

## Terminal Evaluation Results

1. Outline of the Project	
Country: Honduras	
Project title: Micro-enterprise Startup Support Project for Women in Rural Areas of Honduras	
Issue/Sector: Gender	Cooperation scheme: Technical cooperation project
Division in charge: JICA Public Policy Department	Total cost: Approx. 360 million yen
Period of cooperation: From November 1, 2003 to October 31, 2006	Partner country's implementing organization: Family Allowance Program (PRAF)
Extension period: From November 1, 2006 to October 31, 2008	Related cooperation: National Vocational Training Institute (INFOP)
<p>1-1 Background of the Project</p> <p>In the Republic of Honduras (Honduras), nearly 49% of the population lives in extreme poverty (with a daily income of 1.00 US dollar or less). In addition, Hurricane Mitch, which hit the country in November 1998, caused catastrophic damage, with as many as 2.2 million victims, or approximately one third of the total population, and with economic damage equivalent to 5 billion dollars.</p> <p>In light of this situation, the government of Honduras formulated the Poverty Reduction Strategy Paper (PRSP) in 2001, and considers supporting the socially vulnerable (including women, children and the unemployed) as one of the prioritized issues in terms of socially protection for specified groups of people. For the purpose of improving the lives of the socially vulnerable, the Family Allowance Program (PRAF), placed directly under the Ministry of the Presidency, is engaged in various projects, such as the comprehensive development plan for women (DI-Mujer) at more than 80 locations in 13 departments throughout the country. In order to further promote activities by DI-Mujer, the government of Honduras requested JICA for cooperation in supporting micro-enterprises started by impoverished women. In response to this request, JICA launched the technical cooperation project called "Micro-enterprise Startup Support Project for Women in Rural Areas of Honduras," in November 2003 with a term of three years, with the cooperation of the National Vocational Training Institute (INFOP). The targeted region for the project was the two departments in the western part of the country (Copán and Lempira), where the poverty rate is especially high.</p> <p>As of the terminal evaluation of the project, which was conducted in July 2006, a total of 16 groups had started and been operating micro-enterprises, making profits in 13 different business categories including bread making, pottery, and flour milling. The project purpose of "female</p>	

beneficiaries starting and managing micro-enterprises using local resources at the project sites” was achieved overall, and the empowerment of the participating women was realized to a certain degree. On the other hand, because the experience and knowledge of micro-enterprises obtained through the project was not summarized in a tangible form, it was suggested that the micro-enterprises groups should continue to receive support and that materials such as guidelines and manuals should be developed so as to increase the sustainability of the project. Based on such results, the project was extended for the period from November 2006 to October 2007, and a manual on the continual support of micro-enterprise groups and on practical implementation of the methods used in support for micro-enterprise startup by women in rural areas of Honduras (MeM) was developed. It was also pointed out that the MeM method formulated in the course of implementing the project should be diffused. Thus, the project was further extended for the period from November 2007 to October 2008, and was terminated in October 2008.

## 1-2. Project Overview

PRAF cooperates with INFOP to support impoverished women in the departments of Copán and Lempira in starting and operate micro-enterprises utilizing local resources, throughout the stages from organizing groups to starting their businesses.

### (1) Overall Goals

1. Improving the living standards of the impoverished women, who are the target of the project
2. Implementing projects to support businesses run by impoverished women in other areas, utilizing the experiences and achievements of this project

### (2) Project Purpose

Enabling impoverished women to start and manage micro-enterprises using the local resources of the project site by improving their vocational capacity and through capacity building in the counterpart organizations

### (3) Outputs

0. Identification of the problems related to the support of micro-enterprises
1. Establishment of a plan for micro-enterprises based on the needs of impoverished women and the market
2. Formulation of community organizations for micro-enterprises
3. Acquisition of the knowledge and techniques necessary for micro-enterprises by impoverished women

4. Acquisition of the funds necessary for micro-enterprises by impoverished women
5. Gain access to knowledge on appropriate product distribution channels by impoverished women
6. The possibility for impoverished women to use advice services after starting a micro-enterprise
7. Compilation of the outputs of the projects in the form of the collection of case examples

(4) Inputs (as of the time of evaluation)

[Japanese side] Total input amount: approx. 360 million yen

Dispatch of 4 long-term experts and 13 short-term experts

Counterpart training: 3 people in Japan, 2 people in the third country (Chile) and 44 people in Honduras

Equipment: 1,309,983.54 lempira (7,873,001.07 yen)

Local cost: 14,415,599.96 lempira (86,637,755.76 yen)

Locally employed staff: 12 people

[Honduran side]

Counterparts: 6 people (2003 – 2006) and 14 people (2006 – 2008)

Local cost: 1,920,000.00 lempira (11,539,200.00ye)

2. Evaluation Team

Members of Evaluation Team	Number of team members: 6 people 1. Team leader: Satoru Kurosawa, Group Director for Gender Equality and Peace Building, Public Policy Department, JICA 2. Vice leader and local administration: Michiyuki Shimoda, Senior Advisor, JICA 3. Cooperation planning: Satoko Nadamoto, Junior Advisor, Gender Equality Division, Public Policy Department, JICA 4. Evaluation analysis: Kaori Honda, IC Net Limited 5. Empowerment survey: Tamahi Yamauchi, Yachiyo Engineering Co., Ltd. 6. Interpreter: Yoshimi Kakimoto, Japan International Cooperation Center (JICE)	
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Period of evaluation	From March 30 to April 30, 2009	Type of evaluation: Terminal evaluation
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3. Results of Evaluation

3-1. Confirmation of achievements

(1) Achievement level of outputs

As a result the evaluation based on the number of people/groups that started businesses using local resources (Index 1), the achievement level for the empowerment of the groups of impoverished women (Index 2), the capacity for starting and operating micro-enterprises (Index 3), improvement

of the capacity of counterpart organizations (Index 4), the achievement level of each item is high. As for Index 1, against the first goal of 20 groups to start businesses, 21 groups had actually started business and 18 groups in total still exist. As for the Index 2 regarding the empowerment of impoverished women, the achievement rate was high for 9 groups. Regarding the third index on the capacity to start and operate business, although the profitability ratio varies largely (from 1% to 66.4%) among enterprises, almost all are generating profits. Regarding Index 4 on the capacity of the counterpart, the capacities of project assistant staff and promoters, in particular, improved. Thus, scores of all indices are increasing, and the project can be said to have achieved the project purpose originally set. However, sustainability of the project should be subject to close observation in the future.

#### (2) Prospect of the overall goals being attained

Based on a comprehensive consideration of the results from an evaluation of the increase in the income of the impoverished women (Index 1) and the empowerment of impoverished women as individuals, the overall goal aiming for the improvement of the women's living standards is expected to be achieved in general. As for Index 1, the income of the impoverished women in the 14 groups in the targeted region increased from almost zero to 26–1,092 lempira per month. Also for Index 2, almost all the 12 indices measuring the empowerment of impoverished women increased. Although the diffusion to other regions under Index 3 is yet to be identified, 12 groups are planned to be newly established or re-established in the next 12 months. At the present stage, the preparations for diffusion have finally been completed through the creation of guideline manuals and the implementation of promoter training. Because a collaborative relationship with other organizations has been established, it is expected that the overall goals will be achieved by implementing adequate follow-up, including securing financing by PRAF for diffusing the MeM model in the future.

### 3-2. Summary of Evaluation Results

#### (1) Relevance

In the PRSP of Honduras, “capacity development of and support for working women” and “support for women starting micro-enterprises” are included under the item of the “gender equality” for the “reinforcement of social production to specified groups,” which is a major theme. Thus, this project is highly relevant to Japan's aid policy in Honduras.

Most of the women selected as the target group were homemakers, and did not have work experience outside of housework and childrearing. The evaluation results clearly showed that they have been empowered by the project, and a positive impact is observed in various aspects of their lives. It can be said that the project conformed to the potential needs.

Regarding the relevance of the approach, there is a room for reconsideration. It is believed that the

approach of encourage development by taking sufficient time, by going through gradual steps such as literacy education, organizational development, improvement of living conditions, production activities, setting up the enterprise, and the operation of the enterprise, is appropriate. This project originally aimed to set up a model that could be diffused through the counterpart organizations. Because the emphasis was put on achieving a given output in a limited period of time, a problem remains in terms of the sustainability of the program's implementation by the counterpart organizations. It is hard for the counterpart to utilize the model unless it is allowed to be involved from the stage of model development. It would have been beneficial to also consider a process of finding a method that can be achieved with less input per group, that can be easily diffused by the counterpart organizations, and whose diffusion the project team could implement together with the counterpart organizations.

### (2) Effectiveness

Each of the outputs was achieved in general, and the project purpose was also basically achieved as a result. There were a total of 21 groups that organized and started businesses, of which 18 groups are still engaged in production activities (Output 2). In addition to the knowledge necessary for starting a business, including accounting and cost calculation, the women acquired skills such as bread making, beekeeping, textile making and dressmaking (Output 3). Entrepreneur groups are monitored regularly by PRAF, and an environment wherein impoverished women can receive advice services after starting their micro-enterprises was established (Output 6). These outputs of the project are summarized in (i) guidelines (total summary) in one volume, and (ii) manuals in six volumes (role of promoters, gender empowerment survey, organization of micro-enterprises, accounting and cost calculation, diagnostic measures for micro-enterprises, management cycle for establishing sustainability) (Output 7). As a result of these outputs being achieved, the vocational capacity of the impoverished women and the capacity of the counterpart organizations improved, and the project purpose of "enabling the female beneficiaries to start and manage their micro-enterprises using the local resources of the project sites" was generally achieved.

### (3) Efficiency

Although the expertise of experts and the timing of input were adequate, because the focus was set on the practical implementation, a problem remained in terms of developing the independence of PRAF. Although 12 local staff members were employed for a period of four years in total, corresponding to 288M/M, this was only possible after mid 2004.

Under this project, training sessions were implemented for 21 groups, 361 times in total. By simple arithmetic, this means that training was provided 17 times in total per group. When and what kind of training was effective differed according to the level of capacity acquired by the group. If the

level of each group's capacity had been analyzed at the point of formulating a training plan, and if the strategy for implementing the training had been established accordingly, outputs may have been achieved with less effort.

It is difficult to judge the adequacy of the balance of the beneficiary population and total input at this stage. While the direct beneficiaries of the project, including the impoverished women and the promoters, total 240 people, indirect beneficiaries including the family of the women would total about 700 people.

Because promoters are scheduled to support 36 groups over the next three years, assuming that a group contains eight members in average, the beneficiaries will increase further by 288 people. If even more promoters are developed after this point, and the guidelines and manuals prepared in the project are used also in other organizations, it is highly probable that the number of beneficiaries will increase dramatically.

Although there was some amount of trial and error, the activities are considered to have been generally sufficient for achieving the outputs.

#### (4) Impact

It is highly probable that the overall goals will be achieved. As changes showing the achievement level in the improvement of women's living conditions and their empowerment, we observed increases in income, changes in the awareness of the families, husbands and beneficiary women, changes in status within the family, changes in status within the community, etc.. There were no significant changes in external conditions, so these changes are considered to have been brought on by the implementation of the project.

Training on the introduction of the MeM method provided to 64 promoters, which was implemented by PRAF in February and March 2009, should contribute to the diffusion of these results in the future. Although the participants in this training may not be able to immediately put the things they learned into practice, they will become able to utilize the MeM method while being engaged in work through on-the-job training. Because the guidelines and manuals have been approved National Vocational Training Institute (INFOP) manuals, they are likely to be utilized in training implemented by INFOP, and the beneficiary effect is likely to be further enlarged. Other groups such as the U.S. Peace Corps have also shown a keen interest in using MeM guidelines and manuals.

As for other impacts, some of the women who withdrew from the groups of guava cultivation and bread making started businesses on their own based on the skills acquired through the project, and these businesses present a threat to the original group.

#### (5) Sustainability

No large changes are expected in terms of policy and systems that may affect the sustainability of the project. Future concerns in terms of organization include the reappointment of relevant personnel due to the change of the government and the reorganization of government ministries in 2010. A change of the government is expected in January 2010, and all of the PRAF staff members are likely to be replaced at that time. As for the reorganization of ministries, there has been speculation that PRAF will be integrated into the Ministry of Social Development Protection and Cooperation in 2009, but it is yet to be determined what format this integration will take.

The MeM Follow-up Committee has been established mainly by PRAF, INFOP and JICA, and in cooperation with the relevant organizations. Major activities of the committee are (i) following up on training provided to PRAF promoters, (ii) following up on support provided to the 12 groups scheduled to be reorganized or newly established in 2009, and (iii) revising the MeM manuals. The ownership of such implementation organizations serves an important role in ensuring sustainability. It is necessary to pay close attention in terms of the financial aspect, since PRAF is planning to support 36 groups in three years.

In terms of skills, it is necessary to continuously verify whether the women's groups organized through the MeM method were able to gain sufficient capacity for sustainably maintaining their organization and activities in the future.

By comprehensively considering the uncertainty in the political and systematic aspects, organizational and financial aspects, and technical aspects, it is expected to be difficult for PRAF to implement the diffusion of the MeM model alone. In order to diffuse the MeM method in the future, it will be necessary to consider providing continuous support to PRAF, changing the implementing organization, and cooperating with other organizations.

### 3-3. Factors that promoted the realization of effects

#### (1) Factors related to planning

This project was implemented after clearly defining the members of the poorest group as the dynamic "actors of the development" who improve their lives by themselves, rather than people who required aid and needed to be helped by the administration. The approach of supporting micro-enterprises taken by this project was appropriate. The project contributed to allowing women who had hardly had any contact with people outside their family before to have pride, earn money by themselves, and make better lives for themselves.

#### (2) Factors related to the implementation process

Through active efforts by the Japanese experts, project staff and PRAF staff, the project achieved its goals. Although there were not many occasions to cooperate with the counterparts in the early stages, the entire team worked effectively after the change of the government. Decrease in support

from JICA during the extended period worked all the more to increase the ownership of PRAF. While the development and preparation of guidelines required much time and effort, the evaluation among the users is generally high. This means that experiences accumulated throughout the project are being utilized, and that these worked as an important factor that contributed to the achievement of the overall goals.

The use of the MeM method in replica enterprises contributed to them starting their businesses efficiently and effectively. The entire process of (i) survey/analysis, (ii) organization, (iii) various types of training, and (iv) product commercialization was achieved in eight months. However, because the work was consigned to an NGO for groups starting from the organization stage, it has not been verified how far the process can be implemented by PRAF alone.

#### 3-4. Factors that impeded realization of effects

##### (1) Factors related to planning

Although four years was requested as the period for the project, it was actually implemented for three years, and then extended for two years. If it had been implemented under the time schedule of five years from the start, it would have been possible to take a different approach, such as encouraging the women's group to solve the problems by itself so as to promote the independence of the beneficiary women's group.

As for the targeted region, it was originally planned to cover four departments that are geographically dispersed. The region was changed to four neighboring departments in the western area at the time of the first project consultation, and further changed to the current two departments at the time of interim evaluation. Still, it took a few hours to travel from the project office to these two departments, so it cannot be said that activities were implemented efficiently.

##### (2) Factors related to the implementation process

Due to reasons such as the limited period for cooperation, a shortage of human resources, budget and other resources of the counterpart organizations, and the fact that it took a lot of energy for the experts to implement the program, an increase in the capacity of counterparts could not be expected, especially in the early stages of the project.

#### 3-5. Conclusion

Based on the evaluation results above, the Japan-Honduras Joint Evaluation Committee acknowledges that the project has been successfully implemented in general. The project is considered to have basically achieved its goal of "enabling the impoverished women to start and manage micro-enterprises using the local resources of the project site by improving their vocational capacity and through capacity building in the counterpart organizations." This project can be



evaluated as having fundamentally contributed to improving the living standards of the women in the targeted region, and as having served as the foundation for diffusing the movement of micro-enterprises within the targeted region and to regions outside.

As a result of the evaluation based on the five criteria, the project is found to have high relevance and effectiveness, and many positive impacts were observed, such as the change in the awareness of the families of the targeted women. However, a problem remains in terms of efficiency. Although sustainability was ensured to the certain extent, because a change of government is expected in January 2010, it is difficult to make predictions at the time of the evaluation. The MeM method, which was established, verified and provided by this project, is significant in terms of the following, and it is considered to be conducive to the formulation of similar projects in the future.

- It showed that it is possible to support the poorest women, who are generally less educated, in beginning a business.
- Enabling the poorest women to start businesses encouraged not only their entrepreneurship but also their empowerment, such as improvement of awareness among women, and showed them a model for poverty reduction.
- It paved the way for the development model being improved to a diffusible model.

In order to further strengthen the outputs of similar projects, it is desirable for PRAF to improve its system both organizationally and financially, and continuously provide logistical support to enterprise groups. The MeM model is still evolving, and repeated practice is needed in applying a variety of models and getting feedback to raise the degree of perfection.

### 3-6. Recommendations

In order to diffuse the outputs of this project, the government of Honduras will need to address the following issues.

#### (1) Deployment strategy in the future

In order to deploy the MeM method developed in this project, it will be necessary to 1) further validate the diffusion model and establish a utilization strategy, 2) identify the degree to which capacity development has been achieved among the relevant personnel and organizations in order to put the diffusion model into practice, 3) establish a system for putting the diffusion model into practice, and 4) further improve training guidelines and manuals through practice as mentioned above.

#### (2) Construction of a system to train promoters

In order to diffuse the practices of the MeM method, it is essential to utilize the four promoters who were trained through the projects as trainers who will transfer their experience and knowledge to junior members so as to foster high-quality promoters in the numbers that are necessary to

promote the diffusion model. Consequently, it is necessary to construct and reinforce the human resources development system by such means as formulating adequate training plans and developing gradual training plans and teaching methods according to the level of the trainees. It will also be important to provide training to policymakers and the operation supervisors at both the central and local levels.

(3) System for continuously supporting the groups of women who started businesses

It will be necessary to continuously watch over the movements of the women's groups that were organized and started business through this project. It will also be necessary to consider in advance whether there is a need to prepare a support system beforehand when the groups face problems that are difficult for them to solve on their own. Considering the above, the following points should be dealt with regarding the group of women's enterprises.

- Checking whether it can be determined that the group has developed capacity in a truly sustainable manner
- Checking what kind of continuous support system is necessary or unnecessary
- If determined to be necessary, the construction of an adequate system

3-7. Lessons learned

(1) Basic concept of the project

In order to approach an impoverished group in a way that will allow them to engage in economic activities independently and with ownership, deliberate facilitation is necessary from the outset. It is critical that the basic attitude of solving their problems by themselves and improving their community on their own gets through to them so that the residents do not excessively rely on donors.

(2) Period of the project and targeted regions

In order to achieve sustainable capacity development by carefully going through the processes of raising awareness, developing organization and improving the necessary skills among the poorest groups, as was done in this project, setting the project implementation period and the targeted region requires a flexible approach that fully respects the situation of the counterpart.

(3) Whether the purpose was the improvement of the situation of the target group or the construction and verification of models?

In a community/development project with a limited number of direct beneficiaries (a hundred or so people) like this project, it is the minimum requirement to construct a model and make it into a diffusible form. In order to do so, it is necessary that the process of changes and experiences of the

targeted group be summarized and taken over by the government. Thus, in preparing the foundations for the next stage (model diffusion stage), it is necessary on the one side to prepare the model, and on the other side to raise awareness and build capacity among the governmental organizations and/or other supporting organizations.

(4) Verification of the approach from the perspectives of sustainability and capacity development

From the perspective of sustainability, it is important to take an appropriate approach towards developing the capacity of the counterpart. From the perspective of capacity development, what kind of skills will be developed among which actors involved in this project and to what extent, and how the relationship among actors should be developed (what kind of organizational system should be constructed) must be clarified from the planning stages, and such capacity development also needs to be positioned as an important output to be achieved by the project together with the achievement of the project purpose. From this premise, it is important from the standpoint of participatory social development to take time for the steps of “social preparation,” such as raising awareness and developing organizations through facilitation.

(5) Concept of capacity development among targeted groups

It is also important to clarify the indices that will measure the degree to which capacity development has been achieved and evaluate it. In this project, the supported women entrepreneur groups reached the level of being able to independently maintain their economic activities. However, it is also necessary to verify whether capacity is developed to the point of allowing the activities to be continued. In addition, it is also necessary to track the changes in the position of the targeted group within the community and the relationship among the members. It is also necessary from the mid- to long-term perspective to confirm the impact of the experiences of the targeted group on the entire community, and whether such impact is linked to the strengthening of the capacity of the entire community to organize itself.

(6) Empowerment and entrepreneurship

From the perspective of capacity development, it is important to clarify whether starting the business is itself the purpose, or whether the specific activities involved in starting a business is a way to achieve even higher goals. In projects like this, people tend to focus only on economic success. However, from the perspective of community development, it is more important that the residents develop confidence through specific activities, change their awareness, strengthen the organization, acquire technical skills and develop relationships with outside parties, resulting in strengthening the capacity of the entire community to organize itself, and that thus the community develops the capacity to tackle and resolve more advanced issues. It is important to consider the

outcome as a part of such a long process.