

Republic of Honduras

FY 2019 Ex-Post Evaluation of Japanese Technical Cooperation Project “The Project for Capacity Development in the Western Region of the Republic of Honduras (FOCAL)”

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0 Summary

“The Project for Capacity Development in the Western Region of the Republic of Honduras (FOCAL)” (hereinafter referred to as “the Project”), a technical cooperation project, was implemented for the purpose of “establishing an appropriate model to properly socialize, formulate, execute, manage, operate and maintain projects concerning the consolidation of social infrastructure (hereinafter referred to as “the FOCAL model”) in the Inter-municipal Council of Higuito (hereinafter referred to as the “CIH”) and member municipalities.¹ The overall goal was to apply the FOCAL model in a sustainable form in the CIH and member municipalities as a consequence of the strengthening of the local and inter-municipal capacity. In terms of the national policy/plan and development needs of the Republic of Honduras (hereinafter referred to as “Honduras”), at the time of both the planning and termination of the Project, it was important to develop the capacity of local governments which were the recipients of decentralization. The Project was relevant to Japan’s ODA policy at the time of its planning. Therefore, the relevance of the Project is high. Through the implementation of the Project, the FOCAL model capable of properly formulating, executing, operating and maintaining social infrastructure consolidation projects with resident participation was developed and is still used at the time of ex-post evaluation. This situation suggests that the Project has facilitated the provision of basic services through the optimization and cost reduction of municipal projects. Moreover, wide-ranging positive impacts have been confirmed such as strengthening of a relationship of mutual trust between the municipal administration and residents, enhancement of the capacity of municipalities as well as communities and the acquisition of external funding. Therefore, the effectiveness and impact of the Project are high. Meanwhile, the period of cooperation significantly exceeded the planned period, partly because of the need to find unplanned funding sources to cover the cost of the pilot projects for social infrastructure consolidation and other reasons, and the project cost also exceeded the planned cost. As such, the efficiency of the Project is low. In regard to the sustainability of the Project, although the small number of full-time staff members of the CIH can be pointed out, no major problems have been observed in policy/political, institutional/organizational, technical and financial aspects. Therefore, the sustainability of the project effects is high.

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

¹ “FOCAL” is the abbreviation of the project title in Spanish, meaning “capacity development of local areas”. The development model formed under the Project is called “FOCAL” in Honduras. Accordingly, the model itself is described as “the FOCAL model” and the series of processes contained in this model” is described as “the FOCAL process” in this report.

1 Project Description



Project Locations



Pilot Project: A primary school in the Municipality of La Union

1.1 Background

Since the inauguration of the Maduro Administration (2002-2006) in 2002, Honduras promoted a decentralization and local development program for effective implementation of poverty reduction policies. The Lobo Administration which was inaugurated in January 2010 placed its emphasis on local development and poverty reduction and maintained the basic stance of decentralization, including a shifting of the revenue stream from central government to local government. As part of this decentralization trend, the Honduran Social Investment Fund (hereinafter referred to as “the FHIS”) responsible for the development of social infrastructure launched the Decentralized Project Cycle Operation Program (hereinafter referred to as “the DOCP”), delegating the planning, implementation and management responsibility for development projects to local (municipal) governments along with the necessary funds. However, municipal governments in Honduras had only limited budget, manpower and administrative capacity and their insufficient implementation capacity posed a problem. To compensate for this shortcoming, many inter-municipal councils combining a number of municipalities were formed throughout the country.² There were some 50 inter-municipal councils nationwide and most cities in Honduras belonged to one or more councils, making a financial contribution towards the operation of the councils while receiving technical assistance for municipal administration. The technical capacity of these councils was quite limited, making the enhancement of such capacity essential.

Under these circumstances, the JICA Honduras Office organized a seminar on the Millennium Development Goals jointly with the United Nations Development Program (UNDP) in 2003 in the very poor southwestern part of Honduras. Taking this seminar as an opportunity, JICA

² Local administration in Honduras is the responsibility of 298 municipalities. Even though there are departments which are administrative units between the central government and municipalities, these departments are administrative units of the central government and are not local governments. Inter-municipal councils are non-profit organizations serving the interests of residents as stipulated by the Municipal Administration Act (*Ley de Municipalidad*). Each municipality is free to join the council of its choice and is also allowed to leave freely. As of April, 2019, there are 46 inter-municipal councils across the country and more than 90% of the municipalities nationwide are members of one or more councils.

searched for ways to alleviate poverty in the Western Region of Honduras together with local stakeholder organizations, formulating a project to strengthen the capacity of municipal governments. Having recognized the necessity for the implementation of such project, the Government of Honduras made a request for technical cooperation to the Government of Japan in the latter's fiscal year of 2004. In response, JICA dispatched the first preparatory study mission to Honduras in 2005, followed by the dispatch of a "pipeline" expert for a period of one year to examine the desirable contents of a cooperation mechanism for the project. The second preparatory study mission was dispatched to Honduras in 2006 and agreed with the relevant organization in Honduras on the implementation of the Project.

1.2 Project Outline

The Project was implemented for the purpose of "establishing an appropriate model to properly socialize, formulate, execute, manage, operate and maintain projects for the consolidation of social infrastructure in the CIH with its principal focus on the strengthening of the human resources and organization of the CIH and its member municipalities.

The direct counterpart organization for the Project was the CIH which was composed of 13 municipalities in the Western Region. Under the Project, a baseline survey in six pilot municipalities (Output 1) was conducted and a participatory development plan was formulated along with the formulation and implementation of social infrastructure consolidation projects (Output 2). Based on the results of these activities, similar activities were conducted in four extension municipalities for dissemination (Output 3) for the purpose of the subsequent compilation and verification of the FOCAL model integrating the previous experiences (Outputs 4 and 5). This was followed by the preparation of manuals and reports in anticipation of the dissemination of the said model and convening of a seminar (Output 6). To improve the practicality of the model through the feed-back of the actual experience of implementing the model and also to sufficiently raise the capacity of the CIH as the counterpart, the development and application of the FOCAL model under the Project were conducted in three stages. The first stage was the preparation of a draft model. The second stage was the implementation of the model in pilot municipalities jointly supported by the CIH and Japanese experts working for the Project. The third stage was the implementation of the model supported by the CHI in the extension municipalities. The population of the 10 selected municipalities involved in the Project in 2006 varied from some 3,700 to 12,900 (average of some 7,900).

Under the FOCAL model, the first step is to conduct a baseline survey (LB: a complete survey involving all houses) aimed at identifying the needs of each community. Based on the findings of this survey, the second step is the formulation of a community development plan (PDC: listing projects with priority ranking) with resident participation, and the selection of priority projects with resident participation from the PDCs prepared by individual communities. The third step is the preparation of a municipal development plan (PDM). Municipal public projects are

implemented in accordance with an annual investment plan (PIMA), in turn formulated based on the PDM.

Overall Goal		Projects to consolidate the social infrastructure will be socialized, formulated, executed, managed, maintained and operated in a sustainable form in the CIH and member municipalities, as a consequence of the strengthening of local and inter-municipal capacity.
Project Purpose		Establishment of an appropriate model to properly socialize, formulate, execute, manage, operate and maintain projects for the consolidation of social infrastructure in the CIH and member municipalities.
Outputs	Output 1	The development situation and problems of the communities and member municipalities of the CIH will be recognized and analyzed.
	Output 2	The process of the formulation of a PDM and social infrastructure projects based on the plan, as well as the establishment of a normative system of a results-oriented institutional plan for the municipal administration (annual operation plan and budget) and financial and administrative management of the DOCP and other funds will be improved.
	Output 3	After analysis of the results obtained by conducting LB and formulation of PDM, the problems and effective methods will be recognized.
	Output 4	After analysis of the results obtained by implementing the Projects Executed by Community (PECs), problems and effective methods will be recognized.
	Output 5	After analysis of the results obtained by implementing the Projects Executed by Municipality (PEMs), problems and effective methods will be recognized.
	Output 6	The experience gained through the appropriate process of municipal and community management will be identified and disseminated.
Total Cost (Japanese Side)		242 million JPY
Period of Cooperation		September 2006 - October 2010 (of which the period from April 2009 to October 2010 was the extended period of cooperation)
Project Area		Inter-municipal Council of Higuito in the Western Region of Honduras
Implementing Agencies		Honduran Social Investment Fund (FHIS); Inter-municipal Council of Higuito (CIH)
Other Relevant Agencies/ Organizations		Ministry of Planning and External Cooperation (SEPLAN), Ministry of Internal Affairs and Justice (SGJ), Ministry of Social Development (SDS), Honduran Municipalities Association (AMHON)
Supporting Agency/ Organization in Japan		None
Related Projects		Project for Strengthening of the Capacity Development of Local Governments for Regional Development (October 2011 - November 2016 by JICA); Advisor for Local Governance Capacity Strengthening (June 2017 - June 2019 by JICA)

1.3 Outline of the Terminal Evaluation

1.3.1 Achievement Status of Project Purpose at the Time of the Terminal Evaluation

The project purpose is largely achieved as the capacity of the member municipalities of the CIH has been strengthened through assistance by the CIH so that they can implement the process from the implementation of a LB to the formulation of a participatory PDM and the implementation of small-scale infrastructure consolidation projects (FOCAL process), resulting in the formulation of an appropriate model (FOCAL model).

1.3.2 Achievement Status of Overall Goal at the Time of the Terminal Evaluation (Including Other Impacts)

The FOCAL model has been firmly established at the CIH and its member municipalities. As the capacity of not only staff members of the CIH and member municipalities but also representatives of communities have been strengthened, there is a strong likelihood of the successful achievement of the Overall Goal.

1.3.3 Recommendations at the Time of the Terminal Evaluation

(1) Issues to be considered during the project period

- The CIH must provide sufficient support for the completion of the social infrastructure consolidation project in each of the pilot municipalities, as well as for the elaboration of PDCs and PDMs and the completion of the social infrastructure consolidation projects in the extension municipalities.
- The Project Team should continue its efforts to improve the capacity of the relevant staff members of the CIH in order to provide technical support for member municipalities, to conduct retraining at those municipalities where the staff members in charge have been replaced and to complete the preparation of various manuals.
- The Project Team should compile the knowledge and experience obtained through the Project and organize workshops to disseminate the FOCAL model.

(2) Issues to be considered to sustain self-help efforts after the termination of the Project

- Continuous technical support by the CIH for member municipalities
- Periodic review of PDCs and PDMs
- Classification of projects which can be implemented by communities themselves within the framework of the PDC
- Utilization of data obtained by the LB
- Gathering of information by the CIH regarding resources of other sectors to provide support
- Utilization of the CIH as a resource organization and development of supporting system and mechanism at the central government level for the dissemination of the FOCAL model

2 Outline of the Evaluation Study

2.1 External Evaluator

Hajime Sonoda (Global Group 21 Japan, Inc.)

2.2 Duration of Evaluation Study

The ex-post evaluation study for the Project was conducted over the following period.

Duration of the Study: September 2019 - November 2020

Duration of the Field Survey: 14th January - 11th March, 2020

2.3 Constraints During the Evaluation Study

The second field survey scheduled to be conducted in April and May 2020 could not be done because of the global spread of COVID-19. As a result, additional information gathering, consultation with the implementing agencies and other work were conducted through the local field survey assistant.

3 Results of the Evaluation (Overall Rating: B³)

3.1 Relevance (Rating: ③⁴)

3.1.1 Relevance to the Development Plan of Honduras

As already described in 1.1 Background, Honduras was planning to intensify its efforts to alleviate poverty at the time of project planning (2006) by means of increasing the flow of funds from the central to municipal governments under its decentralization policies. “The Government Plan 2006 – 2010” of Honduras listed governance as one of its planning axes, emphasizing the facilitation of the decentralization process and strengthening of municipal governments. Under the policy of “concentration, improved efficiency and impacts of public investment”, which was one of the policies adopted by this plan for poverty reduction, several methods were considered to be effective to achieve much impact with small investment, which included; (i) the expected outcomes of the programs and services to be implemented were clearly defined, informed to residents and monitored, (ii) communities were involved in the supervision and management of schools, hospitals and water supply, sewerage and other services and (iii) municipal governments were involved in decision making and supervision relating to programs and services.

At the time of project termination (2010), Honduras was promoting local development through decentralization to develop an appropriate environment for the effective implementation of its own Poverty Reduction Strategy Paper (PRSP) and achievement of the Millennium Development Goals (MDGs). As part of such efforts, the transfer of financial resources from the central government to municipalities was taking place through the use of the Poverty Reduction Fund, DOCP by the FHIS and central government grants.

In view of the above, the Project, which aimed at the strengthening of municipalities acting as recipients of decentralization and also realizing efficient social infrastructure consolidation projects with resident participation, was highly relevant to the development policy of Honduras at the time of both project planning and termination.

³ A: Highly satisfactory; B: Satisfactory; C: Partially satisfactory; D: Unsatisfactory

⁴ ③: High, ②: Fair, ①: Low

3.1.2 Relevance to the Development Needs of Honduras

As already described in 1.1 Background, municipalities in Honduras at the time of project planning were vulnerable, facing such constraints as; (i) almost total absence of revenue sources except grants from the central government, (ii) lack of a sufficient number of municipal employees, (iii) almost entire replacement of the mayor and other municipal employees following a change of the administration, and (iv) absence of a system to facilitate the smooth succession of the work following a change of municipal employees. The decentralization process in Honduras, including the DOCP by the FHIS, was being implemented without an established system on the part of municipalities, making strengthening of the capacity of the human resources as well as organization of municipalities and inter-municipal councils supporting municipalities urgent. As such, the relevance of the Project to the development needs of Honduras was high at the time of planning.

Moreover, as shown later in 3.2 Effectiveness and Impact, the FOCAL model introduced under the Project is effective for the appropriate planning and implementation of social infrastructure consolidation projects by municipalities. In Honduras, the Ministry of Planning and External Cooperation (currently the Ministry of General Coordination) led the preparation of their own strategic development plan by municipalities in the middle of the first decade of the 21st century. According to the Ministry of Decentralization and AMHON, the entire work was entrusted to consulting firms because of the high professional level of the planning method involved, causing a severe financial burden on smaller municipalities. Some problems also emerged, such as the planning of projects which did not correspond to the actual needs because of reliance on limited existing information and the adoption of another municipality's plan without alteration. In contrast, the FOCAL model is a simpler, less expensive and more realistic planning model than the municipal strategic development plan and better matches the actual needs of municipalities even if it involves such extra work as a LB and participatory process on the part of residents.

Unlike the central and municipal governments, the inter-municipal councils do not suffer from the massive replacement of their employees due to a change of the ruling parties and are less liable to any impacts caused by such a change.⁵ In the case of the CIH, although the mayor and municipal employees in many cities were replaced after the change of ruling parties in January 2010, it was able to continuously provide technical support. As such, it was appropriate for the

⁵ Honduran society is strongly linked to political parties and many people openly express which political party they support. There is preferential treatment by administrations (national and municipal) for supporters of the ruling party in terms of the recruitment of civil servants and the provision of public services. Because of this, a change of the ruling party after an election leads to a change of the mayors as well as almost all municipal employees. In contrast, the change of staff of inter-municipal councils is modest as members of the general assembly or board of directors which is responsible for decision-making are always representatives of multiple political parties even if the mayors of individual member municipalities change after a mayoral election. There is also a tacit understanding among member municipalities that the inter-municipal council should not be politicized and the operating section of the inter-municipal council makes conscious efforts to eliminate political influence as much as possible.

Project to aim at conducting technology transfer to the CIH. At the time of the said changes of ruling parties in 2010, the CIH had a relatively well-established organizational system despite the fact that the level of poverty was high in the area of its governance and it was highly motivated to implement the Project. As such, the selection of the CIH as the counterpart for the Project was appropriate.

3.1.3 Relevance to Japan's ODA Policy

At the time of project planning, “development of rural areas” which was a priority area for Japan's country assistance program for Honduras called for “Japan's assistance for local development and poverty reduction focusing on the Western departments where the poorest municipalities are concentrated by means of providing assistance for the development of local social infrastructure, development of the administrative capacity of municipalities and improvement of the livelihood of residents while taking the trend of decentralization into consideration and advancing cooperation with other donors operating in these departments”. The Project was highly relevant to such ODA policy of Japan.

Based on the above, the Project was highly relevant to the country's development plan and development needs as well as Japan's ODA policy. Therefore, its relevance is high.

3.2 Effectiveness and Impact⁶ (Rating: ③)

3.2.1 Effectiveness

3.2.1.1 Project Outputs

(1) Activities and outputs in six pilot cities

In the six pilot municipalities, municipal staff members (12 full-time employees) and facilitators (13 contract employees) who had undergone training in accordance with the training manual prepared under the Project prepared some 300 community leaders as field researchers. These researchers then conducted a complete count LB which identified the actual socioeconomic conditions of each community that were unclear based on existing data (the survey was completed in September, 2017).⁷

Using the results of this LB, 160 PDCs were prepared with resident participation.⁸ Each plan included a list of social infrastructure consolidation projects with priority ranking. This was

⁶ Effectiveness is rated upon also taking impact into account.

⁷ Prior to the Project, the JICA Honduras Office was examining a viable method to conduct a community-based participatory social survey (a complete count LB using each household as the counting unit) in the Western Region of Honduras by employing a local consultancy firm. The survey was conducted against the background that the absence of reliable statistical data in local areas at the time was a matter of concern for donors assisting the achievement of the MDGs. This method became the forerunner for the FOCAL model.

⁸ The participants to elaborate a PDC include officials of the residents' association (usually five officials), representatives of the water committee, communal organizations of pupils' guardians, women/mothers, producers and residents in charge of local health and sanitation, teachers and staff members of health centers. Many residents interested in the plan may also attend.

followed by a PDM for individual municipalities (completed in March, 2008). Priority projects under PDCs are compiled in the PIMA from 2008 - 2015. During this period of eight years, a total of 733 social infrastructure consolidation projects were planned in six municipalities. During the process of formulating a PDM, the vision for municipal development and projects benefitting more than one community or the entire municipality were examined among others with the participation of community leaders and citizens' groups.

The FHIS and CIH concluded an agreement to substantially simplify the FHIS's project implementation procedure and eight priority projects contained in the PDMs of six municipalities were implemented as pilot projects. These projects involved the improvement or expansion of a school, health center, water supply facility or sanitation facility and the project budget was some 150 to 450 million JPY. Of these eight projects, six were the projects executed by the community (PECs) and two were projects executed by municipality (PEMs). In every project, residents shouldered part of the project cost through the provision of simple labor and some funds. For these PECs, organized residents were in charge of financial administration as well as procurement and project management. However, because of the delayed disbursement of funds by the FHIS, some projects relied on other funding sources, including the Poverty Reduction Fund of the Government of Honduras and other donors (Switzerland and Sweden) (the projects were completed between January 2009 and September 2010).

Through the activities described above, draft manuals were prepared for each step (planning and implementation of the LB, PDC, PDM and social infrastructure consolidation plan), strengthening the FOCAL model-related capacity of the counterpart personnel of the CIH and staff members in charge of the Project in the pilot municipalities.

(2) Activities and achievements in extension municipalities

The staff members in charge and facilitators in the four extension municipalities received training primarily led by counterpart personnel at the CIH and they conducted the LB and prepared PDCs for their respective municipalities. The work to prepare a PDM was not completed within the period of cooperation, partly because some mayors lost interest as they did not trust the results of the LB and partly because there was not sufficient follow-up by the counterpart personnel of the CIH due to their busy involvement in other projects.⁹

Along with the above activities, four social infrastructure consolidation projects (1 PEC and 3 PEMs) in line with the FOCAL model were implemented in these four extension municipalities. Apart from the extension municipalities, one PEM each was implemented in two municipalities. While all of these projects were funded by another donor (Spain), none of them were completed within the period of cooperation for the Project.¹⁰

⁹ See 3.2.2.1 Achievement of Overall Goal, (1) Implementation situation of the FOCAL model.

¹⁰ The present ex-post evaluation confirmed that three projects were completion after the termination of the Project. The completion of the other three projects was also confirmed but the completion time could not be verified.

Based on the experience with the extension municipalities, the necessary improvements were made to the FOCAL model (draft manuals). The capacity of the counterpart personnel of the CIH to support municipalities for the FOCAL model was strengthened and the capacity of staff members in charge at the extension municipalities regarding the FOCAL model was also strengthened.

(3) Arrangement and dissemination of the FOCAL model

The FOCAL model formed through a series of activities described above was improved based on the related practical experience obtained in the pilot and extension municipalities. Several manuals and a booklet including good practices, lessons learned and recommendations relating to the FOCAL model were compiled after a workshop held for the purpose of standardizing and disseminating the FOCAL model. There were a series of discussions and meetings with the SGJ and SEPLAN with a view to urging the new administration elected in January 2010 to share and disseminate the outputs of the Project. In addition, final local forums were convened in the target area of the Project and the capital, Tegucigalpa, to share good practices, lessons learned and recommendations.

3.2.1.2 Achievement of Project Purpose

The project purpose was to “establish an appropriate model to socialize, formulate, execute, manage, operate and maintain properly the projects of consolidation of social infrastructure in CIH and member municipalities” and the relevant objectively verifiable indicators were set to be ① “number of manuals and guidelines for the management (formulation, implementation, operation, maintenance, etc.) of infrastructure projects that have been revised and adapted to local conditions and demonstrated officially in their application” and ② “number of infrastructure projects executed efficiently at financial level, on time and in form”.

Table 1 shows the achievement situation of the indicators for the project purpose. In regard to Indicator ①, a total of 11 manuals and documents were prepared, nine of which were officially applied. Even though there was no numerical target for manuals, the completed manuals cover the formulation, execution, management and maintenance aspects of social infrastructure consolidation projects in line with the FOCAL model. As such, it is safe to judge that Indicator ① was achieved. In regard to Indicator ②, 14 social infrastructure consolidation projects (7 PECs and 7 PEMs) were implemented in line with the FOCAL model. Of these 14 projects, six projects in four extension and two other municipalities started the work during the period of cooperation but did not finish them by the time of the termination of the Project. There was no numerical target for Indicator ②. Since none of these PECs and PEMs were completed within the period of cooperation despite their commencement in the said period, it is judged that Indicator ② was partially achieved.

Table 1 Situation of Achievement of the Project Purpose

Project Purpose	Establish an appropriate model to properly socialize, formulate, execute, manage, operate and maintain the projects of consolidation of social infrastructure in CIH and member municipalities.
Indicators	Actual Performance
① Number of manuals and guidelines for the management (formulation, implementation, operation, maintenance, etc.) of infrastructure projects that have been revised and adapted to local conditions and demonstrated officially in their application (no numerical targets)	<p>The following manuals and documents were prepared. All manuals except “Capacity Development and Evaluation Manual” and “Collection of Good Practices, Lessons Learned and Recommendations” (both indicated by an asterisk) were officially applied.</p> <ul style="list-style-type: none"> - Four manuals explaining the methodology of and training for the LB - Two manuals explaining the methodology and training to prepare a PDC - One manual explaining the methodology to prepare a PDM - One manual explaining the methodology to prepare a PDC - One manual explaining the implementation, operation and management of a social infrastructure consolidation project - One manual explaining capacity development and evaluation* - One collection of good practices, lessons learned and recommendations*
② Number of infrastructure projects executed efficiently at financial level, on time and in form (no numerical targets)	<p>The following infrastructure consolidation projects were implemented.</p> <ul style="list-style-type: none"> - Six pilot municipalities: 6 PECs and 2 PEMs (The following projects were completed after the period of cooperation.) - Four extension municipalities: 1 PEC and 3 PEMs - Two other municipalities: 2 PEMs

When looking at the contents of the model developed, the advantages of introducing the FOCAL model can be summarized as follows based on the results of a series of interviews during the ex-post evaluation process with current mayors and staff members of the CIH and its member municipalities, community leaders and the Chief Advisor of the Project.¹¹

➤ With the introduction of the FOCAL model, through the following processes, it became possible to formulate an orderly and appropriate plan of public projects in response to the priority needs of each community as well as the overall situations of the municipality.

① LB visualizes the situation of each community, confirming the actual problems and needs.

Previously, there was no information indicating the problems and needs of individual

¹¹ During the field survey at the time of ex-post evaluation, a series of interviews were held with seven mayors, four deputy mayors and 31 (current) staff members of the 10 selected municipalities of the Project. 34 community leaders were also interviewed during the site visits to learn about social infrastructure consolidation projects (including those implemented after the termination of the Project) in these municipalities.

communities.

- ② The residents themselves examine and propose priority projects for their own community and a PDC is formulated based on the collective will of the residents.
- ③ PDM is formulated with the participation of community leaders and citizens' groups.
- ④ The municipality formulates PIMA and implements various projects in accordance with the PDM.

In the past, most mayors arbitrarily planned public projects based on limited information. The annual public projects plan tended to be decided by the mayor based on petitions made by some residents and the mayor's own campaign promises and it was common for the mayor to give preferential treatment to supporters of his/her own political party. DOCP projects were similarly planned by outsiders based on limited information. Because of this, public project plans in the past did not necessarily conform to the needs of communities. With the introduction of the FOCAL model, a public projects plan became a plan conforming to the needs of residents as well as a medium-term outlook of the PDM. (Increase of the "relevance" of social infrastructure consolidation projects)

➤ As infrastructure projects are implemented with the consensus of the community, they can obtain more active contributions (in terms of labor, materials and funding) from residents. In the past, residents were accustomed to projects from which they would only receive something and were not motivated to make their own contribution. Even though DOCP projects included some resident contributions, materials and professional human resources were procured at the central government level at a high cost. In the case of the FOCAL model, as materials and human resources are procured locally, the project cost is lower. In the case of a PEC where the finance is managed by the residents themselves, as the saved funds can be used by the residents, reduction of the project cost is accelerated. As a result of the above, it is believed that the same level of funding has produced many more positive outcomes under the FOCAL model. (Increase of the "efficiency" of social infrastructure consolidation projects)

➤ Through resident participation, social consent is obtained for the formulation of a plan. The greater ownership of residents of social infrastructure consolidation projects implemented in individual communities has ensured a high level of commitment on the part of residents to the operation and maintenance of these projects. (Increase of the "sustainability" of social infrastructure consolidation projects)

➤ Based on the above, social infrastructure consolidation projects planned and implemented using the FOCAL model enjoy a higher level of "relevance", "efficiency" and "sustainability" which are believed to lead to higher "effectiveness" and "impact".

The overall judgement based on the above is that the project purpose of "establishing an appropriate model to socialize, formulate, execute, manage, operate and maintain properly the

projects of consolidation of social infrastructure in the CIH and member municipalities” was achieved even though some of the planned activities in the extension municipalities were not completed within the period of cooperation.

The capacity development of the CIH and member municipalities was one of the important objectives of the Project although it was not clearly stated in either the project purpose or relevant indicators.¹² It is believed that the CIH and some municipalities acquired sufficient capacity through the Project to support municipalities in regard to the FOCAL process.

- The CIH could not conduct follow-up activities to help the extension municipalities formulate their PDMs because of its inability to deploy sufficient manpower for a period of approximately one year after the termination of the Project. However, it has since provided technical support (training, field guidance and advice) without external help for four member municipalities other than the 10 selected municipalities of the Project and two other inter-municipal councils.
- In two municipalities where the mayor and the technicians in charge at the time of the implementation of the Project are still in their positions at the time of the ex-post evaluation, the PDM was revised in 2011 and 2016 using the FOCAL model after the termination of the Project with hardly any external help.

To summarize the effectiveness of the Project based on the above, the situation of achievement of the planned outputs has been generally positive and the project purpose has been achieved even though some activities in the extension municipalities were not completed within the period of cooperation. Taking the successful capacity development of the CIH and some member municipalities into consideration, the effectiveness of the Project is judged to be high.

3.2.2 Impact

3.2.2.1 Achievement of Overall Goal

The overall goal of the Project is “projects to consolidate the social infrastructure will be socialized, formulated, executed, managed, maintained and operated in a sustainable form in the CIH and member municipalities as a consequence of the strengthening of the local and inter-municipal capacity”. It was assumed that the overall goal would be achieved 3 to 5 years after the termination of the Project. As the time of planning, several indicators were set for the overall goal but all of these were either qualitative indicators or quantitative indicators without a target value. Some of them were not clearly defined. At the time of the terminal evaluation (May 2010), the achievement level of these indicators was not analyzed and the prospect of achieving the overall goal was judged, focusing on “the successful development of the capacity among the CHI and

¹² This assessment is supported by the facts that the title of the Project includes “capacity development” and that the Project was implemented in three stages with the capacity development of the CIH in mind. It is also confirmed by the interview with the chief advisor.

target municipalities to continually implement the FOCAL model” and “the firm establishment of the FOCAL model”. Based on the above, it is understood for the purpose of ex-post evaluation that the overall goal was “the continuous implementation of the FOCAL model in the 10 target municipalities”, and the achievement level of this overall goal is analyzed based on the implementation situation of the FOCAL model after the termination of the Project.

(1) Implementation situation of the FOCAL model

In four municipalities (Corquin, Dolores, San Agustin and San Pedro) out of the six pilot municipalities, the mayors have considered the FOCAL model to be important and have continually utilized the FOCAL model up to the present while revising their respective PDMs as required. The implementation situation of such processes as a participatory LB and formulation of a PDC and PDM has been favorable. The mayors of San Agustin and San Pedro in particular have repeated the FOCAL process every 4 or 5 years to revise their PDMs, indicating that the FOCAL model has been fully used as a planning tool. In the other two municipalities, new mayors who took their seats after the formulation of a PDM under the Project did not consider resident participation to be important and the PDMs formulated by the previous mayors were abandoned. However, as the result of the implementation of the FOCAL model becoming a statutory requirement in 2013 with the encouragement of the succeeding project (Project for Strengthening of the Capacity Development of Local Governments for Regional Development)¹³, these two municipalities formulated their own new PCDs in 2018 with the assistance of the CIH and have implemented social infrastructure consolidation projects based on their respective PCDs.

As mentioned earlier, PCDs were not formulated within the period of cooperation of the Project in four extension municipalities. Following the later institutionalization of the FOCAL model, in 2017, LB was again conducted in each municipality with the help of the CIH and PDCs were formulated. In 2018, PDM was formulated in all of these municipalities and social infrastructure consolidation projects have been subsequently implemented based on each PDM.

Based on the above, it can be judged that the FOCAL model is continuously implemented in all 10 target municipalities of the CIH, and the overall goal of the Project has been achieved. Four other municipalities of the CIH have formulated PDMs through the FOCAL model as well and are implementing projects in accordance with them at the time of ex-post evaluation. Moreover, as described in the section on “effectiveness”, the CIH has acquired sufficient capacity to apply the FOCAL model. The member municipalities have maintained capacity regarding the use of the FOCAL model with the support of the CIH even though the mayor and/or engineer in charge have been replaced in some municipalities.

¹³ In September 2013, the Ministry of Decentralization promulgated the “Regulations for the formulation of a PDM, incorporating a land use program” which stipulated that the formulation of a PDM based on the FOCAL model would be a condition to receive a central government grant. This ordinance was enforced in FY 2016 after the preparatory period.

(2) Factors Affecting Achievement of the Overall Goal

Principal factors affecting the achievement of the overall goal have been identified as described below through interviews with the CIH, member municipalities, community leaders, etc. As mentioned above, while the overall goal has been achieved at the time of ex-post evaluation, these factors still affect the timing for the introduction of the FOCAL model and the quality of the plans and their implementation with the FOCAL model.

- Institutionalization of the FOCAL model: The government ordinance promulgated in 2013 made it a de facto obligation to use the FOCAL model, facilitating the use of this model in municipalities which have been reluctant to do so.
- Understanding and political will of the mayor: For the allocation of the necessary manpower and budget for the implementation of the FOCAL model and the implementation of projects in line with the formulated PDM, it is extremely important for the mayor to have a proper understanding of the purpose of the FOCAL model and a personal commitment to the implementation of the FOCAL model. There are enthusiastic mayors who actively participate in residents' meetings for the formulation of a PDC and/or who secure a number of staff members in charge and funding for various activities but there are also mayors who simply entrust the entire work to staff members in charge with the allocation of limited resources or who intend to implement projects not included in the PDM.
- Resident participation: Resident participation is the most important element of the FOCAL model along with fact-finding through the LB. For elaboration of PDC, one condition to ensure the quality of the PDC is the participation of residents and resident organizations capable of reflecting the knowledge and opinions of the entire community in a well-balanced manner. The principal factors hindering the participation of residents (including response to the LB) are movements geared towards boycotting the activities of political parties other than one's own party, considering the implementation of the FOCAL model to be a political activity, and general indifference in urban areas.
- Number and capacity of staff members in charge: The presence of staff members with a good understanding of the FOCAL model is essential. In Honduras, as most staff members are replaced when the mayor is replaced, the length of their service is short except in some municipalities. As such, most newly appointed staff members have no previous experience of the FOCAL model. The component of the FOCAL model with the highest work volume is the LB, followed by the formulation of PDC. As the strength of full-time staff members is insufficient, extra personnel are contracted on a short-term basis to implement the FOCAL model in many municipalities. Most full-time staff members involved in the FOCAL model have other work responsibilities as well.

Under these circumstances, when the mayor and staff members in charge are replaced, staff members of the CIH provide training and guidance so that the municipal capacity to implement the FOCAL model can be maintained. While such staff members of the CIH have sufficient capacity, there is only one full-time staff member conducting this work at the time of ex-post evaluation. There was an occasion after the termination of the Project where the support of the CIH for municipalities was temporarily suspended because it was impossible for the CIM which was very involved in other projects to provide a sufficient number of full-time staff members dedicated to FOCAL model-related activities.

In elaborating PDCs, the crucial factor to determine their quality is whether or not there are sufficient human resources capable of presenting appropriate solutions (i.e. technical options) to deal with the needs (problems) recognized by residents. In the case of developing PDM, it is essential to formulate a strategy by analyzing the problems and development potential of the municipality from a comprehensive, wide area and medium to long-term perspective. The quality of the plan is determined by whether or not people involved are conversant with the social, economic and technical aspects of the planning. It is desirable for such people to form a planning team. The issue here is whether or not a municipality can secure the services of people with professional capabilities or the CIH can provide the necessary support.

3.2.2.2 Other Impacts

(1) Impacts of the FOCAL model on municipal administration and communities

- Strengthening of the relationship of trust between the municipal administration and residents: The relationship of mutual trust between the municipal administration and residents is strengthened when the general opinions of the residents are reflected on the municipal plan in a well-balanced manner and projects proposed in this way are implemented by the municipal administration as planned. There have been cases where the active use of the FOCAL model has actually assisted the successful re-election of the mayor. In contrast, when resident participation is insufficient or proposals by the resident side are ignored or not realized, the relationship of trust is damaged. The strengthening of such relationship, together with compilation of the municipal ledger for the fixed property tax (in some municipalities, this work is done utilizing the results of the LB), is believed to have led to an improved tax payment rate, boosting the strengthening of the municipality's financial base.¹⁴
- Capacity development of municipalities: It is believed that understanding on the significances of "resident participation", "transparency of decision-making" and "planning" in municipal administration has improved on the part of the mayor and municipal employees

¹⁴ A major increase of the fixed property tax collected by the municipality is reported by all of the municipalities visited for the ex-post evaluation.

thanks to their experiences of the FOCAL model. Because of this, “a culture of planning” which is said to have previously been absent, is believed to have been progressively established. LB is used not only for the preparation of PDC or PDM but also for various municipal administrative services. It has been pointed out that the implementation process of the FOCAL model has provided the opportunity for the capacity development of municipal employees in a variety of aspects, including technical and legal understanding, communication, presentation and handling of paperwork.¹⁵

➤ Acquisition and coordination of external funds by the municipality and communities: PDM and LB in line with the needs of a municipality and its communities can be used as materials to obtain funding from external organizations (NGOs and donors). Some municipalities have established an organizational setup to coordinate with multiple external organizations and have actively acquired external funding for the implementation of their PDM. PDM and LB have occasionally been used by the CIH to get external funding.¹⁶

➤ Capacity development of communities: Residents who have correctly recognized the purpose of PDC through their participation in the implementation of the FOCAL model sometimes actively monitor whether or not the municipality has been implementing social infrastructure consolidation projects in line with the PDC or make a request for implementation of such projects. It has been reported that some communities have successfully invited projects sponsored by NGOs, etc. by presenting their own PDC. Some communities also have achieved unification of residents and residents’ organizations, promotion of the participation of women and an increase of the awareness of self-help efforts and mutual help.

(2) Impacts of social infrastructure consolidation projects

With the application of the FOCAL model, it is believed that basic services in communities have been achieved more appropriately as well as more efficiently through the improvement of roads, educational and health care facilities, water supply and sewerage facilities, etc. compared to the case without the application of the FOCAL model.¹⁷ The ex-post evaluation has discovered the following situations regarding social infrastructure consolidation projects implemented under the Project.

➤ An improvement and expansion of water supply facilities have made it possible to provide an adequate water supply service which meets the population increase. The volume of

¹⁵ Based on the report for the Ex-Post Fact-Finding Survey implemented in 2013 under the FOCAL II Project.

¹⁶ According to the CIH, its reputation has been improved because of the implementation of the Project, resulting in successful bids for many projects sponsored by donors or NGOs. As a result, the number of employees and financial scale of the CIH have considerably increased.

¹⁷ This judgement is based on the fact that municipal public projects plans have become more adequate and the projects become less costly. However, because some 10 years have passed since the implementation of social infrastructure consolidation projects, it is difficult to concretely compare and assess the situation of social infrastructure before and after the introduction of the FOCAL model.

water supply was insufficient before but it is now available 24 hours a day. (Municipality of Corquin)

➤ A primary school has been newly constructed and children who used to commute to school in a nearby village now attend the new school in their own village. (Municipality of La Unión)

➤ The rehabilitation of the roof and floor of a health center has improved the sanitary environment for medical examination. (Municipality of San José)

➤ Introduction of a sanitary landfill disposal site has initiated the classified collection of solid waste. In suburban areas, the incidence of dengue fever has decreased. (Municipality of San Pedro)

➤ With a PEC, the classrooms of a primary school were constructed at half the cost of similar work undertaken by the central government. (Municipality of Cucuyagua)

(3) Dissemination of the FOCAL Model Outside the Target Area

With Japan's technical cooperation succeeding the Project, the FOCAL model has been disseminated to 30 inter-municipal councils and some 130 municipalities through the Ministry of Decentralization. The CIH has made its own contribution by providing technical support for two other councils. The institutionalization of the implementation of the FOCAL model in 2013 has made it compulsory for all municipalities to use the FOCAL model (see Footnote 13). Another JICA technical cooperation project titled "Advisor for Strengthening of Local Government Capacity" was subsequently implemented for further dissemination, and PDM using the FOCAL model was formulated in some 250 of 298 municipalities nationwide by June 2019.

(4) Environmental and Social Impacts

No direct impact on the natural environment by the Project has been observed. The Project did not necessitate the relocation of residents. Although the acquisition of some land was necessary as part of some social infrastructure consolidation projects (water supply project and sanitary landfill project), no problems emerged due to the purchase of land by either a municipality or community.

Based on the above, the Project achieved its purpose of "establishing an appropriate model to properly socialize, formulate, execute, manage, operate and maintain projects for the consolidation of social infrastructure in the CIH and member municipalities". Furthermore, the continuous use of the FOCAL model is confirmed in connection with the overall goal and the intended outputs have been achieved. Therefore, the effectiveness and impact of the Project are high.

3.3 Efficiency (Rating: ①)

3.3.1 Inputs

The planned and actual inputs of the Project are shown in the table below.

Inputs	Planned	Actual (at the time of project completion)
(1) Experts	Long-term: 1 (Chief Advisor) (other experts are dispatched as required)	Long-term: 3 (Chief Advisor and Work Coordinators (92 persons-month) Short-term: 1 (capacity development and evaluation: 2.7 persons-month)
(2) Trainees received	Unknown	Training in Honduras (total of some 260 persons)
(3) Equipment	Necessary equipment, etc. for technology transfer	Vehicle, PC, copier, etc.
(4) Others (Operational expenses, etc.)	Unknown (local consultant, etc.)	48.8 million JPY (printing and binding cost of manuals, etc.; training and workshop cost; travelling cost; local consultant cost; other)
Total project cost (Japanese side)	180 million JPY	242 million JPY
Operational expenses (Honduras side)	Unclear (training cost; infrastructure investment and maintenance cost; other)	Infrastructure investment cost: 24 million JPY (including 8 million JPY provided by other donors)

3.3.1.1 Elements of Inputs

The dispatch of experts and assignation of counterpart personnel within the CIH were conducted as planned and almost all of the planned activities to calculate the outputs were appropriately conducted. Even though the activities in the target municipalities were affected by a change of the staff members in charge following a change of their respective mayors, its impact was kept to a minimum by the support provided by the CIH which was less affected by the election results and also by the approach with residents' participation. Moreover, the Chief Advisor (long-term expert) was already involved in preparations for the Project as he had been dispatched to Honduras for one year as "a pipeline expert" prior to the commencement of the Project, while, the local consultant employed by the Project had already examined the LB methodology, i.e. forerunner of the FOCAL model as requested by the JICA Honduras Office prior to the commencement of the Project. Such continued involvement of the expert and consultant from the preparatory stage made a positive contribution to the efficient implementation of activities.

3.3.1.2 Project Cost

The planned funding level by the Japanese side for the Project was 180 million JPY but the actual spending of 243 million JPY exceeded the planned amount (135% of the plan) due to extension of the period of cooperation as described later and other reasons. The social infrastructure consolidation projects implemented under the Project were originally assumed to be implemented as DOCP projects of the FHIS and their costs were not included in the Project inputs. In reality, however, the funding for DOCP projects was not realized at the planned timing

and the Poverty Reduction Fund of the Government of Honduras and funding by other donors were used for these projects. While it can be said that the Project was efficiently implemented using external funding sources, such use was a factor for the extended period of cooperation of the Project as described later.

3.3.1.3 Period of Cooperation

It was originally planned to complete the Project in 30 months from September 2006 to March 2009. In reality, the progress of the Project was hindered as many social infrastructure consolidation projects were implemented using unplanned funding sources due to the delayed disbursement of the planned FHIS funds for nearly one year. The activities led by the CIH targeting the extension municipalities were also delayed because the Japanese input was kept to a minimum from the viewpoint of facilitating the capacity development of the counterpart organization to ensure the sustainability of these activities. As a result, the period of cooperation was extended to October 2010 but the PCMs and social infrastructure consolidation projects in the extension municipalities could not be completed within this extended period. Because of this extension, the actual period of cooperation (i.e. project period) was 49 months, far exceeding the originally planned period of cooperation (163% of the planned period).

Under the Project, it was planned to repeatedly implement such processes of the FOCAL model as the development of the model (Step 1), implementation of the LB, formulation of development plans and implementation of social infrastructure consolidation plans in pilot municipalities (Step 2) and in extension municipalities (Step 3). As the implementation of the FOCAL process, including the implementation of social infrastructure consolidation projects, is believed to require one and a half years to complete, the original plan of completing the FOCAL process in all of the selected municipalities in two and a half years appears to be rather unreasonable.

As is described above, both the project cost and project period significantly exceeded the plan. Therefore, efficiency of the project is low.

3.4 Sustainability (Rating: ③)

As described earlier, the overall goal of the Project was the continuous implementation of the FOCAL model in the selected municipalities and this goal has been achieved at the time of ex-post evaluation. The sustainability of the Project is evaluated here by analyzing the related policy/political, institutional/organizational, technical and financial aspects.

3.4.1 Policy and Political Commitment for the Sustainability of Project Effects

After the enactment of the Municipal Administration Act (*Ley de Municipalidad*) in 1995, Honduras proceeded with decentralization through local development under a poverty reduction

strategy program after Hurricane Mitch in 1998, social infrastructure consolidation by the FHIS and the transfer of authority for various public services, including education and health care, to local administrations. An official decentralization policy was formulated in 2012, clearly establishing such directions for decentralization that the process of decentralization should be facilitated with emphasis on fairness, transparency, resident participation, sustainability, etc. and that the authority and financial sources to implement public services would be gradually transferred to municipalities while making efforts to strengthen the relevant capacity of municipal governments. Further in 2013, the implementation of the FOCAL model was institutionalized (see Footnote 13) and the work to formulate PDMs using the FOCAL model has been in progress nationwide. As such, the sustainability of the Project in terms of the policy and institutional aspect is high.

3.4.2 Institutional/Organizational Aspects for the Sustainability of Project Effects

(1) FHIS

The FHIS is a government organization established under an act with a limited period of validity. It merged with another organization in 2014 and became part of the Ministry of Community Development, Water and Sanitation (*Secretaria de Desarrollo Comunitario, Agua y Saneamiento*: SEDECOAS). At present, it is involved in the development of social infrastructure, especially in the education sector, across the country. At the time of ex-post evaluation, the FHIS is not directly involved in the implementation of the FOCAL model by the CIH and selected municipalities.

(2) CIH

The CIH is composed of 13 municipalities (at the time of ex-post evaluation) and its decisions are taken by the General Assembly (*Asamblea General*) made up of assemblymen of member municipalities and the Board of Directors (*Junta Directiva*) made up of mayors of member municipalities. Its administrative division has theme-specific units, such as capacity development, economic development, social infrastructure consolidation and local planning units, with full-time staff members. In addition, the CIH has contract employees serving specific projects. At the time of the implementation of the Project, the CIH had only nine full-time staff members but has subsequently strengthened this number to 14 full-time and 33 contract employees at the time of ex-post evaluation. As inter-municipal councils are less prone to the impacts of elections compared to municipalities, their staff organization is relatively steady (see Footnote 5).

Of the eight technical staff members of the CIH who were directly involved in the Project, six have left because of job-hopping and other reasons. The relatively low level of wages compared to those working for a donor or NGOs, etc. is believed to be the reason for such job-hopping even though the level of wages at the CIH is higher than that of municipal employees. Meanwhile, one staff member of a member municipality who was directly involved in the

application of the FOCAL model under the Project was recruited by the CIH and is responsible for FOCAL-related works on a full-time basis. However, it appears difficult for one person to cater for the needs of all member municipalities.¹⁸

(3) Municipalities

Each target municipality has theme-specific sections, ranging from technology (infrastructure consolidation), community development, women, environment, economic development, land register, planning, etc. with one or two staff members being assigned to each section. The FOCAL model is usually implemented with the collaboration of multiple sections. For activities such as LB with a high work volume, short-term contract employees are often recruited. It is worth noting that a community development section was established in all of the selected municipalities under the Project. It is a common practice in Honduras for most municipal staff members to be replaced when the mayor is replaced. In two selected municipalities where the mayor at the time of termination of the Project is still in office at present, some staff members working at the time of the implementation of the Project are still working at the time of ex-post evaluation.

Based on the above, there are no major problems in regard to the organizational aspect for the sustainability of the project effects even though the number of staff members allocated at the CIH causes concern.

3.4.3 Technical Aspects for the Sustainability of Project Effects

(1) CIH

As mentioned above, the CIH had lost most of the counterpart personnel involved in the Project by the time of ex-post evaluation but has newly recruited one person with rich experience of the FOCAL model in one selected municipality. Despite such change of personnel, the CIH has not only continued its technical support for the FOCAL model for member municipalities but has also provided technical cooperation on the introduction of the FOCAL model for other inter-municipal councils. As such, the CIH is believed to have maintained strong technical capability.

(2) Municipalities

As already mentioned in “3.2.2 Impact”, most municipal employees had no previous experience of the FOCAL model when they faced the FOCAL model in their work but have acquired the necessary capacity through the training and technical support provided by the CIH. A series of interview with municipal employees found that most of them are able to implement

¹⁸ According to the guidelines of the Ministry of Decentralization, it is recommended that an inter-municipal council assign one staff member responsible for the FOCAL model for every five municipalities, making it necessary for the CIH to have three full-time staff members for FOCAL-related work. Although the CIH still has persons who worked as counterpart personnel for the Project, they are not responsible for the FOCAL model full-time because of their involvement in other projects at the time of ex-post evaluation.

the model without any problem after a while even if they had no previous knowledge of the model. While it is desirable to have people conversant with social, economic and technical aspects to form a planning team for the formulation of a good quality plan, the results of interviews with municipal officials suggest that not many target municipalities of the Project have such people.

As stated in “3.2.2 Impact”, it is essential that the mayor correctly understands the purpose and advantages of the FOCAL model and is actively and responsibly involved in the process to ensure its proper implementation. The training provided by the CIH has mainly focused on municipal employees and no special orientation or training has been arranged for individual mayors. Appropriate support by the CIH to improve mayors’ awareness and understanding is essential.

Based on the above, there are not major problems concerning the technical aspect for the sustainability of the project effects even though there is a recognizable need for the consolidation of awareness raising and training on the part of mayors.

3.4.4 Financial Aspects for the Sustainability of Project Effects

(1) CIH

The revenue sources for the CIH are contributions by member municipalities, budget for projects to be implemented by the CIH (external funding) and its own revenue (rents, service fees, etc.) The total revenue in FY 2019 was approximately US\$ 660,000 while the total spending was approximately US\$ 550,000. The municipal contribution is based on the population size of each municipality (average of approximately US\$ 780/month/municipality with the annual total of some US\$ 140,000) which is used to pay the wages of full-time employees and to meet the cost of various technical services (including those related to the FOCAL model) provided by sectoral units for member municipalities. The project budget (approximately US\$ 510,000 per year) is provided by donors, NGOs and central government organizations to implement their projects through the CIH and includes wages for contract employees. As municipal contributions alone cannot cover the spending for technical support for member municipalities, the shortfall is compensated by savings on the project budget and rental income (approximately US\$ 6,000 per year). The revenue sources for the CIH have no extra room for the raising of more funds which forms part of the background for the insufficient number of full-time staff members dealing with the FOCAL model.

(2) Municipalities

The principal revenue sources of municipalities are the fixed property tax collected by each municipality and a central government grant. Small municipalities like those targeted by the Project mainly rely on the central government grant as its revenue source. As described in “Impact”, the Project is believed to have contributed to increased revenue from the fixed property

tax in the target municipalities. The institutionalization of FOCAL model now means that the implementation of the model is a condition to receive the central government grant. As such, the implementation of the FOCAL model is closely related to the strengthening of the financial base of the target municipalities.

Interviews with the target municipalities found that each municipality is always forced to formulate its PIMA under budget constraints due to its limited spending capacity compared to the necessary investment amount for the implementation of its PDM. Because of this situation, all of the target municipalities are constantly searching for external funding sources, such as donors, NGOs, etc. While the implementation of the FOCAL model requires a certain amount of spending, it is believed that the actual amount is not large enough to oppress a municipality's financial capacity in view of the fact that the model has been successfully implemented when the mayor has a strong will to do so. As also described in "3.2.2.2 Other Impacts", the Project is believed to have contributed to the acquisition of external funding by those municipalities and communities involved in the Project.

Based on the above, there are no problems in regard to the financial aspect. To summarize, no major problems have been observed in policy/political, institutional/organizational, technical and financial aspects. Therefore, the sustainability of the project effects is high.

4 Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

The Project was implemented for the purpose of "establishing an appropriate model to properly socialize, formulate, execute, manage, operate and maintain projects concerning the consolidation of social infrastructure (the FOCAL model) in the CIH and member municipalities. The overall goal was to apply the FOCAL model in a sustainable form in the CIH and member municipalities as a consequence of the strengthening of the local and inter-municipal capacity. In terms of the national policy/plan and development needs of Honduras, at the time of both the planning and termination of the Project, it was important to develop the capacity of local governments which were the recipients of decentralization. The Project was relevant to Japan's ODA policy at the time of its planning. Therefore, the relevance of the Project is high. Through the implementation of the Project, the FOCAL model capable of properly formulating, executing, operating and maintaining social infrastructure consolidation projects with resident participation was developed and is still used at the time of ex-post evaluation. This situation suggests that the Project has facilitated the provision of basic services through the optimization and cost reduction of municipal projects. Moreover, wide-ranging positive impacts have been confirmed such as strengthening of a relationship of mutual trust between the municipal administration and residents, enhancement of the capacity of municipalities as well as communities and the acquisition of external funding. Therefore, the effectiveness and impact of the Project are high. Meanwhile, the

period of cooperation significantly exceeded the planned period, partly because of the need to find unplanned funding sources to cover the cost of the pilot projects for social infrastructure consolidation and other reasons, and the project cost also exceeded the planned cost. As such, the efficiency of the Project is low. In regard to the sustainability of the Project, although the small number of full-time staff members of the CIH can be pointed out, no major problems have been observed in policy/political, institutional/organizational, technical and financial aspects. Therefore, the sustainability of the project effects is high.

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

4.2 Recommendations

4.2.1 Recommendations for the Implementation Agency (Consejo Intermunicipal Higuito)

The CIH should increase the number of full-time employees working for the FOCAL model from the present one employee so that it can provide appropriate technical support for all member municipalities implementing the FOCAL model. The recruitment of two more employees to make a three-man team as suggested by the guidelines of the Ministry of Decentralization is desirable. Strengthening of its revenue sources, including an increase of the contribution from member municipalities, should be considered if such a move is judged to be necessary to strengthen the manpower.

4.2.2 Recommendations to JICA

None

4.3 Lessons Learned

Setting of a period of cooperation with an adequate margin taking external conditions into consideration

In the second half of the Project, a period was set for the CIH to play a leading role in supporting the extension municipalities with a view to sufficiently enhancing the capacity of the CIH. As part of the capacity development, social infrastructure consolidation projects were implemented using funds of the FHIS. However, because of the delayed disbursement of such funds by the FHIS, it was decided that those projects planned for the second half of the Project would be implemented using other funding sources, necessitating an extension of the period of cooperation. In addition, the CIH became busy with other projects and activities in the extension municipalities were delayed. As a result, some social infrastructure consolidation projects and PDMs of extension municipalities were not completed within the cooperation period, and efficiency of the Project was judged low. At the time of planning, the timely disbursement of the FHIS's funds was not clearly recognized as an external condition.

In view of the experience of the Project described above, it is important to specifically confirm

external conditions which may become risk factors, possibly constraining the attainment of the planned outputs, to evaluate the probability of these conditions becoming constraints and, then, to set a period of cooperation with an adequate margin.