

Republic of Honduras

FY 2019 Ex-Post Evaluation of Japanese Technical Cooperation Project

“The Project for Strengthening of the Capacity Development of  
Local Governments for Regional Development (FOCAL II)”

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## 0. Summary

“The Project for Strengthening of the Capacity of Local Governments for Regional Development (FOCAL II)” (hereinafter referred to as “the Project”), a technical cooperation project, was implemented for the purpose of “the FOCAL process is applied in the selected municipalities through the collaboration of the associations of municipalities (hereinafter referred to as “the AMs”), in order that the use of local funds and human resources is optimized and people can participate in local development”.<sup>1</sup> The overall goal was “to establish the system of implementation of the FOCAL process at the national level through the AMs and the municipalities within the framework of the National Vision and the National Plan”. At the time of both the planning and termination of the Project, in view of the national policy/plan and development needs of the Republic of Honduras (hereinafter referred to as “Honduras”), it was very important to develop the capacity of local governments which were the recipients of decentralization as well as a method capable of planning and implementing municipal public investment projects in an appropriate manner. The Project was highly relevant to Japan’s ODA policy at the time of its planning. Therefore, the relevance of the Project is high. Through the Project, the FOCAL process was applied with resident participation, achieving optimization of municipal plans and reduction of the project cost, among others. As such, the purpose of the Project was achieved. Moreover, a scheme for implementing the FOCAL process was established nationwide and institutionalized, achieving the overall goal of the Project. Therefore, the effectiveness and impact of the Project are high. However, as almost 15 years have passed since the first introduction of the FOCAL process, a comprehensive review of its methodology and operation is recommended. Although the project period was within the plan, the project cost exceeded the plan. Therefore, the efficiency of the Project is fair. In regard to the sustainability of the project effects, although the need to consolidate the manpower strength to operate the FOCAL process can be pointed out, no major problems have been observed concerning the policy background and organizational, technical and financial aspects. Therefore, the sustainability of the project effects is good. In light of the above, this project is evaluated to be highly satisfactory.

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<sup>1</sup> The term “FOCAL” is an abbreviation of the project title in Spanish, meaning “the capacity development of local areas (*Fortalecimiento de Capacidades Locales*)” of the previous “Project for Capacity Development in the Western Region of the Republic of Honduras”. The previous project established “an appropriate model to properly socialize, formulate, execute, manage, operate and maintain projects for the consolidation of social infrastructure” and the present Project disseminated such model nationwide. The method involved is called either the FOCAL model or FOCAL process in Honduras. In this report, the term “FOCAL process” is used as it was commonly used in the Project.

## 1. Project Description



Project locations



Street improved through resident participation  
(Municipality of El Porvenir)

### 1.1 Background

After the inauguration of the Maduro Administration (2002 - 2006) in 2002, Honduras promoted a decentralization process by means of transferring authority and financial resources from the central government to local governments with a view to achieving the effective implementation of the poverty reduction policy. However, local governments (municipalities) as the recipients of decentralization had a limited budget, manpower and administrative capacity and their capacity development was an urgent task. To compensate for this shortcoming, some 50 AMs were established nationwide and each AM provided technical support for member municipalities<sup>2</sup> even though its technical capacity was limited.

Under these circumstances, JICA implemented “the Project for Capacity Development in the Western Region of the Republic of Honduras”, a technical cooperation project (hereinafter referred to as “the previous technical cooperation”) from September 2006 to October 2010, targeting the Inter-municipal Council of Higuito (*Consejo Intermunicipal Higuito, CIH*) in Western Honduras. During the previous technical cooperation period, the FOCAL process was developed and capacity development was conducted with the CIH and target municipalities so that the experimental introduction as well as sustained implementation of the process could become possible with technical support by the CIH in the target municipalities (10 municipalities among the member municipalities of the CIH). In the FOCAL process, a baseline survey (LB: complete count survey involving all houses) is conducted to identify the needs of communities with the cooperation of community leaders<sup>3</sup> and a community development plan (PDC: list of projects

<sup>2</sup> 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. Association of municipalities (AMs) are non-profit organizations serving the interests of citizens as stipulated by the Municipal Administration Act (*Ley de Municipalidad*). Each municipality is free to join an AM of its choice and is also allowed to leave freely. As of April 2019, there are 46 AMs across the country and more than 90% of the municipalities nationwide are members of one or more AMs. The operation of each AM is financed by contributions from its member municipalities.

<sup>3</sup> Community leaders include officials of residents’ associations (*Patronato*), representatives of various residents’ groups (water committee, organization of pupils guardians, women’s group, etc.), church leaders and representatives of the education and health care sectors (village teachers, nurses, doctors, etc.)

with priority ranking) is formulated with resident participation. A municipal development plan (PDM) covering a period of 5 to 8 years is then compiled with the participation of community leaders and representatives of various residents' groups, following the process of selecting priority projects from the PDCs of all communities. Public investment projects in each fiscal year are then conducted based on an annual investment plan, in turn formulated based on the PDM.

In the previous technical cooperation, the introduction of the FOCAL process not only enabled the formulation of a public investment plan corresponding to the priority needs of residents and reduction of the cost of public investment projects through resident participation and the utilization of local resources but also contributed to ensuring the transparency of the municipal administration, strengthening of the relationship of trust between the municipal administration and residents, facilitation of the successful acquisition of external funding from NGOs and donors and development of the capacity of both the municipality and residents.<sup>4</sup> Such benefits of the FOCAL process led various stakeholders of the central government to show a strong desire for the continuation of Japan's technical cooperation at a seminar held at a later stage of the previous technical cooperation and the Association of Municipalities of Honduras (*Asociación de Municipios de Honduras, AMHON*) and multiple AMs throughout the country shared their interest in the introduction of the FOCAL process.

On receipt of a request for the Project aimed at disseminating the FOCAL process throughout Honduras, JICA worked jointly with the Secretary of Human Right, Justice, Governance and Decentralization (*Secretaria de Derechos Humanos, Justicia, Gobernación y Descentralización, SDHJGD*) and conducted a detailed design study in 2011 and agreed with the Honduran side on the implementation of the Project.

## **1.2 Project Outline**

The Project was implemented for its stated purpose of “the FOCAL process is applied in the selected municipalities through the collaboration of the AMs, in order that the use of local funds and human resources is optimized and people can participate in local development”. Under the Project, the capacity concerning the FOCAL process was strengthened at the SDHJGD (Output 1), 30 target AMs (Output 2) and 136 target municipalities (Output 3) through technical support based on training sessions and travelling guidance as provided by the SDHJGD to the AMs and then by the AMs to the municipalities. Moreover, these activities led to the sharing of information on the FOCAL process between the AMHON and other stakeholder organization as well as the AMs (Output 4).

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<sup>4</sup> Refer to the Project Termination Report and Ex-Post Evaluation Report for the previous technical cooperation.

Overall Goal	Establish the system of implementation of the FOCAL process at the national level through the AMs and the municipalities within the framework of the National Vision and the National Plan.	
Project Purpose	The FOCAL process is applied in the selected municipalities through the collaboration of the AMs, in order that the use of local funds and human resources is optimized and people can participate in local development.	
Outputs	Output 1	The SDHJGD, in coordination with other institutions, is able to extend the FOCAL process.
	Output 2	The selected associations are strengthened through the FOCAL process and can provide technical assistance to municipalities.
	Output 3	The selected municipalities acquire skills through the FOCAL process and the capacities for local development are strengthened.
	Output 4	SDHJGD in cooperation with AMHON and other related organizations is able to support the sharing and dissemination of knowledge and experience about FOCAL process among local governments.
Total Cost (Japanese Side)	379 million JPY	
Period of Cooperation	October 2011 - November 2016	
Project Area	Entire Honduras	
Implementing Agency	SDHJGD (reorganized from the Ministry of the Interior and Population at the time of the start of cooperation)	
Other Relevant Agencies/ Organizations	Presidential Directorate for Strategic Planning, Budget and Public Investment of the General Government Coordination (DPPEPIP - SCGG), AMHON	
Supporting Agency / Organization in Japan	None	
Related Projects	The Project for Capacity Development in the Western Region of the Republic of Honduras (September 2006 - October 2010 by JICA), Advisor for Strengthening of Local Governance Capacity (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 judged to have essentially been achieved, partly because its indicators have generally been achieved and partly because the application of the FOCAL process, i.e. the purpose of the Project, has significantly advanced in the selected municipalities.

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

The indicators for the overall goal are expected to be achieved immediately after the termination of the Project, partly because projects were implemented in the selected

municipalities in line with their respective PDM with positive outcomes and partly because the rules safeguarding the implementation of the FOCAL process have been institutionalized.

### **1.3.3 Recommendations at the Time of the Terminal Evaluation**

- (1) Points to consider during the period of cooperation
  - Clarification of a concrete system and method for implementing public relations exercises by the SDHJGD and AMHON to share good practices of the FOCAL process.
  - Examination of the feasibility of using the FOCAL process for decentralized sectoral service deliveries.
  
- (2) Points to consider regarding the sustainability of autonomous activities after the termination of the Project
  - Examination of possible monitoring and evaluation by the SDHJGD to ensure the formulation and implementation of PDMs in a sustainable manner
  - Strategy to disseminate the FOCAL process to new AMs and municipalities
  - Establishment of a sustainable training system to serve AMs and municipalities

## **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: 14<sup>th</sup> January - 11<sup>th</sup> March, 2020

### **2.3 Constraints during the Evaluation Study**

The second field survey scheduled in April and May 2020 could not be conducted because of the global spread of COVID-19. As a result, additional information gathering, consultation with the implementing agency and other work were conducted through the local consultant. From March to April 2020, a questionnaire survey using e-mail communication was conducted with 30 AMs and 136 municipalities. The reply ratio was low, however, due to suspension of administrative functions in general of these bodies for the same reason as only 15 AMs and 41 municipalities replied.

### **3. Results of the Evaluation (Overall Rating: A<sup>5</sup>)**

#### **3.1 Relevance (Rating: ③<sup>6</sup>)**

##### **3.1.1 Relevance to 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 (2011) by means of increasing the flow of funds from the central to municipal governments under the policy of decentralization. The promotion of decentralization was clearly indicated as an important policy for national as well as local development in “the Country Vision (2010 - 2038)” which was the long-term national policy at the time, “the National Plan (2010 - 2022)” which was a medium-term plan indicating the strategy and targets to be achieved in the plan period of 12 years and “the Government Plan (2010 - 2014)” which listed various issues for the government to achieve in four years. All of these emphasize poverty reduction and list resident participation and the improvement of transparency as important issues to promote projects to better meet the needs of the poor. After the commencement of the Project, the Government of Honduras announced a decentralization policy in 2012, setting an integral direction for decentralization which had previously been dealt with by individual ministries. Although the government changed in 2014, the above policy was still maintained at the time of the termination of the Project (2016). Therefore, the Project was highly relevant to the development plan/policy of Honduras at the time of both planning and termination.

##### **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) heavy dependence on grants from the central government as revenue sources, (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 ruling party and (iv) absence of a system to facilitate the smooth succession of the work following a change of municipal employees. Such situation was still prevalent nationwide at the time of the termination of the Project.

The FOCAL process introduced under the Project is effective for the appropriate planning and implementation of public investment projects of municipalities as shown in 3.2 Effectiveness and Impact. In Honduras, the SEPLAN (currently the Ministry of General Coordination) led the preparation of their own municipal development strategic plans by municipalities in the middle of the first decade of the 21<sup>st</sup> century. According to the SDHJGD 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

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<sup>5</sup> A: Highly satisfactory; B: Satisfactory; C: Partially satisfactory; D: Unsatisfactory

<sup>6</sup> ③: High, ②: Fair, ①: Low

of reliance on limited existing data and the adoption of another municipality's plan without alteration. In contrast, the FOCAL process is a simpler, less expensive and more realistic planning method than the municipal development strategic plan and better meets the actual needs of municipalities even if it involves such extra work as LB and participatory work on the part of residents.

Based on the above, the Project was highly relevant to the development needs of Honduras at the time of both planning and termination.

### **3.1.3 Relevance to Japan's ODA Policy**

At the time of project planning, Japan's Medium-Term Policy for ODA pointed out the importance of assistance for systems and policies designed to achieve poverty reduction. As the Project intended to contribute to improvement of the efficiency and effects of public services as well as social investment related to the implementation of municipal poverty reduction policies in line with the framework of Japan's ODA policy, the Project conformed to the purpose of Japan's ODA policy. The Project also conformed to "sustainable local development" as one priority area of Japan's assistance for Honduras and also to the action plan of the "Tokyo Declaration" adopted at the Japan-Central America Summit Meeting in August, 2005.

Based on the above, this 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 Impact<sup>7</sup> (Rating: ③)**

### **3.2.1 Effectiveness**

#### **3.2.1.1 Project Outputs**

##### **(1) SDHJGD**

For a period of one year from the termination of the previous technical cooperation to the commencement of the Project, the staff member in charge of the FOCAL process at the JICA Honduras Office held almost weekly meetings with those in a similar position at the SDHJGD and visited the target areas of the previous technical cooperation with them to facilitate their understanding of the FOCAL process.<sup>8</sup> Meanwhile, viable measures to make the FOCAL process more useful were examined. These included simplification of the LB and emphasis on the concept of "Life Improvement Approach".<sup>9</sup> Furthermore, the FOCAL process was introduced to new

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<sup>7</sup> Sub-rating for Effectiveness is to be put with consideration of Impact.

<sup>8</sup> According to the JICA Honduras Office, there were altogether some 40 meetings with the SDHJGD. During this process, the local consultant in charge of the FOCAL process for the previous technical cooperation conducted the training of staff members of the SDHJGD.

<sup>9</sup> The Life Improvement Approach means that the administration pushes the efforts of the residents themselves to find problems in their lives and collectively try to solve such problems using resources accessible by the community. Residents are required to change their mindset from "what do we want the administration to do" to "what can we

municipalities with the initiative of the SDHJGD in preparation for a smooth start of the Project.

After the commencement of the Project, the SDHJGD with the assistance of a JICA expert revised the manuals for the application of the FOCAL process prepared in the previous technical cooperation based on the results of the examination mentioned above. The counterpart personnel who had undergone trainer's training on "LB", "PDC" and "PDM" provided training for those in charge of the FOCAL process at the target AMs and provided advices and supervision on the introduction of the FOCAL process by these AMs to the target municipalities. Although some counterparts had been replaced due to dismissal following a change of the government in January 2014 and subsequent staff reshuffling, the SDHJGD still had five staff members with experience of advising on and supervising the promotion and implementation of the FOCAL process when the Project was terminated. Throughout the period of cooperation for the Project, the SDHJGD strengthened the capacity of the target AMs and assisted their introduction of the FOCAL process to their member municipalities.

The SDHJGD also concluded a cooperation agreement with many organizations, including the Ministry of Health, Ministry of Development and Social Inclusion, international organizations (World Food and Agriculture Organization and World Food Programme), other donors (Swiss Agency for Development and Cooperation and Spanish Agency for International Cooperation) and NGOs and many staff members of these organizations acquired know-how of the FOCAL process.

Based on the above, Output 1: "the SDHJGD, in coordination with other institutions, is able to extend the FOCAL process" was achieved.

## (2) Associations of municipalities (AMs)

The target AMs established the FOCAL process implementation system through the assignation of dedicated staff members and the allocation of activity funds, acquired the capacity to provide training, supervision, advice, quality control of products, etc. to their member municipalities concerning the FOCAL process and its method. At the time of the termination of the Project, 30 AMs were individually providing training and on-site guidance on the FOCAL process to their own member municipalities. Based on this, Output 2: "the selected associations are strengthened through the FOCAL process and can provide technical assistance to municipalities" was achieved.

## (3) Municipalities

136 target municipalities gradually started the introduction of the FOCAL process after the establishment of the relevant implementation system through the assignation of staff members in

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do using the available resources in our village". As part of the Project, a short-term expert on the Life Improvement Approach was dispatched.



charge and securing of activity funds following the training by their respective AM. By the time of the termination of the Project, 101 municipalities had completed LB and preparation of LB reports, 89 municipalities had formulated PDCs and 82 municipalities had formulated PDMs, of which 76 PDMs were approved by the SDHJGD. 78 municipalities were implementing public investment projects in line with their own PDMs while 38 communities had started voluntary activities using the Life Improvement Approach. Based on the above, Output 3: “the selected municipalities acquire skills through the FOCAL process and the capacities for local development are strengthened” was achieved.

#### (4) Sharing and dissemination of knowledge and experience of the FOCAL process

As part of the Project, good practices of the FOCAL process were compiled with the cooperation of AMHON. At the same time, the network among AMHON, target AMs and municipalities was strengthened and the application of good practices by the target AMs and target municipalities was promoted through technical exchange meetings and the establishment of a knowledge website. With the cooperation of the AMHON and various organizations mentioned earlier, technical exchange meetings, seminars, etc. were held 13 times. The pioneering AMs provided technical assistance for other AMs and good practices were introduced through the network of the technical units of the AMs and the websites. Based on the above, Output 4: “SDHJGD in cooperation with AMHON and other related organizations is able to support the sharing and dissemination of knowledge and experience about FOCAL process among local governments” was achieved.

### **3.2.1.2 Achievement of Project Purpose**

The stated purpose of the Project was “the FOCAL process is applied in the selected municipalities through the collaboration of the AMs, in order that the use of local funds and human resources is optimized and people can participate in local development”. The first part of this purpose refers to the desirable situation of its application and the second part refers to the advantages of the FOCAL process. For the second part, “the continuous implementation of municipal development projects for two years through the application of the FOCAL process in at least 45 municipalities” was set as the indicator.

As described below, the project purpose is judged to have been achieved based on the analysis results of (i) the application situation of the FOCAL process as revealed by its relevant indicator and (ii) the advantages of the FOCAL process.

#### (1) Application of the FOCAL process

The achievement situation of the project purpose is shown in Table 1. When the procedure to formulate PDM using the FOCAL process in order to set projects is strictly applied, it is judged

that the project purpose was not fully achieved (projects were implemented in 36 municipalities against the target of 45 municipalities: 80% achievement rate). However, in the case where priority projects are confirmed in the FOCAL process but PDM has not yet been formulated, projects may be directly included in the annual investment plan based on PDCs and are implemented. In nine municipalities where one or more projects were included in their respective annual investment plans in 2015 and were implemented, these projects were actually implemented in accordance with the PDM formulated in 2016. This situation can be interpreted that projects were implemented for two continuous years following the FOCAL process. This means that the number of municipalities meeting the indicator increases from 36 to 45, achieving the numerical target. In 2016, 71 municipalities, including these 45 municipalities, implemented projects based on their respective PDM. Based on this fact, it is considered that part of the project purpose, i.e. “the FOCAL process is applied in the selected municipalities through the collaboration of the AMs”, was generally achieved.

Table 1 Achievement of the Project Purpose

Project Purpose	The FOCAL process is applied in the selected municipalities through the collaboration of the AMs, in order that the use of local funds and human resources is optimized and people can participate in local development.
Indicator	Actual Performance
Continuous implementation of municipal development projects for two years through the application of the FOCAL process in at least 45 municipalities.	In the two-year period from 2015 to 2016, 36 municipalities implemented projects included in their PDMs. In addition, nine municipalities implemented projects directly from PDCs in 2015 and projects based on the PDM only in 2016. Combined together, these make up 45 municipalities.

## (2) Advantages of the FOCAL Process

The advantages of applying the FOCAL process are summarized below based on the results of the detailed examination of existing documents, interviews with AMs, municipalities and communities and the questionnaire survey.<sup>10</sup> Therefore, the second part of the project purpose, i.e. “the use of local funds and human resources is optimized and people can participate in local development”, is judged to have been achieved.

- Optimization of the public investment plan: In the FOCAL process, the situation of each community is visualized by LB, leading to the confirmation of problems and needs,

<sup>10</sup> During the field survey at the time of ex-post evaluation, a series of interviews were held with 11 mayors, one deputy mayor and 42 staff members in charge of the FOCAL process at six CIs and 14 municipalities out of 30 selected CIs and 136 selected municipalities of the Project in addition to 32 community leaders interviewed during the study visits to sites of infrastructure consolidation projects (including those implemented after the termination of the Project) implemented in individual municipalities. 15 CIs and 41 municipalities replied to the questionnaire survey.

examination and proposal of priority projects for the community by the residents themselves and formulation of PDC with the collective will of residents. This is followed by the formulation of a medium-term PDM with the participation of community leaders and resident groups and the implementation of public investment projects in accordance with this PDM. Previously, it was often the case that the mayor almost dogmatically planned public investment projects with some political considerations based on limited information, including petitions made by specific residents. Through the application of the FOCAL process, an orderly and appropriate public investment plan is now formulated based on the priority needs of each community with resident participation and also based on the medium-term prospect of the development of the entire municipality.

➤ Reduction of the project cost: 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. In addition, in the case of projects implemented by the central government, their cost was very high as materials and specialists were procured at the central level. In the case of the FOCAL process, as materials and human resources are procured locally, the project cost is lower. In the case of a Project Executed by Community (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.<sup>11</sup> As a result of the above, it is believed that the same level of funding has produced many more positive outcomes under the FOCAL process.

➤ Resident participation: 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 can ensure a high level of commitment on the part of residents to the operation and maintenance of these projects. In some communities, the levels of awareness of the available resources, self-help efforts and mutual help within the community were increased through the examination of “activities not requiring funding” and “activities to raise funds” through the Life Improvement Approach. As a result, collective work (for road cleaning, etc.) and business start-up (tourism, food processing, etc.) are observed.<sup>12</sup>

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<sup>11</sup> Infrastructure consolidation projects implemented by municipalities are classified into two types, i.e. PECs and PEMs. While both types involve resident participation in terms of simple labour and funding to bear part of the project cost, a PEC is a relatively small infrastructure consolidation project. In a PEC, the resident’s organization opens a bank account to directly manage the project funds to control procurement and project operation. However, PECs are not widely implemented because of the need for the municipal authority to provide training, supervision and support to prepare suitable organizational capacity on the part of residents.

<sup>12</sup> Interviews at the community level, however, found that there were not many villages where the conventional way of thinking of “what we need and what we want to be done” has been changed to “what resources do we have and what can we do ourselves” except in those communities where a short-term expert on the Life Improvement

Moreover, through the analysis of various themes for the formulation of PDC, wide-ranging issues which were not previously discussed in the community are now being examined.

The questionnaire survey with selected AMs and municipalities found that the most popular advantage of the FOCAL process was “the implementation of projects in accordance with residents’ needs and priorities” (see Table 2), followed by “secured transparency” and “facilitation of resident participation” in that order.

Table 2 Advantages of the FOCAL Process According to AMs and Municipalities  
(Ratio of AMs and municipalities responding in the affirmative)

Advantages of the FOCAL Process	AMs	Municipalities
• Implementation of projects in accordance with residents’ needs and priorities	87%	90%
• Secured transparency in planning and implementing projects	73%	59%
• Facilitation of resident participation	60%	54%
• Strengthening of the relationship of trust between the municipality and residents	27%	46%
• Facilitation of obtaining external funding by NGOs, donors, etc.	33%	29%
• Advancement of the empowerment of residents		
• Facilitation of obtaining central government grants	13%	15%
• Strengthening of the municipality’s own funding sources	0%	0%
• Others	0%	0%
	0%	0%

Source: Questionnaire survey as part of the ex-post evaluation (15 AMs and 41 municipalities responded)

Note: The respondents were given all choices and asked to select up to three.

### **Changes of Municipal Governance and Communities Due to Introduction of the FOCAL Process**

According to the MANCURISJ (an AM) located in the central western part of Honduras, there was nothing qualified as a municipal plan prior to the introduction of the FOCAL process and each mayor simply implemented his/her pledges made at the time of election. Those projects which did not match the political plan of the mayor were not implemented. As such, many projects were implemented in voting districts favorable to the mayor. It was also a common practice for a project to be replaced by another in response to strong petitioning by one village or another.

In the Municipality of Yamaranguila which belongs to the MANCURISJ, investment plans used to be formulated which incorporated projects proposed by the mayor or a member of the city council and approved by the council. According to municipal staff, however, as there were no clear criteria for project approval, the acceptance or non-acceptance of a project was largely determined in reflection of the political party or bargaining power of a village representative. Consequently, many projects of low relevancy were implemented. The introduction of the FOCAL process has brought discipline and a medium-term perspective to municipal development planning, resulting in the adoption of more appropriate projects

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Approach directly provided training.

based on the needs and collective will of the residents.

A PDM formed through the FOCAL process is valuable material to obtain the support from donors and NGOs. In the Municipality of Yamaranguila, with the initiative of the mayor, organizations conducting their activities in the municipality are considered as development partners and a technical forum has been established to coordinate their support right from the planning stage to improve the efficiency of investment. Looking back at the municipal development, the mayor says:

*“When I became mayor, I thought about selling my own ideas for municipal development to donors and NGOs to obtain their financial support so that many beneficial projects could be implemented. However, once a PDM was formulated, I realized that my ideas did not necessarily reflect the needs of the citizens. As we have the FOCAL process now, the concept of a mayor leading municipal development is no longer tenable. It has become crystal clear that residents play a central role in development. I fully understand that the role of a mayor is to facilitate the participation of citizens and to act as a traffic controller. Meanwhile, the attitude of residents has been changing from simply waiting for external assistance.”*

In the case of the village of Los Mangos in Yamaranguila, projects which tried to attract external assistance used to be limited to infrastructure projects and their implementation was dependent on their compatibility with the ruling party (party to which the mayor belongs) and bargaining power of the village leader. In the past, the mayor was not accountable for projects and blindly followed the guidance of a government ministry or donor. It often happened that one house wastefully had multiple toilets provided by different projects. Hardly any contribution to projects was made by the village as the villagers were completely passive.

In 2015, a PDC was prepared for Los Mangos under the Project. Having undergone training on the livelihood improvement approach provided by a short-term expert, the villagers united together to start looking at what they could do for themselves and the available village resources. The serving of traditional village dishes at a food festival and a municipal resident meeting convinced the villagers that their village had potential for rural tourism. The subsequent development of a restaurant and farmhouse accommodation led to visits by some 5,000 tourists to the village by the end of 2019. Meanwhile, the toilet construction project of a NGO initially had a budget to serve only 20 households on the grounds that external materials would be used. However, the proposal to use village resources (adobe bricks, stones, villagers as laborer, etc.) led to the installation of a toilet at all 48 households in the village using the same budget. Compared to the old toilets which are no longer properly functional and used for storage, etc., the new toilets are properly used with appropriate hygiene management under the guidance of the village leader and others. The village is currently working with central government organizations with a view to promoting a new agricultural project to materialize the projected image of the village in 30 years’ time presented in the PDC. Below are words of the village leader:

*“The PDC reflects not the needs of the mayor but our own needs. Although it is not easy for ordinary villagers to fully understand development theories, the practical implementation of our own methodology for livelihood improvement is not very difficult. Because we can do things ourselves, we no longer need to ask for help like beggars. Our village has rich resources, the existence of which we simply did not recognize before.”*

In the Municipality of El Porvenir which is located in the northern part of Honduras and which belongs to the MAMUCA (an AM), the draft PIMAs prepared by the mayor and municipal staff in charge in response to petitions made by some limited villages used to be approved by the council without any changes.

Those municipal staff currently in charge of the FOCAL process point out that some half of the projects in such plan may not have been relevant because of the limited availability of information which formed the basis of the PIMA.

According to those staff involved in the initial introduction of the FOCAL process, the mayor did not like a theoretical methodology and time-consuming process and was suspicious about the FOCAL process. However, the mayor understood the importance of the FOCAL process through training and was moved by the sight of municipal staff working closely together with residents to formulate a PDM. As residents who had hitherto been indifferent to municipal government began to listen with much expectation to the voice of the mayor, the mayor at long last started to actively support the FOCAL process. Today, the mayor visits villages and appeals the importance of the FOCAL process directly to residents. Because each public undertaking is given a priority ranking under the FOCAL process and also because the cost of each project is reduced due to the contribution of residents, the city has achieved remarkable progress in the fields of education, health care and infrastructure development among others, and is now examining the possibility of developing local tourism.

In the case of the village of Lopez Bonito of El Porvenir, the biggest problem for the residents had been an unpaved road running through the center of the village which was dusty when dry and muddy when wet. Residents asked the municipal office to improve the road using heavy machinery whenever the situation grew worse while believing that the central and municipal governments were responsible for solving the problem. Leading members of the village were shocked when they saw a video of a livelihood improvement project in Japan as part of the training on the FOCAL process in which Japanese people, particularly women, in post-war Japan were actively engaged in work to improve their livelihood. They realized that they can develop their village on their own if they unite together. In their PDC, while paving of the central road was one of the highest priority projects, the municipal budget would only cover a road section of 200 m which would not reach the village center from the village entrance. Through negotiations with the municipal government, it was agreed that the paving would cover 360 m, long enough to reach the central point, with the same budget as the residents would provide the labor and materials (stones). The entire labor was apportioned to individual households. Men transported the stones, cement, etc., young people were at the forefront of the heavy labor and women prepared food and drink. Even children participated in arranging the stones. The following year, as the residents' contribution increased, a further section of 650 m was paved with the same budget. The entire residents of the village are currently engaged in collaborative road cleaning several times a year. Careful attention is paid to road maintenance by introducing a speed bump and prohibiting transit of heavy machinery and the chopping of firewood on the road. Completion of the paving work has eliminated the problem of dust and mud and the resulting increase of shops and appraised value of land and houses along the road greatly satisfy the residents. The high level of unity among the residents has led to smooth collaboration between various village organizations for education, health care, water use, etc. with the village's residents' association at the top. Residents have learned how to obtain assistance through negotiations with the Church and NGOs. Meanwhile, as residents have also become aware of the budget size of the municipal government, the existence of priority projects for other villages and limitation of their dependence on the municipal government, they now concentrate their efforts on obtaining funding from other external bodies. The head of the residents' association says that her love for her village has strengthened on seeing the awakening and increased self-esteem of residents and she will ensure the solidarity of residents and work with the municipal government as well as many other supporting organizations.

### **3.2.2 Impact**

#### **3.2.2.1 Achievement of Overall Goal**

The overall goal of the Project was “to establish the system of implementation of the FOCAL process at the national level through the AMs and the municipalities within the framework of the National Vision and the National Plan”. In association with this overall goal, three indicators were set: (i) the institutionalization of the FOCAL process makes progress, (ii) an annual investment plan (PIMA) is formulated in accordance with the relevant PDM in at least 80 municipalities, and (iii) the improvement of these two indicators is verified in the second LB. The detailed examination of existing documents, interviews with AMs, municipalities and communities and a questionnaire survey found the impacts relating to these indicators as described below. Because of such impacts, it is judged that the overall goal had been achieved by the time of ex-post evaluation.

##### **(1) Institutionalization of the FOCAL process and its nationwide dissemination**

Encouraged by the Project, the SDHJGD promulgated “the Regulation for the Formulation of PDM Incorporating a Land Use Program” in September, 2013, making the formulation of PDM based on the FOCAL process a condition to receive a government grant. This ordinance was enforced in FY 2016 after a preparatory period. Following this ordinance, the SDHJGD checks PDM of each municipality, and approves the PDM if it was prepared following the FOCAL process, then proceeds with the procedure to provide a grant for only those municipalities where there is conformity between the PIMA and the approved PDM. As this government grant is an indispensable revenue source for municipalities, the implementation of the FOCAL process has essentially become an obligation for municipalities.

Interviews with the Chief Advisor for the Project (a long-term expert), officer in charge of the Project at the JICA Honduras Office and the SDHJGD, the early achievement of the institutionalization of the FOCAL process can be attributed to the following factors.

- Favorable outcomes of the introduction of the FOCAL process have been accumulated over time since the implementation of the previous technical cooperation and these outcomes have been presented at a series of national events.
- The CA and officer in charge of the Project at the JICA Honduras Office repeated their visits to the relevant government ministries and met such top officials as the Minister and Deputy Minister to appeal the need for the institutionalization of the FOCAL process.
- Information on the interests and trends of relevant government ministries was constantly gathered and the contents of the ordinance were carefully prepared to avoid any objection by other ministries, taking the interests of individual ministries into consideration.
- The FOCAL process was continually introduced at donor’s meetings relating to

decentralization and governance, advancing the understanding of the FOCAL process among other donors. LB, PDC and PDM based on the FOCAL process were used for project formulation by donors and NGOs and were welcomed. As donors play a significant role in the development of Honduras, their opinions influenced the government. The government itself welcomed the progressive use of external funds due to the adoption of the FOCAL process by donors.

➤ The AMHON which promotes local autonomy and has a strong influence on government affairs thoroughly supported the FOCAL process and worked on the government to institutionalize this process. A member of parliament who was once a mayor involved in the previous technical cooperation pushed the institutionalization of the FOCAL process.

Meanwhile, supported by the follow-up technical cooperation “Advisor for Strengthening of Local Governance Capacity” (June 2017 - June 2019), the SDHJGD further disseminated the FOCAL process through many more AMs. As a result, the SDHJGD had approved PDMs formulated by the FOCAL process by 247 municipalities by April 2020, out of 298 municipalities nationwide.

## (2) Implementation of public investment projects in line with PDM

In the target municipalities of the Project, public investment projects are implemented in line with PDMs. As these public investment projects based on the FOCAL process are highly compatible with the needs of residents and the project cost are compacted as described earlier, it is safe to assume that the public investment projects for the improvement of roads, educational and health care facilities, water supply and sewerage facilities, etc. are conducted in a more appropriate and efficient manner than before. However, the steady implementation of these projects by each municipality in accordance with its own PDM is the condition to achieve such improvement. The actual performance is determined by the level of commitment by the mayor to abide by the FOCAL process and the size of the resources to which the municipality has access.

## (3) Impacts of social infrastructure consolidation projects

As the planning of public investment projects to be conducted by a municipality has become more appropriate together with a lower project cost, the consolidation of basic services is believed to have been more appropriately and efficiently achieved through the improvement of roads, educational and health care facilities, water supply and sewerage facilities, etc. compared to the case where the FOCAL process is not applied. One example is the improvement of indicators related to basic services when the results of LB conducted more than once are compared in those municipalities where the FOCAL process has been implemented in two or more cycles. Moreover, in the questionnaire survey, 93% of AMs and 85% of municipalities replied that the introduction



of the FOCAL process had “strongly facilitated” socioeconomic development.

In the questionnaire survey with the selected AMs and municipalities, the respondents selected “the political will and opinion of the mayor” and “appropriate resident participation” as the most important conditions for the FOCAL process to succeed.<sup>13</sup> The factors influencing the FOCAL process and problems are summarized below, taking the results of interviews with AMs, municipalities and communities into consideration.

- Understanding and political will of the mayor: For the allocation of the necessary manpower and budget for the implementation of the FOCAL process 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 process and a personal commitment to the implementation of the FOCAL process. Some mayors appear not to have understood that the FOCAL process is a useful tool for development and are only interested in making the formats in place to receive a government grant.
- Resident participation: Resident participation is the most important element of the FOCAL process along with fact-finding through LB. For examination of PDCs, one condition to ensure their quality 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 replies to LB) are movements geared towards boycotting the activities of political parties other than one’s own party, considering the implementation of the FOCAL process to be a political activity, and general indifference to the FOCAL process in urban areas.
- Strength and capacity of staff members in charge: The presence of staff members with a good understanding of the FOCAL process is essential. In Honduras, as most staff members of municipality are replaced when the mayor is replaced<sup>14</sup>, and the length of their service is short except in some municipalities. As such, most newly appointed staff

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<sup>13</sup> As a condition for the success of FOCAL process application, 93% of AMs and 76% of municipalities selected “the political will and opinion of the mayor” while 80% of AMs and 78% of municipalities selected “appropriate resident participation”. (The respondents were given several options to choose from and were asked to choose up to a maximum of three.)

<sup>14</sup> 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 an AM 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 AMs should not be politicized and the operating section of AMs makes conscious efforts to eliminate political influence as much as possible.

members have no previous experience of the FOCAL process. The component of the FOCAL process with the highest work volume is LB, followed by the formulation of PDCs. As the strength of full-time staff members is insufficient, extra personnel are contracted on a short-term basis to implement the FOCAL process in many municipalities. Most full-time staff members involved in the FOCAL process have other work responsibilities as well. In contrast, many AMs have technical staff members with much experience of the FOCAL process and provide technical support for their member municipalities. Even though not many staff members are replaced because of an election result, some AMs do not have a sufficient number of staff members in charge of the FOCAL process compared to the number of member municipalities.

For the examination of PDCs, the crucial factor to determine the quality of a PDC 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. When examining PDM, it is essential to formulate a strategy by analyzing the problems and development potential of the municipality from a comprehensive, extensive 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 AMs can provide the necessary support.

➤ Issues with the planning method: The results of the questionnaire survey show that 73% of AMs and 46% of municipalities replied that some modifications would be desirable with the planning and operating methods of the FOCAL process. The major points for suggested modification are listed below (based on free answer).

- ◇ Simplification of the method (elimination of duplication and simplification of the process in table formats and procedures, etc.)
- ◇ Introduction of a sampling survey in LB (in urban areas, etc.)
- ◇ Assured flexibility in elaboration of a project list in PDM
- ◇ Introduction of a monitoring mechanism for the implementation situation and development impacts of a development plan

There has been a strong request for the simplification of the FOCAL process<sup>15</sup> as the

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<sup>15</sup> In contrast, some municipal technical staff members expressed the opinion that even though it took some time to understand the FOCAL process, it was not very difficult to apply once they became familiar with it. There are examples where the repeated application of the FOCAL process by the same mayor and staff members improved their understanding of the process and allowed them to efficiently complete the process in a short period of time.

procedures in certain aspects are complicated and time-consuming. To be more precise, examples of such complicated procedures are the implementation of LB as a complete count survey, evaluation of projects proposed for PDC based on specific evaluation criteria in each of 14 different fields, and a similarly complicated procedure to select priority projects for PDM.

It has often been pointed out that an increase of the population, number of communities or areas of a municipality leads to an increased LB cost. While the FOCAL process was originally designed under the previous technical cooperation for application to smaller municipalities, the nationwide dissemination of its application, even for larger municipalities, has resulted in such problems as a significant cost burden of the complete count survey and difficult to obtain the participation of residents, particularly in urban areas.

As far as confirmation made by the field survey is concerned, many municipalities and communities implementing the FOCAL process for the second time did not conduct a detailed comparison of the results of the first and second LBs, failing to sufficiently examine the development strategy based on the results of a comparative analysis. Some of those in charge of the FOCAL process at AMs and municipalities have voiced the opinion that there should be guidelines for a comparative analysis method for two LBs and also for the utilization of the comparative analysis results for planning.

The data from LB is directly input to a web system developed by the AMHON but it is necessary to secure access to the raw data of each municipality so that municipalities can use such data for their own purposes.<sup>16</sup> It is believed that the use of LB data by the central government and coordination between PDMs and central government plans can be facilitated by making the items and indicators used for LB comparable with the indicators used by the central government in each field.<sup>17</sup>

➤ Issues with project implementation: The projects listed in PDM are implemented through PIMA prepared each year by the municipal administration. The SDHJGD examines the contents of these PIMAs every year and does not provide a government grant to those municipalities of which the PIMA contents do not sufficiently conform to those of the PDM. However, after getting approval of the PIMA by the SDHJGD, each municipality may alter

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There are also examples where repeated experience of the FOCAL process on the part of residents strengthened their participation as well as discussions. It must be noted that the evaluation and priority ranking of proposed projects are conducted in line with multiple evaluation criteria but this process does not include the viewpoint of cost effectiveness. The addition of the viewpoint of cost effectiveness is believed to be useful for the more efficient investment by municipalities.

<sup>16</sup> At present, municipalities can only access aggregate data. At the time of the field survey, the AMHON was preparing modification of the system to enable access to raw data in coordination with the SDHJGD.

<sup>17</sup> The indicators for LB were set with the MDGs in mind under the previous technical cooperation and with SDGs in mind under the Project. The background for this was the need to urge the use of the results by LBs conducted by donors in Honduras where donors play an important role in the country's development. On the other hand, the central government has set different indicators for each sector. At the time of the field survey, efforts were in progress in the education field to make LB indicators and those of the Ministry of Education compatible.

the contents of the PIMA as many times as it wants with a resolution passed by the municipal assembly. Because of this, the level of conformity may significantly decline in the end in such a case where the mayor does not respect the PDM.<sup>18</sup> Moreover, the conformity level also declines in the case where it is necessary to deal with needs not clearly recognized at the time of formulating the PDM or newly emerging needs, and in the case where a municipal contribution is required for a project of the central government or donor. One important issue here is to maintain conformity between PDM and PIMA while ensuring a certain level of flexibility.

The results of the field survey indicate that the delayed disbursement of a government grant because of the time-consuming procedure in some municipalities is a constraint for the implementation of projects as planned. The transfer of revenue sources to municipalities has been slow and the resulting financial constraint is the biggest obstacle to the implementation of a PDM.<sup>19</sup> In regard to a government grant, the proportion of its use for individual fields is instructed to be uniform for all municipalities. Such an arrangement may be useful to a certain extent to prevent the misuse of the grant in municipalities with poor planning capacity. However, as the actual spending needs essentially vary from one municipality to another, this arrangement is an obstacle to the rational use of the grant in municipalities with adequate planning capacity.

### 3.2.2.2 Other Impacts

Other impacts of the FOCAL process can be pointed out as described below based on the results of the interviews with AMs, municipalities and residents during the field survey and those of the questionnaire survey with AMs and municipalities.

- 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 process 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. It has been pointed out that 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

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<sup>18</sup> There have been cases where a new mayor has ignored the PDM formulated by the previous mayor to realize his/her own election promises or a mayor has accepted a petition made by some residents to alter the contents of the PDM.

<sup>19</sup> There is a policy to set aside 11% of the national budget for this grant for local municipalities but the real percentage is approximately half of this level.

results of the LB), have led to an improved tax payment rate, boosting the strengthening of the municipality's financial base.<sup>20</sup>

- Capacity development of municipalities: It is believed that understanding of the significance of “resident participation”, “transparency of decision-making” and “planning” in municipal administration has improved on the part of the majority of municipal employees due to their experience of the FOCAL process. Because of this, “a culture of planning” which is said to have previously been absent, is believed to have been progressively established. Information from LB can be used not only for the preparation of PDC or PDM but also for various municipal services.
  
- 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 obtained external funding for the implementation of their PDM.
  
- Capacity development of communities: In some communities, residents who have correctly recognized the purpose of PDC through their participation in the implementation of the FOCAL process 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 such monitoring. 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 the 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.

Based on the above, the Project achieved its purpose of “the FOCAL process is applied in the selected municipalities through the collaboration of the AMs, in order that the use of local funds and human resources is optimized and people can participate in local development”. Furthermore, regarding the overall goal, the implementation system of the FOCAL process was established nationwide and the expected impacts have been realized. The Project caused neither direct impacts on the environment nor the resettlement of residents. Therefore, the effectiveness and impact of the Project are high.

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<sup>20</sup> 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.

### 3.3 Efficiency (Rating: ②)

#### 3.3.1 Inputs

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

Inputs	Planned	Actual (at project completion)
Dispatch of Experts	<ul style="list-style-type: none"> <li>• Long-term: 3 (chief advisor / local administration, work coordination / strengthening of inter-municipality cooperation, training plan / strengthening of monitoring)</li> <li>• Short-term: 1 - 2/year (capacity evaluation, livelihood improvement, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term: 3 (110 M/M) (chief advisor / local administration, work coordination / strengthening of inter-municipality cooperation)</li> <li>• Short-term: 4 (33 M/M) 17 times (capacity development / evaluation, livelihood improvement / village development, planning of local development / projects and facilitation of plan implementation)</li> </ul>
(2) Trainees received	<ul style="list-style-type: none"> <li>• Training in Japan: once/year (local administration)</li> <li>• Third country training (participatory development)</li> </ul>	<ul style="list-style-type: none"> <li>• Training in Japan: total of 10 times with a total of 26 participants (on strengthening of local administration, livelihood improvement approach, etc. 25 also participated in supplementary training overseas)</li> <li>• Third country training: 1 (PCM training)</li> </ul>
(3) Equipment	Equipment required for technology transfer	Vehicle, PC, office equipment, etc. (equivalent to 12 million JPY)
(4) Others (Operational expenses, etc.)	Cost unknown (training cost and consultant fee, etc. in Honduras)	105 million JPY
Total project cost (Japanese side)	330 million JPY in total	379 million JPY in total
Operational expenses (Honduras side)	Cost unknown (training cost, project office cost, etc.)	Cost unknown <ul style="list-style-type: none"> <li>• SDHJGD: wages, travel allowance for counterpart personnel, vehicle maintenance cost, etc.</li> <li>• AMs and municipalities: wages, travel allowance/cost, training cost, survey cost, etc.</li> </ul>

#### 3.3.1.1 Elements of Inputs

The Chief Advisor and principal local consultant had been already involved in the formulation and dissemination of the FOCAL process under the previous technical cooperation and, therefore, they had detailed knowledge and rich experience of the themes dealt with by the Project. It is believed that the full utilization of their experience with the previous technical cooperation led to the efficient implementation of the Project.

For a period of one year from the termination of the previous technical cooperation to the commencement of the Project, the JICA Honduras Office conducted training as part of the weekly meeting with the likely counterparts of the SDHJGD as a preparatory step for the Project. It is believed that this practice led to the swift start-up and efficient implementation of the Project.<sup>21</sup>

<sup>21</sup> The JICA Honduras Office also played an important role in facilitating cooperation between the Project and other sector-specific organizations as well as other projects by means of conducting various activities, including participation in donor meetings with the Chief Advisor to assist the dissemination of the progress and outcomes of

Under the Ministry of Interior and Population (*Secretaria del Interior y Población: SEIP*), the predecessor of the SDHJGD, nine counterparts were assigned as full-time staff members for the Project. After its reorganization into the SDHJGD, five staff members, including the project manager (the post held concurrently by the Director of Local Planning and Governance), were assigned as full-time counterparts for the Project. At the time of the change of the central government in 2014, the activities of the SDHJGD temporarily stagnated, causing the suspension and restart of the FOCAL process in some of the selected municipalities, in turn reducing the efficiency of the activities related to the FOCAL process.

### **3.3.1.2 Project Cost**

The planned funding amount by the Japanese side for the Project was 330 million JPY but the actual spending of 379 million JPY exceeded the planned amount by 49 million JPY (115% of that planned). One major factor for this increase was the higher spending for the operational expenses of some 24 million JPY than that planned because of the unexpected rental fee for a vehicle due to flood damages of the vehicles, cost of additional activities conducted to enhance the sustainability of the FOCAL process before and after the year of general election and other reasons.<sup>22</sup>

### **3.3.1.3 Period of Cooperation**

The Project was planned to complete in 62 months from October 2011 to November 2016 and the actual period of cooperation was as planned.

In summary, although the project period was within the plan, the project cost exceeded the plan. Therefore, efficiency of the project is fair.

## **3.4 Sustainability (Rating: ③)**

As described earlier, the overall goal of the Project was the establishment of a system to implement the FOCAL process at the national level and this goal was 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**

Honduras formulated a decentralization policy in 2012, clearly establishing the direction for decentralization in that this process of decentralization should be facilitated with emphasis on

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the Project to other donors.

<sup>22</sup> Based on the termination evaluation of the Project. Because the breakdown of the planned budget was not clearly given, it was impossible to make more detailed analysis.

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. However, it is taking long time to determine how to change the status of national public servants to local public servants under the Decentralization Act based on the decentralization policy, and this Act has not yet been approved by the President as of the time of ex-post evaluation. Neither has the transfer of financial sources to municipalities progressed much (see Footnote 19). Nevertheless, the actual situation is that these delays do not hinder the implementation of the FOCAL process itself and the sustainability of the Project in terms of the policy and institutional commitment is judged to be high.

### **3.4.2 Institutional/Organizational Aspects for the Sustainability of Project Effects**

During the implementation period of the Project, the “Regulations for the formulation of a PDM incorporating a land use program” was promulgated, making the formulation of PDM based on the FOCAL process a condition to receive a central government grant (see 3.2.2.1 Achievement of Overall Goal). This ordinance was enforced in FY 2016 and the FOCAL process is being implemented throughout the country.

Meanwhile, the Ministry of General Coordination (*Secretaría de Coordinación General de Gobierno*; SCGG) has been introducing the Municipal Strategic Plan with Performance Evaluation (*Plan Estratégico Institucional con Gestión per Resultados*) targeting large municipalities based on a government ordinance enforced in 2018. This Strategic Plan is designed to plan and evaluate the activities of municipal governments and its purpose differs from that of the FOCAL process which leads to the planning of municipal development proper. However, this Strategic Plan coexisted with the FOCAL process in some of the selected municipalities, causing confusion on the part of municipalities for a short while. Since 2019, the SDHJGD and SCGG have been examining a framework to integrate and implement these two processes together.<sup>23</sup>

The section of the SDHJGD in charge of the FOCAL process is the Municipality Planning Unit (*Unidad de Planificación Municipal*) controlled by the Deputy Minister for Governance and Decentralization and this unit consists of the head and four technical staff members. The unit is currently preparing to add one extra staff member in view of the increasing work volume to supervise and assist the implementation and renewal of PDMs by municipalities. The field survey and questionnaire survey for the ex-post evaluation found a strong request on the part of municipalities for considerable support from the Unit, including more frequent on-site visits. To ensure the sustainability of the project effects, it is hoped that the Unit secures an adequate staff strength through the recruitment of additional personnel while maintaining the current well-

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<sup>23</sup> A new government ordinance is expected to be issued some time in 2020 and is expected to preserve such important elements of the FOCAL process as resident participation, LB, PDC and PDM.



experienced staff members in charge.

In general, full-time staff members of various units of the administration department of AMs provide technical assistance for their member municipalities. Although not many staff members of AMs are changed after an election (see Footnote 14), the number of the staff members in charge of the FOCAL process at some AMs cannot be said to be sufficient to serve a number of their member municipalities. A municipality has various sections, such as technical (infrastructure consolidation), community development, women, the environment, economic development, land register, planning sections, and the FOCAL process is usually implemented with the collaboration of multiple sections. In some municipalities, sections such as “municipal planning (*Planificación Municipal*)” and “FOCAL” are established as dedicated sections for the FOCAL process but the number of such municipalities is small. Meanwhile, the Technical Secretariat for Municipal Administrative Career (*Secretaría Técnica de la Carrera Administrativa Municipal: SETCAM*) in charge of the dissemination and promotion of the local public servant system facilitates the long service and uninterrupted employment of human resources by means of certifying those with rich experience and competence regarding municipal administrative work for their preferential treatment at the time of selection. As this system has just been introduced in some municipalities, it is still too soon to measure its effect.

Based on the above, there are no major problems concerning the technical aspect for the sustainability of the project effects. However, the necessity to enhance the staff strength of the Municipality Planning Unit of the SDHJGD can be pointed out.

### **3.4.3 Technical Aspects for the Sustainability of Project Effects**

Of the head and four staff members of the Municipality Planning Unit of the SDHJGD, the head and three technical staff members were counterparts for the Project and the remaining technical staff member was the counterpart for the succeeding technical cooperation. As the Unit is continuously providing guidance and training on the FOCAL process for municipalities since the termination of the succeeding technical cooperation, the Unit is believed to have maintained a high level of technical capacity.

The target municipalities of the Project have been implementing projects based on their own PDMs up to the time of ex-post evaluation with the help of AMs while revising the PDM as required. Although some municipalities have seen staff members with FOCAL process-related capacity leave their positions, most AMs have maintained their capacity to provide technical assistance for municipalities as far as the field survey for ex-post evaluation revealed. In those municipalities where the mayor was replaced after an election, new technical staff were employed in most cases and these municipalities are implementing the FOCAL process with the technical assistance of their respective AMs. The SETCAM has programs to train professional staff specializing in internal control, procurement, contracts, environmental law, municipal planning,

etc. to strengthen the capacity of municipalities and proceeds with such human resources development, making the best use of distance education.<sup>24</sup>

As described above, the capacity of the target AMs and municipalities regarding the FOCAL process is believed to have been generally maintained, posing no major problems in relation to the sustainability of the technical aspect of the Project, while it can be pointed out that it is necessary to secure an adequate support system (deployment of necessary personnel) on the part of the SDHJGD and AMs to maintain the technical capacity of municipalities of which the staff members are frequently replaced. As described before, in order to improve the quality of planning, it is also important to ensure that municipalities secure the service of people with the required professional knowledge and skills, and that AMs can provide such support when necessary.

#### **3.4.4 Financial Aspects for the Sustainability of Project Effects**

The Municipality Planning Unit of the SDHJGD handles the central government grant for municipalities and its staff members spend almost half of their working hours on guidance and training for AMs and municipalities. Because of the limited budget for the field activities of this Unit, it sometimes requests AMs and municipalities to pay for the travel costs of its staff members or invites target persons to Tegucigalpa, the capital of Honduras, for training. According to the Unit, there has been little financial leeway to meet the travel cost of its staff members' visits to local areas since the termination of the succeeding technical cooperation which was providing financial support to cover the operation cost in Honduras.

The revenue sources for AMs are primarily contributions by member municipalities and the budgets for projects to be implemented by AMs (funded by donors, NGOs, etc.). However, the actual financial situation varies from one AM to another. Although no serious financial constraints were expressed during interviews and questionnaire survey with AMs, it was observed that the full-time manpower level of staff members handling the FOCAL process was insufficient at some AMs due to financial constraints.

The principal revenue sources of municipalities are the fixed property tax collected by individual municipalities and a government grant. Small municipalities rely on the central government grant. Institutionalization of the FOCAL process has made the implementation of the process a condition to receive the central government grant. As described in "3.2.2 Impact", the Project may have contributed to the increased collection of the fixed property tax by the target municipalities. As such, the implementation of the FOCAL process is closely related to the strengthening of the financial base of the target municipalities. The interviews and questionnaire

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<sup>24</sup> Human resources development efforts related to the FOCAL process were suspended after the termination of the succeeding technical cooperation, partly because of the suspension of trainer dispatch by the SDHJGD, in turn due to a shortage of suitable personnel, and partly because of budgetary constraints experienced by the SETCAM. Because of this, 42 trainees have been unable to complete their training. In addition, more than 400 people are waiting for training.

survey with municipalities found that the revenue was insufficient to cover the necessary investment amount to implement the PDM formulated by the FOCAL process. For this reason, each municipality is forced to formulate its PIMA under budget constraints and it is continually searching for external funding sources, such as donors, NGOs, etc. A survey and the work to formulate a plan using the FOCAL process require a certain amount of expenditure. It is believed that the actual amount is not large enough to oppress a municipality's financial capacity as the FOCAL process has been implemented when the mayor has a strong will to do so.

Based on the above, there are no major problems concerning the financial aspect of the sustainability of the project effects. However, it can be pointed out that it is necessary to enhance the budget to secure the capacity of the SDHJGD and AMs to support municipalities as well as the budget for the implementation of PDMs.

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

## **4 Conclusion, Lessons Learned and Recommendations**

### **4.1 Conclusion**

The Project was implemented for the purpose of “the FOCAL process is applied in the selected municipalities through the collaboration of the AMs, in order that the use of local funds and human resources is optimized and people can participate in local development”. The overall goal was “to establish the system of implementation of the FOCAL process at the national level through the AMs and the municipalities within the framework of the National Vision and the National Plan”. At the time of both the planning and termination of the Project, in view of the national policy/plan and development needs of Honduras, it was very important to develop the capacity of local governments which were the recipients of decentralization as well as a method capable of planning and implementing municipal public investment projects in an appropriate manner. The Project was highly relevant to Japan's ODA policy at the time of its planning. Therefore, the relevance of the Project is high. Through the Project, the FOCAL process was applied with resident participation, achieving optimization of municipal plans and reduction of the project cost, among others. As such, the purpose of the Project was achieved. Moreover, a scheme for implementing the FOCAL process was established nationwide and institutionalized, achieving the overall goal of the Project. Therefore, the effectiveness and impact of the Project are high. However, as almost 15 years have passed since the first introduction of the FOCAL process, a comprehensive review of its methodology and operation is recommended. Although the project period was within the plan, the project cost exceeded the plan. Therefore, the efficiency of the Project is fair. In regard to the sustainability of the project effects, although the need to

consolidate the manpower strength to operate the FOCAL process can be pointed out, no major problems have been observed concerning the policy background and 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 highly satisfactory.

## **4.2 Recommendations**

### **4.2.1 Recommendations to Implementation Agency (SDHJGD)**

#### **(1) Review of the methodology and operation of the FOCAL process**

The FOCAL process was originally formulated for its application to smaller member municipalities of the CIH under the previous technical cooperation starting in 2006 for the purpose of conducting social infrastructure consolidation projects by central government organizations in an appropriate manner. Since 2010, efforts have been made to disseminate the FOCAL process nationwide through the Project targeting the SDHJGD and succeeding technical cooperation and the FOCAL process has been institutionalized as a condition for municipalities to receive the central government grant. On the other hand, efforts are being made to combine the FOCAL process with the Municipal Strategic Plan promoted by the SCGG at the time of ex-post evaluation. The FOCAL process has, therefore, undergone major changes in terms of its context of application in its 15-year history. During this period, many AMs and municipalities are believed to have accumulated various experiences. Therefore, it is high time to undertake a complete review of the methodology and operation of the FOCAL process. It is advised that the SDHJGD, by organizing workshops or other meetings inviting those in charge of the FOCAL process at AMs and municipalities throughout the country, consolidate various experiences and opinions from the field and review the methodology and system of the FOCAL process primarily based on the following viewpoints.

- Synchronization of planning cycle and cycle of municipal administration: The municipal administration has a cycle of four years in tune with the mayoral election. The feasibility of matching between this cycle and the planning cycle using the FOCAL process should be examined. Even though, as it is undesirable to examine a municipal development strategy from a short-term viewpoint, a municipal development strategy may well be planned with a target period of 8 - 10 years in mind while the target period of PIMA is restricted to four years.<sup>25</sup> In this way, it is hoped that each municipal government will steadily implement its own PDM based on its own commitment. As the application of the FOCAL process to municipal planning every four years becomes routine, it can be expected that the culture of

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<sup>25</sup> In this case, it is suggested that the first year of the current municipal administration be used for planning with the PIMA to be implemented in the following four years (remaining three years of the current municipal administration in the office and first year of the next administration).

planning, periodic monitoring of changes of the socioeconomic conditions, and mastering and increased efficiency of the planning work due to repetition will smoothly progress. Meanwhile, simplification of the methodology of the FOCAL process poses a challenge to change the current situation where much manpower and cost are required for surveying and planning work. In the case where planning work is conducted throughout the country every four years, it is necessary to have a system in place to enable the SDHJGD and AMs to adequately assist municipalities.

- Guidelines for plan renewal: The compilation of guidelines to analyze changes of the socioeconomic conditions and needs by comparing the results of multiple LBs and accurately reflect the analysis results into new plans. It is also necessary to determine where to describe the results of such analysis in PDC or PDM. Furthermore, a method to conduct LB at the time of plan renewal (scope of indicators to be renewed, utilization of past survey results, etc.) should be examined.
  
- Simplification and improved efficiency: The elimination of duplication on survey formats and the simplification/integration of the work format should be examined along with simplification of the work of which the necessity is not strong. Based on the experience so far of each municipality, inventive ideas and know-how to efficiently conduct surveys/work should be shared.
  
- Secured quality of the plan: The quality of a plan formulated using the FOCAL process is believed to be determined by the quality of the resident participation and composition of the team of municipal staff in charge.<sup>26</sup> It is desirable that the SDHJGD issues clear guidelines in this respect and that information to help the SDHJGD verify such quality when evaluating and approving the PDM is included in the PDM document.
  
- Review of indicators: It is believed to be useful to communalize the indicators related to the FOCAL process to those used by national organizations in individual fields from the viewpoint of analyzing the degree of contribution by the FOCAL process to national targets and also of facilitating the coordination of planning with national programs.
  
- Cost effectiveness: Adding of the viewpoint of cost effectiveness to the process of

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<sup>26</sup> What are required to be checked regarding resident participation are (i) the participation of officials of the residents' association, representatives of communal organizations and representatives of educational and health care sectors, (ii) the balanced participation of political party representatives and (iii) a reasonable ratio (not too small) of participating residents against the total number of residents. It is desirable for the municipal team to include technical staff members with experience and knowledge of the social, economic and technical aspects of PDM.

examining the priority ranking of projects should be considered.

(2) Consolidation of human resources to operate the FOCAL process

The Municipality Planning Unit of the SDHJGD is required to maintain the current well-experienced staff and also to improve its manpower level so that it can adequately supervise and support the operation of the FOCAL process (surveys, planning and project implementation) by AMs and municipalities. This Unit should make efforts to help the establishment of a dedicated section to the FOCAL process (Municipal Planning Section) in all municipalities. The Unit should also endeavor to develop human resources at the municipality level by means of dispatching staff members as lecturers to the remote education program of the SETCAM to develop specialist personnel and/or recommending those staff members of AMs or municipalities who are well-experienced with the FOCAL process as lecturers.

(3) Others

It is necessary for the SDHJGD to make the following efforts with a view to further enhancing the positive impacts of the FOCAL process.

- The SDHJGD should enhance the training targeting mayors (current and candidate) and municipal assembly members in collaboration with the AMHON, AMs for the purpose of firmly establishing a culture of planning in the municipal administration and facilitating adequate resident participation, and should also examine public relations activities targeting residents.
- In view of the fact that both the Life Improvement Approach and the Project Executed by Community (PEC) can significantly benefit from the advantages of the FOCAL process, the SDHJGD should provide sufficient training, including the sharing of good practices, for AMs and municipalities with a view to widely disseminating them.
- The SDHJGD should analyze the causes of the delayed disbursement of the central government grant to municipalities and implement adequate measures so that the public investment projects planned in PDM are steadily implemented. The SDHJGD should also examine the flexible handling of the item-wise budgetary proportion of the central government grant reflecting the improvement of the planning capacity of municipalities.

#### **4.2.2 Recommendations to JICA**

JICA should monitor the implementation situation of the above recommendations made to the SDHJGD and urge the SDHJGD to actually implement them. JICA should bear these recommendations in mind in its future technical cooperation for the FOCAL process.

### **4.3 Lessons Learned**

#### Continuation of technical cooperation for creation and dissemination of a model

The previous technical cooperation developed a model for the FOCAL process which was then disseminated nationwide under the Project and succeeding technical cooperation. The following factors can be pointed out for this.

- Because the planning method required by the local administration was developed (conformity with the needs) in the previous technical cooperation and achieved a visible outcome in some areas (demonstration of its usefulness), interest in the FOCAL process increased on the part of the central government, AMs and municipalities throughout the country.
- There was long-term technical continuity as the Chief Advisor and principal local consultant were involved in the process throughout the previous technical cooperation and the Project for nearly 10 years.
- The continuous appealing by the JICA Honduras Office of the usefulness of the FOCAL process to the Government of Honduras and other donors pushed forward the institutionalization of the FOCAL process.

Based on the experience described above, what appear to be important in a technical cooperation project which aims at creating and disseminating a model are (i) demonstration of the usefulness of the model conforming to the actual needs and wide sharing of its outcomes to develop momentum for its dissemination, (ii) maintaining the continuity of the technical aspect even in the case of long-term assistance, and (iii) systematic and continual working on decision-makers and those with influence regarding policies when the institutionalization of a model is aimed at.

#### Roles of the JICA overseas office in the preparatory period for technical cooperation

For a period of one year from the termination of the previous technical cooperation to the commencement of the Project together with the SDHJGD which was the new implementing agency for the Project, the person in charge of the FOCAL process at the JICA Honduras Office had repeated meetings with his counterparts at the SDHJGD as preparatory work to equip these counterparts with sufficient knowledge and experience of the FOCAL process. This is believed to have led to the swift and efficient implementation of the Project.

The lesson here is that when a period of interruption occurs with continuous technical cooperation projects, especially when a new implementing agency and/or new counterpart personnel are planned, it is desirable to consider it as a preparatory period for the sharing of as much information as possible with the prospective counterparts in order to enhance their motivation prior to the commencement of the actual technical cooperation.