

Evaluation Summary

I. Outline of the Project

Country: Republic of Honduras

Project Title:

Project for the Promotion of Self-Management Enterprises of Women in Rural Areas in Honduras

Issue/Sector: Gender equality

Cooperation Scheme: Technical Cooperation Project

Division in Charge: Social Development Department

Total Cost: approx. 230 million yen

Period of Cooperation

November 2003 - October 2006

Partner Country's Implementing Organization(s): Family Allowance Program (PRAF)

Related Cooperation: National Vocational Training Institute (INFOP)

1. Background to the Project

The Republic of Honduras, categorized as a heavy indebted poor country (HIPC), is one of the poorest countries in the Latin American and Caribbean. Nearly 49 percent of the population lives in extreme poverty (with a daily income of 1.00 US dollar or below). The country's per capita income is 970 US dollars, as compared to the average of 3,280 US dollars in Latin America and the Caribbean.¹

¹ World Bank (2005). *World Development Indicators 2005*. Washington D. C.: World Bank.

The Honduran government has strived for poverty alleviation based on the Poverty Reduction Strategy Paper (PRSP) formulated in October 2001 as the national strategy, although there has been a series of government changes since Hurricane Mitch in 1998: the Flores administration (Liberal Party), the Maduro administration (National Party) and the Zelaya administration (Liberal Party). As part of this initiative, the Family Allowance Program (PRAF) under the Ministry of the Presidency is undertaking a credit program called *Di-Mujer* for promoting micro-enterprises by poor women, the most vulnerable group in Honduras. In this connection, the Honduran government made a request to the Japanese government for cooperation to support micro-enterprises by vulnerable women in remote areas.

In response to the request, JICA launched a technical cooperation project, "the Project for the Promotion of Self-Management Enterprises of Women in Rural Areas in Honduras", in November 2003. The purpose of the Project was that the women beneficiaries could float and manage their micro-enterprises using local resources in the rural area. As activities of the Project various studies such as community analysis studies and marketing studies have been implemented.

2. Project Overview

(1) Overall Goals

- 1) The empowerment of people in the targeted society is realized
- 2) An approach of the same kind as the Project already implemented in other areas.

(2) Project Purpose

The women beneficiaries can float and manage their micro-enterprises using local resources in the Project sites.

(3) Outputs

- 0) The sites of the Project have been selected on the basis of identification of local conditions.
- 1) Groups of women have been organized with the vision to form a micro-enterprise and the action plans have been elaborated.
- 2) The beneficiaries have acquired the knowledge and techniques for the sustainable management of micro-enterprise.
- 3) The necessary machinery is ready to start micro-enterprises
- 4) The beneficiaries start the flotation and management of their enterprises.
- 5) The capabilities of the counterparts including the related organizations and talented people which support micro-enterprises have been strengthened through the training.
- 6) The experiences and processes of the Project have been compiled with the purpose of being implemented in future projects.

(4) Inputs (until the time of evaluation)

Japanese side:

Long-term Experts: 4 experts Equipment: 1,177,181.36 lempira
Short-term Experts: 7 experts Local cost: 7,074,859.97 lempira
Counterpart training: 1 person in Japan, 2 in Chile and 44 in Honduras

Honduran side:

Counterparts: 9 persons
Local cost: 2,739,300.00 lempira
Land and facilities: Desks and furniture

II. Evaluation Team

Members of the Evaluation Team

Number of Team Members: 5

- (1) Team Leader Akira NAKAMURA Director, Group II (Urban and Regional Development/Reconstruction), Social Development Department, JICA
- (2) Empowerment Evaluation Yoko FUJIKAKE Assistant Professor, Tokyo Kasei-Gakuin University
- (3) Evaluation Planning 1 Toshiya WAKABAYASHI Urban and Regional Development/Reconstruction Team II, Group II, Social Development Department, JICA
- (4) Evaluation Planning 2 Chieko MATSUBARA Participant in the technical cooperation expert training program of JICA
- (5) Evaluation Analysis Takeshi SEKIYA Association of International Cooperation and Training - Hiroshima

Period of Evaluation: 27 (Thu) July - 11 (Fri) August 2006

Type of Evaluation: Terminal Evaluation

III. Results of Evaluation

1. Achievement Level

(1) Activities and Outputs

By the time of the terminal evaluation, a total of 16 groups had started up micro-enterprises, including 9 groups in Copán Department and 7 in Lempira Department. To accommodate the needs of the target groups, a total of 188 training sessions were provided over 719 days, including 34 sessions for social training, 103 sessions for technical training and 51 sessions for business-startup training. The lecturers sometimes included staff members from INFOP and NGOs, and entrepreneurs in the relevant business categories. Among the total 13 business categories were bread making, pottery, and flour milling. The 16 groups had a total membership of 148 women, aged between 15 and 70, with an average of 34.

The project stakeholders are now preparing guidelines on how to organize women, provide training and start up micro-enterprises so that the project outcomes will spread to other areas.

(2) Degree of Achievement of the Project Purpose

All 16 groups have reached the stage of production and sales, and all of them are running positive balances in their accounts. An empowerment survey of 12 groups also shows that they all have improved their performance in all 12 indicators. It would appear that empowerment is being realized. It is fully expected that the Project's initial purpose will be achieved three months before the completion of the Project.

(3) Prospect of the Overall Goal being attained

All 16 groups are increasing their revenues. Most of them have achieved a positive gross profit (sales minus costs).

PRAF has already finished the elaboration of the phase 2 plan. Moreover, Six NGOs, including World Vision, have offered to continue their support and expand the project scope to other areas. The Secretariat of Agriculture and Dairy has also requested that the know-how

of the Project be shared for their own micro-enterprise floatation program in five years. Therefore, the overall goal of the Project seems likely to be achieved.

2. Summary of Evaluation Results

(1) Relevance

The Project was consistent with the national policy of Honduras and was conducted with the assistance of the JICA program. It also accommodated the needs of the target groups. Although the idea of empowering rural women--the most vulnerable group--to start up micro-enterprises was challenging, the Japanese side succeeded in establishing cooperative relations with not only the counterpart organizations but also with other government offices and NGOs concerned.

(2) Effectiveness

By the time of the terminal evaluation, a total of 16 groups had started up micro-enterprises, including 9 groups in Copán Department and 7 in Lempira Department. All 16 groups now make and sell their products, and none of them are in the red. An empowerment survey of 12 groups shows that they all improved their performance in all 12 indicators, suggesting the positive project performance in terms of empowerment of women. As there had been no major changes to the Important Assumptions in the PDM, the Project inputs and activities have achieved the planned outputs.

(3) Efficiency

The Project was not necessarily been efficient at the time of the terminal evaluation from the point of limited numbers of direct beneficiaries and huge volume of trainings needed in the Project. It is premature, however, to determine the efficiency of the Project based solely on the situation at the time of terminal evaluation, taking into account the challenging nature of the purpose of this Project - "Business floatation by vulnerable women" - and the estimated number of indirect beneficiaries through the application of approaches and lessons learned from the Project to other areas. In fact, it is necessary to keep track of the number of beneficiaries as another organization has already submitted action plans based on the approach and lessons learned from this Project..

(4) Impact

Following the preceding study, the Project was in full operation for only two years. Some group started up micro-enterprises for less than one year. Despite these circumstances, all 16 groups are increasing their revenues, an indication of positive performance in terms of empowerment of women. Some groups have succeeded in winning the support of men such as farm workers and construction workers. These men now support the groups by doing farm work in place of group members and by building workshops for them. Other groups work for their local communities as well as for their better livelihoods, offering some of their revenues to local churches and schools. Moreover, other government agencies and NGOs have shown interest in the Project. Some of them have developed plans for projects based on the approaches of the Project and findings from observations filed by themselves. In short, the Project began to produce many positive effects even before its completion.

(5) Sustainability

At present, there is no notable change assumed to be an influence on the sustainability of the Project in the government politics and system. However, the influence of the change of political power on the organization and finance will continue to exist, because PRAD is an institute of the Executive Office of the President. In terms of pursuing more stable sustainability, other modalities such as cooperation and networking with other institutions and grass-roots community organizations should be considered. In this context, interest and motivation to learn of the experience of the Project by relevant organizations should be positively accepted.

3. Contributing Factors

To accommodate the needs of the target groups, a total of 188 training sessions were provided over 719 days. They covered 13 business categories, including bread making, flour milling, pottery, textile making, beekeeping, crop farming, and goat breeding. The enormous number of training sessions in these various categories over a short period of time could not have been provided without the zeal of the Japanese experts and the proactive efforts to involve INFOP, NGOs and entrepreneurs in the related business categories. Meticulous follow-ups of the target groups despite poor access to them have greatly contributed to the successful performance of the Project.

4. Inhibiting Factors

The Project is designed to encourage women in poor rural areas to start up and maintain micro-enterprises. It is an attempt to organize and empower this socially vulnerable group with poor access to education and therefore at a disadvantage when it comes to understanding what micro-enterprises are, as well as how to start and manage them.

It was found that the business status (represented by gross profit) was correlated with the academic background of the group members and performance against basic startup indicators. In other words, the academic background and progress of the startup process are important factors in evaluating the profitability of micro-enterprises. It should be considered that starting up a micro-enterprise is a time-consuming process, given that the group members largely have a poor record of school enrollment.

Poor physical access to the project sites significantly affected progress of the Project. It took two hours to reach the sites, which were distributed among two prefectures. During the rainy season, walking was often the only means of transportation due to landslides, road erosion, and flooding.

The period of full project implementation was only two years because the project period of three years included a period for surveys aimed at selecting the project sites and target groups as well as market research. Under these circumstances, there were time constraints on accomplishing the Project purposes during the project period.

As there was a change of counterparts which accompanied the change of political power, it was necessary to hold consultations with these new counterparts on the project policy.

5. Conclusions

The Honduran and Japanese evaluation team acknowledged that the Project has for the most part been successfully implemented, and that the Project has achieved the Project purpose: “That women beneficiaries can float and manage their micro-enterprises using local resources in the Project sites”. They also acknowledged that the Project is on the right track toward achieving Overall Goal 1, to empower people in the target societies, and Overall Goal 2, to introduce the approaches of the Project to other areas.

The Project is opening the way to form a model of micro-enterprises that contributes to empowerment of the people and the society from the micro-level to the macro-, and at the same time the experiences and knowledge obtained through the activities will be expanded.

IV. Recommendations and Lessons Learned (specific solutions, suggestions and advice for the Project, and the lessons learned)

1. Recommendations

(1) Issues to be addressed by the project completion

1) Continuing support for target groups

The Project should continue to support nine out of the 16 groups in putting their micro enterprises on track based on progress at each group until its completion.

2) Elaboration of guidelines and publication of the results of the Project

The Project should develop guidelines of collected knowledge from the Project and publish them in order to spread the experiences of the Project.

(2) Issues to be addressed after the project completion

A technical commission for follow-up will be formed by the organizations concerned. The technical commission will cooperate with local government municipalities and NGOs that work on the Project and will monitor activities. Based on the results of the monitoring, support plans for the groups will be made and implemented.

(3) Application and use of the project outcomes

An analysis using the empowerment evaluation model (Fujikake [2000, 2001]) suggests the direction for the follow-up activities. It is important to plan the content of follow-up based on the obtained data.

2. Lessons Learned

(1) Clarification of the Overall Goal and Definition of Elaborate External Conditions

The Project is a part of the Poverty Eradication Program of JICA. However, the Project does not necessarily clearly relate the Project Purpose to the Overall Goal, as it was not clear at the

commencement of the Project as to how the process of establishing a micro-enterprise in a poor area can be attributed to the improvement of vulnerable women's lives. It is vital to clearly define the external conditions needed to form a consensus for the common recognition among the project members as to what conditions are necessary in the process to achieve the Overall Goal.

(2) Action Plan of the Groups based on the Characteristics of the Area

The Project was executed in two different Departments (Copan and Lempira) which have different characteristics. Therefore, it took time to decide the policy for plans of activities and it was necessary to implement activities flexibly. It was necessary to survey and make plans which considered the characteristics of the area and which fully took into account the exact the purpose of the Project, "Income improvement in places where establishing micro-enterprises is easy" or "Micro-enterprise in poor areas" at the project formulation process.

(3) Need to consider the educational levels of the target groups

For the management of micro-enterprises, it is necessary to acquire knowledge and business techniques. The outputs of groups are quite different according to the level of education in each group. Therefore, it is indispensable that flexibility at the planning stage be included in the Project to consider variation based on the situations and abilities of the groups involved.

(4) Visualization of the internal and external change of the groups based on the Empowerment Indicator

The Empowerment Indicator is used to express in number the abstract concept "Empowerment" in the Project. The Empowerment indicator can visualize how the activities of micro-enterprise have affected the internal and external change. It is an approach worthy of special mention and will be useful to other projects concerned with empowerment. However it is necessary to modify the method of collecting qualitative data, as the method used required a lot of time.

(5) Accumulation of the Experiences in Project Sites by Counterparts

On the PRAF side, the experiences of the Project have not been accumulated so well. Therefore, it is necessary to increase the number of counterparts who work in the project sites.

(6) Importance of Social Training on the Support of Women's Micro-enterprises

It is necessary to implement Social Training in addition to technical and business training for the support of micro-enterprises. The Social Training leads women to organize for the first time and contributes activities to obtain multiple viewpoints, and it will bring reinforcement of the groups.