

Country Name	<b>Project of Promotion of Self-Management Enterprises of Women in Rural Area in Honduras</b>														
Republic of Honduras	<b>Honduras</b>														
<b>I. Project Outline</b>															
Background	<p>Honduras is one of the poorest countries in the Latin American and Caribbean region. Nearly 49 percent of the population lives in extreme poverty (2005), and the majority of the poor were the socially vulnerable groups (women, children, unemployed people, etc.). The Honduran government strived for poverty alleviation based on the Poverty Reduction Strategy Paper (PRSP) formulated in October 2001 as the national strategy, and one of the priorities was the social protection for the specific groups (support for the vulnerable groups). In rural areas with limited job opportunities, small-scale enterprises were given attention to for income improvement in the medium- and long-term. The Family Allowance Program (PRAF) was undertaking a microcredit program called Di-Mujer for promoting microenterprises 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 microenterprises by vulnerable women in remote areas.</p>														
Objectives of the Project	<p>Through the organization and training for the women groups, the project aimed at developing of their microenterprise activities, thereby contributing to bringing positive changes in their attitudes and actions and also disseminating MeM Model to other areas. These project objectives are set forth in the Project Design Matrix (PDM) ver.3 (revised in August, 2008).</p> <p>Note: The process for establishment microenterprises for poor women introduced by the project was summarized as MeM Model. Groups got organized and managed the microenterprise activities with the microcredit. 6 MeM manuals were prepared by the project.</p>														
	<p>1. Overall Goal: 1) Empowerment of people in the targeted society is realized. 2) An approach of the same kind with the project is implemented.</p> <p>2. Project Purpose: Poor women can establish and manage microenterprises by utilizing local resources in the project sites.</p>														
Activities of the Project	<p>1. Project site: Departments of Copan and Lempira</p> <p>2. Main activities: 1) Identification of problems on microenterprise development, 2) Developing the plan for microenterprise development, 3) Organizing groups for microenterprise, 4) Developing the finance system for microenterprise, 5) Training of participating women and giving technical advice on microenterprise, working skills, marketing, etc., 6) Developing the guideline for microenterprise.</p> <p>3. Inputs (to carry out above activities)</p> <table border="0"> <tr> <td>Japanese Side</td> <td>Honduran Side</td> </tr> <tr> <td>1. Experts: 17 persons (long-term: 4, short-term: 13)</td> <td>1. Staff allocated: 20 persons</td> </tr> <tr> <td>2. Trainees received: 5 persons (3 in Japan, 2 in the third country)</td> <td>2. Land and facilities: Office space, office equipment, motorbikes, etc.</td> </tr> <tr> <td>3. Equipment: Training equipment related to small enterprises, vehicle, office equipment, etc.</td> <td>3. Local cost: Fund for the microfinance, electricity, etc.</td> </tr> <tr> <td>4. Local operation cost: Cost for hiring local consultants, locally available equipment, etc.</td> <td></td> </tr> </table>					Japanese Side	Honduran Side	1. Experts: 17 persons (long-term: 4, short-term: 13)	1. Staff allocated: 20 persons	2. Trainees received: 5 persons (3 in Japan, 2 in the third country)	2. Land and facilities: Office space, office equipment, motorbikes, etc.	3. Equipment: Training equipment related to small enterprises, vehicle, office equipment, etc.	3. Local cost: Fund for the microfinance, electricity, etc.	4. Local operation cost: Cost for hiring local consultants, locally available equipment, etc.	
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Ex-Ante Evaluation	2003	Project Period	November 2003 to October 2008 (Extension period: November 2006 to October 2008)	Project Cost	(Ex-ante) 250 million yen (Actual) 332 million yen										
Implementing Agency	Family Allowance Program (PRAF)														
Cooperation Agency in Japan	None														

**II. Result of the Evaluation****<Special perspectives considered in the ex-post evaluation>**

- No quantitative targets in the indicators were set forth for the Project Purpose and Overall Goals in PDM. The achievement and continuation of the Project Purpose is verified with the surplus gained from the microenterprises activities. The achievement of the Overall Goal 1 is verified with the changes in action and attitudes of the target women group and their community, by using the same criteria as those used at the second terminal evaluation. The achievement of the Overall Goal 2 is verified by checking if the microenterprises activities are started with reference of MeM Manuals (organization with rules, gender evaluation, M&E organized by the promoters, book keeping, etc.).
- Among the 18 women's groups which were active at the time of the project completion, five were selected as the beneficiary survey samples for the ex-post evaluation based on established criteria considering the geographical balances, activity variation and information availability. Since the field survey was possible only with groups which still exist by continuing the microenterprises activities, the obtained information from the field survey does not reflect the results of the dissolved groups, but rather limited and partial samples from groups that were able to maintain the project outcomes at the time of ex-post evaluation.

**1 Relevance**

<Consistency with the Development Policy of Honduras at the time of ex-ante and project completion>

The project was consistent with the Honduran development policy on ‘social protection of the specific groups such as vulnerable groups,’ ‘‘capacity development and support of the working women’’ and ‘‘support for the women’s microenterprises,’’ as set forth in the ‘‘Poverty Reduction Strategy’’ (2001-2015).

<Consistency with the Development Needs of Honduras at the time of ex-ante and project completion >

The project met the needs of supporting microenterprise activities of the poor women.

<Consistency with Japan’s ODA Policy at the time of ex-ante evaluation>

Based on the policy consultations in 1999, assistance priority areas were decided as infrastructure, health, agriculture/fishery and education. Also, the project was relevant with ODA charter (2003), in which poverty reductions was one of the priority issues.

<Evaluation Result>

In light of the above, the relevance of the project is high.

**2 Effectiveness/Impact**

<Status of Achievement for the Project Purpose at the time of Project Completion>

Achievement of the Project Purpose was limited. Twenty-one groups were formed (against the target: 20 groups), among which 18 groups continued their activities, including four groups organized with the initiative of PRAF. The 18 groups consisted of 14 groups organized with the project initiative and the four formed by PRAF’s facilitation. Among the former 14 groups, only three had necessary sales for keeping the microenterprise activities and stable income. No data for accounts was available for the rest of the groups.

<Continuation Status of Project Effects at the time of Ex-post Evaluation>

Among the 18 women’s groups which were active at the time of the project completion, eight have continued their microenterprise activities, although MeM Model has not been institutionally promoted and they have not received support from the promoters. Other groups were dissolved due the lack of the group vision, leadership, knowledge and skills for the microenterprises. The personality conflict was another reason.

Among the five groups investigated for the ex-post evaluation, two groups have continuously generated profits. These successful microenterprise activities include the operation of the bakery, sale of the dolls made from corn husk, etc. According to the member women of those two groups, getting profits from the activities has allowed them to financially support their family and also gain self-esteem as well as motivation to sustain the activities, thus being recognized by not only their family members but also community members. Additionally, regarding these successful groups, it was confirmed that men were involved in the project process, such as helping the construction of the women’s store. According to the survey, it seems this helped achievement of the project purpose and sharing the vision of the women’s activities with men and the community was identified as an external key factor for continuity of the women’s activities.

<Status of Achievement for Overall Goal at the time of Ex-post Evaluation>

Achievement of the Overall Goal has been limited. According to the observation of the social managers (equivalent to the ex-promoters in the new structure)<sup>1</sup>, the member women improved in most of the empowerment criteria<sup>2</sup>. For example, in the group ‘‘Nueva Vision’’ which was assessed positive in all criteria, all the members consider themselves as successful entrepreneurs. They have managed the grocery and bakery store and now think of growing coffee. It is noteworthy that none has left the group since the beginning of the activities. Another successful group is ‘‘Tej-Pat’’ which produces hand-made paper and textile. The social manager considers that this group still needs to improve the negotiation skill but the members are more self-confident, encouraging, responsible and organized. This group has an experience in participating in the World Exhibition of Hand-made Paper held in Mexico in 2007, representing the country. Also, positive changes have been observed in their family members and community members. However, there has been no other change in the community as a whole than its members’ attitudes.

Regarding the diffusion of MeM Model, four new groups have started the microenterprise activities by applying some of MeM Model, such as group organization, preparation of working weekly/monthly plans, etc. However, since the restructuring of PRAF in 2014, no activities have been implemented along with MeM Model, as it has not been institutionally promoted by the new institution.

<Other Impacts at the time of Ex-post Evaluation>

No positive and negative impact by the project has been observed in terms of the environmental and social aspects.

<Evaluation Result>

Through the project, more women’s groups were organized for microenterprise activities than planned as the Project Purpose, but few had minimum earnings to keep the activities. Since the project completion, more than a half of the groups have discontinued their activities. The achievement of the Overall Goal is accordingly limited, although member women’s empowerment and positive changes in their family and community members have been observed in all the groups that continued the activities. Therefore, effectiveness/impact of the project is low.

Achievement of the Project Purpose and Overall Goal

Aim	Indicators	Results
(Project Purpose) Poor women can establish and manage microenterprises by utilizing local resources	1. Each group has necessary sales for keeping activities and stable income.	(Project Completion) <u>Not achieved</u> . 18 groups continued their activities until the time of the terminal evaluation. Among the 14 groups investigated at the terminal evaluation, 3 groups earned the minimum earning for the working days, but 9 groups didn’t. (Ex-post Evaluation) <u>Partially achieved</u> .

<sup>1</sup> Social managers conduct the assessment, training and follow-up of the women and women’s groups who are interested in developing microenterprise activities.

<sup>2</sup> In the ex-post evaluation, the group members were evaluated by observing any positive changes compared to before the project by the social managers, in the criteria of participation, speaking out, attitudes, action, creation, having new objectives, negotiation, satisfaction, self-confidence, management, and decision-making. Among the three groups observed, in one group the women did not improved in creation, and in another group the women did not improve in negotiation. These criteria were used also at the second terminal evaluation.

in the project sites.		Among the 18 groups, 10 groups have been dissolved and 8 have continued their microenterprise activities. Among the 5 groups investigated at the ex-post evaluation, 4 have continued their microenterprise activities and 2 have kept surplus from the activities.
(Overall Goal) 1) Empowerment of people in the targeted society is realized.	2. Positive changes in the women life (action and attitude) are observed.	(Ex-post Evaluation) <u>Partially achieved</u> . The majority of the groups have been dissolved and changes cannot be observed. However, in the 3 groups that have continued the activities and were monitored by the social managers, positive changes have been observed in most of the criteria such as participation, speaking out, attitudes and action.
	4. Changes in the people in the target area are observed.	(Ex-post Evaluation) <u>Partially achieved</u> . The majority of the groups have been dissolved and changes cannot be observed. However, in all of the 5 surveyed groups that continued the activities, community members (member's husband and family member, community leader, etc.) have come to understand and support the women's activities.
	5. Changes in the society in the target area as a whole are observed.	(Ex-post Evaluation) <u>Not achieved</u> . There has been no change observed in the communities.
2) An approach of the same kind with the project is implemented.	3. Number of implemented projects using the project guideline.	(Ex-post Evaluation) <u>Achieved</u> There are 4 microenterprise activities started with reference to MeM manuals that are considered successful according to the criteria established for the project.

Source: Second Terminal Evaluation Report, interview with the target groups, Directorate of Opportunities for Vulnerable Sectors (DOSV), social managers.

Note: The number for the indicators corresponds to that in PDM ver.3. There was an indicator to verify the achievement of the Overall Goal with the profit of the groups. Considering this similarity with the indicator for the Project Purpose, this was not used for the Overall Goal.

### 3 Efficiency

The project cost was higher than planned (ratio against the plan: 133%) and the project period was significantly longer than planned (ratio against the plan: 167%), as the project period was extended for another two years due to the necessity of continuous support for the existing groups' activities and finalization of the guidelines/manuals which could not be completed within the original period, in order to enforce the sustainability of the project effects. Also, the period was extended to disseminate the successful cases to other groups. Therefore, efficiency of the project is low.

### 4 Sustainability

#### <Policy Aspect>

Support for women's microenterprise activities is covered in the Government Strategic Plan (2014-2018), which is based on the County Vision (2010-2038) and Nation's Plan (2010-2022). The four major objectives of the Country Vision include poverty reduction, creation of job opportunities, etc. It is also relevant with the Plan for All for a Better Life (2014-2018), which tries to achieve job creation, development of micro-/small-/medium enterprises, credits for small entrepreneurs, etc. Although MeM Model is not directly mentioned in these policies, support for poor women's microenterprise activities is in line with these policies.

#### <Institutional Aspect>

After the project completion, the follow-up committee was organized in 2009 with the intention of monitoring and diffusion of the model, and two short-term experts were dispatched to train the supervisors and promoters on MeM Model, revise MeM Manuals and made clear the expected responsibilities of the social managers for the new JICA technical cooperation project. However, regardless these efforts, no extension activities were implemented due to the administrative change in 2010 and 2014. Since PRAF was restructured to the Sub-Secretary of Social Inclusion (SSIS)<sup>3</sup>, support for the poor women's microenterprise activities has been regarded as part of SSIS's many social programs for the vulnerable sector<sup>4</sup>. Since the administrative change in 2010, most of PRAF personnel were removed, including the promoters who had supported women's microenterprise activities along with MeM Models. In the current system, SSIS identifies women who may start microenterprise activities through the regional managers, and the social manager support the women's activities, as part of SSIS's many social programs. The number of the social managers is 230 and sufficient to cover the social programs including the support for women's microenterprise activities. SSIS has a system in which social managers' work is reported to the Directorate of Promotion and Human Development (DPDH) through the monthly reports of the six regional supervisors and 13 department coordinators.

#### <Technical Aspect>

Although MeM Model is not institutionally installed any longer, the social managers of SSIS have sufficient knowledge and skills for supporting the women's microenterprise activities, and also the coordinators and supervisors have sufficient knowledge and skills for supporting the social managers. MeM Model, even after the administrative changes, is still regarded effective as to be partially used in the current SSIS's social programs. The training including some components of MeM Model will be given to the newly employed and those in service by DPDH, but the training system is still in the design stage. Some of MeM manuals are still used for organizing the vulnerable groups.

#### <Financial Aspect>

After the administrative change in 2010, the budget for supporting women's microenterprise activities was sufficiently secured for PRAF (7.0 million Lempiras for 2010, 8.6 million for 2011, 8.6 million for 2012, 8.6 million 2013, and 2.0 million for 2014) before the following change in 2014, as these activities were conducted as part of the social programs of SSIS as a whole. Besides, the credits for the

<sup>3</sup> After the administrative changes in 2010 and 2014, PRAF was restructured and absorbed into SSIS under the Secretary of Development and Social Inclusion, and the program of Di-Mujer was dissolved. The function of Di-Mujer related to the micro credit has been taken over by DOSV and the training function has been assumed by DPDH.

<sup>4</sup> One of SSIS's major programs is CCT program named "Improved Life Bonus" which was before called "10 Thousand Bonus" in the anterior administration. From this program a poor woman can be a beneficiary of conditional cash and from another program she may get some materials to start certain microenterprise activities.

microenterprises were provided (10.3 million Lempiras for 2010, 35.6 million for 2011, 24.9 million for 2012, 23.0 million for 2013, and 15.9 million for 2014). Although MeM Model is not an institutionalized program any longer, poor women who may start microenterprise activities are financially supported under other SSIS's conditional cash transfer (CCT) programs. However, SSIS's financial condition possibly depends on the changes of the government policies in the future.

<Evaluation Result>

Some problems have been observed in terms of the institutional and financial aspects of the implementing agency. Therefore, sustainability of the project is fair.

#### 5 Summary of the Evaluation

The project limitedly achieved its purpose of establishing and supporting the poor women's microenterprise activities. More than planned groups were organized, but only a few groups have had stable income up to the time of the ex-post evaluation. Also, MeM Model developed by the project was applied in other communities, but since the administrative changes in 2014 the model has not been institutionally supported by the new administration, although programs for supporting poor women's microenterprise activities still remain in the restructured agency (SSIS) as part of its many social programs with a sufficient budget, in which some elements of MeM Model are utilized. With regard to the project efficiency, the project period exceeded the plan much, since it was extended due to the necessity of continuous support for the women's activities, finalization of the guidelines/manuals and dissemination of the successful cases.

In light of the above, this project is evaluated to be unsatisfactory.

### III. Recommendations & Lessons Learned

<Recommendations for SSIS>

1. There are still several women groups which have continued their microenterprise activities since the project period. In order to support their continuous activities, it is desirable for the Directorate of Opportunities for Vulnerable Sectors (DOSV) and DPDH to monitor their activities and provide necessary support through the social managers in the areas.
2. It is recommended to DPDH to establish a mechanism which motivates social managers to apply MeM Model in the field training to the social programs' beneficiaries, even though it is part of the model, to enrich other programs implemented for poor women in other communities.
3. There is an ongoing technical cooperation project implemented by DOSV and JICA which has microenterprises elements under CCT program. It is recommended to DOSV to extend some parts of MeM Model to a possible extent, in the target communities to strengthen their microenterprise activities.

<Lessons Learned for JICA>

1. MeM Model was developed by the project and ready for diffusion with elaborated MeM manuals at the time of the project completion. Unfortunately the personnel with the project experience were removed and the model has not been institutionally supported any longer since the administrative changes in 2010 and 2014, but some part of the manuals has been utilized and indeed some women groups keep applying MeM Model and maintain its outcomes without the institutionalized support. It is effective to use the manuals to continue the project effects even in the restructured administration. In countries where there may be administrative changes after the project, it is important to elaborate the manuals and guidelines which may have broad utility.
2. Even under the circumstances in which MeM Model is not institutionally promoted and there are no promoters, several women's groups have continued their microenterprise activities and sales from their products. For the continuity of the activities, there are some factors; One is setting a target of "gaining income from the activities" within the project scope. Making surplus from the activities is a big challenge, but by bringing income to household, women's activities can win the recognition or incentives for the support from their family members or community members, which would lead to empowerment of the women. As another factor, it is crucial that a project should include a component to involve men in the activities and the process so as to gain their understanding and support toward the same goal. Assuring these components, several groups in the project have been able to continue their activities on their own following MeM Model, and positive changes have been brought to not only the member women themselves, but also family members and community members. These are considered as significantly successful cases in Honduras.



(A woman with the group's products, serigraph bags in Santa Rita, Copan t)



(A woman weaving textile products in Copan Ruinas, Copan)