exceed what could be done using conventional methods; and (c) as a central element of the training's content that, along with creativity, is one of the most in-demand skills for jobs of the future. It is the first center in Honduras with these features for the integration of young

- migrants into the education and/or labor system. The project will explore innovative tools based on Information and Communication Technologies (ICTs) adapted to beneficiaries' profiles and needs and to the local infrastructure context.
- 2.3 For each of the components described below, there will be an exploration of which disruptive technologies have the greatest potential for application in education, job training, and the collection and analysis of data on migration.
- 2.4 **Component I: Creation of the Young Migrant Service Center (IDB Lab: US\$400,000; Counterpart US\$1,750,000).** This component's objective is to provide education, training, and other services to returned young migrants and to young people from the local community who are at risk of migrating.⁹ The Center will become a place that offers an attractive range of services where participants feel motivated to stay while receiving assistance. The private sector and local community will take part in the selection and design of the training for participants.
- 2.5 The facilities and equipment of a center located in the department of El Paraíso will be upgraded with counterpart funds, and demand-driven education and training services and skills development will be offered:
- (i) implementation of learning programs using online platforms;
 - (ii) classes taught by Spanish-speaking teachers connected remotely from partner institutions/schools;
 - (iii) English classes to facilitate training in technology for those who need it;
 - (iv) innovative income-generating opportunities, such as training in programming and ICT opportunities in general (for example, e-lancing). To this end, the project will be supported by partnerships established by the Bank and the project with the private sector (such as IDB Lab's operations with Laboratoria or the FUNSEPA Foundation-Valentina Program,¹⁰ and the potential expansion of Hola.code,¹¹ as well as the Bank's positive experience with its Program to Support Employment¹² in Bolivia, which includes internships).
- 2.6 In addition, community services will be offered, including:
- a. e-health programs to expand the community's access to medical specialists: Spanish-speaking doctors and professionals in remote areas will support local doctors through videoconferencing, and innovations in health technology will be tested. The Alivio del Sufrimiento Foundation already manages its own hospital in El Paraíso, as well as another hospital that belongs to the municipio.

⁹ The difference between the groups of young residents and those in the community will be that the first group will be made up of people that come from other communities; for this reason, they will be provided with room and board.

¹⁰ The operation with Laboratoria (AT/ME-13846-PE) is a bootcamp being implemented in Peru, Mexico, and Chile to train young, vulnerable women in coding, and it has achieved integration rates exceeding 75%. Guatemala's FUNSEPA Foundation is implementing a bootcamp targeting the vulnerable population for the development of digital and socioemotional skills required by businesses (ATN/ME-15897-GU).

¹¹ HolaCode is a Mexican bootcamp that focuses on the returned migrant population. It is achieving a great deal of success in training and integrating this population as full stack developers in the labor market, and it is seeking to expand in Central America.

¹² LMK project.

The project will leverage other services that the Foundation offers to the community's young residents (see paragraph 2.21), for example, the daycare service so young mothers and fathers can participate in the program;

- b. sports and creative programs for the local community. Creative programs will leverage collaborations with partners such as MTV and Nickelodeon, through the IDB's and UNICEF's partnership with Viacom, and also Google (InfoHub, Libraries without Borders, Kolibri, and the OHCHR's Plataforma de Igualdad de Aprendizaje [Equal Learning Platform]).
- 2.7 The outcomes/outputs of this component will be: (a) 300 young people and young adults who will participate in the residential program; (b) 600 beneficiaries from the communities.
- 2.8 **Component II: Strengthening referral mechanisms in reception centers (IDB Lab: US\$100,000; Counterpart US\$200,000).** In order to identify returned young migrants, or young people in the local community who are at risk of migrating, and to enhance services for the beneficiaries, this pilot project will build partnerships and strengthen services that:
- a. are offered in official reception centers for returned migrants,¹³ such as Belén (which takes in families with minors), Omoa (which receives adults repatriated by land), and La Lima (which takes in adults repatriated by air), with the goal of identifying those who could benefit from the Center's activities. The entities that manage these three main centers (the Directorate for Children, Adolescents, and Families (DINAF) and the Ministry of Foreign Affairs, with the help of other organizations such as the Scalabrinian sisters) will identify potential beneficiaries whom they will then refer to the Center in El Paraíso. The Center's opportunities will be offered to these potential beneficiaries, and they will be given the option of moving there. Special emphasis will be placed on initial psychosocial support and support for addiction and disabilities.
 - b. are offered by agencies that help internally displaced people or at-risk youth, such as the OHCHR, IOM, and the Norwegian Refugee Council. These actors will identify people who require special protection and will refer them to the Center in El Paraíso.
- 2.9 This component's activities/outputs will be: (a) collaboration agreements with key institutions making referrals to the Center in El Paraíso, DINAF, the Ministry of Foreign Affairs of Honduras, and other organizations doing intake work with young migrants; (b) information materials for young people; and (c) training so that reception centers' staff can identify cases and appropriately refer them to the Center in El Paraíso.
- 2.10 **Component III: Strengthening tools for the collection and analysis of data and information on migration (IDB Lab: US\$175,000; Counterpart US\$570,000)**
- 2.11 This component will support the identification, standardization, systematization, analysis, and publication of existing data on migration and forced displacement, as well as the deployment of tools that can easily generate and display analytics. These

¹³ The reception centers for returned migrants are the first stop for people returning to the country, whether deported or returning voluntarily from the United States and Mexico. These centers are located in San Pedro Sula (La Lima and Belén) and Omoa.

- activities will aim to complement the current efforts of the Ministry of External Affairs of Honduras and other national data-generation initiatives or observatories, such as the National Migration Institute, the Centro Nacional de Información del Sector Social [National Social Sector Information Center], and the IOM. The component will facilitate the production of and access to open data on the origins and characteristics of migrants / internally displaced people to better inform the decisions of nongovernmental organizations, groups of experts, those responsible for formulating policies, and cooperating agencies; and online tools will be implemented to undertake analyses on migration.
- 2.12 Another goal is to enhance efforts to provide knowledge and reliable information on existing support services. This activity will support the digitalization of a map of available services for migrants or returnees so they can access information during their return journey or repatriation process.
- 2.13 This component will also evaluate technology-based initiatives like the one developed by researchers from Stanford University and ETH Zurich's Immigration Policy Lab (IPL), which has developed a data-based algorithm that systematically examines potential synergies between the refugees' characteristics (in this case, those of returned migrants) and geographic locations, and matches skills and employment needs, and it will test the adaptation and implementation of this initiative in the Honduran and Central American context.
- 2.14 This component's activities/outputs will be: (a) enhanced web platforms with information on migration and internal displacements, and (b) two tools that offer information on available services for returnees.

Component IV: Establishment of the Scholas Leadership Program (IDB Lab: US\$0; Counterpart US\$1,975,000)

- 2.15 This component's objective is to strengthen the leadership capacities of young people by linking technology with art and sports to promote social integration and a culture of encounters for peace. Implemented by the Alivio del Sufrimiento Foundation, it will follow the Scholas Leadership Program model,¹⁴ whose mission is to integrate communities, with a focus on those with fewer resources, by means of the commitment of all social actors, integrating schools and education networks worldwide through technology, sports, and art.¹⁵

¹⁴ Scholas is an international organization of pontifical right, chartered and developed by Pope Francis from Vatican City in 2013. It originated in the city of Buenos Aires in 2001, when Jorge Bergoglio was Archbishop, under the name Escuela de Vecinos [Neighbors' School] and Escuelas Hermanas [Sisters' Schools], and it is made up of students from public and private schools of all religious denominations, with the goal of educating students on commitment to the common good. Scholas works in 190 countries through its network that brings together more than 445,000 schools and educational networks. It has headquarters in Vatican City, Argentina, Spain, Paraguay, and Mozambique.

¹⁵ Scholas Citizenship, FutVal (Soccer with Values), Scholas Arts, Scholas Labs (an accelerator of educational projects). It works with all types of schools: public, private, and of all religious denominations.

- 2.16 This component's activities/outcomes include the development of monthly leadership workshops in the Center in El Paraíso so the young people can become agents of change in their communities. Approximately 20 young leaders (Honduran and foreign) will participate in each week-long workshop. This component is expected to organize 10 workshops per year, training a total of 600 young people in 3 years.

B. Project outcomes, measurement, and evaluation

- 2.17 The project will facilitate the study of whether the proposed safe center works as a comprehensive support model, and how migrants respond to alternative opportunities upon return to their country of origin, which are designed to have them remain in their country of origin and not reattempt irregular migration. The project is expected to be replicable in other departments of Honduras and other countries in the region, and to provide inputs for the preparation of potential future IDB Group operations.
- 2.18 The project is anticipated to achieve the following outcomes: the first IDB Lab-supported model center that provides a safe alternative for continuing education or training for socioeconomic inclusion, and an improved migration information system through easier access to open data on migration and information to support returning migrants.
- 2.19 At least 630 young people are expected to return to the formal education system or to enter into the labor market. As a result of the project's activities, 300 young people will receive technical training and life skills through the residential program, 600 through programs for the community, and 600 young people will participate in the Scholas Leadership Program's different values, art, and sports programs. Existing tools will be strengthened with open data on migration and internal displacements, and at least two technology-based tools will be generated to improve information available to migrants.
- 2.20 **Sustainable Development Goals.** Migration is a crosscutting theme, and 10 out of the 17 goals contain indicators relevant to migration. The central reference to migration is made in goal 10.7: facilitate orderly, safe, regular, and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies. The basic principle of Agenda 2030 "leave no one behind," including migrants, requires data that be disaggregated by migratory status, and this highlights a significant need for improved data.
- 2.21 **Monitoring and evaluation.** The project has an evaluation plan that includes resources to develop a midterm monitoring and evaluation system. The midterm evaluation will be conducted once half of the resources have been disbursed or when half of the execution period has elapsed. This project aims to test a comprehensive service program. The idea is to learn what type of training and assistance works, depending on the profile of the returned migrants for their inclusion in the education system and labor market of their country of origin. It also aims to test whether virtual education and training programs, with content tailored to local circumstances, work for the various profiles. The monitoring activities are expected to provide the necessary information for the evaluation.
- 2.22 A technological platform will be developed to monitor progress and the achievement of results. This platform will facilitate continuous monitoring processes. A monitoring

system will be established for the training components that tracks the development of human capital capacities and their links to the education system or employment opportunities.

III. ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND PROJECT RISKS

A. Alignment with the IDB Group

- 3.1 This project is aligned with the Update to the Institutional Strategy's focus on the challenges relating to social inclusion and equality, and productivity and innovation. The central objective of the IDB Group Country Strategy with Honduras 2019-2022 is to promote stronger and more inclusive growth, and this project is aligned mainly with its human capital accumulation pillar and the use of new technologies to achieve greater impact in interventions. With regard to IDB Invest's Priority Business Areas, it is related to improving private delivery of basic goods and services, income-generating opportunities, and social mobility for vulnerable populations.
- 3.2 The project is aligned with the Labor Sector Framework Document's (document GN-2741-7) sector priority V.B. of making workers more productive by developing technical and vocational training systems and training for higher quality, more relevant and effective work, among other strategies.
- 3.3 The project is aligned with the Education and Early Childhood Development Sector Framework Document's (document GN-2708-5) Dimension of Success 4: all the schools have adequate resources, including the use of technology in the classroom, to promote learning and skills development; and Dimension of Success 5: all children and young people acquire the necessary skills to be productive and contribute to society.
- 3.4 The project falls within IDB Lab's Knowledge Economy thematic area as it aims to strengthen human capital in the necessary skills for the technology sector or jobs of the future, and for sectors considered to be more traditional that use technology. It is aligned with the improvement of households' living conditions. It is relevant to highlight the project's focus on young, vulnerable migrants without opportunities, who generally do not have access to this type of training to facilitate their inclusion.
- 3.5 The project is related to IDB Lab's operations in execution with Laboratoria (AT/ME-13846-PE) and the FUNSEPA Foundation in Guatemala (ATN/ME-15897-GU), which aim to develop digital and programming skills in young and vulnerable populations. It is also aligned with the New Employment Opportunities (NEO) initiative in El Salvador (ATN/ME-15209-ES), especially with lessons on how to organize training and employment services for vulnerable young people by managing a broad network of public-private and civil society partners.
- 3.6 The project is also consistent with the Bank's commitment to developing a comprehensive agenda on all aspects of migration, including the origin, transit, destination, and return of migrants. The program aims to develop programs that engage both the local and migrant populations as a fundamental element for social and economic integration. By making efficient use of its existing capacity and regional knowledge, the Bank is in a favorable position to provide operational tools

to accelerate the design, pilot testing, and implementation of solutions to the multisector challenges of intraregional migration.

B. Scalability

- 3.7 The project aims to generate knowledge that can be scaled up in the public and private sectors. As this initiative is the first of its kind in Honduras, a growing number of participating young people is expected, with its potential replicability in other areas of the country through operations with the public sector in the areas of education, labor markets, social protection and health, the digital agenda, and with the participation of government agencies such as DINAF and the Ministry of Foreign Affairs.
- 3.8 The main organizations involved in children's, youth, and migration issues in Honduras and the Northern Triangle will be involved, including the OHCHR, Casa Alianza, the Scalabrinian sisters, Pastoral de Movilidad Humana [Human Mobility Ministry], World Vision, Junior Achievement, and the Norwegian Refugee Council, because of their work with migrants and asylum seekers, as well as the local Chamber of Commerce (with specific programs for returning migrants), and the San Pedro Sula and Central District municipios, as they are destinations for returning migrants and internal displacements. The IOM's involvement will be for its work gathering and analyzing migratory data. The initiative will establish partnerships with sister institutions that will provide support for ICTs and health and education solutions with potential for scalability. It is worth noting that several of these actors manage migrant support centers that could incorporate and scale up the lessons learned through this project HO-T1339.

C. Project and institutional risks

- 3.9 Risks: (i) partners' fiduciary or technical execution capacity; (ii) young people's lack of interest in participating; (iii) lack of technical capacities at the local level to be able to carry out the digital leveling processes; (iv) businesses' difficulty in employing beneficiaries; (v) the perception that the use of technology will increase migration; (vi) difficulties involving local authorities; and (vii) beneficiaries leaving the program. Mitigating actions: (i) intense dissemination in the reception centers in San Pedro Sula and key centers in Tegucigalpa; (ii) attempts to leverage and strengthen local talent, but also attract talent from other countries through the use of technology, if generating local capacities is necessary; (iii) carrying out a needs analysis and filling training gaps with applicable digital innovations; (iv) dissemination campaigns on the importance of education and technical training for development; (v) establishment of a strategy with local authorities from the outset, incorporating citizen participation mechanisms, awareness-raising, training, and collaborative activities; and (vi) the Center's spaces and its training activities for young people will include and will be based on technology to improve their skills and to make activities appealing so beneficiaries will remain in the program. In addition, activities will be included that are based on methodologies to strengthen the soft skills that have been proven by IDB Lab to motivate young people with topics of interest to them and, thus, reduce the program's drop-out rate.

IV. INSTRUMENT AND PROPOSED BUDGET

- 4.1 The project has a total cost of US\$5,495,000, of which IDB Lab will contribute US\$1,000,000 (18%), and US\$4,495,000 (82%) will be counterpart funds. The instrument will be a technical cooperation operation, as this will be a pilot intervention that will integrate young deported migrants into the education system or labor market and disseminate open data on migration and the internally displaced and information relevant to migrants. The main anticipated outcome is the integration of a group of young people into the education and labor systems. There is potential for growth because this type of service does not currently exist in Honduras, and migratory flows out of and back into the country have intensified in the past year, a trend that shows no signs of reversing.

Project components	Amount (US\$ thousands)		
	IDB Lab	Counterpart	Total
Component 1: Creation of the Young Migrant Service Center	400	1,750	2,150
Component 2: Strengthening referral mechanisms in reception centers	100	200	300
Component 3: Strengthening tools to collect and analyze data and information on migration	175	570	745
Component 4: Establishment of the Scholas Leadership Program		1,975	1,975
Project management (costs of the execution unit)	270		270
Evaluations, ex post reviews, and audits	40		25
Contingencies	15		30
Grand total	1,000	4,495	5,495
% of financing	18%	82%	100%

V. PROJECT EXECUTING AGENCY AND IMPLEMENTATION STRUCTURE

A. Description of the executing agency

- 5.1 The Alivio del Sufrimiento Foundation was founded in Honduras in 2011. It is a nonprofit foundation under private law that is dedicated to providing basic health, education, rehabilitation services, and shelter to at-risk people by offering them a dignified alternative. Currently, the foundation manages the following services:

- Casa Juan Pablo II youth rehabilitation center
- Training center for young people at social risk
- Casa Exaltación de la Cruz shelter for children with disabilities
- Las Casitas housing project
- Don Dante Casorelli nursing home
- Madre Teresa de Calcuta children's cafeteria
- Cardenal Oscar Andrés Rodríguez Catholic kindergarten and school

- Cardenal Oscar Andrés Rodríguez Madariaga Catholic Institute
- Las Cañas aqueduct

5.2 The Foundation's mission is consistent with the project's objectives as it supports one of the most vulnerable and at-risk groups due to their lack of opportunities and high likelihood of attempting irregular migration in the short term. It has the ability to leverage counterpart funds, manage the Bank's resources, and coordinate with local and international partners in those areas where the Bank has less experience. It maintains links with both the public and private sectors to be able to carry out the necessary activities for the project's proper implementation and to launch a pilot program of comprehensive support for returning migrants with a focus on their inclusion in the education and labor systems.

B. Structure and implementation mechanism

- 5.3 The Alivio del Sufrimiento Foundation will establish an execution unit and the necessary structure to implement the project's activities and manage the project's resources effectively and efficiently. It will also be responsible for submitting progress reports on the project's implementation. The details of the execution unit's structure and the progress report requirements are included in Annex V of this operation's technical files. In accordance with the Diagnostic Needs Assessment tool, the execution risk is considered to be medium, as it is eligible for semiannual ex post reviews of the procurement of goods and services, and an annual ex post review of disbursements. The Foundation will receive training to strengthen certain knowledge management and strategic communication areas.
- 5.4 The Foundation will coordinate and sign agreements as needed with other participants with the technical capacity for effective implementation, including the OHCHR, IOM, UNICEF, the Norwegian Refugee Council, the National Autonomous University of Honduras, the Catholic University of Honduras, the Central American Technological University, Casa de la Cultura [Cultural Center], the Chamber of Commerce, Google, DINAF, the Ministry of Foreign Affairs, the Scalabrinian sisters, etc. An Advisory Council will be created to effectively coordinate efforts. Agreements will also be signed with counterpart fund contributors, including UNICEF, the Episcopal Conference of Italy, and the Vatican Bank-IWR.

VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1 **Results-based disbursements and fiduciary arrangements.** The executing agency agrees to IDB Lab's standard arrangements concerning results-based disbursements, the Banks' procurement policies,¹⁶ and financial management¹⁷ for the private sector, as indicated in Annexes V and VI.

VII. INTELLECTUAL PROPERTY

- 7.1 All intellectual property rights, including but not limited to copyrights, related to and/or associated with all deliverables to be developed will be held and owned by the Bank.

¹⁶ Link to the [Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank](#).

¹⁷ Link to the [Financial Management Guidelines for IDB-financed Projects](#).