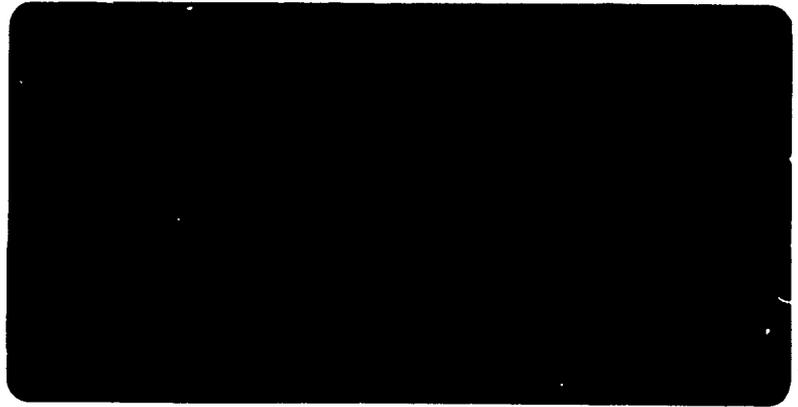


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THE COOPERATIVE HOUSING FOUNDATION

A NON-PROFIT ORGANIZATION DEDICATED TO BETTER HOUSING AND BETTER COMMUNITIES

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PDAAN 754

Midterm Evaluation of Rural Housing
Improvement, Honduras

(Project No. 522-0171)

December 1983

Evaluation Team:

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I. PROJECT EVALUATION SUMMARY

A. Summary

The Project Agreement was signed on 5 June 1981. The present Project Assistance Completion Date is 3 June 1986.

The National Housing Institute (INVA) has established a Rural House Improvement Unit (RHIU) within its Rural Housing Department (RHD) to supervise and coordinate Project activities. A Project Coordinator was designated by INVA in December 1981.

The promotional efforts of the RHIU have resulted in twelve private, non-profit institutions (intermediaries) entering into contracts with INVA to develop home improvement programs for the rural poor in their respective areas. As of November 1983, INVA had approved the loan application of another intermediary and submitted a request to USAID Honduras for its concurrence to authorize INVA to sign a contract with the prospective intermediary.

As of 30 September 1983, the twelve intermediaries had been authorized lines of credit by INVA totaling \$1,060,000 (the exchange rate used in this report is Lempira 2.00 = US \$1.00) of the \$1.5 million presently allocated in the Project for home improvements. INVA had distributed \$677,690 to the intermediaries who had made a total of 2,109 loans to Project beneficiaries for \$516,883.

The beneficiaries who receive the loans have used them to improve the house they live in. The loans, which average \$245, have been used to build roofs, floors, exterior walls; install windows and doors; construct additional rooms; put in toilets, latrines; etc. A few beneficiaries have used the loan to build a small house.

In addition to providing the financing, INVA also offers technical assistance to the intermediaries and the beneficiaries in such areas as Project orientation and implementation, bookkeeping and management controls and construction techniques. This assistance is given by INVA staff and technicians from private and government agencies in specialized areas.

The Project is developing in accordance with its design (Logical Framework). The Project purpose to "establish a system for sustained improvement of rural housing" is being met. INVA has developed and is improving its capacity to provide financial and technical assistance to intermediaries. INVA has established methods to enable it to work with the intermediaries in order to utilize and strengthen their

capabilities to develop and implement home improvement programs for the rural poor in their respective areas of operation.

The goal of the Project to "provide healthier and more comfortable living conditions for the rural poor" is being realized. As of 30 September 1983, 2,109 home improvement loans had been made which will provide better living conditions for approximately 12,000 people.

Problems were identified during the evaluation that need to be corrected to enable the Project to function more efficiently. The problems include, for example, the need to provide additional training to the INVA Project Supervisors so that they and other members of INVA's staff and technicians from public and private institutions can assist the intermediaries in bookkeeping, and administrative matter to reduce and/or avoid delinquency on their loans and the need for INVA to review its contract with INFOP to determine how to best use the resources of that institution at this stage of Project development.

B. Evaluation Methodology

The consultants performed a midterm evaluation of the Project in accordance with their Statement of Work (Attachment 1). The format used in this report follows the Statement of Work and the Project Evaluation Summary (PES) - Part III per the request of USAID Honduras.

The consultants received technical direction from Eric Zallman and Ray Baum of the Program and Capital Resource Office of USAID Honduras. They also met with Orlando Hernandez, the Mission Evaluation Officer.

The main contacts for the consultants at INVA were the Director of its RHD, Joaquin Bulnes, and the Project Coordinator, Elio Flores. A partial list of people met at INVA, USAID, intermediaries, etc., during the consultancy is given in Attachment 2.

The consultants reviewed the files in USAID and INVA and met with various officials in the latter institution to obtain a general overview of the Project. They also met with representatives of the Professional Formation Institute of Honduras (INFOP) to review the status of the INVA-INFOP contract.

The consultants visited eight intermediaries who are participating in the Project. They prepared a survey form, Attachment 3, that was used at each meeting. In addition,

the consultants visited two intermediaries to discuss with them their reasons for not participating in the Project.

C. External Factors

Since the Project was designed in early 1981, INVA has received assistance for additional rural housing programs. The Government of West Germany has entered into an agreement with INVA to provide it with funds and technical assistance to undertake a housing construction program. The European Economic Community is providing funds to INVA to build housing in selected Indian communities. In addition to this increase in INVA rural housing programs, both new housing and the Project funded home improvements, the Government of Honduras (GOH) has created the National Program for Rural Housing (PRONAVIR). Reportedly, its initial funding was authorized by the GOH in November 1983.

The creation of PRONAVIR in addition to INVA's on-going and soon to be initiated efforts in rural housing, would indicate that the GOH is seriously focusing on improving the living conditions in rural areas. Taking into consideration the condition of housing in such areas, it is a very positive action.

Because of the economic crisis in Honduras and the shortage of revenue, the GOH and INVA have been forced to reduce or eliminate their counterpart contributions for the Project. The effect of the PRONAVIR activity on the counterpart contribution of the Project is difficult to determine because funding for it has only recently been approved.

D. Inputs

The inputs of the Project design are being met satisfactorily with the exception of INVA meeting its anticipated Project costs. Unfortunately, the economic situation in Honduras has forced the GOH to reduce the level of their counterpart contributions for the Project. This has necessitated that USAID provide a higher level of grant funding to enable INVA to adequately staff the RHIU.

E. Outputs

Most of the outputs of the Project design (Logical Framework) have or are in the process of being met. Twelve intermediaries have signed contracts with INVA and they have made a total of 2,109 loans as of 30 September 1983. It is assumed that with additional intermediaries participating in the Project and the existing ones continuing to make home improvement loans that the projected number of recipients and

families assisted will be met. Attachment 4 is a partial list of the potential private, non-profit intermediaries that might participate in the Project at its present level of funding and in an expansion of the Project with additional financing.

The RHIU has been established: a Project Coordinator has been designated and three Supervisors assigned to the RHIU. The Supervisors, however, need to receive more training in accounting and management controls to be able to better assist the intermediaries with their responsibilities of implementing and managing their respective rural home improvement programs. Manuals for management and bookkeeping systems have been prepared and courses have been offered to interested intermediaries. Some of the intermediaries have adopted the systems and others are using their own, existing systems. An unknown number of intermediary promoters and Project beneficiaries have been trained in basic construction techniques, in the more than fifteen presentations made by INFOP as of 31 October 1983.

Some of the outputs need to be modified. At this time it is doubtful that 150 promoters will be trained in basic construction techniques. A revised output for the training of 100 promoters would be more realistic, taking into consideration the number (projected) of intermediaries participating and the number of promoters each would have working with the Project.

At present INFOP is making the presentation on basic construction techniques to the beneficiaries, not the intermediaries, as planned in the Project design. Unless this procedure changes, the 1,000 presentations projected in the logical framework is very high. Two hundred would be more realistic.

None of the proposed Materials Production Teams exist. As the result of a review of the need for these teams by INVA and INFOP, possibly one team will be established, not the three listed in the logical framework.

F. Purpose

The Project design (Logical Framework) lists the Project Purpose as "Establish system for sustained improvement of rural housing". Three "End of Project Status" indicators for achieving this purpose and their respective accomplishments to date are described below.

1. INVA's capacity to provide financial and technical assistance to intermediaries is established.

INVA has established a RHIU within its existing RHD to supervise and coordinate Project activities. The mechanisms have been created under which an intermediary submits a loan application to INVA for its participation in the Project, the application is reviewed and approved, and a contract signed between INVA and the intermediary. The financial system to get the disbursements from INVA to the intermediary has been established. INVA has, through inter-institutional agreements and its own staff, provided specialized technical assistance in bookkeeping and management and basic construction techniques to the intermediaries and some beneficiaries. INVA needs to continue to strengthen its capability to offer assistance to the intermediaries in these areas.

2. At least five intermediaries that participate in the Project decide to continue and expand their efforts.

Twelve intermediaries were, as of 30 September 1983, participating in the Project. All eight of the intermediaries visited stated their intentions to continue in the Project in order to assist that large number of rural families interested in making improvements on their house and to expand the activity to include loans for the construction of new housing.

3. Total subloans portfolio surpasses \$1.0 million and is capitalizing at a rate of 2% per year.

INVA had disbursed, as of 30 September 1983, \$677,690 to the intermediaries participating in the Project. At this rate of disbursement, its subloan portfolio will probably surpass \$1.0 within the next six months. The intermediaries are paying INVA 5% per year on the money that they receive. All of the intermediaries are current in the payments to INVA. At this time, INVA's administrative costs for the Project (promotion, management, and portfolio servicing) are not known. Until these costs are determined, the net capitalization of the portfolio cannot be determined.

G. Goal/Subgoal

The Project goal is to "provide healthier and more comfortable living conditions for the rural poor".

Of the 2,109 loans to beneficiaries made as of 30 September 1983, the majority (48.7%) had been to replace a roof; 14.6% had built concrete or tile floors and 7.9% had installed water lines into the lot or house and/or built an outhouse or an inside toilet. One of the effects of these improvements on the beneficiaries and their families will be fewer incidences of Chaga's disease and other health

problems. At present, however, no evidence was found or observed by the consultants, who are not doctors or students of medicine, that this has occurred. Such evidence should be evident a few years after the home improvement has been made.

The kinds of improvements made have been based on the prioritization by the beneficiaries of their living needs. In at least one instance, suggestions were made by the intermediary sponsoring the improvement, as to the type of improvements to be considered. All of the improvements make the house more comfortable for the recipients, both physically and psychologically. The quality of the houses that have been improved by a loan from the Project are in general, better than the unimproved houses of the rural population.

H. Beneficiaries

The beneficiaries of the Project are low income families who live in small towns, market and communication centers and rural areas. While most of the beneficiaries are farmers, farm laborers and proprietors and employees of small service businesses dependent on agriculture, such as blacksmiths and mechanics, some of them are owners and employees of family owned enterprises, employees of agroindustries, and municipal and government employees. The direct beneficiaries are those who receive a loan to make an improvement on their house. The indirect beneficiaries are people who are contracted to work on the home improvement and who are working in the production, warehousing, sale and transportation of construction materials.

The Project is enabling the direct beneficiaries to receive loans to make an improvement on the house in which they live. As of 30 September 1983, 2,109 loans had been made which are benefiting approximately 12,000 people. The majority (71%) of the loans are to make structural improvements, such as building roofs, floors and walls, and installing windows and doors. Other loans are financing additional rooms (5.7%); sanitary improvements (7.9%), such as showers, toilets and water lines into house or on to lot; etc.

I. Unplanned Effects

The Project has had some unexpected effects, which are discussed in the following paragraphs.

1. Several groups of beneficiaries have requested and received basic and advanced courses in construction techniques. They used this training to complete their respective home improvements and then to work for other

Project beneficiaries on their improvements. At least two of the groups that received the training are organizing into workers associations and are marketing their services within the community in which they are located. The training has enabled these beneficiaries to improve their income.

2. At least two of the intermediaries require that the beneficiary provide as a loan guarantee a municipal certificate of title to their property. Reportedly, in some municipalities this is a fairly simple procedure; in others it involves a long, difficult process. Most of the beneficiaries had to request their certificate from the municipality because they had had no need to ask for it previously. The Project is supporting, in these instances, formalization of property ownership in rural areas.

3. Two of the intermediaries are using local banks to handle the recuperation of the loans financed by the Project. The banks report to the intermediary on the payments received and the beneficiaries who are current and delinquent in their payment. This is the first time that some of the beneficiaries have had any dealings with a bank. The Project, in these cases, is getting private sector banking institutions involved and the beneficiaries accustomed to dealing with them.

4. The actual contribution of the beneficiaries in most cases is probably higher than that anticipated in the design of the Project. The Loan Papers, for example, say that the beneficiary would make a down payment equal to 20% of the estimated cost of the improvement and would provide self-help labor equivalent to 15% of the improvement. The impression acquired from talking to a small sample of beneficiaries is that most of them are doing less by self-help and more by contracting skilled and semi-skilled labor to carry out the improvements. This increases the total value of the contribution of the beneficiaries. It also augments the increases of this labor force of indirect beneficiaries, a positive effect for the local economy.

5. The use of private, non-profit institutions as intermediaries in the Project was reportedly agreed to by INVA with some apprehension because it had no previous experience of working with such organizations. After the decision was made to work with these institutions, however, INVA actively sought their cooperation in the development and implementation of the Project. The success of the Project is the result of this joint effort and a modification in INVA's usual operating procedure.

6. An unplanned effect that has been observed in other countries that have rural housing programs is the tendency of

neighbors of the beneficiaries to make improvements on their houses, even though they do not receive assistance from the Project. This is especially true of the better income families who will make an improvement on their house after seeing the efforts of families with less income. Although the consultants did not observe this spin-off effect, it undoubtedly does or will soon exist. All of the beneficiaries indicated that their neighbors were aware of the INVA-AID funded Project.

J. Lessons Learned

The home improvement program that has been designed and is in place to carry out the Project is working well and could, in the opinion of the consultants, be considered as a model to be adopted in other countries with a minimum of modifications. The model makes use of existing institutions. It is a cooperative effort of these institutions, public and private, to provide a large number of rural families with financial and even technical assistance to improve their houses.

The consultants suggest as a follow-on that AID provide additional development loan funds to enable INVA to continue to promote and approve more requests from additional intermediaries to participate in the Project. The consultants also recommend that AID should allocate loan funds to the Project to carry out a small scale new housing construction program with selected intermediaries.

K. Special Comments or Remarks

The consultants are of the opinion that the Project was well thought out and designed and that it is developing as planned. It is, in our opinion, a success. The model that has resulted is a unique combination of the use of the GOH housing agency with private non-profit institutions using and strengthening their capabilities to assist low income rural families to improve their existing house. The success of the model is shown in the number of intermediaries that are participating in the Project and the number of home improvements made.

The following recommendations are made to assure the continued success of the Project and to correct some problems identified during the evaluation. The recommendations are cross referenced to their appropriate section in the report.

Section II, A.

INVA should continue to seek high level political support for the Project amongst its Board of Directors and from other GOH agencies. INVA should consider asking the private, non-profit institutions that are involved in their Project for their assistance in obtaining this support.

INVA should prepare an audio visual show and a publication on the Project to be used to acquire support for its continuation and expansion and as a promotional resource.

INVA should investigate ways to publicize the Project more in order to gain additional political support for it.

INVA should continue to remind the GOH of its commitment to the Project in accordance with the Loan Agreement.

Section II, B, 2.

The Project Coordinator should assign each Supervisor specific intermediaries for which he is responsible.

The Project Coordinator should provide all of the Supervisors with copies of the Loan Agreement and all the documents related to the intermediaries for which he is responsible.

The Project Coordinator should require that each Supervisor prepare a monthly work plan for his review and approval.

The Director of the RHD and the Project Coordinator should be sure that each Supervisor is adequately trained in (a) bookkeeping practices and management and inventory controls and (b) basic construction supervision for the needs of the Project.

INVA should increase the staff of the RHD with two accountants, one secretary and one driver/messenger. One of the accountants should work primarily with the RHIU and the Project and one secretary should be assigned to the RHIU.

Section II, B, 3, b. i.

INVA should give more attention to the supervision of the INVA-INFOP contract in general and to the production of the basic construction courses in particular.

INVA should review the draft materials that have been prepared to date by INFOP to determine their application in the Project.

INVA should investigate the type of improvements that have been financed by the Project in order to quantify them.

INVA should be sure that all contract modifications are formalized in a signed amendment.

Section II, B, 3, b, ii.

INVA should investigate ways that it can improve this type of INFOP assistance to the beneficiaries. It should work with INFOP, as well as the intermediaries and selected beneficiaries in a coordinated effort to achieve that objective.

INVA should consider ways that it can institutionalize this type of technical assistance in its future home improvement programs.

INVA's Project Supervisors should receive and approve all the requests from the intermediaries for training courses by INFOP.

The Project Coordinator should, based on the requests for courses from the Supervisors, prepare with INFOP a work plan of the various courses that have been requested and scheduled.

Section II, B, 3, b, iii.

INVA should review the objective and need for this activity and substantially reduce its level of funding in the INVA-INFOP contract.

Section II, D.

INVA should carry out an analysis of the first two years of the Project's administrative costs and income during the first quarter of 1984.

Section II, F.

AID should pay close attention to the location of the PRONAVIR pilot project within INVA's organizational structure to be assured that INVA is providing adequate priority and resources on the rural home improvement program funded by the Project.

INVA should consider using existing public and private agencies in the development and implementation of the PRONAVIR program based on its positive experience with such institutions in the home improvement Project.

Section III, A.

INVA should continue discussions with additional intermediaries to get them to participate in the Project.

Section III, B.

INVA should develop a system whereby the intermediaries receive a schedule of the training sessions to be provided by INFOP.

INVA should develop a training evaluation questionnaire to be used by the intermediaries to assess the training session.

Section III, D.

INVA should review the volume of lending with each intermediary and assess the factors which have been affecting that institution's utilization of loan funds.

Section III, E.

INVA should provide assistance to each intermediary to develop a clear and agreed upon policy regarding delinquencies for each of the payment modes offered by the latter institution.

INVA should require that intermediaries requesting approval to participate in the Project describe their delinquency policy in their application.

Section III, F.

INVA should provide assistance to the intermediaries to enable them to develop and use adequate accounting and management/inventory control systems. INVA should give this high priority.

INVA should provide assistance to the intermediaries to enable them to develop the capability to project their recuperations on outstanding loans and to plan for their reinvestment in new home improvement loans.

Section III, I.

INVA should, to avoid possible confusion and misunderstanding, begin to use letters, in addition to its circulars, in its communication with participating intermediaries.

INVA should solicit and consider suggestions from the intermediaries for the purpose of improving the Project.

AID should plan to provide additional loan funds to expand the rural home improvement Project and to finance the construction of new houses with selected intermediaries.

Section V, B.

INVA should, with the consultation of the intermediaries, plan for some short training sessions to develop basic skills within the intermediaries in the technical aspects of home improvements.

Section VI, A.

The Project should continue to give loans in the form of construction materials and not in cash.

Section VI, B.

No change in the present maximum subloan amount or the payback period for the Project is recommended.

Section VI, C.

Bigger loans in cash for larger periods of time for home improvements are not recommended. If loans for the construction of new houses are included in an expanded project, the period of the loan would need to be extended.

II. INVA

A. Determine/assess past and present political support as well as high level INVA commitment to the Project.

1. Past Political Support

After the Project was designed and approved by the GOH and AID, the Loan Agreement was signed on 5 June 1981. Subsequently, INVA's General Manager and its Board of Directors were replaced. INVA's staff had to inform its new General Manager and Board of Directors of the history, purpose, objectives, etc., of the Project in order to gain their support and approval. The new Board of Directors approved the Project and by so doing, provided their political support to it.

INVA's institutional support of the Project is reflected in the creation of the Rural Home Improvement Unit (RHIU) within the already existing Rural Housing Department (RHD). INVA's overall institutional support of the Project has reportedly increased as the Project has developed with the participation of more intermediaries and an ever increasing number of beneficiaries receive loans for home improvements.

2. Present Political Support

At present, INVA's Board of Directors and its top management continue to offer their support to the Project by approving contracts with intermediaries to participate in it. INVA's management is becoming increasingly aware of the success of the Project and indicates its interest in being able to continue and expand it.

3. Commitment to Project

INVA has had problems getting the GOH to meet its financial commitments to the Project in the form of counterpart funds. This is not the result of INVA not budgeting for its commitment and requesting it, but rather the present economic crisis affecting Honduras. INVA, however, needs to continue to look for the funds for its institutional and the GOH's financial commitment for the Project.

Observations

Although the political support for the Project has been adequate to date, INVA should do everything possible to assure that such

support continues and increases. The Project should be viewed by INVA as a goldmine to be exploited. By describing its role and that of the intermediaries and the number of rural families who have been assisted in improving their living conditions, INVA can benefit in various ways, including politically, from the Project.

The involvement of the private, non-profit institutions in the Project should be highlighted by INVA. This is a unique situation in which a Government agency has sought the participation of selected private sector institutions, not only in the planning, but also in the implementation of a housing program. INVA should seek the political support of the participating and other private, non-profit institutions in its efforts to continue and expand its rural home improvement loan program.

Recommendations

INVA should continue to seek high level political support for the Project amongst its Board of Directors and from other GOH agencies. INVA should consider asking the private, non-profit institutions that are involved in their Project for their assistance in obtaining this support.

INVA should prepare an audio visual show and a publication on the Project to be used to acquire support for its continuation and expansion and as a promotional resource.

INVA should investigate ways to publicize the Project more in order to gain additional political support for it. For example, a press release with photos each time a new INVA-intermediary contract is signed; a press release and photos on training sessions provided for the beneficiaries; a press release on material produced under the INVA-INFOP contract; the publication of a bulletin to the intermediaries (participating and potential) on the status of the Project, existing and new intermediaries, proposed training sessions and audits, etc.

INVA should continue to remind the GOH of its commitment to the Project in accordance with the Loan Agreement.

- B. Determine/assess the adequacy of INVA's institutional and organization arrangements and efforts to manage project activities (e.g., organization and adequate staffing of the Project Coordination Office).

1. Institutional Responsibilities

INVA created its Rural Housing Department (RHD) in 1980 to be in charge of the construction of houses in rural areas.

Attachment 5 gives the organizational structure of RHD as of 1981.

As the result of its participation in the AID funded Rural Home Improvement Project, INVA established a special unit within the RHD, the Rural Home Improvement Unit (RHIU), to supervise and coordinate Project activities. Attachment 6 shows the organizational structure of the RHD with its housing construction and home improvement programs.

INVA's present rural housing program is funded from a variety of local and international sources. In addition to the home improvement loans being financed by the Project, INVA is assisting Indian communities, labor union members and residents in selected rural communities obtain new housing. Attachment 7 shows INVA's different programs, the estimated number of new units to be built or improvement loans to be made, the average cost of the unit or improvement, etc.

2. Staffing of the RHIU

The RHIU is presently staffed by the Project Coordinator and three (3) Supervisors. The Project Coordinator was named by INVA for the Project. He is responsible to the Director of the RHD. The Project Coordinator had previously worked with an intermediary in a successful rural home improvement program and brings to the Project the experience of promoting and managing such an activity, well established credentials within the private and volunteer organization (PVO) community and a strong dedication to make the Project succeed.

The Project Supervisors are responsible to the Project Coordinator. At present two Supervisors are assigned to INVA'S main office in Tegucigalpa and one to its branch office in San Pedro Sula. Because of the nature of their work with the intermediaries, the Supervisors are to receive special training in bookkeeping and supervision of simple construction techniques; Attachment 8 is their scope of work. At the time of the evaluation, only one of the Supervisors had attended both classes. The other two had been hired after the presentation of either of these courses. INVA reported that although the two Supervisors had not received the special training, that they had been provided an in-house orientation in bookkeeping techniques.

The RHIU receives support and cooperation from other offices and sections within INVA. This institutional support is provided not only by the RHD, but also others. For example, the Legal Advisors assisted in the

preparation of the model contract between INVA and the intermediaries and reviews and offers its opinion in all the legal documents used in the program. The Auditing Section tries to conduct audits of the intermediaries participating in the Project on an average of once every six months. Each audit requires approximately three days at the offices of the intermediary reviewing books and gathering information, plus the time to prepare the report in the office. The Accounting Section keeps a record of all the funds used for the Project: those for improvements, administration and inter-institutional contracts and the payments to INVA from the intermediaries. The Planning Office reviews and approves the work plan and budgets prepared by the RHD including those for the RHIU and the Project.

The Director of the RHD reports that two additional accountants, another secretary and a driver/messenger have been requested to handle INVA's increased work load with rural housing programs. One accountant would be assigned to work primarily with the AID funded Project and the other with the West German funded program. The actual Administrative Officer would be in charge of the two accountants and could provide more assistance to the Director of the RHD. Attachment 9 is the proposed organizational chart of the RHD with additional staff.

The number of Supervisors of the RHIU seems adequate at this time. The Project Coordinator is of the opinion that one more Supervisor will be needed after INVA has signed contracts with 15 to 18 intermediaries (at present 12 contracts have been executed) depending upon their location and the existing responsibilities of the three Supervisors.

Observations

Some important differences are noted between INVA's usual housing programs and the Project. For example, in the Project INVA has to promote the home improvement program with private, non-profit institutions, the intermediaries. After signing a contract with the intermediary, INVA has to provide it with both financial and technical assistance. The latter type of assistance is especially crucial to the intermediaries in order to assure that they can carry out the Project funded activity in an effective and efficient manner.

As with most programs, the capability, experience and dedication of the staff working with it determines to some extent the ultimate success or failure of the program. The selection of qualified professionals is of considerable importance.

The Project Coordinator establishes the first contact with a potential intermediary institution. He has to promote INVA's rural home improvement program and convince them to participate. In addition to his other responsibilities, he has to trouble-shoot any problem; plan and coordinate training sessions; and keep INVA, the intermediaries and AID informed of the Project. In the opinion of the consultants, INVA made a very good choice in the selection of the Project Coordinator. Credit must be given to this professional in the successful development of the Project.

The Project Supervisors of the RHIU are key to the continued success of the program. They are INVA's representatives in the Project and have more direct contact with the intermediary than anyone else from INVA. In order to effectively carry out their responsibilities, it is essential that they be fully informed about the Projects' procedures and operations; be able to work with and impart this information to the intermediaries and beneficiaries and be highly motivated in the objective of the Project.

Of the three (3) Supervisors during the evaluation, only one had received the training sessions in bookkeeping and administrative controls and in basic construction techniques. He was doing an acceptable job.

The other two (2) Supervisors had joined the RHIU after the training sessions had been offered. Although they had reportedly received an in-house orientation course in bookkeeping from INVA, they need additional training in bookkeeping to be able to offer meaningful assistance to the intermediaries.

In the event of any turn over of the actual Supervisors, INVA should consider selecting someone who has some accounting and/or construction experience rather than having to train them. It would probably enable the RHIU to have qualified Supervisors without the delay to completely train them in the responsibilities.

Recommendations

The Project Coordinator should assign each Supervisor specific intermediaries for which he is responsible. The assignments should take into consideration such factors as location of the Supervisor and the intermediary, travel time, number of sub-loans, past and present problems that the intermediary has identified, etc.

The Project Coordinator should provide all of the Supervisors with copies of the Loan Agreement and all the documents related to the intermediaries for which he is responsible, such as loan applications from intermediaries, contracts between INVA and intermediaries, all correspondence between INVA and the intermediaries, audit reports and copies of the Quarterly Reports to AID.

The Project Coordinator should require that each Supervisor prepare a monthly work plan for his review and approval that will show intermediaries to be visited, the purpose and length of the visit. The work plan should also indicate the time spent in the appropriate INVA office in the preparation of reports, coordination with other INVA departments, preparation for next visit, etc.

The Director of the RHD and the Project Coordinator should be sure that each Supervisor is adequately trained in (a) bookkeeping practices and management and inventory controls and (b) basic construction supervision for the needs of the Project. Of the two types of training, the first (a) seems more important at this time. The Supervisor should have a full understanding of these topics and be able to assist and advise an intermediary on them in accordance with their scope of work (Attachment 8). The first type of training can be undertaken by INVA as the result of the INVA-IFC agreement. The second type of training has to be supplied by INFOP. If a Supervisor has taken the training and is unable to apply it effectively, he should be given the opportunity to improve that ability on his own time and at his personal expense or be replaced by another, qualified person.

INVA should increase the staff of the RHD with two accountants, one secretary and one driver/messenger. One of the accountants should work primarily with the RHIU and the Project and one secretary should be assigned to the RHIU. They should work with the RHIU at least through the promotion and development stage of the Project.

3. Inter-Institutional Arrangements

The Loan Agreement identified specific areas of technical assistance that would be needed for the Supervisors and other staff members of INVA, the promoters of the intermediaries and some of the beneficiaries to carry out the Project. In order to provide this assistance, INVA signed contracts with local organizations to prepare the material and offer the training sessions as described below.

a. Bookkeeping and Management

INVA entered into a contract with the Institute of Investigation and Formation of Cooperatives (IFC) for \$3,125 to provide training in bookkeeping, administrative controls and control of construction materials. The contract was signed on 28 April 1982.

IFC prepared a manual and a course on "Methodology, Bookkeeping, Administrative Controls and Materials Controls" which was presented in two training sessions: one from 1-8

June 1982 and the second from 10-15 January 1983. The June 1982 course was attended by a total of 15 participants: INVA - 6, Hermandad de Honduras - 2, Caritas de Santa Rita - 3, Cavitas de Olanchito - 2, and Caritas de Victoria - 2.

The January 1983 course was offered to a total of 12 participants: Association San Jose Obrero - 2, Caritas de Danli - 1, Caritas de Victoria - 1, Caritas de Olanchito - 2, Caritas de Morozan - 2, CEDEN - 1, CEVER - 1 and INVA - 2.

IFC fulfilled the conditions of the contract with INVA. Its work was rated by INVA as very professional. The assessment of the training by the intermediaries varied in accordance with their existing bookkeeping and management practices. For example, CEVER reported that the bookkeeping training was very basic compared to its more sophisticated system. Caritas Morozan reported that the IFC training was useful. The manual that was prepared can be used as a reference by the intermediaries.

b. Construction Techniques and Local Material Production

INVA signed a contract with the Professional Formation Institute of Honduras (INFOP) for the amount of \$453,321 on 13 April 1982, which committed the latter institution to provide technical assistance in basic construction techniques and local material production to INVA's Project Supervisors, the intermediaries' promoters and groups of beneficiaries. Specifically, INFOP agreed to (1) prepare forty audio-visual basic construction courses, (2) offer eight courses in basic construction techniques of two months each, and (3) present courses on the production of construction materials with local materials. In accordance with the INVA-INFOP contract, the production of the courses was to have been completed within one year (by 4/13/83) and the presentation of the courses was to have taken place within eighteen months (by 10/13/83). No completion date was established for the courses on the production of local materials. The INVA-INFOP contract ends on 3 June 1986.

A review of the status of the INVA-INFOP was held on 1 November 1983 during the visit of the evaluation team. The status of the three activities was as follows:

1) Preparation of audio-visual basic construction courses.

INFOP reported that it has identified ten courses on different kinds of improvements such as the construction of a roof, laying a floor, constructing and stuccoing walls, building a latrine, etc. Each course will be

composed of a packet including a manual for the instructor, a manual for the participant, a cassette recording explaining a slide presentation of the construction/improvement and a poster on safety and hygiene. The participant will use the manual during the course work and the implementation of the improvement and then return it to the intermediary so that it can be loaned to another beneficiary. INFOP has prepared six of these courses in draft and is in the process of developing the other four.

The manuals, in draft form, for the construction of roofs were provided by INFOP to representatives of INVA, USAID and the consultants for information and observations. Several slide shows, accompanied by the cassette recording, were previewed.

It was agreed by INVA and INFOP at the meeting on 1 November that INFOP would suspend work on the remaining four courses until INVA had had a chance to review the work on the six that have been prepared in draft.

Observations

INVA's supervision of their contract with INFOP has been lax. It should have been in closer contact with INFOP and provided it with exact instructions on the courses that it needed for the Project. INFOP, on its part has not asked for or apparently accepted guidance when offered by INVA. It should have, at a minimum, presented outlines of its draft materials to INVA for review and approval before proceeding. As the result of this situation, the courses that have been produced by INFOP will need additional work before they are acceptable for the Project. This will probably increase their final cost and delay their production.

An assessment of the course manuals and audio visual material for the construction of a roof is that they might be too complicated for the intended Project beneficiary and show only the application of zinc and not other types of roofing materials. They, and the other audio visual presentations that were previewed, seemed to be directed more to the construction of a new house rather than a home improvement.

The number of basic construction courses that INFOP was to produce was reduced from forty in the contract to ten. This modification plus the use of INVA-INFOP contract funds to purchase the "tool banks" that INVA has distributed to the intermediaries resulted from conversations between the two institutions based on Project needs. The consultants could not locate any document modifying the original contract.

Recommendations

INVA should give more attention to the supervision of the INVA-INFOP contract in general and to the production of the basic construction courses in particular. It should conduct a thorough review of the contract to determine what assistance INFOP can offer to the Project. INVA should take into consideration its experience to date and consult with selected intermediaries to solicit their impressions of INFOP's assistance in basic construction courses.

INVA should review the draft materials that have been prepared to date by INFOP to determine their application in the Project. It is probable that with some modification the course materials, manuals and the slide shows can be adjusted to the Project needs and be useful resource materials. If, however, the materials are not acceptable even after modification, this activity should be discontinued and the remaining funds reprogrammed for needed activities.

INVA should investigate the type of improvements that have been financed by the Project in order to quantify them. If a particular type of improvement is not often made and INFOP has not yet prepared the course in draft, INVA should order INFOP to cease production of the course. INVA might consider instructing INFOP to prepare particular courses depending on the quantification of improvements made to date.

INVA should be sure that all contract modifications are formalized in a signed amendment.

- ii) Presentation of eight courses in basic construction techniques of two months each.

INFOP reported that now that it is in the process of finalizing the production of some of the basic construction courses, as described above, it will soon be able to offer the courses. INFOP has, however, provided courses in construction techniques at the request of INVA and/or an intermediary for the promoters of the intermediary and the beneficiaries of the Project. According to INFOP, most of the participants in the courses are Project beneficiaries.

Attachment 10 is the list of courses prepared by INFOP that it has offered since the beginning of its contract with INVA (13 April 1982) through 14 October 1983. The consultants believe the list does not include all of the courses provided by INFOP because one of the intermediaries visited, the Pinalejo Credit Union, told of at least two courses some of its beneficiaries had received. The attachment provides the intermediary

requesting the course(s), the location, the type of course and the dates.

It was reported by some intermediaries that they are sometimes visited by INFOP personnel who discuss the training needs for the beneficiaries. After identifying and tentatively scheduling a course, the INFOP personnel then advise their institution and INVA of it. This has created problems for INVA, particularly with the Project Supervisor and their relationship with the intermediary.

Observations

Although INFOP admits it has not finalized the production of any of its basic construction courses, it is offering construction courses to promoters and beneficiaries as shown in Attachment 10. It is not known what course material is being used in the presentation of these courses.

INFOP has been requested by some intermediaries to provide beneficiaries with not only the basic construction course, but also other, reportedly more advanced courses. These requests have, reportedly, come from the beneficiaries.

In several instances, a group of beneficiaries (between 15-22) have requested more advanced courses in construction techniques. As the result of the courses, these beneficiaries have organized into ad hoc worker's associations in their respective communities. Their associates are earning additional income from their newly acquired construction skills.

The intermediaries interviewed by the consultants where INFOP had offered courses in construction skills were very positive on the training provided. The few beneficiaries who were interviewed who had attended an INFOP course were of the opinion that they had benefited from the training. They observed that it had helped them to carry out the improvement on their house in a more satisfactory manner and also opened up the possibility of earning additional income in the local construction trade.

Recommendations

INVA should investigate ways that it can improve this type of INFOP assistance to the beneficiaries. It should work with INFOP, as well as the intermediaries and selected beneficiaries in a coordinated effort to achieve that objective.

INVA should consider ways that it can institutionalize this type of technical assistance in its future home improvement programs. INVA

might consider adding a 0.5% or 1% more on to the interest rate it charges the intermediaries to cover the cost of such assistance.

INVA's Project Supervisors should receive and approve all the requests from the intermediaries for training courses by INFOP. The Supervisors should pass the approved request to the Project Coordinator to arrange and schedule the course with INFOP.

The Project Coordinator should, based on the requests for courses from the Supervisors, prepare with INFOP a work plan of the various courses that have been requested and scheduled. The work plan should be for a minimum of 45 days and preferably for 90 days and distributed to INFOP, the Supervisors and the intermediaries.

iii) Presentation of courses on the production of construction materials with local materials.

In accordance with the INVA/INFOP contract, INFOP was to establish three (3) local material production teams that would offer 168 demonstration courses at the request of intermediaries and with the approval of INVA. INFOP reported that it has not done anything for this activity. It was agreed that INVA and INFOP would meet in the near future to discuss this proposed activity and decide on various options regarding it.

Observations

The purpose of this activity is to provide technical assistance to a local producer of building materials such as adobe, fired brick, floor tiles and/or roof, window or door manufacturer, etc., to enable the producer to improve the quality and quantity of production. INVA reports that it has not received any request for technical assistance, only for financial assistance.

Given the experience to date with the promotion and implementation of the Project, it is extremely doubtful that any intermediary is going to identify requests for this type of course. They, the intermediaries, purchase the construction materials from suppliers who produce and/or stock acceptable materials. The intermediary, in most instances, does not have the human resources or the time to be concerned about assisting a local producer to make better, acceptable materials.

Recommendation

INVA should review the objective and need for this activity and substantially reduce its level of funding in the INVA-INFOP contract.

- C. Determine/assess the functioning and effectiveness of INVA's Project Coordination Office (PCO) in promoting, selecting and sustaining the participation of intermediaries in Project implementation.

The Project Coordination Office of the Rural Home Improvement Unit (RHIU) has the responsibility of working with the intermediaries. This effort is divided into three stages: the promotion of the Project, the selection of the intermediary and sustaining the participation of the intermediary in the Project implementation. The role of the RHIU in each of these stages is described and assessed below.

1. Promotion

The RHIU has used a variety of methods to promote and provide information on the Project. For example,

- A presentation on the Project was made before a group of potential intermediaries in Jicaro Galan shortly after the Loan Agreement was signed.
- Visits were made to potential intermediaries to explain the Project.
- A seminar on the Project was offered in San Marcos de Ocotepeque. Twenty-three (23) potential intermediaries were invited to participate. Thirty-six (36) participants attended representing nineteen (19) institutions.
- Letters were sent out to twenty-three (23) potential intermediaries informing them of the Project.
- A folder was prepared explaining the Project in general terms.
- A guide to prepare a loan application for the Project was prepared.
- A model contract (INVA-Intermediary) was prepared.

Observation

INVA has done a good job of promoting the Project as is indicated by having signed contracts with twelve intermediaries and approved another to enter the Project. In addition, at this time, two other intermediaries are reportedly preparing their applications. At present it is estimated that with the approval of five more intermediaries all the funds designated for rural home improvements (1.5 million) will be allocated.

2. Selection of Intermediaries

The criteria for an intermediary to participate in the program is set forth in the Loan Agreement and Implementation Letter No. 3, dated 22 October 1981.

When an interested intermediary submits a loan application, it is reviewed in INVA by the Director of the DRH, the Project Coordinator and the Legal Advisor. An analysis of the loan request is prepared for the General Manager's attention summarizing the application and recommending approval or rejection of it and the amount of funding to be authorized.

After INVA approves a loan request, it requests AID's approval. AID issues an Implementation Letter approving the loan to the intermediary. INVA then signs a loan contract with the intermediary.

Observation

INVA is following the criteria set forth by AID for the selection of intermediaries.

3. Sustaining the participation of the intermediaries

After INVA has signed the loan agreement with the intermediary, the RHIU provides it with orientation and assistance to implement its rural home improvement program. The Project Supervisors visit the intermediary approximately once every forty-five (45) days to offer assistance in the implementation in general, but especially in bookkeeping and administrative and inventory controls and the supervision of the construction. The Supervisor receives requests from the intermediaries for courses on construction techniques that they forward with their observations to the Project Coordinator so that he can arrange for the course with INFOP.

INVA has issued to all of the intermediaries participating in the Project "circulars", signed by the General Manager, setting forth general and specific guidelines for the Project. To date INVA has issued two circulars.

INVA's auditors visit each intermediary approximately every six (6) months to conduct an audit of their accounting records and fiscal management of their rural home improvement program. Each visit lasts about three days

excluding travel time. An audit report is prepared that is shared with the intermediary and AID.

INVA has arranged through its contracts with IFC and INFOP for specialized training courses for the staff of the intermediaries in bookkeeping and administrative and inventory controls and construction techniques. The objective of these courses is to help the intermediary develop an institutional capacity to carry out its rural home improvement program. At present INVA is planning a course for the intermediaries on the use of traditional local materials in the improvement of a house and a round table meeting to review the Project with the participating intermediaries in order to exchange experiences, identify problems and assistance needed to correct them, etc.

Observation

INVA is doing a good job in sustaining the participation of the intermediaries in the Project.

- D. Determine/assess the financial viability of the Project from INVA's point of view and the prospect of the Project becoming a self-financing activity for this institution.

The Project, which is different from those that INVA usually develops, has been underway for approximately two (2) years in that the Project Coordinator was hired in December 1981 and the Conditions precedent for the initial disbursement were met in January 1982. At present, different opinions are expressed within INVA as to the financial viability of the Project, but no assessment has been undertaken to determine the true costs. Without such a study it is not possible to determine if the Project can become a self-financing activity for INVA.

Recommendation

INVA should carry out an analysis of the first two years of the Project's administrative costs and income during the first quarter of 1984. INVA should calculate all of its expenses and the various sources of income such as loan funds, grant funds, GOH contribution, INVA funds, interest payments, etc., for this period. It should also prepare a five (5) year projection of its administrative costs and its income from all possible sources from the loans it has made, GOH commitments, and INVA funds, etc. This information will enable INVA to determine if the Project is financially viable and if it can become a self-financing activity.

- E. Analyze strengths and weaknesses of INVA's existing program as a base for a significantly expanded investment in rural housing.

INVA had developed rural housing activities prior to the creation of its Rural Housing Department (RHD) in 1980. Since the RHD was established, it has developed a capacity to develop rural housing programs and its responsibility has increased with new programs. Some of the strengths and weaknesses of INVA's rural housing program are discussed below.

1. Strengths

INVA's RHD has acquired considerable experience in the development of rural housing programs, both the construction of new units and the improvement of existing ones. As the result of this experience it has developed techniques and procedures to enable it to plan, implement and manage such programs.

INVA has shown some flexibility in the planning and implementing of rural housing programs. For example, because of the interest rate on the financing it receives for the rural housing program for SITROTERCO, INVA is charging the beneficiary 12% p.a. instead of the 7% it charges in its other new housing construction activities. INVA did, after discussions with AID about the design of the rural home improvement loan program, agree to use private and non-profit organizations and other government institutions as intermediaries in the Project.

INVA has shown that it is able to work with other public agencies and private sector groups in its rural housing programs. For example, it is cooperating with the National Agrarian Reform Institute (INA) on housing for that institution's colonization efforts. It cooperates with the Water and Sewer Agency (SANAA) and the National Electric Company (ENEE) to get their respective services installed in rural projects. It is working with labor unions and private businesses in housing for workers. In addition, it is working with the private and non-profit institutions with the AID funded home improvement program.

INVA's rural housing expertise is recognized not only nationally, but also internationally. The Government of West Germany has approved an approximate \$2.0 million dollar program that is getting underway. The European Economic Community is in the process of providing funding to INVA to build houses for selected Indian communities. These

projects, plus the Project funded by AID, are indications that INVA is recognized by international donor agencies as the institution in Honduras, not only responsible for, but more important, capable of developing rural housing programs.

2. Weaknesses

Reportedly, INVA does not have a written policy for its rural housing program. Without a written policy, the objectives, nature and type of rural activities might be interpreted as the actual Board of Directors decides. While some flexibility is needed for any institutional activity, the lack of a policy might cause problems in prioritization and use of scarce resources.

Political pressure is applied on INVA for its housing programs including those in rural areas. This pressure applied not only to the location and type of the project, but also to the selection of the beneficiaries. This problem, to some degree, is inherent of any public housing agency. However, it can complicate project planning and implementation.

The administrative cost of its rural housing program, both the construction of new houses and the improvement of existing ones, needs to be determined by INVA. Such an assessment would enable INVA to know if its rural housing program is financially viable or what it can do to make it more completely viable.

An assessment of the administrative costs for its rural program, and particularly an analysis of its rural home improvement loan program, might suggest that INVA revise the conditions and terms of the program. For example, for the construction of new housing units it might be possible to require a down payment, the interest rate might be increased and the length of the loan might be reduced depending upon the intended beneficiary.

As the result of analyzing the strengths and weaknesses of INVA's rural housing program, it is the opinion of the consultants that INVA has the experience and the institutional structure which could be used and strengthened for it to undertake a significantly expanded rural housing investment.

- F. Compare the policy and structure proposed by the National Program for Rural Housing (PRONAVIR) with INVA's actual experience, making recommendations for future AID support.

The National Program for Rural Housing (PRONAVIR) was created with a Presidential Decree of 4 April 1983, to develop a Project for Massive Construction of Rural Housing of social interest for the period 1983-86. PRONAVIR proposes to combine the services of various public institutions such as the Ministry of National Resources, the National Agrarian Institute, the National Housing Institute, the Municipal Bank (Banco Municipal Autonomo), Ministry of Finance and Public Credit, the Central Bank and the Ministry of Communications, Public Works and Transportation to deal with the housing problem in rural areas. It is considered that at least initially it will be a modest and partial effort to deal with the National Development Plan for the Housing Sector for the period of 1983-86, and is an extension of INVA's positive work with rural housing.

The stated objectives of PRONAVIR are to create employment in rural areas, to improve the standard of living in such areas, to create permanent mechanisms to finance social interest housing, to get the savings and loan system to join the finance mechanisms in rural areas and to seek the cooperation of companies and other groups in the development and implementation of the program.

The Technical Group assigned to PRONAVIR prepared a proposal for a pilot project of a total of 791 housing units in rural areas for a total cost of \$2.0 million. The proposed pilot project identified rural communities where houses will be built by supervised self-help techniques and includes the plans and cost estimates for each of the house types to be constructed. The cost estimates for the units range from \$1,400 to \$2,250. The terms of the loans are consistent with most of INVA's other programs for the construction of rural housing: no down payment because of houses being built by supervised self-help techniques, 7% per year interest, and a 15 year repayment period. The proposed pilot project suggests the formation of credit unions by the beneficiaries to be in charge of the collection of the repayments. We were informed on 10 November that the Honduran Congress had approved \$2.1 million for the pilot projects.

It is understood by the consultants that the development, implementation and management of the pilot project is to be placed within INVA's RHD. It was proposed that a new section be established, the Department of Programming, Implementation and Evaluation of PRONAVIR, to be in charge of the pilot project. The RHD would receive additional staff to strengthen its capability to undertake its on-going rural housing programs and its increased workload of the PRONAVIR program.

Observations

The proposal for the PRONAVIR pilot project refers in various places to using INVA's positive experience with rural housing programs in the planning and implementing of the pilot project. It also proposes the strengthening of its RHD of INVA and incorporating within it a section to be responsible for the PRONAVIR pilot project. This is a logical expansion of INVA's rural housing programs and the strengthening of its RHD to carry out this additional work.

If PRONAVIR's pilot project, however, were to be established outside of INVA and independent of its rural housing programs, problems such as policy, managerial, priorities, allocation of resources, etc., might arise. Such problems would, in the long run, have adverse affects on INVA's rural housing programs including the AID funded rural home improvement program.

Recommendations

AID should pay close attention to the location of the PRONAVIR pilot project within INVA's organizational structure to be assured that INVA is providing adequate priority and resources on the rural home improvement program funded by the Project.

INVA should consider using existing public and private agencies in the development and implementation of the PRONAVIR program based on its positive experience with such institutions in the home improvement Project.

III. INTERMEDIARIES

- A. Analyze the factor that motivated the intermediaries to either participate or abstain from project involvement.

The consultants interviewed eight of the twelve private volunteer organizations (PVO's) or intermediaries that are participating in the Project and two that have chosen not to participate thus far. The majority of the intermediaries reported that their decision to participate was based on the need for a home improvement program in the rural areas in which they were working. Several reported that many of the people with whom they are working had inquired about the possibility of assistance for housing programs. The intermediaries with religious affiliations saw the Project as a means of enabling them to achieve their larger objectives of helping communities and people in need. The cooperative organizations visited said they were responding to the cooperative principle of providing another needed service to their members.

One intermediary reported that it was initially hesitant of participating in the Project for one primary reason. Whereas it had been involved in manufacturing products and donating commodities, the Project represented a departure in that the intermediary would have to act as a "banking agent" responsible for making and collecting loans. The directors of the intermediary were not sure that this was an appropriate role for it to play. Nonetheless, it was decided that the service provided by the Project far outweighed their involvement as a financial institution.

The majority of intermediaries said that housing easily fit into their overall programs and that such activities fell within their integrated approach to helping families in the respective regions.

Of the two intermediaries interviewed that have not participated in the program, ACORDE and PLAN de HONDURAS (Foster Parent Plan), one felt that making and collecting loans was a departure from its grant assisted activities. The other intermediary wanted written assurances that it would not endanger its status in the country if it were unable to pay back the loan funds to INVA. Both intermediaries, however, left the door open for their possible participation in the Project at a future date if attention is given to dealing with their specific needs and concerns.

Recommendation

INVA should continue discussions with additional intermediaries to get them to participate in the Project.

- B. Analyze the degree to which participating intermediaries requested and received (whether requested or not) orientation and training to guide them in implementing the project. This should include: (a) the impact of training received and (b) an assessment of the adequacy and efficiency of training methods utilized by involved training institutions (e.g. INFOP).

The orientation and training provided under this Project can be categorized into two types: that provided by INVA to the intermediaries and that provided by IFC and INFOP to the intermediaries' promoters, Project beneficiaries and other groups. INVA has provided all of the participating intermediaries with a detailed orientation in the development and implementation of the Project. This includes, for example, a review of the purposes and objectives of the Project, a review of the INVA-intermediary contract, an explanation of how disbursements will be made, a description of the kind of assistance that INVA can provide, etc. This orientation has been, according to the intermediaries, very useful. The success of the Project to date confirms that assessment.

The training that INVA has provided to the intermediaries and the beneficiaries as the result of its contracts with IFC and INFOP are described in detail in Section II, B, 3, above.

The intermediaries interviewed indicated they would like to have the opportunity to meet with other participating intermediaries to discuss and exchange ideas on all aspects of the Project. They are of the opinion that by sharing experiences in the Project, that they will learn how it is functioning in other areas and acquire some new ideas. It would be judicious to also invite intermediaries who are considering entering the program to such a conference in order to apprise them of the merits of the program. INVA is reportedly planning such a meeting in early 1984 of the participating intermediaries plus others who might enter into the Project.

A recurrent comment made by those intermediaries that had received INFOP training was that the course length seemed excessive. While course content was all inclusive and the practical exercises were very helpful to participants, the intermediaries felt that courses could be shortened so that they would not detract from the participants' ability to carry on other productive activities, i.e., attention to crops and other means of support. The intermediaries felt that more participants would be able to attend the training sessions if they were reduced to a more manageable length, i.e., no longer than one week.

Observations

The consultants were able to observe an unplanned effect from the training in that in some instances it had created a core of technically skilled laborers who are now available to provide their carpentry masonry and other skills in home improvements and construction. The training of groups who are now available to provide semi-skilled or even skilled labor is a positive effect of the training courses.

Recommendations

INVA should develop a system whereby the intermediaries receive a schedule of the training sessions to be provided by INFOP. This would enable the intermediary to send promoters or beneficiaries to sessions being offered in other areas.

INVA should develop a training evaluation questionnaire to be used by the intermediaries to assess the training session. The questionnaire could cover the level, efficiency and effectiveness of the training and ask for suggestions on course content, context, methods of presentation and overall satisfaction. The questionnaire would be sent by the intermediary to INVA to assist it in managing its contract with INFOP for these services.

- C. Analyze the performance of the intermediaries in reaching the target group and working effectively and efficiently with beneficiaries, including: a) degree of institutional effort devoted to project promotion and supervision, and b) type and adequacy of activities conducted by intermediaries to re-activate somnolent patronatos or housing committees. This analysis should also evaluate the role played by patronatos and housing committees in promoting and screening beneficiaries.

The consultants are of the opinion, after visiting eight intermediaries and seeing numerous home improvements, that the intermediaries are for the most part reaching the intended target group defined under the terms of the Loan Agreement. This was especially true in the dispersed rural areas and smaller market towns that were visited. Although a few instances were observed of better-incomed families in the larger market towns such as Danli, Choluteca, and Yoro receiving loans, they represented only isolated cases.

The intermediaries have exerted considerable effort to the promotion and supervision of the Project. This has been accomplished through a variety of means. Field visits by promoters of the intermediary accompanied by other staff persons and even members of the board of directors have been used to explain and promote the home improvement program. Other promotional methods employed have included printed

bulletins, visits to schools and parent groups, radio programs, newspaper articles, letters to interested families, etc. In most cases, the promoters have undertaken the responsibilities of the Project as an addition to their normal, on-going work. This has resulted in substantial increases in their work load.

The supervision of the improvements appears adequate. Not only do the promoters of the intermediary provide some supervision, but the beneficiaries are participating in or supervising the work on the improvement. The home improvements visited by the consultants all appeared to have been undertaken in an acceptable manner.

The involvement and activation of patronatos, or housing committees, is a matter that is handled differently by each participating intermediary in accordance with their normal way of working. Some intermediaries are using housing committees in the development of the Project. Others continued to work with their existing methods of dealing with individual families. The cooperatives, of course, work with the cooperative members. Attachment 11 shows how some of the intermediaries work with committees or individuals.

Where housing committees have been used, they have helped the intermediary in promoting the home improvement program and in screening beneficiaries. During the promotional phase, the housing committees have been effective in attracting additional families to participate in it by simple word of mouth. The involvement of a friend and/or neighbor is a convincing argument to some undecided people. The committee can inform families of upcoming meetings and events concerning the Project.

The housing committees also screen potential beneficiaries. Among the intermediaries visited that worked with housing committees, they expected the committee to do the screening under the supervision of their promoter. The criteria for the screening process is established by INVA and the Project documents. The intermediary has the final approval in the selection of the beneficiaries.

- D. Review volume of lending of each participating intermediary in relation to its overall line of credit and analyze the factors that have contributed to fast/slow utilization of project funds.

The volume of lending in Attachment 12 represents the figures reported by INVA to AID in its Quarterly Report dated September 30, 1983. It is noted that two of the twelve intermediaries have disbursed 100%, two have disbursed 75% to

99%, six have disbursed 50% to 74% and two have disbursed less than 49% of their approved lines of credit.

The true indicators of loan volume lies in the number and amount of loans made. It is a bit confusing in trying to determine the volume of lending in that the intermediaries mix the loan funds from the Project, plus the down payment and recuperation reflows into their "loan fund".

An indication that reflows and down payments are being used for additional lending can be seen from a sample of half the intermediaries visited that did have updated information available as of the week of October 31, 1983. This is shown below.

<u>Agency</u>	<u>Funds Disbursed</u> US\$	<u># of Sub-loans</u>	<u>Amt. of Sub-loans</u> US\$
CEVER YORO	50,400	177	64,966
CARITAS DANLI	95,000	469	96,443
ASJO Choluteca	30,000	68	30,076
CEDEN LaCeiba	64,540	120	26,696

The first three intermediaries have placed loans that exceed the funds that they have received from INVA. In addition, the number of sub-loans made is a higher figure than the information given in Attachment 12 as of 30 September 1983.

The intermediaries visited give some insights into the fast and slow utilization of project funds. Caritas Danli is an intermediary which has used its allocated funds rapidly. It reported that it carried out an active initial promotional effort. It did not, it should be noted, require any type of guarantee from the beneficiaries for the loans, whereas all the other intermediaries required one of one form or other. The relative facility with which the loans were made available could be construed as a factor in the higher level of loan volume and utilization of funds.

The Asociacion San Jose Obrero (ASJO) in Choluteca has been slow in its utilization of funds. In ten months of project participation, ASJO has placed an average of four loans per month. Interviews with ASJO officials indicated that they had made a substantial effort to promote the project both verbally and on their weekly radio program. There are three noteworthy items. (a) ASJO has only worked in the city of Choluteca and has not ventured into the smaller communities outside the city. (b) They have only one full time promoter. (c) They only work with individuals and not housing committees. They are, however, exploring the

possibility of working with various labor unions which might accelerate their level of loan placement. ASJO requires that the beneficiary have two co-signers before they award a loan.

Recommendation

INVA should review the volume of lending with each intermediary and assess the factors which have been affecting that institution's utilization of loan funds. Based on this assessment, INVA should promote the use of loan volume goals which can be achieved by the intermediary during a given period. This would help both INVA and the intermediary check loan progress against stated goals. It will also enable INVA to better plan for the use of loan funds and to assess the capability of individual intermediaries to develop and implement the Project during any given period.

- E. Analyze loan repayment experience by each PVO and overall record. In this analysis contrasts should be established between individual beneficiaries versus solidarity group participants.

The intermediaries make available a wide variety of payback terms available to the Project beneficiaries. These range from the traditional monthly payment scheme for a specified number of months to others of every three or six months and some of once a year. The intermediaries have tailored the repayment schedule to the individual and the region by taking into consideration planting and harvesting.

None of the intermediaries anticipate any collection problem. They are of the opinion that the beneficiaries will honor their commitments. In addition, most of the intermediaries have required guarantees ranging from co-signers, signed notes by the beneficiary, transfer of land title while the loan is outstanding, etc.

All the intermediaries visited have provisions regarding loan delinquencies in their applications to INVA and in their loan agreements with each sub-borrower. The following chart delineates these provisions in each case.

<u>PVO</u>	<u>DELINQUENCY PROVISION</u>
1. Asociacion San Jose Obrero	1.5% monthly on delinquent amount
2. Caritas Danli	2% monthly delinquency charge
3. CEDEN	1% interest on delinquent amount
4. CEVER	18% on remaining balance if beneficiary cannot pay within 12 months.
5. FEHCIL	0.5% monthly on delinquent amount
6. Hermandad de Honduras	7% of delinquent amount
7. Coop. Pinalejo	Coop freezes savings deposit until loan is repaid
8. Caritas Morazan	20% charge for next month, 5% for each additional month

Despite these explicit provisions, two things are clear. First, in most cases, it is still too early to tell just what the incidence of delinquency is, given that many paybacks are tied to harvests which will not be in until November and December of the current year. A period of about sixty days following the due date will be necessary before a delinquency pattern can be quantified.

Of the intermediaries visited only two reported any delinquency problem. ASJO and Caritas Danli said that 15% and 16% respectively of their overall loan portfolio were behind in payments.

Second, the majority of the intermediaries do not have a written delinquency policy. The absence of such a policy can become a problem in recuperation of the loans.

All the intermediaries were well aware that recuperations must be made in order for them to cover their administrative costs, service payments to INVA and make reflows available for additional lending. The majority of beneficiaries interviewed were informed that they have a loan which they must repay. They also knew that when they complete the payments on that loan, they will become eligible for further lending for another needed home improvement.

It is not possible to note any trends or patterns at this time between repayment by individuals versus solidary groups. Intermediaries that make loans to individuals such as ASJO and Caritas Danli have, as indicated above, delinquency

problems. The Pinalejo Credit Union has no delinquency. This question should be re-addressed in about three months after the harvests have been made and the intermediaries have recorded the repayments.

Observations

The consultants are confident that barring unforeseen economic difficulties the beneficiaries will repay the loans and that delinquencies will remain within the 10% range forecast in the Project documents. It has been observed in other loan programs for the rural poor that the recuperation rate has been much better than similar programs for urban, middle income borrowers. The reason for this seems to be that these loans represent opportunities never before afforded to the rural poor by any formal lending institution and that they do everything possible to meet their commitments. The optimization of loan recuperations, however, must be safeguarded through the development of payment and delinquency policies.

It should be noted that all of the intermediaries are current with their payments, in accordance with their respective contracts, to INVA.

Recommendations

INVA should provide assistance to each intermediary to develop a clear and acceptable policy regarding delinquencies for each of the payment modes offered by the latter institution. These policies should outline the manner in which the institution will respond whenever there are delinquencies and the specific time periods within which every action will be taken.

INVA should require that intermediaries requesting approval to participate in the Project describe their delinquency policy in their application.

- F. Assess present capacity of intermediaries to cover their administrative costs, and potential for future self sufficiency in case that such costs are not being covered at present.

The consultants found that most of the intermediaries involved in the Project do not have adequate administrative, managerial, and accounting systems and controls to determine their administrative costs. Without this information and the capability to use it, the intermediaries will not be able to determine if what they are charging to cover their administrative costs is adequate. Some of the intermediaries have not been too concerned about their administration costs to date. These are generally those who have worked with programs only funded by donations. The attitude of administrators of such intermediaries is that salaries are

"already covered" by other donors and they don't need to worry about administrative costs.

Other intermediaries are concerned about the administrative costs of the Project and appear to be making attempts to determine the number of personnel involved in the program, the percent of their time actually spent on housing, costs involved in the implementation stage, etc. A few of the intermediaries such as the cooperatives are keeping account of their administrative costs.

Observations

If the Project is going to be judged in terms of its cost effectiveness and the extent to which there is cost recovery, an effort must be made to assist all the intermediaries in the development of an accounting system and management and inventory controls to be able to track all costs related to this project. It is very important that these systems and controls be established so that the intermediaries can assess their capacity to cover their administrative costs given its line of credit, loan volume, use of reflows for further lending, etc.

INVA assisted each of the participating intermediaries to estimate their administrative costs for the Project. These costs were then included in the cost of the loan to the beneficiary so that the intermediary would have such costs covered.

To help achieve self sufficiency in the Project, the intermediaries need to make maximum use of the repayments of the loans. They should, for example, make projections of the recuperations of the outstanding loans and plan for the promotion and approval of additional home improvements with these funds.

Recommendations

INVA should provide assistance to the intermediaries to enable them to develop and use adequate accounting and management/inventory control systems. INVA should give this high priority.

INVA should provide assistance to the intermediaries to enable them to develop the capability to project their recuperations on outstanding loans and to plan for their reinvestment in new home improvement loans. INVA should also assist the intermediaries to determine the level or volume of home improvement lending required to rationalize administrative costs.

- G. Analyze the degree to which loan repayments are being used for additional housing improvement loans.

In visiting eight participating intermediaries, the consultants were told that the recuperations are being used

not only to pay INVA interest on loan funds but also to re-lend to beneficiaries for additional home improvements. It was not possible, however, given the limited time spent with each intermediary to inspect their accounting records. The use of repayments is also discussed in III, D, above.

- H. Determine the degree to which the intermediaries are successfully "piggybacking" the housing project into existing outreach programs.

The consultants found widespread evidence that the home improvement activity has fit within the general outreach efforts already being undertaken by the intermediaries. The kind of programs that the participating intermediaries are developing include, for example, agricultural credit, appropriate technology programs for rural areas, food programs, water and sanitation programs, health programs, literacy programs, etc. With this variety of activities, the intermediaries are reaching a large number of people in rural areas.

The intermediaries have been able to capitalize on their ongoing outreach programs and, in the opinion of the consultants, piggyback the Project into them quite effectively. All of the intermediaries said that the Project fits in very well as an integrated part of their overall activities. In fact, they considered it a "component" of their existing programs and not as a distinct program which required special promotion and attention.

Observation

It was noted that the implementation of the Project has increased the workload of the staff of the intermediaries, especially the promoters. In most instances, the volume of work that the promoters had prior to the initiation of the Project was enough to be considered full-time. The housing program was added to their workload and in most cases little or no additional staff have been added to assist with the extra workload. One promoter told of initially spending approximately 25% of her time on the Project; now she estimates it takes 75%. Some of the intermediaries have instituted provisions to increase the promoters' salaries as compensation for the additional workload. The managers of the intermediaries should be cognizant of this situation and should monitor it in order to avoid any problems with staff and workload that could affect their on-going programs and/or the Project.

- I. Analyze the satisfaction of the intermediaries with their participation in the project, their intentions to continue and expand their efforts, including their suggestions for improving any project element.

All of the intermediaries visited indicated that they were satisfied with their participation in the Project. In their opinion, the Project is meeting its objectives and enabling them to assist rural families to improve their living conditions. One intermediary stated that it had been aware of the need and demand for housing among its clients, the people it was serving, but had been unable to address it. When the Project was initiated it was a perfect opportunity for it to provide this additional "service".

Without exception, the intermediaries interviewed said that they wanted to continue in the home improvement program. All of them expressed a desire to expand their participation in order to assist more beneficiary families and groups. Some of intermediaries whose line of credit had been reprogrammed were concerned over this action taken by INVA. Although they recognized that the adjustment had been justified because of the slow placement of loans, they saw the action as a vote of no confidence in their organization's ability to perform. They also feared that further reductions could take place and that they might not have the level of funding increased to its original level.

Suggestions made by the intermediaries for improving the Project included the need to publicize it through a bulletin or brochure which would help them in their promotional efforts. The bulk of suggestions centered on the "need" to expand the Project in all facets, including larger loan amounts to the beneficiaries, allowing more time for the repayment of the loans (3 years, for example) and funds for the construction of new houses. Suggestions were made that INVA promoters visit the intermediaries more frequently and that INVA consider providing vehicles for outreach and paying a portion of their promoters' per diems when they travel to rural areas far from their homes. One intermediary asked that AID and INVA assist them in finding a Peace Corps Volunteer who could assist them since their promoter was already overloaded with work and another could not be hired.

Observations

The suggestion by the majority of the intermediaries interviewed that the Project be expanded to include new construction definitely merits attention. The intermediaries base this suggestion on the requests that they have received and the need for new housing in rural areas.

Although it is true that none of the intermediaries have the capability to plan and implement housing projects, they can apply what they have learned as the result of the Project in a new construction program on scattered lots. For example, the intermediary could place

the burden of preparing the plan and cost estimate for the house on the beneficiary, who would seek the assistance of a local construction foreman or similar technician. The intermediary could provide the loan in groups of construction materials related to the phased construction of a house, for example, the foundations, the walls, the roof and the floor. Construction supervision could be provided by a local foreman. The building of the house would use self help and/or contracted labor depending on the beneficiary.

The consultants are of the opinion that with adequate preparation and planning a new housing construction program could be undertaken by some, if not all of the intermediaries. Studies or investigations would have to be made to determine how loan guarantees might be handled; the size, terms and conditions of the loans; the institutional responsibilities involved; training needs; etc.

Recommendations

INVA should, to avoid possible confusion and misunderstanding, begin to use letters, in addition to its circulars, in its communication with participating intermediaries. The letters would inform the intermediaries of changes in the Project, actions to be taken, specific instructions, etc., in a formalized manner that would be on record at both INVA and the intermediary.

INVA should solicit and consider suggestions from the intermediaries for the purpose of improving the Project.

AID should plan to provide additional loan funds to expand the rural home improvement Project and to finance the construction of new houses with selected intermediaries.

IV. OUTPUTS

A. Number and Types of Improvements

The Loan Agreement and Implementation letter No. 3 described some of the kinds of improvements that can be funded under the Project. A review of the information provided by INVA in their quarterly report for the period ending 30 September 1983, shows a break down of types of improvements made by the beneficiaries of six intermediaries. The other six intermediaries did not provide the data to INVA to be included in the report.

The improvements made by the beneficiaries of the six intermediaries total 2,266. It is assumed that a loan to one beneficiary financed more than one improvement because only 1,742 loans are recorded. Roofs composed the largest number (1,105/48.7%), then floors (332/14.6%), fences (138/6%), purchase of beds (133/5.8%), additional rooms (123/5.4%), installation of water lines of PVC (62/2.7%), installation of toilets (50/2.2%), etc.

The improvements can be divided into broad, general categories as follows.

<u>Category</u>	<u>No. loans</u>	<u>%</u>
Structured Improvements (walls, roofs, floors, windows, decor, ceiling, stuccoing, and/or painting of walls, etc.)	1611	71%
Additions/Expansions	130	5.7%
Sanitary improvements (baths, toilets, water lines into lot/house, water faucets, sinks)	180	7.9%
Fences	138	6.0%
Furniture organization (beds, mattresses)	174	7.6%
Other	<u>33</u>	1.4%
Total	2266	

It should be noted that the average amount for all of the loans made to the beneficiaries was \$245.

B. Socio-Economic Characteristics of Project Beneficiary

The beneficiaries are small land owners or leasers, farm laborers, small business owners and or employees, school teachers, owners and workers in the small businesses that support and service rural living, etc. They represent rural Honduras.

No information was available concerning the family income of the beneficiaries. The intermediaries do not require this information from the individuals and/or groups who participate in their on-going programs or for the Project funded home improvement loans. Probably the cooperatives, the Penalejo Credit Union and FECHIL, know what the income of the beneficiaries is but neither the beneficiary nor the family income is recorded.

C. Cost and Quality of Improvement

In addition to the amount that the beneficiary receives from the intermediary for the improvement, he or she also makes additional contributions to acquire and carry out the improvement. For example, the beneficiary must contribute 20% of the value of the improvement as a downpayment. The beneficiary also provides some self-help labor to implement the improvement which is estimated in the Loan Agreement at 15% of the value of the improvement. In addition the beneficiary, in most instances, pays out of pocket for skilled labor and/or other materials to complete or complement the improvement. The 15% estimate is probably conservative if the value of the beneficiary's self-help labor plus the cost of contracting for skilled labor and/or the purchase of extra construction are taken into consideration.

The quality of the construction of the improvements visited that were funded by the Project were, overall, very good.

In assessing the costs of the improvements, one has to take into consideration the cost of materials, labor and financing to undertake the job. In all instances, the prices of the construction materials provided by the intermediary are less or at least competitive to the price of similar materials on the local market. Some materials are acquired locally, too. The labor is self-help and contracted, the combination depending upon the construction skills of the beneficiary and his or her family members. The cost of the contracted skilled labor is based upon local supply and demand for specific skills based on negotiations between the beneficiary and the skilled laborer. Financing for home improvements in rural areas is generally not available.

D. Impact of Training

The training impact on the beneficiaries in basic construction skills is difficult to assess because of the quality of construction work observed, the unknown construction skills of beneficiaries before they received the training and the common use of skilled labor. It was noted, however, that in several instances a group of beneficiaries had requested and received training from INFOP in basic and more advanced construction skills. Several groups of 15 to 20 people had received the training sessions and have organized together to offer their newly acquired skills to others in their communities. One group was reportedly planning to form a worker's cooperative.

E. Use of Local Materials

The use of local, traditional materials in the improvements is minimal. The reason for this is mostly cultural in that the beneficiaries prefer to use non-traditional materials such as concrete blocks, zinc roofing, etc., in their improvement. Another reason is that local materials have not been promoted by INVA, the intermediary or INFOP. AID and INVA are planning a series of activities to encourage and promote the use of local materials in early 1984.

The Project has definitely improved the living standards and the comfort and health conditions of most of the beneficiaries and their families. As indicated above in the general classification of a sample of improvements made, most of them (85%) were to improve the structure and/or conditions of the existing house and to expand the house to provide more liveable space.

V. SATISFACTION OF BENEFICIARIES

Analyze the degree to which beneficiaries "planned and participated" in selection, design and implementation of the housing improvements.

Extensive interviews with beneficiaries' families assisted by each of the intermediaries visited indicated that they identified the type of improvement needed; planned and designed it usually by consulting a local builder, carpenter or mason; and stated their preference for materials to be used. The level of beneficiary participation in the selection and design of the improvement appears to be quite high.

As indicated above, although all of the beneficiaries provided some self-help effort in the implementation of the housing improvement ranging from the gathering of local materials such as sand and gravel to putting the finishing touches on it, most of them used some contracted semi- or skilled labor. Even in the instances where some of the labor was contracted, the beneficiary contributed with his or her help in the construction and supervision of the improvement.

- B. Analyze the satisfaction with treatment received from the intermediaries, including assistance, if any, in the technical and design aspects of the improvements.

The beneficiaries interviewed by the consultants were satisfied with the manner in which the sponsoring intermediaries had treated them in carrying out their home improvement. They all stated that they were very grateful for the assistance provided them in the planning and construction stages of their improvements.

The type of assistance the intermediaries provided to the beneficiaries varied. For example, some of this assistance was with the legal aspects of the program, such as preparing and signing loan documents, acquiring the necessary guarantees, and helping beneficiaries find suitable technical help to design and plan their improvement. In some instances the intermediary suggested improvements that should have priority such as latrines and water installed in the house. Such suggestions are appropriate, given the intermediaries knowledge of the zone in which it operates and the target group that it wants to assist.

Observation

The intermediaries are not providing much direction and technical assistance in design, type of improvements to be made or in construction materials to be used. The consultants are of the opinion that this would be a valuable capacity for each intermediary to have

since it could have an impact on the number and type of improvements and the types of materials used in them.

Recommendation

INVA should, with the consultation of the intermediaries, plan for some short training sessions to develop basic skills within the intermediaries in the technical aspects of home improvements.

C. Analyze beneficiary satisfaction with financial arrangements.

The beneficiaries interviewed indicated that they were satisfied with the financial arrangements of the Project. The beneficiaries stated that they were pleased to be given the opportunity to receive a loan for improving their homes. The project beneficiaries were generally well aware of the terms of their loans and most of the legal stipulations in their loan contracts. They knew that the funds came from INVA as the result of a loan it had received from AID.

The intermediaries charge different interest rates and use various ways to include their administrative costs. Regardless of these differences, the majority of beneficiaries interviewed were aware of the fact that they were paying interest and why they were paying it. When asked if the interest rates were considered high, the majority of the beneficiaries said that they did not think so. Most were pleased to have an opportunity to be able to borrow for their much needed home improvement.

D. Analyze beneficiaries' intention to continue improving their house with or without assistance from the project.

Based on interviews with the beneficiaries, the consultants believe that most of them intend to continue to improve their houses if further improvements are needed. The beneficiaries were aware that once they do pay off their current loans they could be eligible to apply for another loan. Because other loan sources are generally not available, these beneficiaries hope to be able to continue with loans from the Project.

Because of their limited resources, if no financial assistance were available the beneficiaries would probably be able to (1) make essential repairs or (2) purchase or gather small amounts of building materials over a period of time until they were able to make the needed home improvement. Few if any would be able to finance a home improvement because they do not have the savings or access to a source of home improvement credit.

- E. Analyze reasons why beneficiaries selected the specific improvement made.

The improvements that have been made are described in Section IV, A, above. Interviews with the beneficiaries offered some insight into the reasons why they made particular improvements. For example, roofs have long been considered the main psychological component of any house. If one has a roof over his head, then one has shelter. This is probably the reason why so many roofs have been improved: to replace leaking, incomplete roofs and to replace thatched roofs that not only leaked, but harbored insects.

Floors are important from a psychological aspect of differentiating from the "exterior" and the "interior" of a house. One knows that they are "inside" if they are on a floor. This reason, plus being able to maintain and clean a concrete or tile floor, encouraged many beneficiaries to make loans for new floors.

Overall, the improvement selected fit the particular priority needs of the individual beneficiaries. For example, in choosing fences the families were not only defining their lot and territory, but also were containing their animals and protecting their property and crops within it. In selecting an indoor water faucet and necessary connections, one family reported that it had brought a water line into the house so that it would not have the inconvenience of waiting in line for hours for water.

VI. RECOMMENDATIONS ON PROJECT CREDIT

- A. Should credit continue to be provided in the form of construction materials rather than cash.

It is the opinion of the consultants that the Project should continue to give loans in the form of construction materials and not in cash.

- B. Adequacy of the authorized amount of individual subloans and present payback periods.

The consultants do not recommend any change in the present maximum subloan amount or the payback period for the home improvement loans funded by the Project. The amount and repayment period would have to be revised for loans for the construction of new houses.

- C. Effects of providing bigger loans in cash for a longer period of time.

The consultants do not recommend that loans be made in cash, either for home improvement loans or for new housing loans. If bigger loans in construction materials are provided for the construction of new houses, the period of time will have to be extended.

Attachments

1. Statement of Work
2. Partial List of People Contacted
3. Survey Form for Intermediaries
4. List of Private, Non-Profit Agencies
5. Organizational Chart of the Rural Housing Department in 1981
6. Organization Chart of the Rural Housing Department in 1983
7. INVA's Rural Housing Programs
8. Scope of Work for Project Supervisors
9. Proposed Organizational Chart of the Rural Housing Department
10. Training Courses Offered by INFOP
11. Intermediaries Use of Housing Committees and/or Individuals in Project Development
12. Loan Status as of 30 September 1983

ARTICLE I - TITLE

Midterm Evaluation of Rural Housing Improvement, Honduras (Project No. 522-0171)

ARTICLE II - OBJECTIVE

The general objectives of this evaluation are the following:

- (1) To determine the institutional capacity develop within INVA to effectively and efficiently manage and supervise the project, including the provision of adequate technical assistance to intermediaries.
- (2) To determine the extent to which intermediaries are efficient implementing agencies, capable of (a) identifying beneficiaries, (b) promoting project participation, (c) delivering services in connection with other rural development projects, and (d) using reflow to increase project coverage.
- (3) To determine the extent to which sub-loans arrangements are adequate and beneficiaries are satisfied.
- (4) To determine the efficiency of AID in providing adequate assistance to INVA in implementing the project.

The results of this evaluation will used to review adequacy of project design and to introduce needed modifications particularly with respect to such issues as: amount of loans, repayment arrangements, future training and further PVO participation.

ARTICLE III - STATEMENT OF WORK

Consultants will be expected to review AID's and INVA's files and records as well as those of the intermediary agencies with the intention of getting a general picture of the project and to determine the extent to which anticipated outputs as defined by the logical framework are being accomplished. In addition, consultants will be expected to visit at least five intermediaries. The selection of intermediaries will based on two criteria: length of project participation and economic situation of the region where they are intervening. Field visits should allow consultants (1) to evaluate the (acquired) capacity of intermediaries to implement the project, (2) to evaluate the quality of improvements, (3) to determine the impact of improvements on health conditions, and (4) to assess project satisfaction on the part of beneficiaries.

Best Available Document

INVA. Specifically with respect to INVA, the contractors should determine/assess:

1. past and present political support as well as high level INVA commitment to the project;
2. adequacy of INVA's institutional and organizational arrangements and efforts to manage project activities (e.g., organization and adequate staffing of PCO);
3. functioning and effectiveness of INVA Project Coordination Office (PCO) in promoting, selecting and sustaining the participation of intermediaries in project implementation; and
4. financial viability of the project from INVA's point of view and the prospect for the project becoming a self-financing activity for this institution.

In addition, the consultants will:

- (1) Analyze strengths and weaknesses of INVA's existing program as a base for a significantly expanded investment in rural housing;
- (2) Compare policy and structure proposed by the National Program for Rural Housing (PRONAVIR) with INVA's actual experience, making recommendations for possible future AID support. This include the identification of further studies that should be conducted as well as the levels of funding that could be considered.

Intermediaries. With respect to project intermediaries, the contractors are expected to analyze/assess the activities of the participating PVO's and the degree to which they are being successful in effectively reaching the target group with needed assistance. Specifically, the contractor will:

- 1) Analyze the factors that motivated PVO's to either participate or abstain from project involvement.
- 2) Analyze the degree to which participating PVO's requested and received (whether requested or not) orientation and training to guide them in implementing the project. This should include (a) the impact of training received and (b) an assessment of the adequacy and efficiency of training methods utilized by involved training institutions (e.g., INFOP).
- 3) Analyze the performance of PVO's in reaching the target group and working effectively and efficiently with beneficiaries, including: (a) degree of institutional effort devoted to project promotion and supervision, and (b) type and adequacy of activities conducted by intermediaries to re-activate dormant patronates or housing committees. This analysis should also evaluate the role played by patronates and housing committees in promoting project or screening beneficiaries.

- 4) Review volume of lending of each participating intermediary in relation to its overall line of credit, and analyze the factors that have contributed to fast/slow utilization of project funds.
- 5) Analyze loan repayment experience by each PVO and overall record. In this analysis, contrasts should be established between individual beneficiaries vs. solidarity group participants.
- 6) Assess present capacity of intermediaries to cover their administrative costs, and potential for future self-sufficiency in case that such costs are not being covered at present.
- 7) Analyze the degree to which loan repayments are being used for additional housing improvement loans.
- 8) Determine the degree to which the intermediaries are successfully "piggybacking" the housing project into existing outreach programs.
- 9) Analyze the satisfaction of the PVO's with their participation in the project, their intentions to continue and expand their efforts, including their suggestions for improving any project element.

Outputs. Contractors will be expected to provide an overall picture on number and types of improvements made, and number and amount of loans. Data should be classified in terms of family income to get an understanding of socio-economic characteristics of project participants and type of investments being made. In addition, contractors will be expected to analyze the housing improvements facilitated by the project with respect to:

- 1) Quality of construction, including training impact in developing technical skills of beneficiaries.
- 2) Cost, including impact of using local materials.

In addition, consultants will determine the impact of housing improvements on living standards/comfort and health conditions of project participants.

Satisfaction of Beneficiaries. Consultants will be expected to analyze:

- 1) The degree to which beneficiaries "planned and participated in" selection, design and implementation of the housing improvements.
- 2) Their satisfaction with treatment received from PVO's, including the assistance, if any, in the technical and design aspects of the improvements.
- 3) Their satisfaction with financial arrangements.
- 4) Their intention to continue improving their housing with or without assistance from the project; and
- 5) Reasons why they selected the specific improvements made.

Recommendations. Based on the above, the contractors will prepare overall assessment of the project and make recommendations to AID, INVA, and the intermediaries regarding future implementation and expansion of the project. The assessment shall, among other things, comment on:

- 1) Whether credit should continue to be provided in the form of construction materials rather than cash.
- 2) The adequacy of the authorized amount of individual sub-loans and present payback periods.
- 3) The effects of providing bigger loans in cash for longer time periods.
- 4) Loan repayment experience of beneficiaries with specific attention to the effects of the recent negative economic situation.

ARTICLE IV - REPORTS

The consultants will be responsible for providing the AID/PCR Office in Honduras ~~NEP November 23~~ ^{December 23}, 1983 10 copies in English and 10 copies in Spanish of the final evaluation report.

This report should follow the PES format which includes:

1. Summary of Findings
 - a. Institutional capacity/development observed at INVA
 - b. Institutional capacity/development observed at intermediaries
 - c. Sub-loan arrangements and project satisfaction on the part of beneficiaries
 - d. AID's role in the project
2. Methodology
3. External Factors Affecting Project Implementation, if any.
4. Status of Inputs
5. Status of Outputs
6. Status of Project Purpose
7. Lessons Learned
8. Recommendations

Best Available Document

Partial List of Persons Contacted

National Housing Institute

Eng. Carlos Enrique Cerna; General Manager
Lic. Elmer Lizzardo; Assistant Manager
Lic. Joaquin Bulnes Ochoa; Director, Rural Housing Department
Lic. Eliceo Cruz Ramirez; Office Administrator, Rural Housing Department
Lic. Rafael Lara Romero; Director, Internal Auditing Department
Lic. Joaquin Destephen; Director, Planning Department
Carlos Molinaria; Deputy Director, Planning Department
Lic. Wilfredo Rosa; Director, Accounting Department
P.M. Elio Flores Alegro; Project Coordinator, Rural Home Improvement Unit
(RHIU)
Napoleon Cubas Guillen; Supervisor, RHIU
Milton Carlos Rivera; Supervisor, RHIU
Emilio Blanco; Supervisor, RHIU
Dipl.-Ing. Konrad H. Lehmann; GITEC, Consultant

USAID Honduras

Eric Zallman, Program and Capital Resources Officer
Ray Baum, PCR/Project Manager
Orlando Hernandez, Evaluation Officer

RHUDO

Lee Dennison Homo, Housing and Urban Development Officer
Sonny Low, Housing and Urban Development Officer

Professional Formation Institute of Honduras (INFOP), Tegucigalpa

Amarilis de Marquez, Acting Technical Chief of INVA-INFOP Contract
Manuel Guevara Caballero; Director, Regional Central Office
Carlos G. Alvarado; Director, Accounting
Miguel R. Duran; Director, Purchasing
Ricardo Pineda B., Technical Department
Lino Raul Aguiriano, Accounting Department
Raymundo Chinchilla, Instructor

Pinalejo Savings and Loan Cooperative, Pinalejo

Hugo Reyes, Manager
Edgar Jeresano, Promoter

Hermanidad de Honduras, San Marcos de Ocotepeque

Elsil Posada de Ventura, Promoter

Caritas de Morazan

Sra. Magdalia Rodas, Administrator

Asociacion San Jose Obrero, Choluteca

Padre Alejandro Flores
Ing. Ramiro Irvien, General Manager
Jaime Dulcez, Consultant
Ramen Eraz, Project Director

Comite Evangelico de Desarrollo y Emergencia Nacional (CEDEN), La Ceiba

Roberto Salazar, Coordinator
Elizabeth Urbina, Accountant

Federacion Hondurena de Cooperativas Industriales, Limitada (FEHCIL),
Tegucigalpa

Rafael Echeverrias, Project Coordinator
Maria Rubia, Chief of Education Department

Plan de Honduras, Tegucigalpa

Mike Winkler, Director

Asociacion Coordinadora de Recursos para el Desarrollo (ACORDE), Tegucigalpa

Jose Elias Sanchez, Executive Director

Caritas Danli, Danli

Jose Leon Rojas, President of the Board and Director

ENCUESTA PARA INTERMEDIARIOS EN EL PROGRAMA INVA-AID
MEJORAMIENTO DE VIVIENDA

Fecha: _____

NOMBRE DE INSTITUCION: _____

UBICACION: _____

NOMBRE DE PERSONA ENTREVISTADA: _____

DISPACHO O CARGO: _____

1. ¿CUALES FUERON LOS FACTORES QUE MOTIVARON A SU INSTITUCION A PARTICIPAR EN EL PROYECTO?

2. ¿HAN PEDIDO O RECIBIDO UDS. ORIENTACION Y/O ENTRENAMIENTO PARA GUIARLOS EN LA IMPLEMENTACION DEL PROYECTO?

SI _____ NO _____

2a. DE CUAL(ES) INSTITUCION(ES): _____

2b. ¿QUE TIPO DE ORIENTACION O ENTRENAMIENTO PIDIERON O HAN RECIBIDO? PIDIERON:

RECIBIERON:

2c. ¿CUANTOS DE SUS FUNCIONARIOS PARTICIPARON EN ESTE ENTRENAMIENTO?

2d. ¿QUE IMPACTO TUVO ESTE ENTRENAMIENTO EN AYUDARLE IMPLEMENTAR EL PROGRAMA DE MEJORAMIENTO?

2e. ¿FUE ADECUADO Y EFICAZ ESTE ENTRENAMIENTO?

SI _____ NO _____ NO SE _____

2f. EXPLIQUE:

2g. ¿CUALES FUERON LOS METODOS EMPLEADOS EN ESTE ENTRENAMIENTO?

DISCURSOS _____ AUDIO-VISUALES _____

VISITAS _____ FOLLETOS-MANUALES _____

OTROS: _____

2h. ¿COMO PODRIAN SER MEJORADOS ESTOS CURSILLOS DE ENTRENAMIENTO?

2i. ¿HAY OTROS TIPOS DE CURSILLOS/ENTRENAMIENTO QUE UDS. CREEN SERIAN NECESSARIOS PARA AYUDARLES EN LA IMPLEMENTACION DEL PROGRAMA?

- 2j. ¿QUE APOYO HA RECIBIDO SU INSTITUCION DEL INSTITUTO NACIONAL DE VIVIENDA?
- 2k. ¿LES HA COOPERADO INVA EN LO QUE UDS. NECISITAN PARA ADMINISTRAR ESTE PROGRAMA?
- 2L. ¿QUE PODRIA HACER INVA PARA MEJOR^{AR} CUALESQUIER ASPECTO DEL PROGRAMA?
3. ¿CUANTO TIEMPO SE HA DEDICADO A PROMOCIONAR Y SUPERVISAR ESTE PROGRAMA?
- 3a. ¿POR CUANTOS FUNCIONARIOS EN SU INSTITUCION?
- 3b. ¿CUALES METODOS USARON PARA CONSEQUIR LOS BENEFICIARIOS DEL PROGRAMA?
 PROMOCION: _____ (PROMOTORES)
 DIVULGACION: _____
 OTROS: _____
- 3c. ¿CREE UD. QUE ESTE NIVEL EMPLEADO POR SU INSTITUCION ES SUFICIENTE PARA LOGRAR EL OBJETIVO DEL PROGRAMA?
 SI _____ NO _____ NO SE _____
- 3d. ¿QUE MAS SE PODRIA HACER PARA CUMPLIR CON EL PROGRAMA EN UN TIEMPO ADECUADO?
- 3e. ¿QUE TIPOS DE ACTIVIDADES SE HAN CONDUCTIDO POR SU INSTITUCION PARA LOGRAR LA PARTICIPACION DE LOS PATRONATOS O COMITES DE VIVIENDA?
- 3f. ¿HAN SIDO ADECUADOS ESTAS ACTIVIDADES PARA HACER MAS ACTIVOS LOS PATRONATOS EN TERMINOS DE PARTICIPACION EN EL PROGRAMA DE MEJORAMIENTO?
 SI _____ NO _____ NOSE _____
- 3g. ¿QUE MAS SE PODRIA HACER PARA ESTIMULAR LA PARTICIPACION DE LOS PATRONATOS?
- 3h. ¿ESTA DISPUESTA SU INSTITUCION DE HACER MAS PARA ESTE FIN?
 SI _____ NO _____ NO SE _____
 EXPLIQUE:

3j. ¿CUALES ROLES HAN TOMADO LOS PATRONATOS Y LOS COMITES DE VIVIENDA EN LA PROMOCION DEL PROYECTO?
EXPLIQUE:

3k ¿QUE ROL HAN TOMADO LOS PATRONATOS Y/O LOS COMITES DE VIVIENDA EN LA SELECCION DE BENFICIARIOS?

3L. ¿PODIRAN HACER MAS?
SI _____ NO _____ NO SE _____
EXPLIQUE:

4. ¿A LA FECHA CUANTOS PRESTAMOS HAN DADO A FAMILIAS EN EL PROGRAMA DE MEJORAMIENTO DE VIVIENDA?

(1) # DE PRESTAMOS _____

(2) MONTO DE PRESTAMOS _____

4a. ¿CUANTOS PRESTAMOS TIENE SU INSTITUCION EN SU CARTERA EN TOTAL?

(1) # DE PRESTAMOS _____

(2) MONTO DE PRESTAMOS _____

4b. PORCENTAGE DE PRESTAMOS DE MEJORAMIENTO COMPARADO A LA CARTERA EN GENERAL.

(1) _____ %

(2) % DE VOLUMEN TOTAL _____ %

4c. ¿HA HABIDO DIFICULTAD O PROBLEMAS EN LA UTILIZACION DE LOS FONDOS DEL PROYECTO?

SI _____ NO _____ NO SE _____

4d. EXPLIQUE:

4e. ¿HAN SIDO MAS FACIL O MAS DIFICULTOSOS DE IMPLEMENTAR LOS CREDITOS DE ESTE PROGRAMA?

EXPLIQUE:

4f. ¿COMPARADO A OTRAS LINEAS DE CREDITO QUE MANEJA SU INSTITUCION, CUANTO TIEMPO SE REQUIERE PARA PROCESAR ESTOS PRESTAMOS?

MAS TIEMPO _____ MENOS TIEMPO _____ MISMO TIEMPO _____

OTRAS RESPUESTAS:

4g. ¿CUALES PROBLEMAS HAN ENCONTRADO DEN EL PROSESAMIENTO DE ESTOS PRESTAMOS?
EXPLIQUE:

5. ¿CUAL HA SIDO LA EXPERIENCIA DE LOS PAGOS DE LOS BENEFICIARIOS DE ESTE PROGRAMA COMPARADO A OTROS LINEAS DE CREDITO?

5a. ¿QUE TIPOS DE PAGOS OFRECE SU INSTITUCION? MENSUALIDADES? ANUALES?...

5b. ¿QUE SE CONSIDERA COMO MOROSIDAD?
PAGOS ATRASADOS MAS DE: UN MES? 2 MESES? 3 MESES?...

5c. ¿CUAL ES LA INCIDENCIA DE MOROSIDAD EN SU INSTITUCION:

(1) # de beneficiarios _____

(2) % del programa _____

(3) % de la cartera _____

5d. FAVOR COMPARE LA MOROSIDAD DE BENEFICIARIOS INDIVIDUALES CONTRA GRUPOS SOLIDIARIOS.

(1) # DE GRUPOS _____

(2) % del programa _____

6. ¿CUALES SON LOS COSTOS ADMINISTRATIVOS QUE TIENE SU INSTITUCION EN LA IMPLEMENTACION DE ESTE PROGRAMA?

6a. ¿QUE MONTOS (EN LEMPIRAS) REPRESENTA EL COSTO ADMINISTRATIVO POR CADA PRESTAMO OTORGADO, O AGREGADO)?

6b. ¿ES SUFICIENTE LA DIFERENCIAL EN LA TASA DE INTERES QUE RECIBE SU INSTITUCION PARA CUBRIR LOS COSTOS ADMINISTRATIVOS?

SI _____ NO _____ NO SE _____

6c. ¿QUE POTENCIAL EXISTE EN EL FUTURO PARA CUBRIR TODOS LOS COSTOS ADMINISTRATIVOS (EN CASO DE QUE NO SE ESTEN RECUPERANDO AHORA)?

6d. ¿QUE PLANES O ALTERNATIVAS TIENEN PARA PODER LOGRAR LA RECUPERACION DE TODOS LOS COSTOS ADMINISTRATIVOS?

7. ¿COMO SE ESTAN UTILIZANDO LOS REPAGOS DE LOS PRESTAMOS?

7a. ¿QUE PORCENTAJE DE LOS REPAGOS SE ESTAN UTILIZANDO PARA HACER PRESTAMOS PARA OTRAS MEJORAS DE VIVIENDA?

EXPLIQUE:

7b. ¿QUE PLANES TIENEN PARA QUE SE UTILIZEN LOS REPAGOS PARA DAR MAS PRESTAMOS PARA MEJORAS DE VIVIENDA?

8. ¿CUALES OTROS PROGRAMAS Y/O PRESTAMOS ADMINISTRA SU INSTITUCION?

8a. ¿COMO FUNCIONA EL PROGRAMA DE MEJORAMIENTO DE VIVIENDA DENTRO DE LOS PROGRAMAS Y PROMOCION QUE TIENE SU INSTITUCION?

8b. ¿SE CONSIDERA EL PROGRAMA DE MEJORAMIENTO COMO UN COMPONENTE DE OTROS PROGRAMAS O COMO UN PROGRAMA DISTINTO QUE REQUIERE ATENCION Y PROMOCION ESPECIAL?

9. ¿EN SU OPINION ESTA CUMPLIENDO ESTE PROGRAMA CON SUS OBJETIVOS?
SI _____ NO _____ NO SE _____

9a. ¿CREE UD. Y SU INSTITUCION QUE ESTE PROGRAMA ES FACTIBLE CONTINUAR?
SI _____ NO _____ NO SE _____

9b. ¿ESTA SATISFECHO UD./ SU INSTITUCION CON SU PARTICIPACION EN ESTE PROGRAMA?
SI _____ NO _____ NO SE _____

EXPLIQUE:

9c. ¿LES SERIA CONVENIENTE CONTINUAR CON ESTE PROGRAMA?
SI _____ NO _____ NO SE _____

EXPLIQUE:

9d. ¿DESEAN CONTINUAR SU PARTICIPACION EN ESTE PROGRAMA?
SI _____ NO _____ NO SE _____

EXPLIQUE:

9e. ¿A QUE NIVEL LE GUSTARIA CONTINUAR EN EL PROGRAMA?

(1) MAS ACTIVIDAD (MAS PRESTAMOS) _____

(2) MENOS ACTIVIDADES (MENOS PRESTAMOS) _____

(3) QUEDARSE EN EL MISMO NIVEL _____

EXPLIQUE:

9f. ¿QUE SUGERENCIAS TIENE UD. PARA PODER MEJORAR CUALESQUIR ASPECTO DEL PROGRAMA?

LISTA DE AGENCIAS PRIVADAS VOLUNTARIAS

NACIONALES

1. FUNDACION HORIZONTES DE AMISTAD
2. ASOCIACION COORDINADORA DE RECURSOS PARA EL DESARROLLO - ACORDE.
3. ASOCIACION SAN JOSE OBRERO (A.S.J.O.)
4. CENTRO DE EDUCACION VOCACIONAL EVANGELICO Y REFORMADO (CEVER)
5. COMITE EVANGELICO DE DESARROLLO Y EMERGENCIA NACIONAL (CEDEN)
6. INSTITUTO PARA EL DESARROLLO HONDUREÑO (I.D.H.)
7. ASESORES PARA EL DESARROLLO
8. FEDERACION HONDUREÑA DE COOPERATIVAS INDUSTRIALES (F E H C I L).
9. FEDERACION DE ASOCIACIONES COOPERATIVAS DE AHORRO Y CREDITO DE HONDURAS (FACACH).
10. INSTITUTO HONDUREÑO DE DESARROLLO DE BIENESTAR RURAL
11. COMISION NACIONAL DE LA ACCION SOCIAL IGLESIA BAUTISTA.

INTERNACIONALES

1. CARITAS DE HONDURAS
2. AMERICA HAND AND HAND
3. HERMANDAD DE HONDURAS
4. SAVE THE SHILDREN
5. PLAN EN HONDURAS

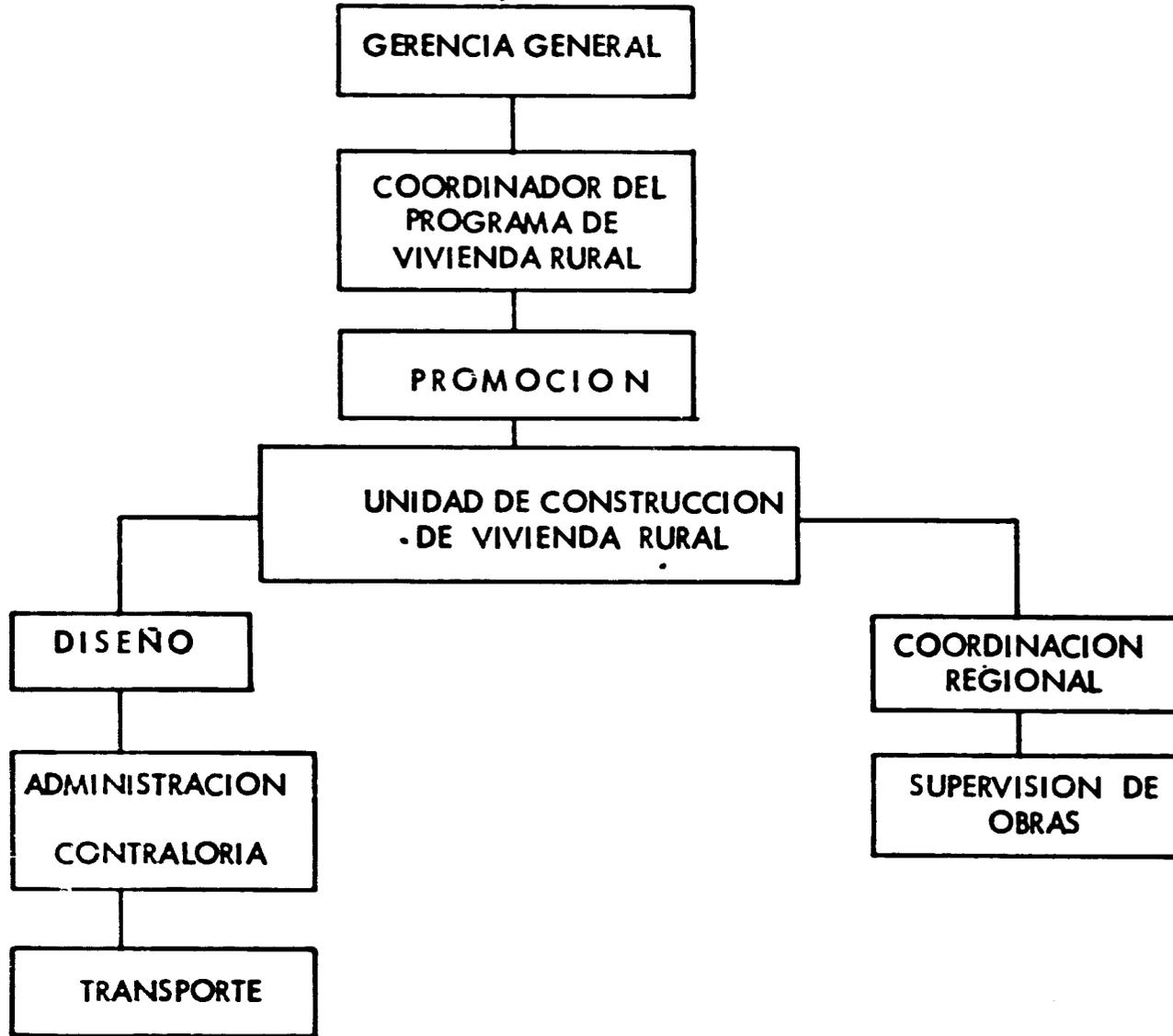
NOTA

Cáritas de Honduras trabaja en todo el país y además le dá autorización para que cada región sea una Cáritas independiente así hay Cáritas en:

Comayagua
Yoro
Santa Rosa de Copán
San Pedro Sula
Choluteca
Danlí
Santa Bárbara, etc.

I N V A

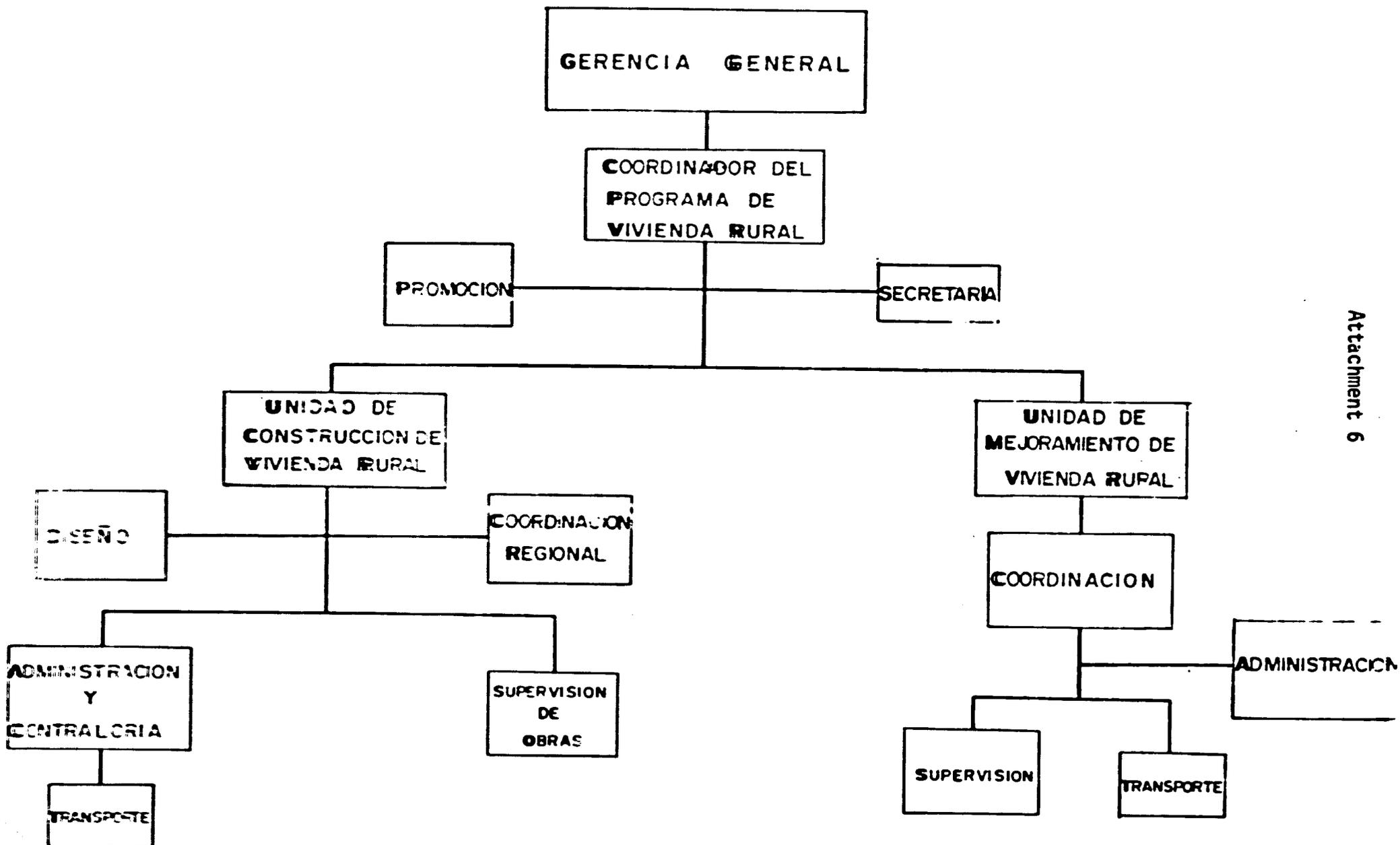
PROGRAMA DE VIVIENDA RURAL



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INVA

PROGRAMA DE VIVIENDA RURAL



INVA's Rural Housing Programs

<u>Amount</u> (US\$000)	<u>No. Units</u> <u>to be built</u>	<u>Source of Funds</u>	<u>Est. Cost</u> <u>of Unit</u> (US \$)	<u>Terms of Loan</u> <u>to Beneficiary</u>
<u>New Construction</u>				
2,300	1,200	Gov./Germany	1,500-1,750	7%, 15 yrs(1)
1,500	500(2)(3)	GOH/Central Bank	3,300	12%, 15 yrs(1)
2,000	791(4)	GOH	1,400-2,750	7%, 15 yrs(5)
25	180	ECC(6)	1,250-1,500	7%, 15 yrs(7)
Sub-Total				
5,825	2,671			
<u>Home Improvement Loans</u>				
1,500	13,600(8)	AID	Max. 750	10-20%, 2 yrs(9)
Total				
7,325	16,271			

- (1) no downpayment, self-help construction
- (2) for labor unions (SITROTERCO) on North Coast
- (3) cost excluding land and infrastructure
- (4) proposed PRONAVIR program
- (5) no downpayment, construction by contract and directed self-help
- (6) European Economic Community
- (7) no downpayment, self-help construction
- (8) projected number of loans
- (9) 20% downpayment, self-help and/or contracted by beneficiary

- A. Objetivos Generales**
- B. Definiciones**
- C. Deberes y Condición de Servicios**
- D. Instrucciones Generales Relacionados con el Alcance del Trabajo.**

C. ~~DEBERES Y CONDICION DE SERVICIOS~~

" EL SUPERVISOR " será el punto principal de contacto entre las Unidades Ejecutoras designadas y el Coordinador del Proyecto. Su primer deber será el de velar por la efectiva ejecución del Proyecto y la supervisión de las Instituciones Ejecutoras, a fin de asegurar el logro exitoso de los objetivos del Proyecto.

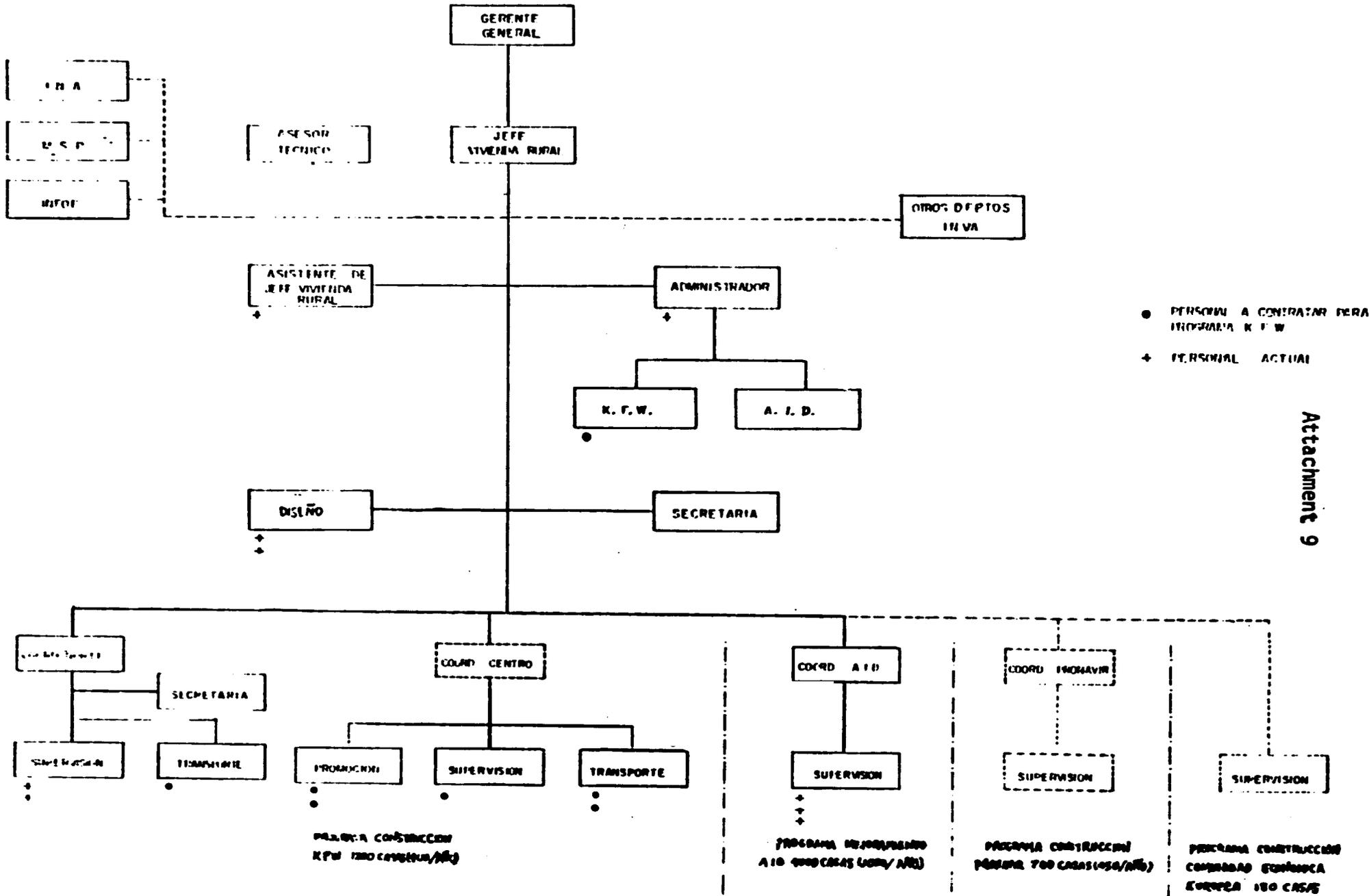
Específicamente "EL SUPERVISOR" deberá entre otras actividades:

- a) Asistir a sesiones de Promoción realizadas por las Unidades Ejecutoras.
- b) Revisar las prácticas de compra de materiales.
- c) Observar la construcción de los mejoramientos realizados en la vivienda rural.
- d) Revisar las solicitudes de desembolso de préstamo (INVA al Intermediario).
- e) Auditar los registros de cobros, el uso de los reflujos bajo sub-préstamos, y las cuentas bancarias que registren fondos del Proyecto en las Unidades Ejecutoras.
- f) Definir las necesidades de capacitación y la eficacia de los cursos de capacitación financiados bajo el Proyecto para los miembros de la comunidad y los empleados de los Intermediarios.
- g) Asesorar al Director de la Unidad de Mejoramiento de la Vivienda Rural (UMVR) y a la Administración del INVA en cuanto a la conveniencia de asistencia adicional al Intermediario y cuando se necesiten de investigación y acciones adicionales para asegurar la ejecución adecuada del Proyecto.
- h) Revisar solicitudes, presupuestos y proyectos que los Intermediarios presenten al INVA.
- i) Si es solicitado por las Unidades Ejecutoras, colaborar en la preparación de solicitudes de liquidaciones de línea de crédito.

- i) Asegurar que los bienes del Proyecto comprados por las Unidades Ejecutoras sean debidamente embodegados y entregados a los beneficiarios y que éstos últimos estén cumpliendo con los requisitos del Proyecto.**
- k) Vigilar el Programa de cobro a los beneficiarios y hacer sugerencias apropiadas para mejorar el sistema y si fuera requerido ayudar a diseñar y ejecutar un Programa de Cobro justo y eficaz.**
- l) Llevar libros, registros y controles respecto a todos los gastos con sus respectivos comprobantes, actividades que desarrolle y mantenga informado a "EL INVA" por intermedio del Jefe de la Oficina de Vivienda Rural, teniendo a la disposición dichos documentos para su debida inspección por parte de "EL INVA" y personal autorizado de la A. I. D.**
- ll) Para realizar todos estos deberes "EL SUPERVISOR" tendrá como responsabilidad principal desarrollar sus actividades en el campo.**
- m) Es deber de "EL SUPERVISOR" aceptar la capacitación que imparte "EL INVA" relacionada con el Proyecto de Mejoramiento de Vivienda Rural.**

ORGANIGRAMA OFICINA VIVIENDA RURAL PARA 1984

I N V A



Attachment 9

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CURSOS IMPARTIDOS BAJO EL CONVENIO INVA - INFOP

1 9 8 2

1. CARITAS DE OLANCHITO, Olanchito, Yoro
Construcción Básica y Albañilería
Fecha: 9 de junio al 13 de agosto
2. CARITAS DE SANTA RITA, Santa Rita, Yoro
Construcción Básica y Albañilería
Fecha : 9 de junio al 20 de agosto
3. HERMANDAD DE HONDURAS , San Marcos, Ocotepeque
Construcción Básica y Albañilería
Fecha: 9 de junio al 14 de agosto

1 9 8 3

1. HERMANDAD DE HONDURAS, San Marcos, Ocotepeque
Temas: Curso de Construcción de Techos y Pisos
Fecha: 24 de enero al 4 de marzo
2. CARITAS DE DANLI, Danlí, El Paraíso
Tanques de Captación de Agua
Fecha: 3 de enero al 9 de marzo
3. CEVER, YORO , Departamento de Yoro
Construcción de Paredes
Fecha: 10 de marzo al 15 de marzo
4. CEVER, YORO, Departamento de Yoro
Curso Básico sobre Construcción y Albañilería
Fecha: 9 de mayo al 31 de mayo
5. HERMANDAD DE HONDURAS, San Marcos, Ocotepeque
Construcción de Paredes
Fecha: 27 de junio al 15 de julio

6. **CARITAS DE DANLI, Danlí, El Paraíso**
Pisos, Mosaicos y concretos, Repello de Paredes y
Levantamiento de Paredes.
Fecha: 22 de agosto al 12 de septiembre
7. **CEDEN, La Ceiba, Atlántida**
Levantamiento de Paredes de Bloque
Fecha: 3 al 18 de agosto
8. **CEDEN, La Ceiba, Atlántida**
Pisos fundidos
Fecha: 29 de agosto al 10 de septiembre
9. **CEDEN, La Ceiba, Atlántida**
Construcción de Techos
Fecha: del 22 de septiembre al 29 de septiembre
10. **HERMANDAD DE HONDURAS, San Marcos, Ocotepeque**
Replanteo y cemento, hechura de puertas y contramarcos
Fecha: Del 29 de septiembre al 14 de octubre

Intermediaries Use of Housing Committees and/or Individuals
in Project Development

<u>Intermediary</u>	<u>Work with</u>
1. Assoc. San Jose Obrero	individuals
2. Caritas Danli	housing committees
3. CEDEN	housing committees
4. CEVER	individuals
5. FEHCIL	member coops
6. Hermandad	housing committees
7. Coop Pinalejo	members
8. Caritas Morazan	individuals and housing committees

HONDURAS HOME IMPROVEMENT PROGRAM

LENDING BY INSTITUTION AS OF SEPT. 30, 1983

AGENCY	APPROVED LINE OF CREDIT IN U.S. \$	AMOUNT DISBURSED IN U.S. \$	% DISBURSED	DATE OF CONTRACT WITH INVA	# OF MONTHS IN PROGRAM	# OF SUBLOANS	AVERAGE # OF LOANS PER MONTH OF PARTICIPATION	AMOUNT OF SUBLOANS IN U.S. \$	RECUPERATIONS IN U.S. \$(1)
1. Hermandad de Honduras	125,000.00	75,000.00	60%	5-14-82	17	341	20	74,820.50	22,091.50
2. Caritas Santa Rita	60,000.00	60,000.00	100%	5-14-82	17	102	6	39,886.00	22,834.00
3. Caritas Morazan	100,000.00	78,750.00	79%	5-26-83	16	369	23	58,521.00	17,287.00
4. Caritas Olanchito	75,000.00	75,000.00	100%	6-16-83	15	474	31	88,311.00	46,147.50
5. CEVER	100,000.00	50,400.00	50%	9-8-82	12	104	9	50,150.00	15,367.00
6. Caritas Danli	150,000.00	95,000.00	63%	11-25-82	10	437	44	89,073.00	35,566.50
7. Asec. San Jose Obrero	75,000.00	30,000.00	40%	11-26-82	10	42	4	24,969.50	5,162.50
8. CEDEN	75,000.00	64,540.50	86%	11-17-82	10	109	11	25,133.00	1,859.00
9. Caritas Victoria	50,000.00	28,000.00	56%	3-30-83	6	0	0	0.00	0.00
10. FENCIL	100,000.00	50,000.00	50%	4-8-83	5	65	13	42,367.50	2,668.00
11. Coop A & C Pinalajo	75,000.00	37,500.00	50%	4-19-83	5	66	13	23,151.50	534.00
12. Americas Mano a Mano	75,000.00	33,500.00	45%	6-23-83	3	0	0	0.00	0.00
	1,385,000.00	677,690.50				2109		516,383.00	169,517.00

(1) Downpayment & Repayment

12