



TRANSFORMING MARKET SYSTEMS ACTIVITY

FINAL REPORT

FY2019 – FY 2024



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Front picture: On March 21 USAID announced the winners and finalists of its annual [“Work With USAID” Photo Contest](#). A photo featuring TMS Entrepreneurship Specialist María José Martínez with an employee of partner [Partes Automotrices GEO, S.A.](#) won first prize. The photos and descriptions were shared widely on USAID's social media channels.

DISCLAIMER

This report is made possible by the support of the American people through the United States Agency for International Development (USAID). The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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BACKGROUND

The Transforming Market Systems (TMS) Activity was launched in 2018 as part of the U.S. Government's response to rising irregular migration from Honduras. Spurred by a sharp increase in migration in 2014, USAID and other agencies committed to fostering a more secure, democratic, and prosperous Central America—where people could see a future staying and investing in their own communities. In Honduras, this meant confronting one of the migration crisis's most stubborn root causes: the lack of inclusive, dignified economic opportunities.

TMS became USAID/Honduras' flagship vehicle for promoting economic growth through a systems lens. Rather than deliver direct services or run isolated projects, TMS aimed to shift how market systems functioned—who they included, how they adapted, and whether they generated inclusive outcomes. TMS focused on strengthening key value chains and sectors, improving the business enabling environment, and building resilience within the Honduran economy.

At launch, Honduras faced a tangle of deep-rooted economic, political and social challenges. More than 60% of the population lived in poverty, youth underemployment was widespread, and women remained significantly underrepresented in the labor force. Perhaps most striking, 9 out of 10 returned migrants cited economic hardship as their primary reason for leaving.

These weren't isolated problems—they were symptoms of a system that struggled to generate opportunity or distribute it fairly. Markets were fragmented. Trust between actors was low. Innovation struggled to take root. And across the board, the system excluded far too many—especially youth, women, and rural communities—from meaningful economic participation.

USAID identified several **interlocking constraints** that reinforced the status quo:

- Fragmented value chains and limited coordination among market actors
- Widespread informality, underemployment, and skill mismatches
- Barriers to entry for youth, women, and rural populations
- Regulatory burdens and limited transparency that stifled entrepreneurship
- High levels of violence and insecurity, particularly in urban centers

Theory of Change

"If USAID facilitates transformative change in key market systems, consistent with its guiding principles, then this will result in more competitive, resilient and inclusive market systems that sustainably increase economic opportunities, through more business sales and jobs for Hondurans, including vulnerable populations, and reduce incentives to migrate, while building the foundation for broad-based, long-term economic growth".

The system wasn't just underperforming—it was actively pushing people out. TMS goal was to shift those systems toward **greater competitiveness, inclusion, and resilience**, laying the groundwork for a more equitable economy—and a more hopeful future—for Hondurans.

IMPACTS ACHIEVED

In Honduras, having a decent job can mean the difference between staying or leaving—between building a future or migrating. That’s why the Transforming Market Systems (TMS) Activity made job creation more than just a metric. It became the program’s central promise.

Over six years, TMS helped generate **73,232 jobs**, putting **over \$368 million** in new earnings in the hands of Honduran workers—transforming livelihoods, households, and communities. But these weren’t just any jobs. They were designed to be **more, better, and inclusive**.

More Jobs

TMS directly supported the creation of **43,806 salaried positions**—all new jobs that didn’t exist before. With an average income of **\$6,415 annually**, these roles provided livable wages and lasting value for Honduran families. From hospitality to logistics, agriculture to services, these new jobs expanded economic opportunities in both urban and rural areas.

Better Jobs

In a country where self-employment is the norm, TMS supported the improvement of **29,426 “better jobs”**—primarily among self-employed farmers, artisans and entrepreneurs. These workers saw tangible increases in income—**on average, an extra \$4,866 a year**—plus stronger connections to supply chains and entrepreneurial ecosystems to continue to grow their business.

Inclusive Jobs

Too often, women and youth are last in line for decent work. For TMS, inclusion was baked into the program’s design and strategy. **65% of all jobs** supported through TMS were held by women or youth—including **24,699 women and 26,834 youth**—spanning **196 municipalities**.

The Full Picture: Where the Jobs Came From

TMS didn’t create one kind of job. It enabled a spectrum—from short-term, high-earning jobs like temporary work abroad, to stable, long-term roles in farming, tourism, retail, and construction. Importantly, TMS didn’t hand out or subsidize jobs; instead, it helped create conditions so businesses could grow, and people could find meaningful job opportunities.

Job Type	# of Jobs	FTE	Earnings
Temporary Worker (H2)	13,172	0.53	\$12,302
Farm Worker	12,817	0.51	\$1,302
Farmer	11,392	0.58	\$4,711

Merchant	10,890	0.87	\$4,884
Hospitality Worker	6,805	0.98	\$3,232
Construction Worker	4,993	0.98	\$3,963
General Laborer	3,563	0.74	\$2,774
Professional	2,812	0.69	\$5,889
Manufacturing/Operator	2,389	0.83	\$3,882
Sailor (C1/D)	1,870	0.76	\$12,878
Transport Worker	1,612	0.99	\$4,692
Technical Specialist	698	0.80	\$8,049
Government Worker	216	0.99	\$5,452
Total	73,232	0.70	\$5,793

Each job served a different purpose. Temporary overseas work gave some participants the chance to earn and save quickly. Community-based jobs helped others build steady incomes close to home. For many, it was the first rung on a ladder toward economic mobility.

A Real Example: Braian's Story



Take Braian Cárcamo. Unemployed and unsure about his future, he learned about the Temporary Work Abroad Program. With support from TMS and after interviews with the Ministry of Labor and Marriott recruiters, he secured a seasonal job in the U.S. through an H-2B visa.

“Honestly, I am so grateful for the opportunity USAID has given me. I know I will keep moving forward.” — **Braian Cárcamo**

Braian’s story is one of thousands—but it reflects the ripple effect of systems change.

Stronger Incomes, Stronger Futures

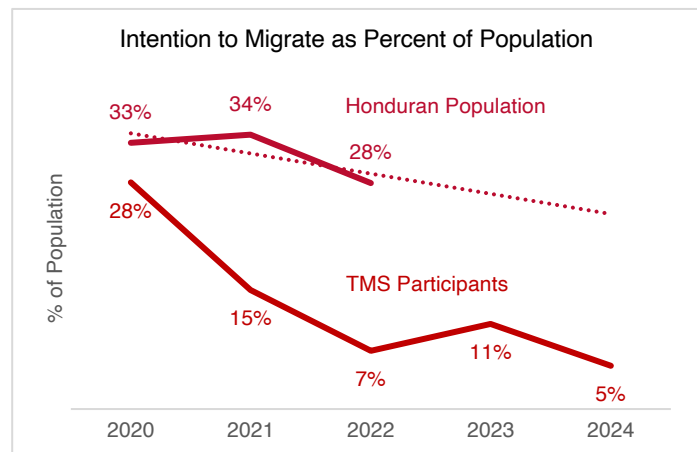
TMS didn’t just create jobs—it helped people earn **more** from the work they were already doing, or what they could have earned otherwise in the labor market. On average for local jobs, workers in TMS-supported jobs earned **\$1,742 more** than peers in equivalent roles—a **57% income boost**. Including temporary workers, the increase was even greater—**over 112% higher**.

Migration Impact

The clearest sign of progress? Fewer people saw migration as their only option.

The percentage of TMS participants who said they were considering migration dropped from **28% in 2020** to just **5% by 2024**. Those expressing a strong likelihood of migrating stayed under 5% throughout—and fell to **just 3%** by the final year.

Compared to national benchmarks—where nearly a third of the population still considers leaving—this is a major shift. For many, decent work at home became a reason to stay.



What Participants Said

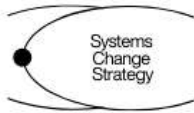
- **80%** said the job matched their personal goals
- **84%** felt they had the agency to improve their lives
- **80%** had strong support from family and friends
- **76%** called the change “very significant” to their wellbeing
- **79%** said TMS assistance was highly relevant
- **72%** saw TMS support as a major driver of their success

These aren’t just statistics. They’re a reminder that the best measure of development is what people feel when they look ahead—and believe in what’s possible.

SYSTEMS CHANGES

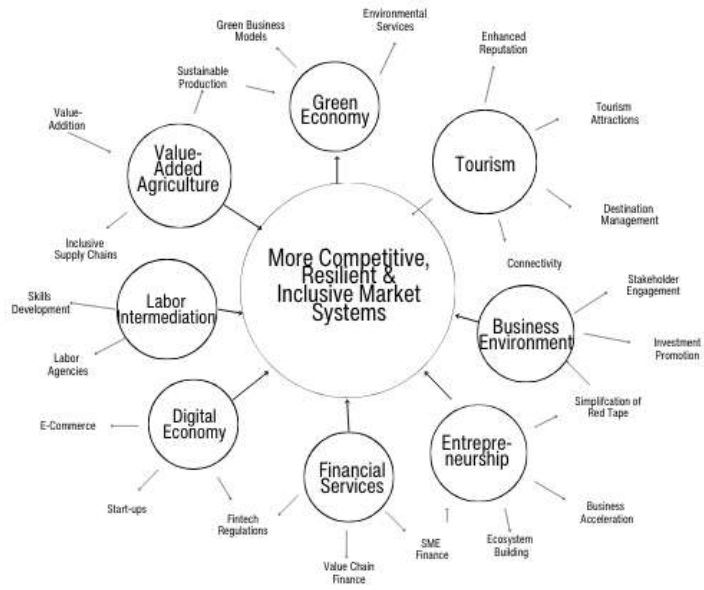
Development programs can leave behind short-term fixes that fade once funding ends. The TMS Activity took a different approach. Rather than treating symptoms, we identified key points in Honduras’ economic systems where targeted changes could create wider, lasting effects.

Like pushing the right domino, we focused on changes that would trigger positive chain reactions across markets. This strategic approach helped us build partnerships and design interventions that continued to deliver results even after our direct involvement ended.



Honduras TMS Change Objectives

It's not one system or one solution—it's many changes across many systems, working together to make a lasting difference.





VALUE-ADDED AGRICULTURE

When TMS began in 2018, Honduras's agriculture sector was in crisis. Despite employing 31% of the workforce and supporting 72% of rural households, the sector was vulnerable—dominated by raw commodity exports and battered by climate shocks and price volatility. Traditional development approaches had emphasized producer training and subsidies without addressing the fundamental market dysfunctions at the root of the problem—weak incentives, fragmented value chains, and minimal value capture. TMS approached this challenge differently, targeting **systemic change in agricultural value chains** through strategic partnerships with **anchor firms**—companies with both the incentive and capacity to transform rural economies from within.

Key Systems Changes Achieved

TMS enabled 18 anchor firms, 1,038 food systems enterprises and 12,102 farmers to generate more than \$368 million in gross sales—representing a 45% increase over baseline.

<i>Value Addition & Market Differentiation</i>	• Partnered with 18 anchor firms to develop high-value processing across frozen roots, fresh-cut vegetables, artisanal dairy, specialty coffee, premium cocoa, and aromatics—transforming raw commodities into premium products • Supported 1,038 agribusinesses and food system enterprises to achieve \$250 million in gross sales—representing a 50%+ growth over baseline
<i>Inclusive Supply Chains</i>	• Shifted supply chain relationships by establishing the "socially responsible intermediary" model that balances efficiency with sustainability • Cultivated partnerships between producers and buyers characterized by price stability, embedded technical services, and increased farmer loyalty • Facilitated market-driven technical assistance to 16,291 producers, successfully integrating 12,102 farmers into formal supply chains with anchor firms • Farmers achieved 36% sales growth from baseline, reaching \$118 million in gross on-farm sales through improved market access and product quality • Mobilized \$113 million in agricultural financing through innovative tripartite alliances between banks, anchor firms, and producer groups

<i>Sustainable Production Systems</i>	• Introduced 21+ climate-resilient technologies including solar-powered irrigation, composting, and ecological wet mills for coffee processing • Supported transition to bio-inputs and environmentally sustainable practices across 32,987 hectares for ecological resilience and market competitiveness • Improved livelihoods for 11,392 farmers and 12,817 farm workers through new or better jobs improving annual incomes by +\$2,779 • Integrated 8,438 youth and 4,773 women into revitalized supply chains, responding to labor shortages while promoting social and economy inclusion • Expanded participation to include indigenous Garifuna and Petch populations through innovative supply chains for aromatic crops.
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The Biggest Shift

The most profound shift in Honduras' agricultural sector: anchor firms began taking the lead—co-investing in services, providing technical assistance, and treating smallholders as partners. They are rethinking their role in the market, actively investing in services even after donor funding ends. Agricultural support services are now starting to continue through business-driven investment, connecting producers with service providers and certification bodies, opening doors to premium export markets. The result is a shift from donor dependency to self-sustaining business relationships generating rural economic opportunities throughout Honduras.



Honduras had become a services-based economy, yet with more than half of its labor force underemployed it was not performing. Tourism offered promise to grow the service economy from the demand side, with powerful multiplier effects—each direct tourism job generates 1.5-2 indirect jobs in complementary sectors. Yet despite rich assets—from the archaeological site of Copán to pristine beaches in Tela and natural parks like Pico Bonito—Honduras was Central America's worst-performing tourism destination in 2018. The sector was held back by a damaged reputation, weak coordination between stakeholders, limited promotion capacity, poor connectivity, and generic offerings that failed to differentiate Honduras in competitive markets.

Key Systems Changes Achieved

Honduras achieved an 17% increase in visitation from 2019 to 2023, with 8% (174,646 visitors) directly attributable to TMS interventions, generating 10,013 jobs throughout the tourism sector.

<i>Rebranding and Reputation Recovery</i>	• Facilitated 195+ strategic media placements generating 449 million impressions and \$7.5 million in earned media value, including prestigious features in Condé Nast, New York Times, and Washington Post • Secured Honduras' landmark inclusion in TIME Magazine's World's Greatest Places of 2023—making it the first Central American country to achieve this • Empowered 7,763 individuals and 2,213 tourism businesses with digital marketing and reputation management capabilities, institutionalizing these skills through the National Institute for Professional Training (INFOP) • Achieved a dramatic 300% reduction in negative online sentiment and substantial growth in Honduras' tourism share of voice across digital platforms
<i>Public- Private Governance</i>	• Strengthened capacity of the National Tourism Institute (IHT) and Chamber of Tourism (CANATURH) to establish more participatory governance framework • Piloted a decentralized, public-private tourism governance model through 10 Destination Management Organizations (DMOs) that engaged 500+ MSMEs in collective destination development and workforce training

	Created sustainable mechanisms via National Tourism Council for stakeholder coordination and shared strategic vision across the tourism ecosystem
<i>Connectivity and Innovation</i>	- Facilitated Honduras' air connectivity by supporting the attraction of low-cost carriers and establishing 7 new airline connections to key markets - Expanded the high-value MICE segment (meetings, incentives, conferences, exhibitions) from a single city to three major destinations, and professionalized MICE services through a network of 100+ certified suppliers - Developed 15+ innovative tourism experiences including glamping, augmented reality heritage tours, culinary tourism, and adventure offerings that differentiate Honduras in competitive markets spurring local innovation

The Biggest Shift

Honduras has transformed its tourism sector from a predominantly domestic and diaspora-oriented market into a recognized destination attracting diverse international visitors, particularly to premier destinations like *Copán Ruins* and the Bay Islands. Tourism now operates as a more coordinated, digitally connected sector that delivers compelling experiences—giving visitors not just reasons to arrive, but to stay longer, create lasting memories, and return. This evolution is generating compound benefits across the economy, creating sustainable livelihoods and strengthening Honduras' position in the competitive regional tourism landscape.



ENTREPRENEURSHIP

Honduras faces a structural challenge: an abundance of self-employed persons but too few businesses that employ others. While entrepreneurial activity exists, most microenterprises remain trapped at subsistence level, unable to scale and create additional jobs. The barriers are systemic entrepreneurs lack access to quality business development services, appropriate financing, and digital tools needed for growth. When TMS began, only 10-20% of enterprises had accessed support services from a business service provider. This gap required mobilizing an entire entrepreneurial ecosystem to help businesses overcome barriers to scale. TMS launched a comprehensive strategy to transform how entrepreneurs access support and strengthen the network of institutions, services, and connections that enable business growth.

Key Systems Changes Achieved

TMS developed a network of business service providers that accelerated 5,503 MSMEs to achieve 56% average sales growth, increasing earnings by 84% and generating 3,523 new jobs.

<i>Business Services</i>	• Directly guided 9 Business Service Providers (BSPs) from donor dependency toward locally anchored, sustainable business models, with 5 of those BSPs achieving "good" sustainability ratings on Argidius SCALE assessment • Generated 83% client satisfaction with improved service quality, driving willingness-to-pay to 58% among 2022 supported businesses • Supported FEDECAMARA in broadening business development services among its network of 32 chambers of commerce expanding MSME support nationwide • Catalyzed an average \$10,257 sales increase across 3,322 MSMEs receiving direct business services, creating 5,207 new or better jobs (51% women)
<i>Ecosystem Connectivity</i>	• Hosted first Latin American Impact Investment Forum in Honduras with Alterna, positioning the country as an emerging hub for impact capital • Coordinated the Ecosystem Builders Initiative and Global Entrepreneurship Week, connecting 59 key players including private companies, NGOs, academic institutions, chambers of commerce, investors, and entrepreneurs • Facilitated entry of 11 new ecosystem players to the Honduran entrepreneurial ecosystem, expanding access to expertise, networks, and resources

<i>Digital Transformation</i>	• Secured landmark fintech regulatory reform with the Central Bank - Regulation for Payment and Transfer Services using Electronic Money – and established the Financial Innovation Roundtable (MIF) as a permanent body • Founded the Fintech Association of Honduras, growing membership to 32 active companies driving financial inclusion through technology • Launched "E-Commerce for All" through alliance with Sube Latinoamérica • Empowered 10,743 individuals and 4,162 MSMEs to adopt digital marketing and e-commerce practices, and generated over \$50 million in new online sales
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The Biggest Shift

Honduras has evolved its entrepreneurial landscape from a fragmented, donor-dependent system into a more cohesive, locally-driven ecosystem. Business service providers have shifted toward more sustainable operations, chambers of commerce have emerged as ecosystem leaders, and coordination among key stakeholders in the ecosystem has significantly improved. The entrepreneurial ecosystem is now responding to real entrepreneur needs in addition to the donor priorities, creating positive feedback loops as successful business owners mentor and invest in the next generation. This emerging culture of entrepreneurship—fueled by visible role models and institutional support—is reshaping perceptions about economic opportunity in Honduras.



BUSINESS ENABLING ENVIRONMENT

Honduras faced a stifling business climate characterized by complex regulations, weak governance, and poor service delivery. Ranked 150th out of 190 countries in Starting a Business, its institutions operated in silos with outdated regulations, cumbersome bureaucracy, and limited digitalization. TMS implemented targeted reforms in municipal governance, trade facilitation, and food regulations to create a more efficient and enabling business environment.

Key Systems Changes Achieved

TMS has supported 65 government agencies—55 municipalities and 10 national institutions—to simplify procedures and reduce the cost of doing business through targeted reforms.

<i>Municipal Economic Governance</i>	• Helped 55 municipalities standardize and modernize tax plans, enabled 15 to streamline and digitize construction permitting and business licensing, and supported 33 in developing Local Economic Development (LED) Agendas • Improved municipal services from paper-based processes requiring multiple in-person visits to efficient, transparent digital platforms accessible to all businesses • Generated an estimated 3,539 indirect jobs across five sample municipalities through increased business formalization and construction activity (2024 survey) • Institutionalized reforms by strengthening the Association of Municipalities of Honduras (AMHON), which is now independently expanding these best practices to an additional 40 municipalities nationwide
<i>Food Safety System Reform</i>	• Designed a National Food Control System (SNCA) and developed the Single Digital Registry of Producers (RUDI), creating unprecedented interoperability across agencies to support food safety under SAG-SENASA leadership • Facilitated co-design workshops with 60+ officials across 9 government agencies, resulting in the design of a new governance architecture for food safety
<i>Customs Modernization</i>	• Implemented "Paperless Customs" at five customs offices, equipped with 40 tablets and 12 optical readers that eliminate 9 million paper documents annually • Advised on new regulations for 2,000+ customs auxiliaries, standardizing operations and reducing discretionary decision-making in customs procedures
<i>Recycling Sector Transformation</i>	• Implemented a comprehensive circular economy model connecting INVEMA, Fundación Cervecería Hondureña, collection centers, and grassroots recyclers • Catalyzed \$1.4 million in private investment for recycling infrastructure in central-southern Honduras, creating significant new processing capacity • Formed the National Network of Recyclers of Honduras and secured its integration into the Latin American and Caribbean Network of Recyclers

	Contributed technical expertise to draft solid waste management legislation that formally recognizes recyclers' rights and economic contribution
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The Biggest Shift

Honduras is witnessing a growing shift in economic governance as both national and municipal institutions evolve from isolated bureaucracies toward coordinated institutions that share information, coordinate policies, and streamline services for businesses and citizens. Municipalities are redefining their role—transitioning from primarily revenue collection toward becoming partners in local economic development. Through digital tools, improved regulations, and more standardized approaches, local governments are increasing transparency, encouraging business formalization, and involving citizens in economic planning.



FINANCIAL SERVICES

Limited access to finance holds back small businesses, rural households, and women entrepreneurs across Honduras. Banks have traditionally perceived these markets as excessively risky, setting collateral requirements and fees so high that 70% of Hondurans remain excluded from formal financial services. TMS designed interventions to change this system by improving how information and risk are managed, creating new pathways for capital to reach these traditionally excluded populations and mobilizing alternative sources of capital.

Key Systems Changes Achieved

TMS mobilized \$147 million in loans through 46 financial institutions to over 3,377 borrowers, with the capital needed to grow their businesses and strengthen their communities.

<i>New Financial Products and Services</i>	- Facilitated Lafise Bank's development of a specialized agribusiness unit that extended \$47 million in credit to the agricultural sector generating 3,192 jobs - Launched Pyme Mujer, financial products for women-led SMEs, backed by a \$7 million portfolio guarantee from the U.S. Development Finance Corporation - Trained over 300 bank staff on assessing loans through a gender lens
<i>Transaction Assistance</i>	Established strategic alliances between 18 financial institutions, 7 business service providers, and 15 companies to extend financing to suppliers or clients

	• Facilitated \$37 million in credit from agri-processors to their clients and suppliers • Supported financial providers like ODEF and Lafise Bank to develop business development units to assist their clients with non-financial services • Helped create \$3.5 million in green financing and investments through partnerships between Innovative Business Solutions and three banks
<i>Alternative Financing</i>	• Established a Municipal Investment Office in Comayagua and developed a Regional Master Plan with over 40 investment priorities that resulted in \$26.7 million in new capital investments (hotel, shopping center, apartments, etc.) • Strengthened 197 community savings and loans associations (cajas rurales) with 4,432 members, including 2,521 women and 1,073 youth

The Biggest Shift

The financial system is beginning to recognize and serve previously excluded segments through innovative approaches to risk management. Several prominent banks are moving beyond traditional collateral requirements to use strategic alliances with transaction advisors, specialized units to focus on specific segments, and new assessment methods to manage risk. These changes are making finance more accessible to agriculture, women-led businesses, and rural communities, supporting effective risk management and productive investment.



LABOR INTERMEDIATION

The global demand for labor has placed migration at the center of economic policy discussions. In Honduras, with nearly 60% underemployment and half of youth unemployed, many seek opportunities abroad—typically through irregular channels. Despite strong labor demand in the U.S. and elsewhere, Honduras lacked a structured system to legally connect workers with international employers. The TMS Temporary Worker Visa System addresses this mismatch by creating legal, sustainable pathways for temporary employment abroad.

Key Systems Changes Achieved

TMS quadrupled visa issuance to 25,950 since 2019 (with 9,220 in 2023 alone), while recruiting 281 employers from four countries that connected 15,042 Hondurans to decent work abroad.

<i>Legal Migration Channels</i>	• Established robust systems connecting Hondurans to legal employment opportunities across the U.S., Canada, Mexico, and European countries (Spain, Estonia, Poland) • Facilitated issuance of 25,950 visas since 2019, with 9,220 in 2023 alone—quadrupling 2018's numbers and incorporating 15,042 new workers into formalized labor pathways • Reduced intention to migrate irregularly among 70% of program beneficiaries, creating a measurable deterrent to dangerous border crossings • Implemented safe, transparent migration channels that protect workers' rights while meeting international employer demands
<i>Streamlined Recruitment</i>	• Decreased employer application processing time dramatically from 24 to 9 days in Honduras, increasing program competitiveness • Forged partnerships with U.S. State Department, Honduran Ministry of Labor, and National Immigration Institute to expedite and prioritize visa processing • Enhanced candidate selection quality by incorporating professional psychologists and specialized recruitment managers into labor agencies • Facilitated the market entry and growth of a dozen private recruitment intermediaries that now place three times more workers than the public program • Established comprehensive regulatory frameworks and certification standards that protect workers' rights while ensuring ethical recruitment practices

<i>Impact on Employees and Workers</i>	• Expanded the employer network from just 12 companies in 2019 to 281 active recruiters across the U.S., Canada, Spain, and Poland in 2023 • Partnered with the Merchant Marine and National Vocational Institute (INFOP) to develop tailored technical training programs that prepare workers for jobs abroad • Documented average worker earnings of \$12,029 over eight months, with workers returning approximately \$7,000 to Honduras as remittances or savings • Returned worker investment patterns showing 61% allocating funds to education and 19% launching new businesses upon return • Created a multiplier effect where every three temporary workers generate one additional job in Honduras through local spending and investment
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The Biggest Shift

Honduras has created a safe, legal, temporary pathway for migratory work, which has proven the surest way to deter irregular migration. The percentage of workers re-enrolling has increased from 20% in 2018 to 50% in 2024 as an indicator of growing worker satisfaction and employer loyalty with a system that is more structured and coordinated with engagement by public, private, and international actors. This pathway not only is benefiting Honduran workers and foreign employers but has a multiplier effect strengthening the local economy as workers return to reinvest skills and capital to create jobs in Honduras.

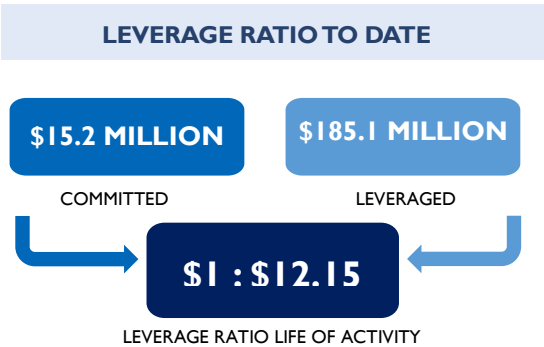
PUTTING PRINCIPLES IN ACTION

Locally Led by Design

TMS made being "locally led" a reality. From inception, local actors were **co-creators**, not just stakeholders. Over 200 organizations and 300 MSMEs debated priorities, voted on sectors, and shaped strategy in a true act of **power-sharing**. TMS built **structures for distributed decision-making**—delegating real authority to component leads to negotiate directly with partners.

Local actors **led and implemented** the work, creating interventions that *belonged* to Honduran actors and remained relevant because they emerged from within. As a measure of this TMS has leveraged \$12.15 from its partners for every \$1 committed, representing the **networks, talent, and resources USAID is leveraging** to address the scale of development challenges.

To be accountable to its partners, TMS **measured relationship health**, tracked partner perceptions, and tied its own funding to partner perception of the quality of relationships. Partner organizations rated TMS **90 out of 100 on the partnership health index, indicating strong satisfaction**. TMS partners consistently emphasized the high quality of their collaboration with TMS across the



following areas. These weren't transactional partnerships, but long-term commitments grounded in trust, flexibility, and shared risk.

"TMS has given us a chance to experiment, to iterate, to implement new solutions and to adapt. TMS has opened doors for us. The thing about this investor-like relationship is we share a common purpose. We have different strengths and different perspectives as well."
– Ricardo Irias, CEO Sube Latinoamerica

Systems Thinking and Learning

TMS didn't just talk about systems change—it **practiced it day-to-day**. Technical solutions weren't pre-packaged or locked into work plans. Ideas didn't have to be perfect—just promising. Ideas emerged through dialogue, experimentation, and feedback. Scopes were open-ended. "Good enough to try" often beat "fully baked." Failure wasn't punished; it was expected. Feedback, especially from local partners, drove real-time course correction. Collaborating, Learning, and Adapting (CLA) was woven through the systems approach with over 67 practices—pulse checks, reflections, portfolio reviews, and more.

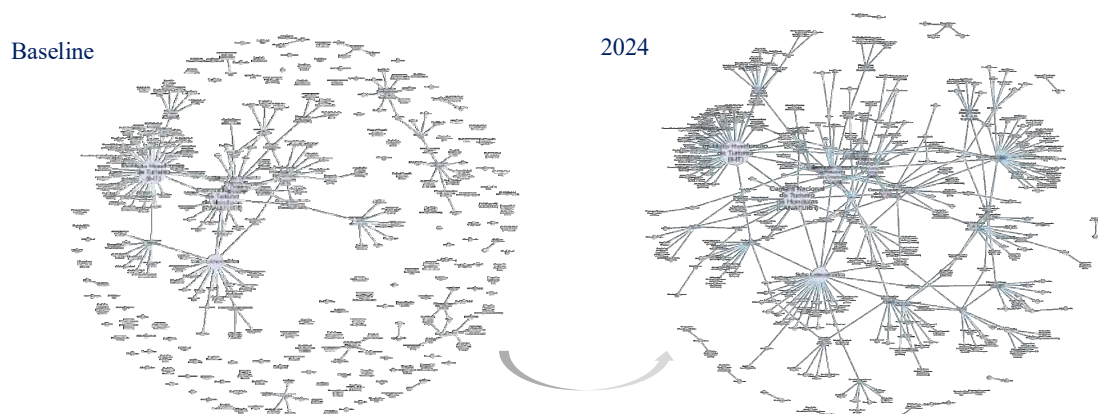
Investment Was Staged, Smartly

TMS **invested incrementally**, based on traction, feedback, and system momentum. Promising ideas had space to grow without being prematurely scaled—or overfunded. This also meant **knowing when to pivot**. Of the 145 activities co-created, half were cancelled through the process or after the first phase of piloting. TMS wasn't afraid to walk away when something stalled or didn't work out. It didn't confuse commitment with rigidity. Funding and technical support were tied to **performance and learning**, not just box-checking deliverables.

Built Networks, Not Just Projects

TMS wasn't about isolated activities—it was about **strengthening relationships** that made change sustainable. Over **350 partnerships and alliances** were catalyzed or deepened. Peer-learning spaces like the **Ecosystem Builders Community** didn't just emerge—they endured. Instead of trying to scale "what worked" one project at a time, TMS instead worked to amplify the learning capacity of networks recognizing that no single actor could change the system.

TMS PARTNER CONNECTIVITY 2019 - 2024





TMS recognized the importance that communications go beyond the traditional approach of simply reporting activities and achievements. This missed a critical opportunity to build a positive image that could inspire investment, slow emigration, and mobilize stakeholders. Importantly, communications became a strategic tool to shift the prevailing narrative that emphasized all the problems in Honduras rather than the opportunities.

The critical challenge was to reframe Honduras as a place with a future. Under the umbrella campaign #AsiSíMeQuedo ("This Way I'll Stay"), communications became a tool to show real examples of progress and economic opportunity. This strategic communications approach not only informed broader Honduran society about the innovations and partners but also inspired.

This plan included four strategic narrative pillars guided this work:

- **Agricultural Value:** The campaigns highlighted quality Honduran produce, creating brand recognition and encouraging local consumption. Media positioned agriculture not merely as a sector with potential, but as a profitable, innovative industry worth investing in, helping to transform its image from subsistence to value-added production.



The Power of Origin

"Olores y Sabores Ancestrales" campaign celebrates Honduras' culinary heritage while showcasing how traditional crops like garlic are now reaching supermarkets.

- **Tourism Potential:** The campaigns showcased Honduras' authentic experiences and natural wealth, positioning it as an attractive destination for visitors. By highlighting the country's diverse attractions through a local perspective, they fostered national pride and strengthened Hondurans' sense of belonging, driving visitation to tourism sites.
- **Entrepreneurial Ecosystem:** The campaigns spotlighted success stories of entrepreneurs, building a culture that recognized entrepreneurship as a viable path to employment. By making these entrepreneurial stories visible, they helped connect aspiring business owners with support networks and resources, becoming part of the connective tissue that strengthened emerging entrepreneurial ecosystems.
- **Temporary Work:** The campaigns educated Hondurans about how temporary work programs function, their requirements, and benefits through clear, accessible messaging. They helped connect skilled workers with international jobs, emphasizing their temporary nature and reinforcing the potential for workers to return with new skills and capital.



Start Your Future Journey

The "Start Your Future Journey" campaign transforms temporary work abroad from an unknown risk to a structured opportunity, providing clear guidance, authentic worker testimonials, and step-by-step application processes that help Hondurans access legal employment while maintaining connections to home.

Transforming Honduras' narrative wasn't just about better messaging—it was about changing mindsets. By showcasing real successes and pathways to prosperity, these communications efforts helped rewrite the story Hondurans tell themselves about their country and its future.



MONITORING, EVALUATION AND LEARNING

TMS recognized that working in complex systems required a fundamentally different approach to evidence. Monitoring, evaluation and learning (MEL) had to be more than checkbox exercise solely focused on donor compliance, with little connection to decision-making or adaptation. The vision was to transform MEL from an administrative function into a strategic mechanism (a feedback loop) driving real-time change. This meant redesigning not just what was measured, but how information flowed, how reflection happened, and ultimately, how decisions were made.

Five critical shifts defined this transformation:

- **Learning Became Intentional:** TMS institutionalized reflection cycles—Pause & Reflect sessions, learning logs, portfolio reviews—that connected insights directly to action. These weren't occasional activities but systematic practices that shaped strategy. The approach made adaptation legitimate and expected, not exceptional or risky.
- **Partner-Led Research:** Instead of relying on external consultants, TMS collaborated with local universities and chambers of commerce to conduct market research and perform a constant monitoring function. An example of this is the Market Systems Diagnostic developed in collaboration with UNAH and COHEP.
- **Systems-Level Measurement:** Moving beyond counting direct beneficiaries, TMS developed innovative frameworks to capture broader changes in network connectivity, institutional behavior, and market systems resilience capacities. This evolved monitoring from tracking activities to understanding broader market transformations.
- **Employment Measurement Deepened:** TMS created methodologies examining quality, conditions, and employer perceptions. This approach, later shared with USAID as a technical guide, revealed the human impact of market changes beyond simply counting jobs and allowed for deeper interpretations of relevance and significance.

- **Data Standards Created Coherence:** TMS established common definitions and structures across diverse components and partner organizations that allowed for partner-managed MEL. This standardization allowed comparison, integration, and pattern recognition that would have been impossible with fragmented approaches.



Shifting the Locus of Learning

The national research platform, led by UNAH and COHEP with the participation of 18 chambers of commerce, was recognized at the prestigious National Business Meeting for its contributions to generating evidence to support policy dialogue.

This evidence ecosystem gave TMS the confidence to make difficult decisions—halting activities that showed limited traction, while doubling down on promising approaches. More importantly, it demonstrated to Honduran partners the value of using data to drive decisions. University partners incorporated new analytical approaches into their research. Business service providers used evidence to redesign services. Government agencies adopted improved policy frameworks based on evidence, creating lasting behavior change in the market system itself.

TMS ACTIVITY PERFORMANCE SUMMARY FY2020-FY2024

#	Performance Indicator	Target	Actual	Performance
1	Number of individuals with new or better jobs	61,700	73,232	119%
2	Number of women with new or better jobs	24,680	24,699	100%
3	Number of youth with new or better jobs	24,680	26,834	109%
4	Change in earnings in USD from new or better jobs that result	250,000,000	368,211,806	147%
5	Incremental USD value of sales enterprises	139,600,000	254,179,096	182%
6	Amount USD of public and private capital leveraged	95,500,000	189,487,096	198%
7	Number of participants benefiting from assistance	87,000	133,547	154%
8	Number individuals that apply improved practices	10,000	23,794	238%
9	Partnership Health Index Score	80%	90%	113%
10	Percentage of individual direct participants from vulnerable groups	60%	63%	105%

* Cumulative targets and achievements, October 2019 through 2024

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