

CLASSIFICATION  
**PROJECT EVALUATION SUMMARY (PES) - PART I**

Report Symbol U-447

1. PROJECT TITLE  Rural Leadership Training  Center Phase II ( OPG)  <i>03-30-85 - OPG</i>	2. PROJECT NUMBER  522-0147	3. MISSION/AID/W OFFICE  USAID/H
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 522-82-1  <input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING A. Total \$ 111,508 B. U.S. \$ 85,130	7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY <u>79</u>	B. Final Obligation Expected FY <u>81</u>	C. Final Input Delivery FY <u>81</u>		From (month/yr.) <u>8/80</u>	To (month/yr.) <u>8/81</u>

**B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR**

A. List decisions and/or unresolved issues; cite those items needing further study (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PID, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
<p>No Actions necessary. This is the final evaluation</p> <p>The Mission will undertake an impact evaluation 18 months after the end of the Project to assess the effects of the nonformal education provided at the Center and to measure the success of Hermandad, Inc. in continuing Project activities without OPG financing.</p>	Education Officer	12/82

<p>9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS</p> <p><input type="checkbox"/> Project Paper    <input type="checkbox"/> Implementation Plan e.g., CPI Network    <input type="checkbox"/> Other (Specify) _____</p> <p><input type="checkbox"/> Financial Plan    <input type="checkbox"/> PIO/T    <u>N/A</u></p> <p><input type="checkbox"/> Logical Framework    <input type="checkbox"/> PIO/C    <input type="checkbox"/> Other (Specify) _____</p> <p><input type="checkbox"/> Project Agreement    <input type="checkbox"/> PIC/P    _____</p>	<p>10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT</p> <p>A. <input type="checkbox"/> Continue Project Without Change</p> <p>B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan</p> <p>C. <input type="checkbox"/> Discontinue Project</p>
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<p>11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)</p> <p>Ambrosio Ortega, AID Project Officer          Cristobal Rodriguez, Ministry of Education          Madre Maria del Pilar Manceñido, Executive Director of Hermandad de Honduras          Luis Alberto Espinoza Director of Hermandad Training Center</p>	<p>12. Mission/AID/W Office Director Approval</p> <p>Signature: <i>John R. Oleson</i>          Typed Name: John E. Oleson          Date: <u>November 14, 1981</u></p>
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PROJECT EVALUATION SUMMARY  
Project 522-0147

13. SUMMARY

This OPG provided assistance to Hermandad, Inc., a US-based PVO, to establish a non-formal training program in San Marcos de Ocotepeque. At the end of the project period, construction of the Hermandad Training Center is complete and, except for two courses, most training targets were surpassed. The Board of Directors of Hermandad, the administrative staff of the Center, and the community have all worked closely to complete the construction and training activities. The Center has achieved its objective of cooperation with governmental and private training programs operating in the area. Hermandad has received excellent cooperation from several GOH institutions and private groups, including the Ministry of Natural Resources; the three local cooperatives--Coffee, Savings and Loan, and Food Processor; the Worker's Society; the municipality; the Regional Development Board and the Comite Evangelico de Emergencia Nacional (CEDEN).

14. EVALUATION METHODOLOGY

The final evaluation was done jointly by Hermandad de Honduras and USAID/H to determine if the Grantee had met its stated objectives. The evaluation methodology was to obtain information from Center files, from interviews with the Center staff, and from visits to field community development projects promoted by the Center. Preliminary conclusions were discussed with Hermandad staff and the final report was then drafted by the USAID evaluator.

The Executive Director, Madre Maria del Pilar Mancenido, and Dr. Luis Alberto Espinoza, the Training Center director, organized all the Project documentation for review by the USAID evaluator, Dr. Ambrosio Ortega. Two Ministry of Natural Resources agronomists participated in the field evaluation visits. The Board of Directors met with the evaluation team to discuss aspects of the evaluation.

One principal source of data for measuring achievement of project objectives and activities was attendance records, lesson plans, participant evaluations and other documents in the Center files. These were supplemented with information obtained in interviews with Center staff on training activities and instructional methodologies. Recurring implementation problems that surfaced during the discussions were analyzed and solutions were suggested for these.

The USAID evaluator conducted field visits to three projects of the Center. The Training Center director and an agronomist from the Ministry of Natural Resources accompanied the evaluator to Cololaca, a very remote village along the Honduras-El Salvador border where Hermandad has been

## Attachment 2

Table 1  
Output Indicators and Achievements

<u>Indicator</u>	<u>Target</u>	Reported 1980 <u>Evaluation</u>	Reported 1981 <u>Evaluation</u>
1. Rural Leadership Training Center constructed and equipped for training program	x	97%	100%
2. Number of persons trained in:			
a. Literacy Methods	25	25	0 <u>1/</u>
b. Home Economics	25	18	23
c. Cooperation, labor relations	175	139	315
d. Preventive Medicine	30	0	0 <u>2/</u>
e. Home health care and natural medicines	30	0	0
f. Child care	30	25	0
g. Pisciculture	15	10	0
h. Appropriate technology	76	102	51
i. Home hygiene and care	80	0	0
j. Human relations	100	162	153 <u>3/</u>
k. Sewing and tailoring	20	48	102
e. Special health (first aid, nutrition)	40	38	0
m. Life experience seminar	50	27	0 <u>3/</u>
n. Family psychology and pedagogy	40	24	180 <u>4/</u>
o. Women's leadership training	75	32	407
p. Scout and youth courses	200	51	170
q. Bottling and preserving	20	0	42
	<u>1,031</u>	<u>701</u>	<u>1,443</u>
3. Contributions from Other Sources	2	3	5

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- 1) GOH started national literacy campaign and Hermandad did not give any courses in this area.
- 2/ Course was developed but has not been given.
- 3/ This course is the same as "life experience seminar", letter m.
- 4/ This course is listed as non-formal education and includes the training of 180 teachers in the philosophy of education, training of empirical teachers, and evaluation.

XD APP-12

ISN 1247

CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE  National Cadaster Program	2. PROJECT NUMBER  522-0124 <sup>0111</sup>	3. MISSION/AID/W OFFICE  USAID/Honduras
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <u>522-82-2</u>	
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY <u>74</u>	B. Final Obligation Expected FY <u>75</u>	C. Final Input Delivery FY <u>80</u>	A. Total	\$ <u>9,000,000</u>	From (month/yr.)	<u>1/75</u>
			B. U.S.	\$ <u>6,000,000</u>	To (month/yr.)	<u>9/80</u>
					Date of Evaluation Review	<u>9/81</u>

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., telegram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION.	C. DATE ACTION TO BE COMPLETED
1. Established national property tax billing system as a capability within the National Cadaster Program rather than in the MOF, thus enabling the PCN to provide data processing services directly to municipalities.	Marc Scott OFT	12/82
2. Prior to financing any cadaster-related activity in the proposed Small Farmer Titling and Services project, complete a definitive analysis of the Property Registry system to establish the precise nature of the problems that impeded use of the cadaster data for Property Registry activities.	Eric Zallman PCR	04/82
3. In lieu of purchasing further ADP equipment for the Cadaster Program under the Natural Resources Management Project, study the feasibility of transferring the ADP system procured for the Urban Assessment at the end of the Assessment period (2/82) to Cadaster data processing office.	Marc Scott, OFT JCKelley, HRD	02/82
4. For activities related to the natural resource inventory component of the Natural Resources Management Project, insist on close coordination of analytical efforts with the Agricultural Sector Planning Office, to avoid unnecessary duplication of effort.	Marc Scott OET	03/82

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<u>N/A</u>
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A.  Continue Project Without Change

B.  Change Project Design and/or N/A

Change Implementation Plan

C.  Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Peter Deinken, Project Officer  
 John C. Kelley, Mission Evaluation Officer  
 Julio C. Zeneda, Cadaster Project Director (to 12/80)  
 Eric Zallman, Deputy Office Director, PCR  
 Marc Scott, Office Director, OET

12. Mission/AID/W Office Director Approval

Signature John P. Oleson

Typed Name John P. Oleson

Date November 6, 1981

### 13. SUMMARY

The National Cadaster Project, which ended in June 1980, achieved the outputs contained in its design but did not achieve the three principal end of project statuses intended. The principal reason for the failure to achieve these purpose level indicators is the non-existence or non-functionality of institutional mechanisms required to translate cadaster data into either a property registry system or improved municipal tax administration. Through the National Cadaster Program which was established by the GOH to implement the Project, the best available cadaster technology was put together with good technical assistance and an excellent national staff to produce the desired output: i.e. a cadaster covering 30,000 square kilometers, thus covering the target area in the Revised Project Implementation Plan.

The project design in the CAP calls for establishment of three principal end of project indicators: a reorganized property registry system designed to establish clear titles based on cadastral data, in order to stabilize land ownership and to establish the technical base for the agrarian reform program; a uniform and equitable property tax collection system to increase local government revenues; and an agricultural resources inventory to provide data for national planning and implementation of agricultural development programs. Achievement of these three outputs, in conjunction with activities financed under the Municipal Development Program (522-U-022) and the Agriculture Sector I Program (522-T-025), was intended to contribute to achievement of the purposes of stabilizing land ownership, strengthening the capacity of rural municipalities to meet the needs of their inhabitants, and permitting the Agriculture Sector Planning Office to properly plan and implement agricultural development programs.

By the end of the Project period, none of the above purposes had been achieved by the National Cadaster Program. All of the necessary data for achievement of the purposes had been obtained, classified, and analyzed. However, because of a lag in implementation of the Cadaster, these data were not available until both the above companion programs were ended. In essence, the Project produced all the intermediate technical outputs required. That these data were not utilized as intended is an indication of the failure of the public administration system, both local and national, to adequately plan and manage an activity of this nature. This failure can be explained, for the first two purposes, by a reasonable hypothesis: i.e. that the GOH lacked the political will required to modify such fundamental processes as property registration and tax administration. While conclusive evidence is not available, this explanation is reasonable in light of the fact that all the necessary legislation is in place, as well as all the required technical data. This legislation has not been translated into procedures which detail the method by which the Property Registry System and the Tax Administration System will operate. The judicial system, primarily the Supreme Court, has responsibility for Property Registry but it never acted to implement the legislation which was passed as a CP to the Project. The Tax Administration System at the municipal level, which was to have been administered by the Ministry of Finance, was probably never implemented because of a lack of

interest on the part of the MOF. The failure to achieve the third purpose is symptomatic of a general weakness in Honduran public administration: i.e. the lack of effective coordination between GOH entities. During the life of the Project, the principal obstacle to utilizing the natural resources inventory data for agricultural planning was the lack of coordination and communication between the Project executing unit and the Ministry of Natural Resources.

The principal conclusion of this evaluation is that A.I.D. followup action will be required to see that the intermediate outputs produced are utilized for achievement of the end of project indicators and purposes intended. During the early years of Project implementation (1975-1977) the Mission raised this topic with the government a number of times. Between 1978 and 1980, the Mission focussed its attention on achievement of the intermediate outputs of the Project. The Mission again raised its concern with utilization of Cadaster outputs for the achievement of tax purposes in a letter to the Minister of Finance from the AID Director dated November 24, 1980. If the purposes are to be achieved, the Mission must continue to follow up with the Ministry of Finance and other appropriate GOH entities.

While the National Cadaster Program (PCN) is an ongoing institution developed by the Project, the Mission envisions a number of specific follow on activities. Both the data produced and the lessons learned will be incorporated into other projects. These actions are, principally: (1) building into the planned Small Farmer Titling and Services component the necessary policy and public administration components required to link the Cadaster data base to implementation of property registry; (2) utilizing the Cadaster data base in administrative reform projects financed through the second Municipal Development Project; (3) utilizing the natural resource inventory data in the Natural Resources Management Project and for agricultural planning under the Agriculture Sector II Project.

#### 14. Evaluation Methodology

This Project Evaluation Summary is based on a USAID review and analysis of periodic progress reports, the final report of the Executive Director of the PCN, the final reports of the principal consultant of the PCN, legislation passed and pending during the life of the Project, and interviews with key Project personnel. Progress toward achieving intermediate outputs established in the revised Project Work Plan is measured and compared to final outputs as established in the Project Agreement.

The evaluation and attached reports cover activities and progress from the date of Project initiation in 1975 through the PACD of June 30, 1980. A series of problems have arisen in the PCN related to changes of personnel and the growing problem of partisan politics prior to the elections planned for November 1981. The Mission is concerned about and is conducting efforts to combat these problems because of continued determination to achieve the purposes of the Project, as well as for the utilization of a viable and strong cadaster program in the Natural Resource Management Project. Consequently,

an initial evaluation review was conducted by USAID/H staff followed by an in-depth assessment which was contracted to evaluate current technical capacity of the PCN and to make recommendations for changes. The assessment was conducted during the period of June 19 - July 2, 1981 and follow-up discussions have been held with PCN staff to respond to the recommendations made. This assessment concluded that most of the problems in the Cadaster program were temporary phenomena related to the electoral process and that USAID should essentially conduct a holding operation until after the elections. The principal recommendations of the assessment were that a separate and autonomous data processing office called Technical Resources Information and Data Center (TRIAD) should be organized as a nominally independent entity to serve the needs of all GOH agencies and the public. This TRIAD would be based on the existing PCN ADP department and would serve to manage the natural resources inventory activity among others. Soil sampling would be transferred to the MNR at the same time. It was also recommended that the consultant contract be extended for one year to assist in the continuation of PCN functions and that the orthophot contract be modified to an incremental basis geared to GOH performance. The assessment also recommends appointment of a Deputy Technical Director for Cadaster and the use of a production control management system. An audit review was recommended as a result of numerous reported anomalies. The purchase of additional ADP equipment should be deferred until there was a much clearer definition of needs for and potential utilization of the equipment. Finally, the further loss of highly trained personnel from the PCN should be stemmed until the organization had once again stabilized.

This project evaluation summary is long overdue largely because of internal delays in drafting the summary, which was the responsibility of the Mission's special assistant for evaluations. These delays were compounded by the necessary focussing of management attention on the political problems described above, which was a result of the need to begin implementation of the Natural Resource Management Project.

### 15. External Factors

Achievement of Project final outputs and purposes was heavily dependent on factors beyond the scope of the principal institution responsible for Project implementation, i.e. the semi-autonomous National Cadaster Program (PCN). This unit was created by the GOH to fulfill a Condition Precedent established in the Project Agreement. While the unit is an administrative dependency of the National Planning Council, its Board of Directors includes the Minister of Natural Resources; the Minister of Finance; the Executive Secretary of CONSUPLANE; the Minister of Communications, Public Works, and Transportation; the Minister of Government and Justice (Interior); the Director of the National Agrarian Institute; and the President of the Supreme Court. This Board was intended to provide the necessary links to other GOH institutions who would implement some of the project activities, and would be primarily responsible for converting intermediate outputs to the three principal purposes of the Project. The scope of the Project was gradually focussed,

over the life of the Project, to data collection, processing, and analysis activities internal to the National Cadaster Program. In effect, the unit created to implement project activities became the entire Project, rather than the means to achieve the ends originally contemplated in the CAP.

A Property Registry System can only be implemented once the preconditions exist for acquisition of data, enactment of legislation, and action by the legally responsible agencies. While data were acquired and legislation was enacted, the judicial system with legal responsibility for implementing the changes envisioned in the System has not, to date, taken any of the actions required to make the cadaster data the basis for property registration. Thus, an external factor, i.e. the judicial system, did not implement legislation which was passed as a CP to the Project, and this is one of the principal reasons that this final Project output was not attained. Data are not available to indicate conclusively whether this inactivity is primarily a result of lack of interest in the courts or whether this is a reflection of the absence of political decision by the GOH executive branch.

The Tax Administration Component was dependent on action by the Ministry of Finance to implement the system. The necessary legislation, a CP to disbursement, was passed but the MOF has not to date implemented it, despite continual efforts on the part of the PCN to stimulate such action during the life of the project. This is indicative of a lack of political decision, probably because the MOF perceived that its own interests are not served by strengthening decentralized tax administration. Project inputs were adequate to assure the design and implementation of an efficient property valuation system but were inadequate to the task of leveraging centralized billing and other implementing actions from the Ministry of Finance. In this case, the tax billing system was a factor external to the PCN during the period of Project implementation.

The Agricultural Resources Inventory data base was established in a manner consistent with the Project design parameters. However, the data base has not been used by the Sector Planning Office of the Ministry of Natural Resources as originally expected. This is also symptomatic of one of the greatest problems in public administration in Honduras, i.e. the lack of coordination between government institutions. Again, as in the case of the first two final outputs of the Project, one cannot demonstrate a measurable impact on the quality of services provided to the campesino as a result of the data base, since a user organization external to the Project implementing organization did not utilize the data as planned.

## 16. Inputs

Project inputs, after an initial delay in implementation caused by delays in meeting the CP's, were delivered in a timely fashion as envisioned in the Project Agreement and the Revised Project Work Plan approved both by A.I.D. and the GOH. A.I.D. inputs were almost fully utilized as 98.5% of loan financing was disbursed by the TDD (see attached Table 1). The GOH provided 139% of the inputs required. This additional amount enabled the Project to cover the area envisioned in the Project work plan.

The Cadaster Program, up until the TDD, was a very efficient administrative unit. Through the utilization of PERT techniques, the Project was able to coordinate all the complex and parallel inputs required to carry out cadaster data collection, processing, and analysis.

#### 17. Outputs

The CAP called for the establishment of three major outputs: (1) the Property Registry component of the PCN, designed to establish a system to issue clear titles in order to stabilize land ownership and to establish the technical base for the agrarian reform program; (2) the Tax Administration component, directed to the establishment of a uniform and equitable property tax collection system in order to increase local (municipal) government revenues; and (3) the Agricultural Resources Inventory component, to provide the data base for national planning and implementation of agricultural development programs. In addition to the above outputs, the following Support Activities were planned for the cadaster: aerial photography, property boundary identification, cartographic processing, and automatic data processing.

##### a. PROPERTY REGISTRY SYSTEM OUTPUT

The Property Registry System was intended to provide the following specific outputs:

- (1) unambiguous identification of properties and owners;
- (2) reorganization of the registry system;
- (3) procedures for recognizing existing ownership claims and resolving conflicts, with a target of 20,000 properties to be reconciled; and
- (4) maintenance of property registry data.

Actual achievements with regard to this output are:

##### (1) Unambiguous identification of properties and owners:

This output indicator was accomplished through property delineation activities in the Project area. The Cadaster program delineated 71,277 rural properties, achieving 113% of the target set in the Project Work Plan; and 31,531 urban properties, or 167% of the target (see Table 2). In addition, the Project revised and corrected work done previously under the Demonstration Cadaster, in the Departments of Valle and Choluteca. That work is summarized in Table 3.

Activities under this component included microfilming of property registers, processing of property registry data in order to determine validity of titles and to reconcile these with maps, and mapping of urban and rural areas to illustrate graphically the detailed delineation of properties.

(2) Reorganization of the registry system

The legislation and the physical infrastructure required were in place by the end of the Project. The physical reorganization of the registry system was accomplished through construction of permanent registry buildings and the adoption of modern technology to obtain, update and catalog delineation of properties. The use of aerial photography and orthophotos has replaced the former system of ground survey crews and has resulted in considerable cost savings with no sacrifice in accuracy. The property records system now used represents a vast improvement over antiquated municipal records books formerly in use.

However, the logical reorganization of the Registry offices and issuance of titles based on the new property registry data was not accomplished. The Property Registry Offices, which are part of the judicial system and directly dependent on the Supreme Court, are responsible for granting legal titles. The law passed as a project CP explicitly provides for reorganization of the registry offices. However, the Supreme Court has never implemented the legislation which authorizes this reorganization. This is probably a result of the lack of political commitment at higher decisionmaking levels in the government to a property registry activity that will affect many interest groups. Consequently, the registry buildings constructed under the Cadaster are occupied only by regional Cadaster offices, and property registry continues to take place as before the project.

The project evaluation plan states that the objectively verifiable indicator of progress toward achieving this output is the number of titles registered under new property registry system. By this measure, this output indicator was not achieved at all.

(3) Procedures for recognizing existing ownership claims and resolving conflicts

The project evaluation plan lists as objectively verifiable indicators of this output the number of property titles reconciled with actual possession and the number of land titles granted. The registry legislation referred to above clearly stipulates that cadaster data will be the basis for property registry. However, the reglamento (procedures) for implementing this and other provisions of the law have not been developed, and no titles have been issued to recognize existing ownership claims based on cadaster data. Again, this is probably related to the lack of political will to implement the changes, as noted above.

(4) Maintenance of property registry data

Maintenance of the cadaster data is an on-going function of the PCN territorial administration department. The Real Estate Tax Regulation established in Acuerdo No. 235 dated January 25, 1977 makes property owners responsible for reporting any physical modifications to their property; likewise any land acquired through inheritance, legacy, or donation must be declared. Article 36 of the same Regulation provides for periodic re-assessment of the property.

Progress accomplished in the review, verification, and updating of property registry data is listed in Table 4.

b. PROPERTY TAX ADMINISTRATION SYSTEM

Under this output, a national property tax billing system was to be established with the following specific output indicators:

- (1) Valuation of properties and improvements;
- (2) Centralized billing for property taxes and municipal services;
- (3) Establishment of a national tax and billing office;
- (4) Collection of taxes;
- (5) Maintenance of assessments.

(1) Valuation of Properties and Improvements. The PCN achieved the first output indicator, conducting valuation of all properties delineated in the Project area. The valuation of properties and improvements began with the preparation of a Valuation Manual. The manual describes all procedures for rural property valuation including cadastral maps; classification and valuation of land and improvements; unitary costs; adjustments for depreciation, neighborhood, area and appreciation, calculations, total valuation, notification of valuation, management of disputes, etc. Delineation work prior to property assessments was described in 17.a.(1) above. Actual amounts of property valuated under the Project are shown in Tables 5 and 6 attached.

(2) Centralized billing for property taxes and municipal services. The centralized billing for property taxes and municipal services was to be implemented by the Ministry of Finance (MOF). Enabling legislation (Acuerdo No. 235 dated January 25, 1977) was passed in fulfillment of Condition Precedent 3.02(A) which required: that the property values shown on the Cadaster be recognized as the official values for the purpose of assessing property taxes; the establishment of a system of administrative and judicial appeals of property tax determination; and that property taxes should be levied preferably on an interim basis and enjoy first lien status or be levied pursuant to such other system as may be acceptable to Borrower and A.I.D. The MOF did not implement this legislation, most probably because, in its view, it does not serve the interests of the MOF to increase local tax collection. In fact, it was probably a mistake on the part of the project designers to place this function in the MOF, which is interested in collection of federal tax, rather than in some GOH institution which is responsible for local municipal development such as the Ministry of the Interior or BANMA.

(3) Establishment of a national tax and billing office. While the national tax and billing office was established in the MOF, it has failed to implement any municipal tax reforms. In order to process the assessments, produce billing slips, and handle disputes, the Ministry of Finance was to establish the Oficina Normativa de Avaluos. This office has never begun functioning despite numerous efforts to initiate the activity, because of the lack of interest on the part of the MOF. However, the PCN has prepared a plan for billing, records control and maintenance (up-dating) for property taxes which it proposes to provide directly to the municipalities.

(4) Collection of taxes. Taxes billed through the above system were to be collected by individual municipalities. No municipalities have been able to collect additional taxes based on the PCN valuation data because the national system in (2) and (3) above was never implemented.

It is worth noting that in the cities where tax reform has been implemented based upon improved cadaster data, revenues have doubled and tripled (see the PES for the Municipal Development Program, 522-W-022). Sufficient evidence exists to show that an improved cadaster does have a highly beneficial impact on municipal tax revenues. The final stage of implementation of the tax administration component remains to be accomplished.

(5) Maintenance of assessments. Maintenance of valuations is being provided by the PCN under the proposed plan, while maintenance of assessments would also be provided by the PCN under the proposed plan for a tax billing service.

c. AGRICULTURAL RESOURCES INVENTORY.

The computerized analysis system for an inventory of agricultural resources, was to produce the following specific outputs:

- (1) Inventory of all agricultural resources (water, soils, vegetation) in the Project area;
- (2) Production of resources maps and statistical data;
- (3) Dissemination of information;
- (4) Analysis of data by Agricultural Sector Planning Office;
- (5) Maintenance of resource data.

(1) Inventory of resources. The Cadaster program inventoried soils, water resources, vegetation, agricultural economy, and current and potential land use. The inventories are based on photographic interpretation, subsequent ground truth, and samples and laboratory analyses. A primary focus of the studies and maps is on major watershed areas and agricultural and cattle grazing lands. This output was fully achieved in the Project area.

(2) Production of resource maps. The Cadaster Program produced resource maps covering 30,000 square kilometers.

(3) Analysis of data by Agricultural Sector Planning Office. By the end of the TDD, there had been no significant analysis of the Cadaster natural resource data by the Ag Sector Planning Office. However, under the Agriculture Sector II Program the Comprehensive Resource Inventory and Evaluation System (CRIES) is utilizing Cadaster data.

As noted before, linkages between this project and the Ag Sector I Program were intended originally. The Planning Office, which received assistance under the Sector I Program, was to have utilized cadaster resource data for its analyses. The cadaster data was not available until the end of the Ag Sector Program, because of delays in getting the field work started.

## 18. Purpose

The Project has three purposes:

- a. Stabilize the land ownership situation in Honduras and establish the technical base for the agrarian reform program;
- b. Strengthen the capacity of rural municipalities outside of the urban-industrial centers of Tegucigalpa and San Pedro Sula to meet the local needs of their inhabitants and lessen dependence on national institutions;
- c. Permit the Agricultural Sector Planning Office to properly plan and implement its agricultural development programs.

The Project evaluation plan includes a number of objectively verifiable indicators of progress in achieving the End of Project Status. These EOPS are phrased as questions, with suggested indicators for answering the questions. They are listed in Annex A. Since they all depend on achievement of the final outputs discussed in Section 17 of this PES, and since none of these final outputs have been effectively achieved, they will not be discussed in this PES. However, they are annexed to demonstrate to the PES reader the intention of the Project designers and early GOH implementers of the Project with regard to its accomplishments.

## 19. Goal

The Project had two goals: improved agricultural productivity and improved quality of life of the rural population. The Project Evaluation Plan puts forth as indicators of goal achievement an improvement in income and level of wellbeing of the rural population as a result of the Cadaster project. As noted in the foregoing discussion, the Cadaster program has not yet progressed to the stage where it would be pertinent to discuss achievement of the goal.

## 20. Beneficiaries

Project beneficiaries were intended to be: (1) farmers who would receive title to land which they already occupied, or title to new land; (2) the population of municipalities, who would be subjects of a more equitable municipal taxation system and recipients of improved municipal services; (3) the beneficiaries of agricultural development projects designed by the Agricultural Sector Planning Office on the basis of cadaster natural resource inventory data. For the reasons noted in Section 16, none of these benefits have yet been produced. Consequently, these target groups will only become beneficiaries as a result of future planned activities.

21. Unplanned Effects

Not pertinent.

22. LESSONS LEARNED

a. Achievement of Project Purposes

One lesson learned from this Project is that the best technical assistance efforts and the requisite legal framework are not sufficient to ensure achievement of the purposes of a Cadaster program. The legislation required as CP's to signature and disbursement of the Cadaster program was sufficient to enable establishment of a property registry system and a municipal tax administration system. The data collected and analyzed by the PCN are sufficient input for both systems. The project provided one person-year of technical assistance during the first two years of the life of the project focussed on the legislation required for property registry and municipal tax administration. However, these systems were not implemented because the necessary public administration framework was not in place, which is most probably a result of the lack of political will to carry through the necessary reforms.

b. Achievement of Intermediate Output-level Indicators

In spite of the failure to produce the expected purposes, the PCN was, in the final analysis, successful in producing nearly all of the technical intermediate output indicators as established in the revised work plan. Thus, the preconditions for achieving Project final outputs and purposes were firmly established. The difficulties overcome in achieving the high level of production and the implications which an established cadaster program has for other projects are the focus of this section.

(1) Project Technical Design Considerations

(a)The outputs and costs calculations originally developed for the PCN proved unrealistic in a number of areas. Projected costs were almost uniformly underestimated because inflation over the period 1974-1978 was greater than estimated by the project designers and the numbers programmed for property delineation exceeded the actual number of properties.

(b)The map production techniques originally planned were slow and inadequate to the task of producing the number and quality of products desired.

(c)The project design called for heavy dependence on aerial photography at a scale which was inconsistent with modern orthophotographic processes.

(d)The stated area of Project coverage was the sum total of the areas of the department to be covered. It was determined that in the most mountainous and inaccessible areas of these departments it would be very time consuming and expensive to carry out cadastral activities and that the added benefit of including these areas would be minimal. For these reasons, the area of Project coverage was limited to valleys and mountainsides with slopes up to 15 percent. Areas with steeper slopes were relegated to a lower priority status.

(e)The aircraft selected and purchased did not have the altitude ceiling nor fuel capacity for the type of photographic missions required. It was limited to flying urban photography and rural photography over low elevations.

Because of the programmatic problems stated above, a new work plan was devised jointly with consultants, PCN, and A.I.D. personnel and approved by A.I.D. in October, 1977. The revised plan corrected the errors in estimates and considerably reduced the magnitude of the outputs: the original area of project coverage was reduced from 71,746 square kilometers to 30,000 square kilometers, the number of properties to be delineated was reduced from 127,850 to 81,850. The budget needed to accomplish the revised work plan was L 1.7 million over that provided for in the Project Agreement, which resulted in an increase of counterpart funds to L 6.1 Million, which is over 50% of the A.I.D. contribution.

The foregoing illustrates the need for sound technical analyses in Project design. The technologies to be used should be selected on the basis of needs for accuracy and quality, cost, time constraints, and requirements for trained personnel. This was not adequately done in the original project design and resulted in a lengthy and costly re-design process.

## (2) Interinstitutional Relationships in the Cadaster Program

Another aspect of the original project design which proved to be inadequate was the division of labor and role of different GOH agencies in project activities. The objective of utilizing the existing soils laboratory facilities of the Ministry of Natural Resources (MNR) and the photographic processing and cartographic facilities of the National Geographic Institute (IGN) was to save time and money. However, neither the MNR nor the IGN performed at an acceptable level in implementing project activities. This again, resulted in loss of time and money in order to re-program around these obstacles. A soils laboratory was established in the PCN in order to guarantee accurate analyses on a timely basis. Because of the previously described problem with the Project aircraft, coupled with the inability of the IGN to retain trained pilots and orthophotogrammetrists virtually all aerial photography and orthophoto map products had to be obtained through contracts with foreign firms. The interactive graphics system installed at the PCN eliminated virtually all dependence on the IGN for many products.

Perhaps a more careful institutional analysis of these entities would have indicated the historical problems of retention of trained personnel and timely production of quality outputs by both institutions.

### 23. SPECIAL COMMENTS OR REMARKS

The PCN has had or will have a positive impact on a number of development efforts. For the first time in Honduras, data on a wide variety of natural resources and property ownership is available in a reliable fashion from a single source. The following USAID Projects will utilize the services of the PCN:

a. The Natural Resources Management Project will provide additional support to the PCN in order to strengthen the role of the Cadaster as a natural resources data bank. The Project will undertake an action program in a selected watershed areas to increase farmers' income and to conserve the natural resources of soil and water through the introduction of modified agriculture and forestry practices. Existing data and data to be collected by the PCN are vital to carrying out these activities. Access to the PCN data by other GOH entities has been shown to be dependent in large part on the timely production of reports, analyses and maps by PCN staff. Thus, in order to make data more readily accessible to implementing agencies the Project will purchase additional terminals, linked to the PCN computer, for the use of the Ministry of Natural Resources, National Agrarian Institute, Forestry Development Corporation, and others.

b. The Agriculture Sector II Project will rely on PCN data gathering and processing capabilities to assist in implementing the Planning Subsystem activity of the Project. The MNR and the Mission are implementing a natural resource identification and analysis effort on a pilot basis. Assistance is being provided under the Comprehensive Resource Inventory and Evaluation System (CRIES) Project, through the USDA and Michigan State University, to train personnel of the MNR and to identify sources of secondary information. The project team maintains close contact with the PCN and has made use of data available there. The data on soils, climate, land use, crop area, and farm profiles and the map overlays and computer managed geographical analyses produced by the PCN will be used to determine alternatives for natural resource utilization and conservation in the pilot area of the CRIES program.

c. The Small Farmer Titling and Services Project, currently being developed, will seek to improve the effectiveness of the agrarian reform program. One of the current project ideas is that the National Agrarian Institute (INA) will utilize cadastral data to identify lands for adjudication to reform groups. In addition, PCN data on the productive potential of given land areas will be used to determine the number of families to be settled, the optimal use (agriculture, livestock, forest) of the land, and the size of parcels to be assigned to each beneficiary family.

The current project design calls for purchase of additional peripheral computer equipment for INA which would be compatible with that of the PCN in order to permit immediate access to the data bank and to utilize the PCN map digitalization and overlay facilities.

d. The Forestry Development Project currently being developed has the objectives of improvement of Honduras' management of pine forests and stabilization of agricultural migration into the forest. One component will initiate a pilot program to increase rural poor income and more efficiently utilize the forest resources. Basic to the undertaking of the project activities is an assessment of current forest use and the impact of shifting agriculture farmers. The aerial survey, land ownership, and climatological data and analytical capabilities at the PCN will assist in determining the current usage patterns of forest and hillside lands, and will greatly facilitate the monitoring of changes in these patterns as project activities bear upon them.

e. Municipal Development II. This project, initiated in May, 1980, is financing municipal administrative reform projects for smaller municipalities through BANMA, the municipal development bank. For these projects, BANMA has signed an agreement with the Cadaster Program to utilize the data collected under the Project as the basis for municipal tax billing.

TABLE 1  
Project Inputs: Planned vs. Actual  
Planned, 1975  
Actual, 1980  
(% of Planned)

INPUTS	GOH	AID	TOTAL
1. Personnel	1,568,640 1,443,481.46 (92%)	1,376,192 1,795,807.22 (130%)	2,944,832 3,239,288.68 (110%)
2. Operations Costs	142,500 606,347.65 (425%)	1,370,725 315,974.60 (23%)	1,513,225 922,322.25 (61%)
3. Equipment & Materials	----- 778,729.48	894,430 881,106.99 (98%)	894,430 1,659,836.47 (186%)
4. Consultant Services	----- 6,362.00	1,798,696 2,576,982.14 (143%)	1,798,696 2,583,344.14 (144%)
5. Training	----- 9,325.00	39,150 41,136.02 (105%)	39,150 50,461.02 (129%)
6. Construction	188,860 63,988.87 (34%)	56,140	245,000 63,988.87 (26%)
7. Computer Service	300,000	299,102.00	300,000 299,102.00 (99.7%)
8. Contingencies	141,765.54	464,667	464,667 141,765.54 (30%)
<b>Total</b>	2,200,000.00 3,050,000.00 (139%)	6,000,000.00 5,910,108.97 (98.5%)	8,200,000 8,960,108.97 (109%)

TABLE 2  
PROPERTY DELINEATION

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>TOTAL PROGRAMMED</u>	<u>TOTAL ACCUMULATED PROGRESS</u>	<u>PERCENT PENDING</u>
Rural Delineation	Property	63,000	71,277 (113%)	0
Urban Delineation	Property	18,850	31,531 (167%)	0
Supplementary Field Control	Urban site (Approx. 400 properties per site)	50	73 (146%)	0
Rural Files (Micro fiche card records)	Property	63,000	62,513 (99%)	1%
Urban Files (Micro fiche card records)	Property	18,850	25,610 (136%)	0

TABLE 3  
Property Delineation: Choluteca and Valle

<u>Description</u>	<u>Unit</u>	<u>Total Progress</u>
Rural Delineation	Property: Minifundio	33,726 9,200
Urban	Property:	14,036

**TABLE 4**  
**TERRITORIAL ADMINISTRATION DEPARTMENT**  
**Accumulated Progress to December 31, 1980**

Activity Description	Total Programmed	Unit of Measure	Departments/ Municipalities Involved	Total Accumulated Progress (%)	Percent Pending
Validity Analysis (1946 to present)		Property	Fco. Morazan/Comayagua Pto. Cortes, San Pedro Sula, La Ceiba, Tela, Yoro, Olanchito, El Progreso	All (100%)	0.0%
Analysis of Cadastral Control Card (Rural and Urban	11,100 17,600 8,500 13,400 22,700 2,600 5,950	Card/Property	Comayagua Cortes Atlantida Yoro Francisco Morazan El Paraiso Olancho	18,767 (97%) 18,016 (102%) 7,735 (91%) 9,576 (72%) 6,536 (28.8%) 6,257 (241%) 6,808 (114%)	3.0% 0.0% 9.0% 28.0% 72.2% 0.0% 0.0%
Validity Analysis (prior to 1946)	10,151 15,637 41,514 43,948 21,486	Property Reg.	Francisco Morazan Olancho Santa Barbara Choluteca Santa Rosa de Copan	5,583 (55%) 15,637 (100%) 39,045 (94%) 37,805 (85.9%) 400 (1.9%)	45.0% 0.0% 6.0% 14.1% 98.1%
Updates of Property Register	13,647	Property Reg.	Fco. Morazan, Comayagua Puerto Cortes, San Pedro Sula, La Ceiba, Tela, Yoro, Olanchito, El Progreso	13,647 (100%)	0.0%

**TABLE 5**  
**URBAN VALUATION**

Department	Total Surveys	Total Buildings	Properties		Total Properties	Assessments
			Vacant	Built-up		
Valle	5754	5261	493	4580	5073	5073
Cholulteca	10905	9578	1327	8440	9767	9767
Totals	16659	14839	1820	13020	14840	14840

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**TABLE 6**  
**RURAL VALUATIONS**

Valle	13629	6727	6902	4904	11806	0
Cholulteca	24894	14603	10291	8570	18861	0
Totales	38523	21330	17193	13474	30667	0

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ANNEX A. End of Project Status Conditions

A. Property Registry System: End of Project Status

1. Do reconciled titles affect agricultural production?  
Analysis of increased agricultural production in areas where reconciled titles have been issued, compared to areas without cadaster activities. Analysis to be complemented by a survey if results are not clear or if influence of this factor cannot be distinguished from others.
2. Do property titles as guarantees facilitate obtaining loans for fixed investments and machinery for agricultural operations?  
Analysis of policies and statistics from public and private banks to determine if there has been an increase in loans granted using property as a guarantee.
3. Are owners more inclined to invest in property improvement if they have reconciled titles?  
Analysis of increase in gross investment in areas where title adjudication has been complete compared to areas without Cadaster activities. To be supplemented by a special survey if necessary.
4. What effect do reconciled titles have on rural land use? Is there a reduction in mobility of peasants and changes in their permanence on their agricultural lands due to this factor?  
Analysis of socioeconomic data, rates of emigration to urban areas, and the number of peasants receiving credit from BANAFOM in areas with cadaster activity.
5. Are reconciled titles facilitating the development of a real estate market?  
Analyze the dynamics of the mortgage market in private banks and the volume of transfer of real estate inscribed in public registers.

None of the above questions can be addressed given the status of the property registry system. The Project was able to produce the data required to issue titles but the Property Registry Office of the Supreme Court has not acted to issue titles based on this data. Since the Constituent Assembly elections held in April of 1980, the court has been reluctant to proceed with any changes to the titling system.

B. Tax Administration System: End of Project Status

1. Are municipal services improving in direct relation to the increase in tax income? Which municipal services have been introduced, improved, or extended using the increased income of the municipalities?  
Analysis of budget data from the Ministry of the Interior and BANMA data on municipal service projects financed with loans.

2. Is property tax a factor in the appropriate utilization of land?  
Analysis of report from Urbanismo and the MNR for indications of change in the use of land in areas where the Cadaster has been completed.

C. Agricultural Resource Inventory: End of Project Status

1. Has the Cadaster resource data improved administration, planning, and coordination of agricultural programs of the Government of Honduras?  
Analysis of the experience and achievements of the Government with respect to the Agricultural Sector Loan (522-T-025).
2. Has the evaluation of MNR programs been facilitated by the existence of Cadaster data?  
Analysis of evaluations of Loan 025 and Agricultural Sector Projects initiated by the COCO.
3. Have changes in agricultural practices been motivated by a knowledge of cadaster data?  
Review and analyze MNR reports with respect to crops, irrigation, mechanization, and marketing; carry out a farm survey if necessary.
4. Has there been an increase in investment per hectare?  
Review MNR reports on agricultural trends; the volume of loans of private and public banks, and their loan policies; and the real estate market.
5. What are the changes in investment per hectare?  
Analyze MNR reports to compare trends in utilization of basic inputs for agricultural production.