

Public Private Partnership
Diaspora Outreach for Honduran Education
Concept Paper

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“The purpose of foreign assistance must be to end the need for its existence ... our assistance must be designed to empower people, communities, and economies to self-reliance. And because of that, I also believe the future of international development is, indeed, enterprise driven.”¹

USAID Administrator Mark Green
January 25, 2018
Davos, Switzerland

¹ See <https://www.usaid.gov/news-information/press-releases/jan-25-2018-usaid-administrator-mark-greens-remarks-unlocking-potential>.

The critical question is how to make USAID Administrator Mark Green’s vision a reality in the developing world’s education sector. Significant investments are already being made by the private sector in education in Latin America. A Brookings Institution study found that between \$224 to \$569 million is invested annually by Latin American multi-national companies.² This support is provided primarily through cash donations targeting local schools and NGOs with a focus on teachers and adolescent students. The Honduran private sector is investing up to \$20 million -- roughly equivalent to USAID education expenditures -- in Honduras each year.

In terms of USAID’s experience in leveraging private donations to education activities around the world, approximately 8 percent of all Public Private Partnerships (PPPs) established by USAID between 2001 – 2014 were focused on education. This amounted to 113 PPPs valued at \$1.2 billion. The average leverage was 4.03 (\$4.03 came from private entities for every \$1 invested by USAID). The region that established the most education related PPPs was Asia. The majority of these investments promoted philanthropic outcomes rather than commercial benefit or strategic benefit and tended to focus on “shared value” initiatives.³

The challenge for the education sector is to develop and promote shared value partnerships that help companies become more competitive while promoting activities to improve education access and quality with the goal of improving human capital, increasing labor productivity, and promoting sustained and equitable economic growth. Business depends on purchasing power of consumers, poorly educated citizens not only decrease a country’s economic competitiveness but also earn and spend less. Finding ways to increase high quality education outcomes increases Foreign Direct Investment, promotes higher family income, and increases consumer purchasing power. Better education creates a virtuous cycle promoting stability, reducing violence and increasing investment. Ignoring education outcomes is, in short, bad for business.

This concept paper advocates leveraging the purchasing power of the Honduran diaspora in the United States to mobilize resources for the Honduran education sector and increased support for US community organizations promoting better education. It proposes Public Private Partnerships (PPPs) between USAID, the Government of Honduras, Amazon Smile Foundation and Honduran and US NGOs.

² Van Fleet, J.W., Zinny,G.S., “Corporate Social Investments in Education in Latin America and the Caribbean: Mapping the Magnitude of MultiLatinas’ Private Dollars for Public Good.” Center for Universal Education at Brookings. August 2012. See <https://www.brookings.edu/wp-content/uploads/2016/06/08-investment-latin-america-van-fleet.pdf>.

³ Shared Value is defined by Michael Porter and Mark Kramer as “Policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.” There are purely philanthropic approaches and efforts that are more closely linked to commercial and strategic benefits – competitive advantage comes from finding ways to link these areas for a win/win approach. See Porter, Michael E., and Mark R. Kramer. "Creating Shared Value." Harvard Business Review 89, nos. 1-2 (January–February 2011): 62–77.

The primary funding mechanism would be the Amazon Smile Foundation shopping platform promoted by USAID to Honduran diaspora communities in the US to encourage use of the platform. The Amazon Smile platform is easy to sign up for and once registered one can identify their charity and a flat rate of 0.5% of each purchase is provided to a customer's designated charity. Almost everything sold on Amazon's regular shopping platform is available at the same price at AmazonSmile (see <https://org.amazon.com>).

Theoretically, mobilizing the power of AmazonSmile could generate over \$800 million in charitable contributions per year.⁴ The role of Amazon, Honduran and US NGOs would be to design and implement a publicity campaign aimed at the Honduran diaspora communities in the US asking them to (1) use Amazon Smile for their purchases on Amazon, (2) designate one of the NGOs and a specific education activity they wish to support in Honduras, and (3) spread the word among other members of the Honduran diaspora and their local communities. Other concerned residents of these communities other than those in Honduran diaspora would also be encouraged to participate. The role of USAID and US local government entities would be to coordinate publicly funded activities with these organizations and help promote the use of the Amazon Smile shopping platform. As Amazon Smile Foundation funding increased, USAID funding would be phased out.



Honduran diaspora purchasing power in the US is conservatively estimated at between \$8 to \$10 billion (based on a working population of 500,000 earning \$16,000 to \$20,000 per year). As

⁴ Multiplying Amazon's total annual sales for 2017 (\$177 billion by 0.5%) is \$885 million which is the equivalent to all the non-USG leveraged funding for education PPPs enacted by USAID from 2001 - 2015.

their purchases are made on the Amazon Smile shopping platform, the Amazon Smile Foundation would provide the funding to the designated NGO in Honduras and the US for one or more activities (1) purchase of textbooks, (2) school renovation, (3) nutrition programs, (4) adopt a school initiative, etc. USAID Honduras and US local government entities would coordinate with the designated NGOs through ongoing education activities with the goal of having their actions financed after 2022 by Amazon Smile Foundation. This type of initiative would help move toward the vision put forward by Administrator Green in the Davos Economic Summit in December 2017 of finding ways to end the need for foreign assistance and would provide additional resources to help US communities improve education outcomes.

For example, if an entity could partner with NGOs on provision of textbooks and have that be part of the Amazon Smile fund-raising campaign, approximately \$5 million a year would be needed via the campaign to cover the textbook needs of Honduras. GOH funding that would have gone to text book purchases could instead be dedicated to teacher professional development (where there would probably be less chance for "leakage").⁵ That would end the need for USAID support in these two areas and make these activities sustainable after USAID is gone. This is the type of big picture thinking that Administrator Green is trying to promote.

The "win" for Amazon is that this initiative would encourage the growth of the national NGO sector which would in turn increase sales of Amazon Web Services to the NGO community. We have the potential for creating a virtuous cycle that is powered by the good will of the Honduran diaspora and others in the US working hand in hand with the public and private entities in Honduras to improve education and promote sustained, broad-based development.

Challenges for Education in Honduras

This type of PPP could help address systemic problems facing the Honduran education sector. With 60 percent of the country's population living in poverty and 16 percent in extreme poverty, finding ways to permanently engage with the Honduran diaspora and others in the US could allow concerned citizens to support efforts to mitigate social and economic problems linked to increased out migration from Honduras to the US.

Finding ways to support improvements in Honduras' 25,000 schools and 2 million students (of which 1.7 million attend public schools) could help create more skilled workers with higher productivity and which are more readily able to compete in a global market place. See Attachment One for a graphic on education efficiency and quality in Honduras. The situation is dire: only half of public school students successfully finish 6th grade and, of those, only 50 percent are at grade level for reading and only 25 percent for math.

⁵ See a 2015 report by Transparency International and ASJ on Honduran Ministry of Education procurement procedures. Equipment, computer and construction procurements are more problematic than training and other human resource related activities. See <https://www.maxey.info/honduras-ed-sector-corruption>.

Even though Honduras provides one of the highest levels of funding for education in Central America, the efficiency and quality of education are relatively low and limit the development of a globally competitive workforce.⁶ This constrains Foreign Direct Investment creating a vicious cycle of low productivity, low investment and fewer jobs.

An example of the impact of an under-performing job market and a growing youth population is illustrated in the table below which highlights the economic and demographic issues impacting Honduras and driving irregular migration: (1) the Economically Active Population increased from 1.9 million in 1995 to almost 4 million in 2015; and (2) Unemployment and under-employment went up from a combined 30 percent in 1995 to 59 percent in 2015.⁷ **As youth have little hope for a future in Honduras, the growing youth population is creating a tsunami of potential migrants.**

Population Changes and the Labor Market

Year	Total Population	Economically Active Population (%)[*]	Employed (%)	Unemployed	Underemployed^{**}
1995	5,436,818	1,881,982 (35%)	1,803,508 (33%)	78,474 (4.2%)	487,764 (25.9%)
1999	6,009,080	2,348,778 (38%)	2,274,113 (38%)	76,723 (3.3%)	611,030 (26.0%)
2001	6,530,331	2,437,997 (37%)	2,334,596 (36%)	103,404 (4.2%)	643,631 (26.4%)
2005	7,197,303	2,759,409 (38%)	2,627,088 (36%)	132,321 (4.8%)	1,084,987 (39.3%)
2009	7,876,662	3,236,860 (41%)	3,135,564 (40%)	101,296 (3.1%)	1,262,028 (39.0%)
2013	8,535,692	3,628,733 (43%)	3,487,009 (41%)	141,724 (3.9%)	1,831,085 (50.5%)
2016	8,714,641	3,944,836 (45%)	3,653,787 (42%)	291,048 (7.4%)	2,035,603 (51.6%)

We can help the Honduran people change this situation by providing support for their efforts to make schools more effective, education outcomes more positive, and youth better prepared for high demand jobs.

⁶ Honduras spends nearly 6% of GDP on education and is generally on par or above the average for spending (total and per student) in Central America. But, corruption and poor government effectiveness mean that education spending may not all flow through to students and teachers. Source: Notes from technical discussion with international education experts assessing education sector in Honduras - 08 17 2018.

⁷ Van Steenwyck, N. "Changes in the Distribution of Honduran Population with a Growing Young Work Force." Unpublished paper. Ned Van Steenwyck - nedstn@gmail.com. Also see Van Steenwyck's new book on Honduras education and economic development challenges – "Honduras 2051" – see https://smile.amazon.com/Honduras-2051-Ned-Van-Steenwyck-ebook/dp/B07KWCGHNV/ref=sr_1_fmkrnull_1?keywords=Ned+Honduras+Education&qid=1554337416&s=digital-text&sr=1-1-fmkrnull.

Partnering for Honduran Self Reliance

USAID Honduras is helping to address critical issues in the education sector, by implementing activities to improve reading outcomes, increase teacher professionalism, and help youth gain critical job skills and employment. See Attachment Two – USAID Honduras EDO Portfolio. Greater impact can be leveraged via the power of the Honduran diaspora’s purchasing power to support education. By partnering with others, Hondurans both at home and abroad can support a more dynamic national education sector that is significantly less dependent on official foreign assistance. This would be critical for reading improvement and other areas where progress is needed.

A recent report on the Honduran education system based on a statistically representative national survey of Honduran primary education outcomes (represented by 2,637 schools with a student population of 322,109) found significant gains in reading comprehension, with sixth grade students showing an increase in satisfactory and advanced reading levels from 22 percent in 2007 to 38% in 2015. A critical limitation on expanding this impact is the lack of an effective book supply chain within the Ministry of Education. Working together with one or more NGOs to support this sector with funding via purchases of the Honduran diaspora, an independent, parallel book purchasing and distribution system could be established that is fully funded by private resources.

Workforce development efforts are yielding impressive results as well with work readiness training and certification activities. More than 17,000 at-risk youth have achieved internationally certified workforce competencies including math and reading. These skills are proven to increase youth employability. A new USAID initiative was started in 2017 aimed at training and mentoring 7,500 youth and helping 3,750 of them gain employment or start their own micro-enterprises. Higher level education is being supported by a USAID regional workforce development activity. More support for national NGOs would allow them to coordinate more effectively and on a wider scale with the Honduran National Institute for Professional Development (INFOP). Creating a sustainable counterpart to INFOP would improve assessments of private sector demand for skilled labor. It would also help INFOP, national universities and others to create the training classes and soft skill development skills needed by youth to succeed in the private sector. USAID could, for example, partner with COHEP (Consejo Hondureña de Empresa Privada) through an Amazon Smile campaign to support their management of the activities currently being implemented by USAID.

A school-based violence prevention program started in 2017 to help high violence urban areas identify and address issues required to improve security and make schools and their communities safer is another important part of the USAID’s overall strategic focus. This activity will increase access to education for children in areas that have suffered high out migration over the last five years. Efforts are aimed not only at helping schools reduce violence but also engage the community in adopting practices that increase security. These activities are implemented

through national NGOs involved in school violence prevention and the promotion of a culture of peace. These NGOs could be prepared to continue the activities of the current USAID program - Asegurando la Educacion -- which comes to a close in 2022.

Given that good teachers have a significant impact on learning outcomes, USAID is working closely with the Ministry of Education to strengthen five teacher training centers in Honduras aimed at increasing overall professionalism and improving teaching practices. USAID funding amounts to \$4 million over a two-year period. If an Amazon Smile campaign could be created to finance future teacher professional development that would be a major support to a better education system in Honduras. Another option would be to negotiate with the Government of Honduras to re-direct part of the national education budget that, under the PPP, is covered by private donations (such as textbook purchasing) and use those funds for teacher training.

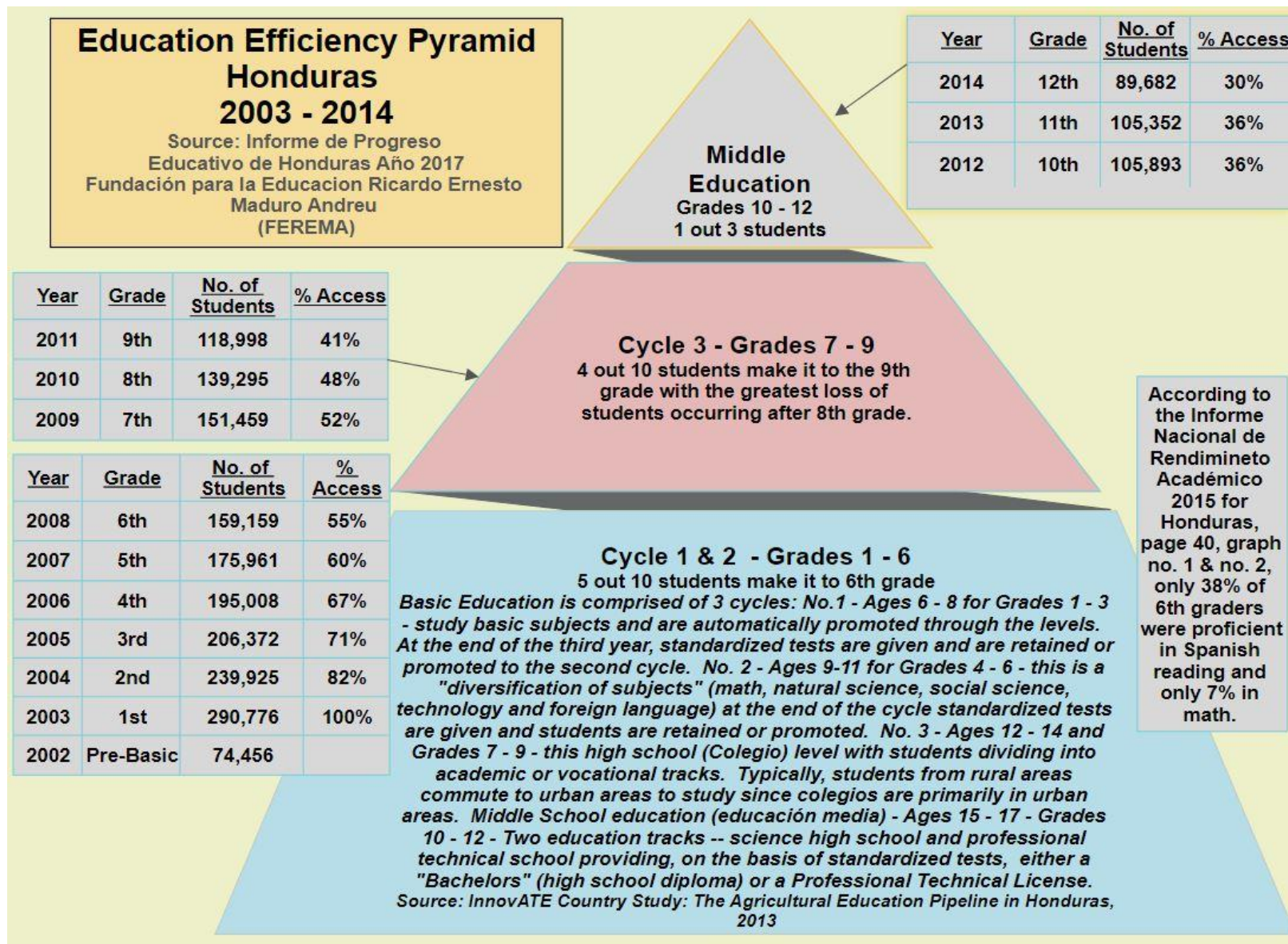
The goal would be to make USAID supported initiatives sustainable. The focus would be on raising private funding to cover the entire USAID Honduras Education Development Office (EDO) portfolio. This portfolio is comprised of six activities valued at \$123 million aimed at addressing low levels of achievement and insufficient educational material, lack of access to education due to increased violence in and around schools, lack of teacher professional development, low skill levels and youth unemployment. See Attachment 3 for a description of the EDO portfolio of education activities.

Next Steps

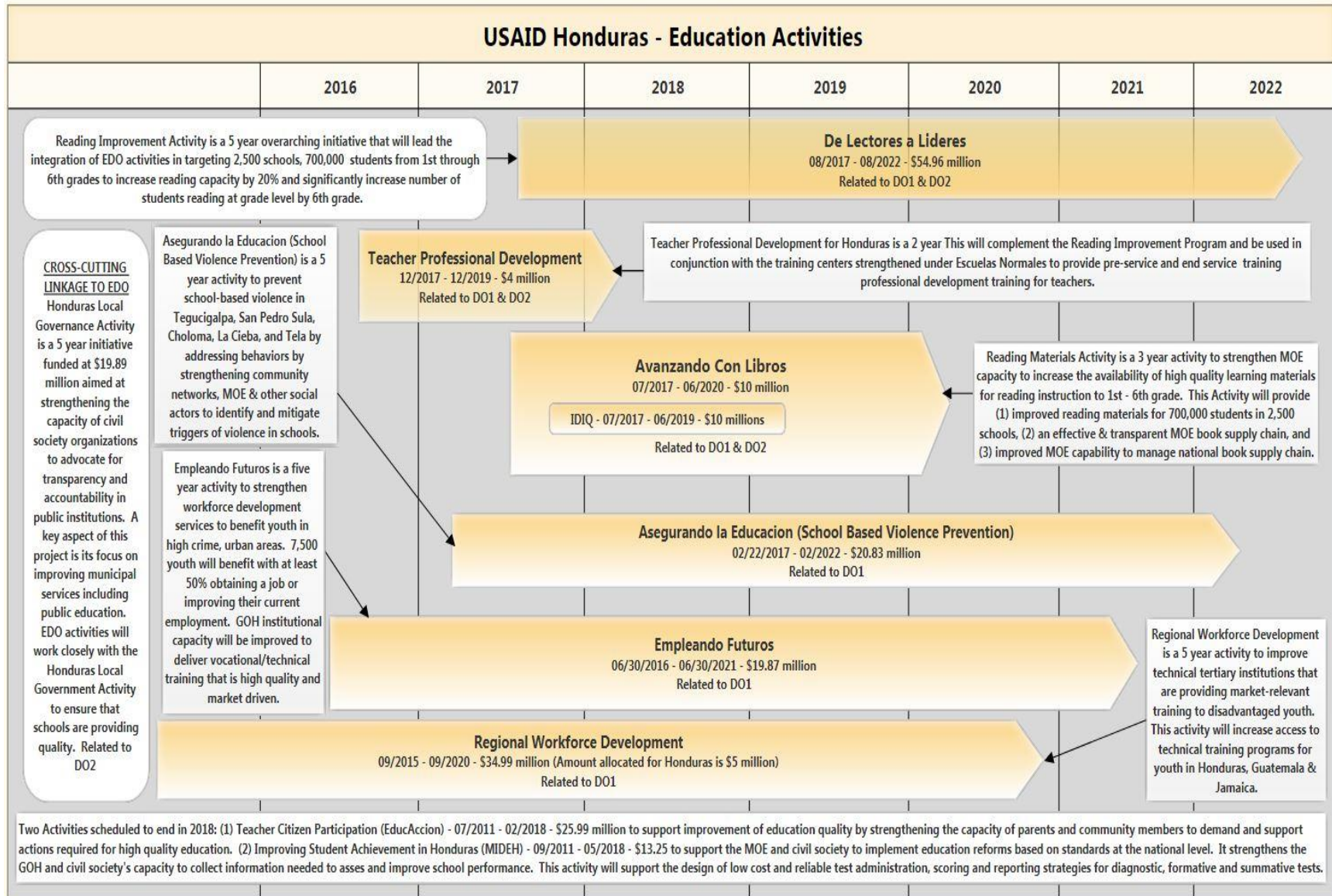
Establish an overarching PPP between USAID, Amazon, key NGOs in the US and Honduras and the Government of Honduras and US local governments, through the following actions:

- (1) Conduct a planning conference of all potential stakeholders to obtain feedback and identify priority areas in the education sector for mutual coordination and cooperation;
- (2) Identify how the AmazonSmile platform and interaction with the Amazon Smiles Foundation should be established and managed – this would include understanding how an outreach campaign to the Honduran diaspora would be designed, funded and implemented;
- (3) Draft a narrative describing each initiative under the PPP in terms of the specific activities that will be addressed in the education sector and how those activities will be self-financing (either with private donations or GOH budget resources) by 2022;
- (4) Clarify USAID’s support activities for the PPP in terms of communicating, sharing information, highlighting best practices and coordinating activities among the USAID implementing partners and the other participants in the PPP.
- (5) Establish a PPP Coordination Mechanism to manage this initiative and facilitate a hand off of all education activities by 2022 to other than USAID funded entities.

See examples of Honduran diaspora community initiatives in attachments 4 and 5.



Attachment 2



Attachment 3

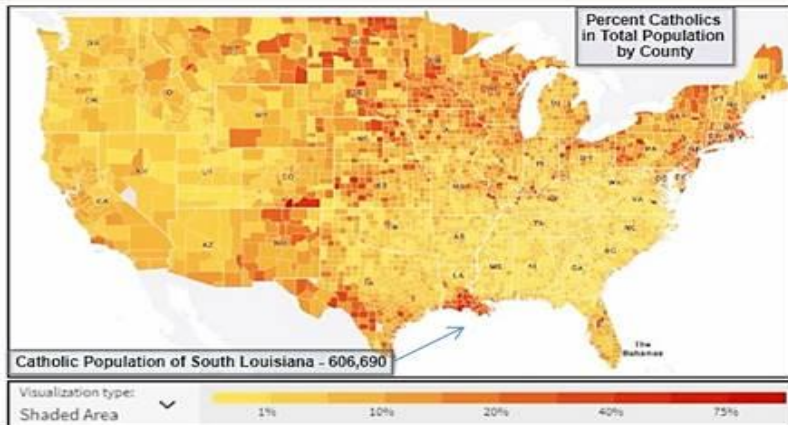
The following is a short summary of each activity:

- De Lectores a Lideres – This “reading improvement activity” is a 5-year comprehensive initiative that will lead the integration of EDO activities in targeting 2,500 schools, 700,000 students from 1st through 6th grades to increase reading capacity by 20% and significantly increase number of students reading at grade level by 6th grade. Total funding for this activity is \$55 million.
- Avanzando Con Libros – This “quality reading materials activity” is a 3-year, \$10 million initiative to strengthen Ministry of Education (MOE) capacity to increase the availability of high quality learning materials for reading instruction to 1st - 6th grade. This activity will provide (1) improved reading materials for 700,000 students in 2,500 schools, (2) an effective & transparent MOE book supply chain, and (3) improved MOE capability to manage national book supply chain.
- Asegurando la Educación – This “school-based violence prevention” activity is a 5 year, \$21 million effort to prevent school-based violence in Tegucigalpa, San Pedro Sula, Choloma, La Ceiba, and Tela by addressing violent behaviors by strengthening community networks and efforts by the MOE and other social actors to identify and mitigate triggers of violence in schools.
- Teacher Professional Development - A two year, \$5 million effort aimed at strengthening the professional development of teachers through the National System for Teacher Training (SINAFOD). The goal is to help the Government of Honduras create and promote a model for national teacher training incorporated into national education annual budget.
- Empleando Futuros – This initiative is a five-year, \$20 million activity to strengthen workforce development services to benefit youth in high crime, urban areas. 7,500 youth will benefit with at least 50% obtaining a job or improving their current employment. GOH institutional capacity will be improved to deliver vocational/technical training that is high quality and market driven.
- Avanza – This regional workforce development effort is a 5-year activity to improve technical tertiary institutions that are providing market-relevant training to disadvantaged youth. This activity will increase access to technical training programs for youth in Honduras, Guatemala & Jamaica. Approximately \$5 million is dedicated to Honduras.

Attachment 4

An example of targeting of Honduran diaspora for US based communication campaign. Catholic Relief Services reaching out to Catholic communities in high density Honduran diaspora populations. South Louisiana has a convergence of both populations.

US Catholic Population versus Honduran Origin Population
 Source: US Census American FactFinder & Social Explorer



Metropolitan Area	Honduran Origin	Total Population	Honduran Origin as % of Population
New Orleans-Metairie LA	28,842	1,239,697	2.33%
Harrisonburg VA	2,024	129,173	1.57%
Miami-Ft. Lauderdale-West Palm Beach, FL	89,103	5,861,000	1.52%
Houston, TX	66,756	6,346,653	1.05%
Atlantic City - Hammonton	2,527	275,376	0.92%
Durham-Chapel Hill NC	4,442	534,154	0.83%
Hilton Head Island-Bluffton-Beaufort SC	1,529	197,969	0.77%
Charlotte-Concord-Gastonia NC	14,316	2,338,792	0.65%
Bridgeport-Stamford-Norwalk	5,786	939,983	0.62%
NY-Newark-Jersey City	114,769	19,979,950	0.57%
Cape Coral-Fort Myers FL	3,292	661,675	0.50%
Austin-Round Rock TX	9,304	1,889,094	0.49%
Baton Rouge, LA	3,565	819,861	0.43%
Raleigh NC	5,065	1,216,711	0.42%
Los Angeles-Long Beach-Anaheim CA	54,273	13,154,457	0.41%
Dallas-Ft. Worth-Arlington TX	25,420	6,813,420	0.37%
Baltimore-Columbia-Towson	10,246	2,769,818	0.37%
Orlando-Kissimmee-Sanford, FL	8,289	2,277,816	0.36%
Atlanta-Sandy Springs-Roswell	19,836	5,535,837	0.36%
Boston-Cambridge	15,194	4,694,564	0.32%
Tampa-St. Petersburg-Clear Water, FL	8,494	2,888,458	0.29%

Catholic Population in Louisiana - Source US Census American FactFinder 2016 & Social Explorer US Census 2010

	Total Population	Catholic as Percent of Total Population	Catholic Population
Acadia Parish, Louisiana	62,372	39%	24,325
Allen Parish, Louisiana	35,615	14%	3,587
Assumption Parish, Louisiana	22,979	44%	10,108
Avoynes Parish, Louisiana	41,252	28%	11,551
Calcasieu Parish, Louisiana	197,233	17%	33,530
Cameron Parish, Louisiana	6,798	27%	1,820
East Baton Rouge Parish, Louisiana	445,937	17%	75,767
Evangeline Parish, Louisiana	39,790	51%	17,220
Ibena Parish, Louisiana	73,799	54%	39,851
Iberville Parish, Louisiana	33,159	22%	7,295
Jefferson Parish, Louisiana	433,204	17%	73,985
Jefferson Davis Parish, Louisiana	31,399	28%	8,792
Lafayette Parish, Louisiana	234,963	32%	75,188
Lafourche Parish, Louisiana	57,688	30%	29,306
Pointe Coupee Parish, Louisiana	22,366	40%	8,946
Rapides Parish, Louisiana	132,373	13%	17,208
St. Bernard Parish, Louisiana	44,091	6%	2,645
St. Charles Parish, Louisiana	52,708	16%	8,433
St. James Parish, Louisiana	21,581	53%	11,438
St. John the Baptist Parish, Louisiana	43,888	28%	12,289
St. Landry Parish, Louisiana	83,699	39%	32,641
St. Martin Parish, Louisiana	51,185	42%	22,422
St. Mary Parish, Louisiana	53,053	25%	13,261
Terrebonne Parish, Louisiana	113,099	27%	30,537
Vermilion Parish, Louisiana	59,524	41%	25,995
West Baton Rouge Parish, Louisiana	29,017	36%	9,006
	2,446,286	25%	606,690



Attachment 5

Honduran origin communities in the US.

