



HONDURAS COUNTRY SNAPSHOT

MARCH 2023

The [Digital Ecosystem Country Assessment \(DECA\)](#), a flagship initiative of the Digital Strategy, supports USAID Missions to better understand, work with, and support country digital ecosystems. The DECA looks at three pillars of a country's digital ecosystem: (1) Digital Infrastructure and Adoption; (2) Digital Society, Rights, and Governance; and (3) Digital Economy. The Honduras DECA was carried out between March and November 2022. It included desk research, 76 interviews with stakeholders from civil society, academia, the private and public sectors, and international development organizations, and was guided by [USAID Honduras 2020–2025 Country Development Cooperation Strategy \(CDCS\)](#).

[Honduras](#) was one of the last countries to offer mobile services in 1994. Since then, the uptake of digital technology has lagged compared to its Latin America and Caribbean neighbors. Connectivity remains a challenge with low levels of affordability, availability, and use, coupled with a lack of digital infrastructure. Policy implementation is slow, while capacity gaps and administration changes reduce efforts to close digital divides and protect citizens from digital harms. Due to a lack of technical capacity and resources, civil society organizations (CSOs) support for digital rights protection is fragmented. Meanwhile, the digital economy is hampered by poor connectivity, a challenging operating environment, a lack of trust, and minimal regulatory oversight. However, there is an opportunity for digital transformation with President Xiomara Castro's new República Digital (Digital Republic) Plan for bridging the digital divide, the National Digital Agency for overseeing e-governance, and jumpstarting a burgeoning creative economy.¹

RELEVANT POLICIES, REGULATIONS, AND LEGISLATION

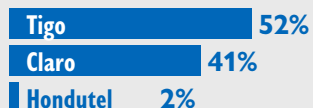
- **Key government entities:** National Telecommunications Commission (CONATEL); Ministry of Transparency and Fight Against Corruption; Honduras Agency for the Digital Republic (HADR); Registro Nacional de Personas; Central Bank of Honduras; National Commission for Banks and Insurance; National Supervisory Council of Cooperatives
- **Digital Strategies:** [2014–2018 Honduras Digital Agenda](#); [2015–2019 The Digital Government Plan](#); National Program for Reducing the Digital Divide; Digital Republic Public Policy
- **Telecommunications:** [1995 Telecommunications Law](#); 2021 Spectrum National Plan; National Broadband Plan (draft)
- **Universal Services Fund:** [2014 Fund for Investment in Telecommunications and Information Communications Technologies](#)
- **Cybersecurity/Computer Security Incident Response Team (CSIRT):** No national cybersecurity strategy or CSIRT as of November 2022
- **Data Protection:** None as of November 2022
- **Digital Literacy:** [2020 National Digital Education Transformation Program](#) (PNTEd)
- **Digital Finance:** [2015–2020 National Financial Inclusion Strategy](#)

¹ Assessment and Proposals for Digital Government, Digital Government Working Group, January 2022, Presidential Transition.

HONDURAS'S DIGITAL ECOSYSTEM AT A GLANCE

INTERNET ACCESS AND USE

Mobile Network Operators (MNOs): (market share 2021)



Active mobile broadband subscriptions: (ITU 2021)



Fixed Broadband Penetration Rate: (ITU 2021)



Internet Users: (ITU 2020)

42% of the total population



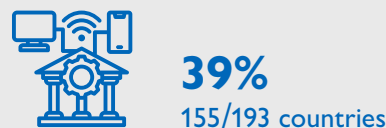
Population covered by a mobile-cellular network (3G/4G): (ITU 2020)



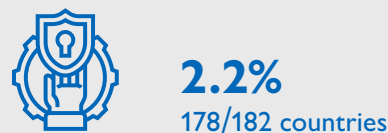
Cost of 1GB of mobile broadband data as percent of GNI per capita: (A4AI 2021)



INTERNET AND DIGITAL GOVERNANCE



UN E-Government Development Index: (2022)



Global Cybersecurity Index: (2020)

E-Participation Index: (2020)

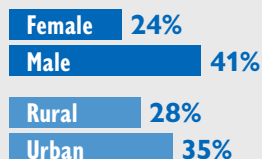


DIGITAL FINANCIAL INCLUSION (Findex 2021)

Mobile money account:



Made or received a digital payment: 32%



UNCTAD B2C E-commerce Index: (2020)



HONDURAS DECA: KEY FINDINGS AND RECOMMENDATIONS

KEY FINDINGS

Connectivity: In Honduras, the [gap in internet use](#) between wealthy and poor households is 58 percent. Affordability of and access to the internet has hindered the uptake of digital technology in Honduras. However, in 2021, Honduras released the Spectrum National Plan,² becoming one of three countries in Central America to authorize access to unlicensed spectrum. Accessing unlicensed spectrum and other alternative connectivity solutions could help internet service providers (ISPs) expand their reach to rural communities and close the digital divide.

* See sections – 1.2 *The state of internet affordability and accessibility*; 1.3 *Last-mile connectivity*

RECOMMENDATIONS

1. Support broader uptake of alternative connectivity solutions to enable more affordable internet

To improve last-mile connectivity to bridge the digital divide, USAID and development actors can advocate for the National Telecommunications Commission (CONATEL) to adopt flexible policies that promote long-term solutions, for example:

- Support the creation of an ISP association to access and effectively use unlicensed spectrum;
- Encourage and train policymakers on flexible spectrum policy;
- Promote [Use-it-or-Share-it](#) spectrum policies where Mobile Network Operators (MNOs) lease unused licensed spectrum to ISPs;
- Partner with existing organizations who support community networks—[Rhizomatica](#) and the [Internet Society](#); and
- Build on existing initiatives, such as the [USAID/Microsoft Airband](#) TV White Space (TVWS).

² Spectrum is defined as the waves that carry data signals between two devices, such as a smartphone and cell tower. The Spectrum National Plan provides oversight and regulation around authorizing the use of spectrum ranges for different technologies.

KEY FINDINGS

Telecommunications regulatory environment: One of the biggest barriers to the uptake of digital technology in Honduras is the duopoly of MNOs and the subsequent lack of competition. As well as an outdated telecommunications policy that does not address the advances and challenges of a rapidly changing digital ecosystem. Such as regulating infrastructure sharing and eliminating obstacles for ISPs to operate in rural areas. To address this, the [International Telecommunications Union](#) (ITU) is assessing the telecommunications market in Honduras, providing CONATEL with recommendations for developing and implementing a new regulatory framework and laws.

CONATEL is also developing a National Broadband Plan to set new goals for the country's Information and Communications Technology (ICT) policies and infrastructure development, but it has yet to be released.

* See sections – 1.1 A quick overview of Honduras telecommunications policy and infrastructure

Digital Literacy: COVID-19 accelerated the shift to digital learning. While efforts to digitize education are succeeding, digital literacy is not included in the national primary and secondary curriculum. [Digital literacy](#) encompasses the skills and capacity to safely and effectively use digital devices to access and manage information online. It is necessary for teachers, students, and parents alike to navigate virtual learning platforms, communicate, and safely access information, few opportunities, and resources.

In 2020 the Ministry of Education launched the [National Digital Education Transformation Program](#) (PNTED). PNTED aims to close the digital divide in education through collaboration and establishing connectivity, access to virtual learning platforms, updating pedagogies for 21st-century skills, and training teachers. However, there is currently no strategy in PNTED to support or implement digital literacy in primary and secondary education.

* See sections – 1.4 Making space for digital literacy in digitizing education

Digital Republic: The Honduras Agency for the Digital Republic (HADR) oversees digital government transformation efforts.³ The Digital Republic Public Policy encompasses five initiatives:

1. Efficient and transparent management
2. Connectivity for all
3. Digital inclusion and skills
4. Innovation, entrepreneurship, and digital development
5. Sectorial digital transformation

The HADR is establishing technical roundtables to support implementation for each of the five initiatives. Stakeholders include government agencies, civil society, the private sector, academia, and international cooperation.

* See sections – 2.1 Digital Government

RECOMMENDATIONS

2. Engage with key stakeholders working to update telecommunications policy and regulation for digital connectivity

USAID and development actors can support multiple initiatives to promote a competitive telecommunications market and improve internet access and affordability. For example:

- Support the ITU and CONATEL by providing technical assistance and capacity building to encourage implementation of the National Broadband Plan and passage of an updated telecommunications policy that addresses the regulatory practices for an inclusive and resilient digital ecosystem.
- Join the Digital Republic's Connectivity For All multi-stakeholder round table to promote collaborative regulation and a competitive regulatory environment.

3. Work with the Ministry of Education (MoE) to integrate digital literacy initiatives into the national curricula

Digital literacy can help decrease online risks and vulnerabilities and increase economic opportunities. USAID and development actors can support the implementation of PNTED by providing technical assistance to the Ministry of Education (MoE) to integrate safety, information and data literacy into the national curriculum. Examples of technical assistance include:

- Support coordination between the council of Higher Education and MoE to align digital literacy qualifications across education, particularly for teaching degrees and students entering higher education.
- Work with the MoE to build the capacity and skills to monitor, collect data, and evaluate digital education platforms.
- Build digital literacy and cyber hygiene to ensure that children and teachers are safe online. Integrate digital literacy training into current and upcoming education programs and projects.

4. Support the creation of strategic plans for digital government, e-services, and cybersecurity

USAID and development actors can support digital government services to build the policy framework and institutional capacity, such as:

- Partner with donors such as the Partner with donors such as the Inter-American Development Bank (IDB) digital transformation digital transformation project to promote transparency and interoperability across government agencies
- Promote the exchange of best practices and learnings with other Governments that have successfully implemented a detailed roadmap for digital transformation.

KEY FINDINGS

Civil Society and Media: [Honduras Verifica](#) estimates that 1.2 million Hondurans consume fake news. Similarly, Honduras Verifica found that 60 percent of journalists received digital threats in 2021. Women and the LGBTQI+ community are frequent targets of online harassment.

Several CSOs (Honduras Verifica, I-Verify Honduras, and Laboratorio Ciudadano) are implementing activities to combat disinformation. Activities range from safety training for activists, fact-checking, working with social media to identify bot farms, and awareness-raising campaigns. CSOs noted key challenges such as a lack of digital skills, scarce resources, and coordination across organizations.

* See sections – 2.2. *Civil Society and Media*

Cybersecurity and Cyber crimes: Due to the lack of data protection and cybersecurity regulations in Honduras, security and justice sector agencies do not have a framework to prosecute rising digital crimes. With low digital literacy, Hondurans are falling victim to extortion, scams, and misuse of personal information. According to the digital crime units within the National Police of Honduras (NPH) and the Attorney General's Office, law enforcement has worked on more than 300 investigations over the last two years, most of which are online scams and non-consensual dissemination of images, primarily of women.

* See sections – 2.3. *Catching up on Cybersecurity and Identifying Cyber crimes*

Digital Financial Services: The level of financial inclusion continues to be low due to systematic weaknesses, such as supply-side factors and the lack of relevant traditional and digital financial services. On the supply side, large financial service providers (FSPs) have had an easier time than smaller FSPs with their digital transformation journey, allowing them to expand the availability of digital financial services (DFS). While the Government of Honduras (GOH) is committed to promoting financial inclusion, demand-side data shows that regulatory and supply-side measures are insufficient to get people to access, use, and benefit from DFS.

* See sections – 3.1 *The supply and demand of digital financial services and what it means for financial inclusion*

RECOMMENDATIONS

5. Promote cyber hygiene for CSOs, journalists, and digital rights activists to increase independent oversight and mitigate digital repression

Independent media and CSOs are at high risk of online harms, cyber harms, and lack the capacity to mitigate digital repression and online threats. CSOs requested support from development actors to:

- Provide online training courses, such as the [National Democratic Institute's](#) cybersecurity course;
- Support digital skills-building by producing a cyber hygiene guide. For example, the [USAID Guide to Strengthening Civil Society Through Social Media](#) covers internet safety for digital activists, privacy, encryption, and other best practices.
- Facilitate the exchange of best practices and lessons learned across Honduran and American CSOs internet governance initiatives.

6. Build the capacity of the security and justice sector to respond to cyber crimes

Although there are no cybersecurity laws in place, USAID and development actors can support justice agencies to:

- Provide technical assistance to increase the institutional capacity of the National Police of Honduras (NPH) and Attorney General to prevent cyber crimes. Coordinate with the [Immigration and Customs Enforcement Cyber Crimes Center](#) and the [Cybersecurity and Infrastructure Security Agency](#) to investigate cross-border crimes and promote international best practices.
- Develop digital tools that provide cybercrime victims with mobile alerts and access to support services (e.g., legal, medical, and psychological).
- Support the government to join the Budapest Convention and develop a framework for a national cybersecurity law.

7. Improve the human-centered design of digital financial services to advance financial inclusion

There are opportunities for USAID and development partners to contribute to the design of DFS products that help low-income households mitigate economic shocks and build stronger pathways out of poverty.

- Convene a multi-stakeholder group of experts from the public and private sectors to identify implementation gaps and support the design of an updated national financial inclusion strategy.
- Engage the private sector to enable last-mile financial inclusion using [USAID's 2019 FinTech Partnerships Playbook](#) to 1) fill knowledge gaps to increase investments in underserved communities; 2) apply market insights to product design; and 3) build awareness of formal financial services among consumers and micro-, small, and medium-sized enterprises (MSMEs).

KEY FINDINGS

E-commerce and Tech Startup Environment: Both e-commerce and tech startup ecosystems in Honduras' are in the early stages of development. According to the [Global Index](#), only eight percent of adults purchased goods online in 2021, and many micro-,small, and medium-sized enterprises (MSMEs) do not operate online. Various public and private initiatives are working to strengthen the e-commerce ecosystem. The biggest challenge Honduran tech startups face is access to capital, and there are several initiatives supporting tech startups, such as the [Honduras Digital Challenge](#). However, lack of trust, minimal regulatory oversight, and poor logistics infrastructure are major constraints to the growth of both sectors.

* See sections – 3.2 *E-commerce's unrealized potential*; 3.4 *A nascent tech startup environment*

Digital Talent Pool: The digital talent pool does not meet Honduras' labor market demand, although efforts are underway to narrow the digital talent gap. Honduras is home to many professionals developing digital solutions, from setting up cloud services for local and foreign companies to building super apps. However, there is a limited digital talent pool despite efforts by the GOH to promote workforce development and by universities producing graduates with tech-related degrees.

* See sections – 3.5 *A broad but shallow digital talent pool*

RECOMMENDATIONS

8. Continue to foster a digital entrepreneurship culture to engage youth

USAID and development actors can increase income-generating opportunities by supporting the digital transformation of MSMEs and engaging in the digital creative economy.

- Promote social commerce—a subset of e-commerce where sales and services transact through social media channels—by exploring partnerships, training opportunities, and tailored digital entrepreneurship programs with social media companies (e.g., Meta).
- Strengthen the digital financial capacity of female entrepreneurs through programs that focus on expanding financial inclusion and designing digital tools for women-owned MSMEs. See [Project Kirana](#) and [Hey Sister! Show Me the Mobile Money](#).
- Support the digital creative economy by designing and implementing entrepreneurship- and youth-focused programs.

9. Promote workforce development initiatives through partnerships between industry, universities, and technical and vocational training institutions

USAID/Honduras and development actors can expand the digital talent pool by:

- Facilitating partnerships between international and local tech companies and university IT programs, co-designing apprenticeships and internship programs to ensure better job-matching.
- Employing a project-based learning approach to digital skills programs that engage students in designing, developing, and constructing hands-on solutions to real-world problems, enabling them to learn and develop core skills. For example, [YouthMappers](#) is a global community of students, researchers, and educators that uses open-source geospatial technologies to identify and address development challenges in local communities and worldwide.

* For more detailed information on the findings and recommendations, please see the [Honduras Digital Ecosystem Country Assessment report](#). Specific report sections are noted in the below findings, and recommendations align with the report numbers.