

memorandum

DPP-1024/87-M

DATE: June 23, 1987
REPLY TO: Cecily Mango, *CM* Program Office, USAID/San Salvador
ATTN OF:
SUBJECT: Project Evaluation Summary
TO: SER/MO/PM/P, Room 930B

PES 1-929
1300 50989

Enclosed is a Project Evaluation Summary "PES" and accompanying evaluation for regular distribution within AID/W.

1. 519-0281, Displaced Women's Enterprise Development Project.

A.I.D. EVALUATION SUMMARY PART I

(BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

A. REPORTING A.I.D. UNIT:

El Salvador

(Mission or AID/W Office)

(ES# 87/1)

B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN?

yes slipped ad hoc

Eval. Plan Submission Date: FY 87 o 1

C. EVALUATION TIMING

interim final ex post other

D. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report)

Project #	Project/Program Title (or title & date of evaluation report)	First PROAG or equivalent (FY)	Most recent PACO (mo/yr)	Planned LOP Cost ('000)	Amount Obligated to Date ('000)
519-0281-A-00-5442-00	Displaced Women's Enterprise Development Project	Aug. 1, 1985	12/87	434	434

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

Action(s) Required

OEF requested to submit a plan for phasing out of each project.

Review plan and determine appropriate PACD.

Name of officer responsible for Action

Lynch/Thompson

Lynch/Thompson

Date Action to be Completed

June 15, 1987 (completed)

June 24, 1987

87

(Attach extra sheet if necessary)

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: mo 5 day 29 yr 87

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

Signature Typed Name	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
<i>for Det</i> Ray Lynch Ron Witherell (draft)		NA	Cecily <i>Lu</i> Cecily <i>Lu</i>	Bastiaan B. Schouten
Date: <u>6/17/87</u>		Date: _____	Date: <u>6/19/87</u>	Date: <u>6/22/87</u>

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Project Evaluation Summary
OEF Displaced Women's Enterprise Development Project

The goal of the Overseas Education Fund (OEF) Displaced Women's Enterprise Development Project was to develop a model for improving the socio-economic conditions in areas of El Salvador where a high concentration of displaced persons reside. This was to be accomplished by providing training, credit and technical assistance to a pilot group of 66 women to help them start small businesses (four women later left the project). The specific objective to be realized by the project was to develop a replicable model for other enterprise development programs in El Salvador which would have the following outputs: 1) increase the incomes of the women, 2) increase their employment opportunities, 3) increase their access to capital and credit, 4) strengthen the institutional and technical assistance capability of OEF and collaborating institutions, and 5) increase the opportunities for community services such as day care and literacy. The findings of the evaluation related to the achievement of each output as well as the success of OEF in carrying out each project component are summarized below.

Project Outputs

Increase Incomes

The findings related to income are more subjective than objective due to the lack of baseline data on aggregate beneficiary income prior to the project. However, as a result of the Project, beneficiaries were found to be earning an average of seven colones (\$1.40) for each day worked which averaged 11 days per month, i.e., income equal to \$15.40 per month. No useful calculation was presented in the evaluation to illustrate how this income impacted on the beneficiaries' total family income, though 60% of the beneficiaries reported that they were "very happy" with the new income earned through the project.

Increase Employment Opportunities

Of the 66 original participants in the program, four had become self-employed at the time of the evaluation, while the remaining 62 were still participating in the OEF project enterprises. The evaluator concluded that the women's involvement in the OEF project may increase their future employment opportunities and those of their children. Also if the enterprises expand significantly, the linkages to suppliers and consumers may create some additional employment opportunities. At this stage, however, it is too early to state unequivocally that this output has been achieved in any meaningful way.

Increase Access to Capital and Credit

Forty-five of the women received loans as well as free capital installations through FEDECCREDITO under the project. The loans carry a 15% interest rate which was considered too high by 74% of the recipients, OEF staff, and bank representatives. None of the women questioned indicated that they would want

to borrow again. The evaluation found no evidence to suggest that any of the women would qualify for commercial bank credit in the future (under the program they borrow from OEF funds using OEF prepared credit applications). This may be a mute point, as they are unwilling to pay market interest rates.

OEF was granted a total of \$80,000 to establish the loan fund for the project. The evaluator reports that a total of \$38,345 has been disbursed to the beneficiaries. The evaluation should have made recommendations for the remainder of the funds.

Develop a Replicable Model

The training component of the OEF project was found to be the most successful and replicable aspect of the project if larger numbers of women (or men) are trained and a more rigorous training schedule is designed. The evaluation concluded that OEF's participatory method of training was key in communicating with and gaining the trust of the beneficiaries and that this methodology could be replicated in almost any subject area. On the other hand, the evaluator found the credit delivery and enterprise development components weak and in need of improvement before they could serve as development models.

Strengthen Institutional and TA capabilities of OEF and Collaborating Institutions

OEF project staff and project beneficiaries collaborated with the TA institutions (Ministries of Agriculture, Health, and Interior) in receiving training and TA particularly in livestock care and industrial baking, areas in which OEF staff had little or no experience. This training and TA has strengthened OEF as an institution, however, the evaluator recommends additional training and TA in credit and business management for both OEF staff and project beneficiaries. In non-technical areas, especially in training methodology, OEF has a developed capacity and could offer its expertise to others.

Increase Opportunities for Community Services

OEF has not addressed this output.

Project Implementation

Administration

Project internal control and administration procedures, recordkeeping, and financial management were found to be efficient. The OEF staff is well managed, highly motivated and works well as a team, however it is lacking in technical areas necessary for success of the program—namely business development and management. Apparently, the nature of the project was not given sufficient consideration in OEF's recruitment process. As a result of these deficiencies, the feasibility studies conducted for each business were inadequate and no instruction was given to treasurers of each group of women in simple accounting techniques to assess the enterprises' progress. The evaluator recommends adding a staff member with strong business experience and providing ongoing business training to other OEF staff.

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The evaluator also noted the need for staff to improve their use of time in reaching larger numbers of women with training and providing the training on a more consistent basis, e.g., frequently classes were cancelled.

Finances

Despite the small number of beneficiaries and their close proximity to the OEF office, the evaluator found that the project spent heavily for vehicles and equipment adding substantially to the project cost. A computer purchased for monitoring project implementation has never been used.

The evaluator found that OEF staff were paid more than the majority of their counterparts in Salvadoran organizations and concluded that this would be acceptable only if the staff were highly qualified in enterprise development, which none are.

Institutional Development

OEF's past and present insistence on autonomy from its traditional funding source, A.I.D, is again reflected in this document. In the evaluation USAID is unfairly depicted as dictating where, how and with whom OEF should work. Because OEF is funded under a project for the displaced, there was never a question of "with whom" it should work. The USAID has not told OEF "how" to work, and "where" (San Vicente) was jointly selected -- the capital might have been more convenient for OEF, however, the USAID is not willing to concentrate its projects in the capital for convenience sake. In addition, the USAID has never insisted or even insinuated as the evaluation suggests that the OEF project should be part of a GOES pacification effort. The USAID has and will continue to insist, however, that all A.I.D.-funded activities be coordinated with GOES development plans whenever possible. Further, at no time has A.I.D. put the lives of its beneficiaries or cooperating PVO staff in danger.

Training Methodology

The training process was found to be OEF's only real strength. The women participating in the project indicated that the training provided them a sense of self-worth, gave them self-confidence, and awakened them to opportunities that they had previously had never considered or had believed were beyond their reach due to lack of skills. When questioned, most of the women identified non-economic benefits as a result of their training and project experience, and the evaluator concluded that OEF's most important achievement may have been to foster in the beneficiaries a belief that there are alternatives to helplessness and poverty.

In regard to the training methodology, the training materials were found to be well translated and appropriate for the women. OEF staff is knowledgeable about the training materials and techniques and uses them capably, though training could be strengthened by promoting the courses more actively, meeting more regularly, increasing attendance and coordinating the training with other local organizations.

Technical Assistance

OEF staff at present are best able to provide TA in non-technical areas as evidenced by poorly prepared feasibility studies and by the lack of assistance in simple accounting or in helping beneficiaries monitor loan repayments. While the majority of the beneficiaries were enthusiastic about the TA courses, the social benefits the women derived were more important than the technical knowledge imparted. Enterprise-specific TA was provided by a variety of agencies collaborating with OEF.

Credit

The evaluator found the credit component one of OEF's weakest areas. The feasibility studies for the enterprises were conducted by the beneficiaries, most of whom had no prior business experience nor was the OEF staff adequately selected or trained to advise the women. On the other hand, it would have been preferable to involve the women more in the credit application process rather than have an OEF staff member prepare the application herself. Although the women did prepare an enterprise description to be submitted with the credit application, they were not apprised of the loan size or terms. The loan committee is made up of the OEF project director, program coordinator and a bank representative, however, it is the OEF staff who determines the loan sizes and terms since the bank believes it is not equipped to analyze these types of businesses. The 15% interest rate was set by OEF to capitalize its loan fund. (The market interest rate would be about 17% which is relevant as the project was designed to link the beneficiaries with the banking system.) Although the beneficiaries believe they are paying interest to the bank, they are in fact paying it to OEF which is seeking to establish a rotating fund. The viability of such a fund, however, requires the ability of the beneficiaries to repay their loans which at this point is questionable.)

Paradoxically, while the women are, in reality, borrowing OEF funds using OEF-prepared credit applications, they believe they are borrowing from the bank under normal commercial lending conditions. Because they believe the interest rate is unfair and the loan repayment schedules too harsh, they now resent and are afraid of the bank. Unfortunately, this contradicts the objective of familiarizing poor women with the formal banking system. The bank, for its part, has not become more inclined to lend its own funds to the women given their uneven repayment records.

Enterprise Development

OEF's enterprise development operations were found to need significant strengthening. Field staff neither monitor the ongoing status of the businesses nor have the technical capability to evaluate the ongoing training and TA needs of the businesses. The evaluator recommends that OEF develop monitoring systems for the businesses, as well as assign or hire staff to visit each business monthly to monitor and advise on marketing, production and administration. Problems in this area can again be traced to the fact that OEF staff have little or no business experience.

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Sustainability

The sustainability of the OEF program hinges upon its ability to administer a cost effective program which results in self-sufficient enterprises. On one side, it should be noted that this project was a pilot effort targeting only 66 women and requiring many upfront costs to establish an office and get the project up and running. Also, as illustrated throughout the evaluation, there were non-economic benefits gained by the women from the project. On the other hand, the ongoing project from a strictly monetary cost/benefit viewpoint had cost \$4,006 per beneficiary through December 1986 (project costs of \$285,267 divided by 62 beneficiaries; excludes \$80,000 loan fund). While such a cost/benefit analysis may be premature given the embryonic state of the enterprises, it is also not clear whether, or not the businesses will ever become self-sustaining. Moreover, OEF is still expecting funds for this limited effort which will raise the cost per beneficiary.

The five projects are at various levels of implementation, yet none of them have demonstrated full viability. Below is a brief description of the situation of each of the groups:

Dos Quebrados — This group is utilizing a provisional oven and will soon be moving into their new facilities with an oven that will quadruple their production. They are preoccupied with their debt repayment and are working closely with the bank to meet their obligation. This group is the most organized and has the best chance for success.

FENADESAL — This group is operating a piggery. The facilities are complete and they have begun raising pigs. However, they still lack sufficient training to become self-sufficient. Training needs to be carried out in marketing and reproduction. The group is not quite as motivated as the above group and their chance of success is considered marginal, unless appropriate training can be implemented.

Champas Cáritas — This group will be operating a chicken raising facility, which is still under construction. It is expected that these facilities will be completed by the end of June 1987. Six of the chicken coups are completed except for electrical connections for the lights. OEF still needs to perform some market studies and train the beneficiaries in the project.

Santo Domingo — This group is working on a project similar to Dos Quebradas. They moved into their new facilities eight months ago, and completed the oven two months later. The group is very well organized, but has a small clientele because of the size of the community. If they can expand their market somewhat, they will have a much better chance for success. Currently, they are operating at a breakeven level.

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San Lorenzo — This group is split into two sub-groups, with one working in bread production and the other in dairy production. This group needs management assistance, including training in financial accounting and marketing of products. There has been some turnover of beneficiaries in this group, due to internal problems. They are unable to meet their production targets or their loan obligations to the bank. They are now in the process of trying to refinance 75% of their loan debt with FUNDASAL (Fundación Salvadoreña de Desarrollo y Vivienda Mínima). The future for this group looks bleak.

Summary

Based on the overall findings and conclusions of the evaluator, the USAID does not believe that continuation of the project is justified. The cost per beneficiary (\$4,006) to date, even for a pilot effort, is too high to be defensible. Therefore, the model is not replicable. Not without extensive training of the OEF staff does it appear that OEF would be in a position to provide the business expertise necessary to offer a similar effective program. Even then, the beneficiaries and their projects appear to require such a high level of training and hands-on help by the OEF staff, that the cost per beneficiary still would be indefensible and the number of beneficiaries that could be reached would not be a significant factor in dealing with the economic problems of a large number of displaced, currently estimated at about 330,000. Accordingly, the USAID will request that OEF develop a phase-down plan which will detail how OEF will conclude all remaining project activities which have been initiated and show promise of sustainability. No new activities will be authorized. The USAID will encourage OEF to incorporate the evaluator's specific implementation recommendations within the context of its phase-down activities, but will not accept those that would prolong the project beyond a reasonable phase-down and termination period. In summary, both OEF and A.I.D. need to cut their losses and the USAID must use other models for assisting the displaced.

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EVALUATION
OF
DISPLACED WOMEN'S ENTERPRISE DEVELOPMENT PROJECT
(519-0281)
SAN VICENTE. EL SALVADOR

by
Rebecca Reichmann
and
Tonia Papke

April 27, 1987

This report was prepared under contract between
OEF International and Management Development International.

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CHAPTER 1

EXECUTIVE SUMMARY

INTRODUCTION

The purpose of this evaluation is to provide USAID/El Salvador with an assessment of the Pilot Relocation Component of Project 519-0281 in relation to project objectives, as implemented by OEF/El Salvador. The evaluation assesses project impact and performance to date, and recommends improvements of selected activities. The project's coherence with AID's overall strategy is also discussed.

The field work in El Salvador was carried out by the consultant between 1 February, 1987 and 21 February, 1987, using several related methodologies. First, ten project participants were selected by beneficiary groups to design and administer a survey questionnaire which measures economic and social impact from the beneficiary point of view. Second, the consultant's interviews with personnel, beneficiaries, affiliated GOES institutions, and USAID provided information to supplement critical review of project documentation, correspondence, monthly reports, and training materials. Several training sessions were observed and at least two visits were made to each of the project sites.

PRINCIPLE FINDINGS

The O.E.F. project has fulfilled project objectives for training and technical assistance in all five of the communities in which it works, and loans have been disbursed to four groups which have started up small enterprises. In a fifth community, Champas Caritas, delays in building a FEDECCREDITO-constructed installation have held up a chicken-raising enterprise. The other four groups of displaced women have invested in dairy cows, pigs, land, a storefront and inputs for baking, livestock maintenance, and "pupusa" production. The four groups which have begun production have received donations of infrastructure construction through FEDECCREDITO (valued at US\$ 51,310), technical assistance from the Ministry of Health and several other local technical assistance agencies, and loans totalling US\$ 38,345.

In each of the five communities, beneficiary groups have received an average of 165 training sessions in the following areas: Human Relations, Feasibility Studies, Marketing, Credit, Management Development, and Business Diagnosis (FODA), in which the group's (and business's) strengths, weaknesses, and opportunities are assessed.

Presently, beneficiaries' average annual income is 924 Colones or US\$ 184.80. For over half of the beneficiaries, this represents an increase of at least 50% over pre-project income. Project beneficiaries earn an average of 7 Colones for each day worked; because of the nature of the group enterprises (small scale enterprises employing 10 to 15 women), the average number of days worked is 11 days per month, per beneficiary.¹ Some of the other indicators which measured increased income among beneficiaries reveal that the participants are generally optimistic about the future, although their lives haven't changed dramatically. 42% reported that their children eat "a little better" than before project participation, with 18% reporting that their children eat "alot better." 60% reported that they are "very happy" with the new income they earn through the project, while 35% were "a little bit happy." 43% believed that their enterprise would be "better" after two years, while 41% believed that it would be "alot better."

Training is OEF's real strength. Women participating in the project evidence a sense of self determination and self esteem. In their meetings, they discuss and make decisions democratically. Participants in the evaluation training (assuredly the most capable of the group members) retained complex concepts and were able to explain them to the group in their own words several days later. For example, the women reviewed the idea that "feedback" will help to improve a person or an organization, and that measurement indicators serve as feedback mechanisms to help improve the OEF program. The evaluation process clarified the program goals for the team, helped them to identify with those goals, and in turn should generate a stronger commitment to realizing the work of the organization.

¹This figure is somewhat deceptive because some of the smaller groups' members need to work quite a bit more, and one group is not working on an enterprise at all. That group is included in the days worked calculations in order to assess actual employment created to date by the project. However, the group which is not yet earning was not included in the average income calculation. In other words, the new income generated by the project (7 Colones per day x 132 days per year) is spread among all of the beneficiaries, for purposes of calculating benefits, although in fact 17 of women (in Champas Caritas) of the women are not receiving any economic benefits yet.

The project's training methodology is conducive to wide replication at relatively low costs, if larger numbers of women are trained and a tighter training schedule is designed. The key aspect of OEF's training methodology which should be replicated is the participatory method. The OEF staff has mastered this training approach and is competent to use this method to train men and women in almost any subject area, from literacy to family planning, in addition to enterprise-related themes. OEF's strength is definitely in its staff's ability to communicate with and gain the trust of people living in marginalized communities. OEF should capitalize upon this strength and extend its training programs to new communities, perhaps in coordination with other technical assistance agencies.

The OEF credit component is one of its weaker areas. First, feasibility studies for the group enterprises are conducted by beneficiaries, most of whom have had no prior business experience. Neither is the staff adequately prepared to advise them about investments of the size and nature that have been contemplated.

Sustainability of OEF as an institution hinges upon its ability to administer cost-effective programs which benefit displaced women and in this case, launch them into self-sufficient enterprises. It must be noted that this project for displaced women is a pilot project which only targeted 60 women for its first 18 months. Furthermore, many of its expenses have been start-up costs (establishing an office, purchasing vehicles, etc.).

For this reason, the total number of women assisted by this project (62) is low in proportion to project costs. Total project costs through December, 1986, excluding the loan fund of US\$ 80,000, are US\$ 285,267 or US\$ 4601 per direct beneficiary.² If we include family members affected by the project, including husbands of 51% of the women, a total of 310 individuals have indirectly benefitted from the project.³ The cost per indirect beneficiary is, therefore, US\$ 920. However, as is discussed later in the section on Sustainability, a standard cost-benefit analysis makes little sense at this time. Beneficiary businesses are still incipient, incomes are still minimal, and groups are just beginning to repay their loans.

²According to the OEF Project Director, the cost of creating a new job in the formal sector El Salvador is 5,000 colones, or US\$ 1,000. The cost of each job created under this pilot project is US\$ 3,881, not an unreasonable figure considering the other non-monetary benefits provided by the project.

³OEF's baseline survey reports that beneficiaries have an average of four children.

CONCLUSIONS

Social and training benefits are clearly the most important impact achieved by this project. However, the groups' economic activities are functioning and provide an important incentive for participating in the training. Some family income has been realized; an initial first year increase in annual household income of even US\$ 185 is significant for a family which has few, if any, alternative sources of income.

DEVELOPMENT IMPACT OF PROJECT AND LESSONS LEARNED

Although a pilot project, a significant number of women have demonstrated that poorly educated women of rural backgrounds can reduce their dependency upon welfare-type feeding programs for the displaced. These women have educated themselves, undertaken productive activities, and have organized themselves to obtain needed services. The "demonstration effect" of such a pilot program is inestimable and should be widely documented among organizations in El Salvador working with the displaced. Indeed, the CONSULTEC team recommended that the Ministry of Agriculture document the OEF training method for use in Ministry programs.

RECOMMENDATIONS

1. The project's training methodology is conducive to wide replication at relatively low costs, if larger numbers of women are trained and a tighter training schedule is designed. The key aspect of OEF's training methodology which should be replicated is the participatory method. OEF should capitalize upon this strength and extend its training programs to new communities, perhaps in coordination with other technical assistance agencies.

Strengthening of the training component would involve adopting a more rigorous approach: promoting the training courses more aggressively, meeting more regularly with groups, scheduling more meetings per day, taking measures to assure that attendance improves.

2. Credit and enterprise development methodologies should be redesigned. Much smaller businesses, perhaps a cluster of solidarity group type enterprises, might be organized for training and technical assistance, while smaller, short-term loans are administered through a graduated "line of credit" mechanism to the smaller groups. This approach to enterprise would be more likely to succeed with small commerces (food vending, for example) which enjoy a daily turnover, or with simple productive activities that could be carried

out at home with minimal capital investment required (candle

3. The interest rate for the groups' enterprises should be renegotiated, in coordination with an objective appraisal of the current status of the beneficiary businesses. While community residents and program staff stated that the current interest rate is too high, that should be balanced against the inflation rate and portfolio risk to ensure that decapitalization of the loan fund does not occur.
4. An additional staff member with strong business expertise should be hired. Ongoing training in business concepts and specific enterprise-related areas should be made available to current staff in order to prepare them for the training of beneficiaries in required business skills.
5. The groups working in animal projects should receive ongoing training and technical assistance from livestock experts.
6. Further educational materials should be developed, perhaps with technical assistance from OEF Washington.
7. While participants require additional technical assistance and training in conducting feasibility studies, they should play a more active role in the completion of their loan applications.
8. OEF should conduct research about informal sector businesses in San Vicente in order to determine which types of enterprises are most successful and the nature of their markets.
9. OEF should explore the possibility of using existing small entrepreneurs as trainers for groups undertaking new types of productive activities.
10. OEF staff should monitor project enterprises on a monthly basis and reassess their viability every six months. An ongoing assessment of training requirements should be done through these monthly monitoring visits.
11. Strengthen interrelationships between Central American, El Salvador and Washington, D.C. offices by restructuring O.E.F. management/ supervisory roles; To clarify points of conflict and document disputed decisions internationally, an information management system should be initiated to document all policy discussions between the Washington, D.C., the Costa Rica, and the El Salvador offices, and to confirm decisions that have been made.

12. OEF should go ahead with obtaining their local *personería jurídica* in order to broaden OEF's funding base. The development of a local advisory board can assist in the development of local policies, strengthening program implementation, in maintenance of inter-institutional relations. This is consistent with the NGO mandate to strengthen pluralistic participation in local government in Latin America.

CHAPTER 2

EVALUATION METHODOLOGY⁴

EVALUATION GOALS

The purpose of this evaluation is to provide USAID/El Salvador with an assessment of the Pilot Relocation Component of Project 519-0281 in relation to project objectives, as implemented by OEF/El Salvador. The evaluation assesses project impact and performance to date, and recommends improvements of selected activities. The following aspects of project implementation are evaluated: Administration and Finance, Training and Methodology, Small Business Production, Credit and Community Development Technical Assistance. The project's coherence with AID's overall strategy is also discussed. The names of individuals contacted and activities realized are listed in Appendices A and B of this report.

EVALUATION METHODOLOGIES

The field work for this evaluation was carried out by Rebecca Reichmann between 1 February, 1987 and 21 February, 1987 in El Salvador, using several related methodologies. Ms. Reichmann was responsible for report write up with the exception of the section on Sustainability which was written by Tonia Papke, with information supplied by Ms. Reichmann.

Participatory Methodology

OEF has traditionally been committed to a participatory methodology which enables the project staff and beneficiaries to gain new insights into their work through the process of critical reflection and evaluation. A principle role of the evaluation consultant, then, is to facilitate this process by training staff and selected beneficiaries to carry out evaluative activities themselves. The evaluation process should then become integral to the institution's ongoing reporting and monitoring systems.

⁴The USAID Scope of Work is appended to this document.

Together with the Project Director and the OEF Regional Director, the consultant trained ten selected project beneficiaries to design and administer a survey questionnaire which measures economic and social impact from the beneficiary point of view. These ten beneficiaries were elected by the members of their community-based groups. Each had the two necessary prerequisites: literacy and time availability. The ten members of the team were paid a modest daily wage (US \$2) for ten days, to receive the training, design, administer and analyze the survey questionnaires. Through a variety of techniques, the team was trained to apply the concepts of evaluation, feedback, goals, objectives, and measurement indicators to project activities. Members of the team then designed and tested two survey questionnaires --one administered to all 62 project beneficiaries, and the other to be administered to 40 members of communities in which the OEF project was active.

After testing and revising the survey instruments, the team of beneficiaries administered the questionnaires over a three day period. Over another two day period, results were tabulated by the team, as well as by an outside consultant, as a cross-check. From these results as well as from their own experiences with the project, the beneficiary team drew several conclusions and made recommendations for improvement of the project. The raw data from this survey is attached as Appendix D of this report.

The participatory evaluation process serves several purposes. First, as an evaluative technique, it may be the most reliable way to obtain impact information. Participants are more likely to respond frankly to a peer than they might to a stranger. Second, the participatory process is itself an educational experience for the beneficiary team; it helps to develop critical thinking skills, initiative, and analytical discussion among beneficiary groups. The process leads women to feel more identified with the project's success and thus more committed to its effective management. Finally, the project staff and director learn to think evaluatively together with project beneficiaries, to strengthen and regulate the feedback loops between them and the program.

Document Review

In addition to the participatory evaluation methodology, the evaluator reviewed critical project documents including correspondence, weekly and monthly reports, baseline data (including diagnostic information), and all training materials. Several training sessions were also observed and at least two visits were made to each of the project sites.

Interviews with Key Informants

The consultant interviewed all project personnel, approximately 21 beneficiaries, affiliated GOES and technical assistance institutions, and AID officials. Appendix B lists the USAID officials, OEF International staff, technical assistance experts, local institutions and officials consulted during the course of the evaluation.

CHAPTER 3

EVALUATION OF ENTERPRISE DEVELOPMENT PROJECT FOR DISPLACED WOMEN

PROJECT DESCRIPTION

OEF/El Salvador received a USAID grant of US\$ 464,392 to carry out an 18 month project designed to assist displaced women in the San Vicente region in setting up small enterprises. A major investment of time and resources was dedicated to structuring the new local institution, hiring and training personnel, developing managerial and organizational systems, and designing appropriate project methodologies.

During the first month, US\$ 80,000 was designated as a loan fund which was to finance four cooperative enterprises and eleven smaller loans to solidarity groups or individual entrepreneurs. The four larger loans were designated for both working capital and infrastructure development, while the eleven remaining loans were to be strictly to provide working capital for commercial activities (see Project Proposal, Third version, p.4).

An agreement was reached with the Banco Hipotecario for the administration of credit to OEF-approved borrowers at 15% interest. The loan fund was to earn 12.5% annually,⁵ and as the loans were disbursed, the bank would charge a one-time handling fee: 2% of the total amount, or US\$ 1600.

From the beginning, OEF/El Salvador established strong linkages with a wide spectrum of local private and governmental institutions, a strategy which has served to consolidate both its base of support and widespread approval of the project's objectives among local institutions.

During the project's first months, the new staff members were trained in OEF's participatory methodology, the program was promoted among communities of displaced people in the San Vicente

⁵This point needs to be clarified. The September, 1985 monthly report mentions this interest income for loan fund, while the Bank Manager reported that the loan fund earns no interest.

area, and beneficiary groups were formed in five communities. One of the communities, San Lorenzo, is an area that has experienced a great deal of conflict; the majority of residents have settled there after San Lorenzo's original residents fled several years ago. Another of the communities, Champas Caritas, is a traditional camp for displaced persons which was established by Caritas in the early 1980's. The remaining three communities, Santo Domingo, Dos Quebradas, and FENADESAL (a community of people living in makeshift dwellings on land owned by the railroad company bordering the tracks) are all communities in which displaced people live among other marginal families. CONADES, the government food program for displaced persons, is active in each of the five communities, and 89% of OEF beneficiaries report that they are presently receiving assistance from CONADES. In some cases, CONADES officials or volunteers assisted the OEF staff in promoting the OEF project and in determining whether potential beneficiaries were actually persons displaced by the war.

After the groups were formed in five communities, intensive training sessions were facilitated by OEF staff. This training was designed to orient group members to the goals of the OEF program and to begin the process of determining which enterprises would be developed in each community. OEF staff collected a set of baseline data for each community to determine characteristics and needs of the beneficiary population. After several more months of training, feasibility studies were designed and implemented by group members, to determine whether the enterprises they had elected to develop in each community would be viable.

The first loans were disbursed by the Bank in April, 1986, for the purchase of land, a house which would serve as a storefront, materials, and later, pigs and cows. Each of the groups received assistance from a FEDECCREDITO program which used USAID funds to provide employment for displaced people. Through this program, local displaced persons worked with OEF beneficiaries to construct several physical installations at the OEF groups' enterprise sites. FEDECCREDITO built an impressive pig sty, stalls and a silo for the dairy enterprise, brick ovens in three communities, and a building in one community that would serve as a bakery and a storefront.

None of these projects is completely finished; the three ovens are missing key parts, the pigsty lacks water, the silo is not yet operational. Meanwhile in three of the communities, the groups continue to bake in adobe ovens. There is some sentiment among project beneficiaries and members of the community that the FEDECCREDITO installations are overly luxurious, that the pigs and cows live in finer conditions than do the community residents themselves. OEF is anxious to claim that they would have designed less ostentatious (and less costly) facilities, and there is a sense that the FEDECCREDITO assistance was thrust upon them. In any case, the animal installations are functioning

at less than full capacity and the bakeries should soon be operational. Only when these facilities are fully efficient will the real viability of the beneficiary enterprises become measurable.

The five groups of project participants continue to receive technical assistance and training from outside experts and from OEF staff, as will be described below. The performance of their enterprises and program impact (according to the project objectives) will also be assessed below.

DESCRIPTION OF BENEFICIARIES

Beneficiaries are displaced women living in San Vicente, Santo Domingo or San Lorenzo. According to the beneficiary team's survey, 49% are heads of household, they have an average of four children, and have lived in their new communities for an average of five years. Beneficiaries work an average of nine hours per day, and eleven days per month. They earn an average of 7 Colones per day (US\$ 1.40),⁶ and only 27% of these women report that they have another source of regular financial support. 50% never receive any financial support from a family member or spouse. A nurse or health clinic administered by Project Hope exist in the communities of 56% of the beneficiaries surveyed.

According to baseline data compiled by OEF staff, 69% of the beneficiaries are living in some sort of makeshift housing (neither owned nor rented), and 85% reported that they do not plan to return to their place of origin. Of the beneficiaries who reported any income before participation in the project, 55% experienced an annual income of less than US\$ 400. 70% of the beneficiaries and their families are basically literate, although only 14% of the group members had received any kind of training or course in a business or non-business related subject before participating in the OEF program.

All of the above factors reveal that the OEF target population is among the most severely marginalized, economically. Their living conditions are uncertain at best and squalid and makeshift at worst. When driven from the land that they have traditionally relied upon for survival, the skills they improvise to fend for themselves are severely limited. Again referring to baseline data collected by OEF staff, only 35% of the project participants had had some sort of employment experience (aside from domestic

⁶This figure is based upon the following salary figures for enterprises in the four communities where businesses are functioning: Santo Domingo: 6 Colones/day; San Lorenzo: 8 Colones/day; Dos Quebradas: 7 Colones/day; FENADESAL: 7 Colones/day (US\$ 1.00 = 5 Colones). These salary figures were reported to the consultant by Treasurers from each group.

work) before joining the OEF group, while only 8% had any work experience in the type of enterprise which their group later would develop. 3% of the participants had some experience with formal credit, while 13% had borrowed informally from friends, family, or a money lender. None of this information points to an optimistic forecast for successful enterprises. The least encouraging bit of data drawn from the baseline diagnosis is that on the average, only 57% of the respondents even expressed interest in developing the type of enterprise that their community was later to pursue.⁷

The OEF target population shares most of the characteristics of the national displaced population surveyed by the Contracting Corporation of America in a baseline survey contracted for the Gursony team's study in 1985. In terms of employment experience, literacy, educational level, housing, water, and sanitation, diet and food aid, the OEF population roughly corresponds to the national population of displaced persons. One significant difference was that the Gursony survey reports that 23% of the families had a female head-of-household, while our beneficiary team survey found that 49% of the participants are heads-of-households. This difference may be explained by the fact that a female head-of-household may be more likely to select herself for a project of this type than a woman who enjoys the economic and moral support of a spouse.

PROJECT PURPOSE

The goal of this pilot project has been to develop a model for improving the socio-economic conditions in zones of El Salvador where there are high concentrations of displaced families. This integrated project providing training, credit, and technical assistance to displaced women in San Vicente set the following objectives:⁸

1. Increase incomes of women;
2. Increase employment opportunities for women;
3. Increase women's access to capital and credit;
4. Develop a replicable model for enterprise development programs to be carried out in other parts of El Salvador;

⁷This average figure is perhaps unfair. A majority expressed interest in the enterprise activities to be developed later in three of the communities. The two groups which pulled the average down were the women who later became involved in raising pigs and dairy cows; only 45% and 17% expressed interest in these areas, respectively.

⁸See Project Proposal prepared by OEF International, Washington, D.C., Enterprise Development for Displaced Women, Third version, June 14, 1985, page 3.

5. Strengthen the institutional and technical assistance capabilities of O.E.F. and collaborating institutions;
6. Increase opportunities for supportive community services such as day care, literacy.

ACHIEVEMENTS TO DATE

1. Objective: Increase incomes of women

Accomplishments: The average increase in beneficiaries' disposable income is not measurable since the baseline data did not aggregate income. We do know that 55% had a previous income of less than US\$ 400 and that 12% received more than US\$ 800 in income annually. Presently, beneficiaries' average annual income is 924 Colones or US\$ 184.80. This represents an increase of at least 50% for over half of the beneficiaries.

Project beneficiaries earn an average of 7 Colones for each day worked; because of the nature of the group enterprises (small scale enterprises employing 10 to 15 women), the average number of days worked is 11 days per month, per beneficiary as outlined below.⁹

Group	Daily Wage	Days Worked	Monthly Income
Dos Quebradas	∅ 7.00	9-10/month	∅ 66.50
Santo Domingo	6.00	2/week	48.00
San Lorenzo	8.00	14/month	112.00
FENADESAL	7.00	8/month	56.00

Some of the other indicators which measured increased income among beneficiaries reveal that the participants are generally optimistic about the future, although their lives haven't changed dramatically. 42% reported that their children eat "a little better" than before project participation, with 18% reporting that their children eat "alot better." 60% reported that they are "very happy" with the new income they earn through the project.

⁹This figure is somewhat deceptive because some of the smaller groups' members need to work quite a bit more, and one group is not working on an enterprise at all. That group is included in the days worked calculations in order to assess actual employment created to date by the project. However, the group which is not yet earning was not included in the average income calculation. In other words, the new income generated by the project (7 Colones per day x 132 days per year) is spread among all of the beneficiaries, for purposes of calculating benefits. although in fact 17 of the women (in Champas Caritas) are not receiving any economic benefits yet.

while 35% were "a little bit happy." 43% believed that their enterprise would be "better" after two years, while 41% believed that it would be "alot better."

2. Objective: Increase employment opportunities for women

Accomplishments: Sixty two women employed by beneficiary enterprises. Four ex-participants trained by OEF are now self employed.

Sixty-two women are participating in the OEF enterprises; these employment opportunities may open up opportunities for future employment for these women, their children who learn about their mother's work. If the enterprises expand significantly, they may also create linkages to suppliers and consumers, which may stimulate further employment opportunities.

OEF knows of one case in which a woman trained in the Dos Quebradas project left her group for formal employment using the skills she had learned in the training. A second woman in Santo Domingo left her group to sell "pupusas" in the local school and now competes with the OEF group. Two other women in San Lorenzo have left their group, one to establish a small store, and the other to market chickens. OEF staff feel that the training they provided facilitated the start-up of these individual enterprises.

FEDECCREDITO's participation in the construction of installations for OEF enterprises was a further source of employment generated by the project, although it was temporary.

3. Objective: Increase women's access to capital and credit

Accomplishments: Four groups (45 women) have received loans totalling US\$ 38,345 and they have FEDECCREDITO constructed productive capital installations in the groups valued at US\$ 51,310.

Although OEF participants have received valuable access to credit and other capital through this program, there is no evidence at this time that displaced women participating in the project will qualify for commercial bank credit in the future. They may qualify for a FEDECCREDITO loan at some point if the viability of their businesses improves, or if AID earmarks special loan funds for projects of this type.

This situation increases the importance of managing the present OEF portfolio judiciously, so that loans can be made available to other future OEF borrowers from among the displaced population. It is important to weigh the pressures for the lowering the interest rate against the lost term importance of maintaining the real value of the loan fund. In any case, this may be a moot point until beneficiaries are able to make payments on the principle owed.

4. Objective: Develop a replicable model for enterprise development programs to be carried out in other parts of El Salvador

Accomplishments: The project's training methodology is conducive to wide replication at relatively low costs, if larger numbers of women are trained and a tighter training schedule is designed. The key aspect of OEF's training methodology which should be replicated is the participatory method. The OEF staff has mastered this training approach and is competent to use this method to train men and women in almost any subject area, from literacy to family planning, in addition to enterprise-related themes. OEF's strength is definitely in its staff's ability to communicate with and gain the trust of people living in marginalized communities. OEF should capitalize upon this strength and extend its training programs to new communities, perhaps in coordination with other technical assistance agencies.

Project designs for credit delivery and enterprise development, however, are weak. This is discussed later in this report, along with recommendations for improvement of this project component.

5. Objective: Strengthen the institutional and technical assistance capabilities of OEF and collaborating institutions

Accomplishments: An unusual amount of collaboration with coordinating technical assistance institutions has characterized this project, principally because project staff is inexperienced in livestock care and industrial baking. The project staff has received instruction and technical assistance (along with the four beneficiary groups which have begun production) from the Ministry of Agriculture and Livestock, DIDECO, the Ministry of Health, and several other local technical assistance agencies.

However, the technical assistance received has not adequately assured that the groups steer clear of problems which may be inherent in project design. Several of the technical assistance institutions with which the consultant spoke stated that they had predicted some of the problems confronted by groups. Further technical assistance is called for in credit and business management.

OEF as an institution, however, has been strengthened through the additional training and assistance its staff has received in collaboration with other agencies. In non-technical areas, particularly in training methodology itself, OEF has a well developed institutional philosophy and commitment, and is in a position to offer its expertise in a technical assistance capacity.

6. Objective: Increase opportunities for supportive community services such as day care, literacy

Accomplishments: OEF has not specifically addressed this project objective. Successful graduates of OEF's training program should serve as concerned and active members of their communities who will promote and eventually initiate supportive services.

ACTIVITIES TO DATE

1. Objectives: Increase incomes of women. Strengthen the institutional and technical assistance capabilities of OEF and collaborating institutions.

Activity: Training

In each of the five communities, beneficiary groups have received an average of 165 training sessions in the following areas: Human Relations, Feasibility Studies, Marketing, Credit, Management Development, Business Diagnosis (FODA), in which the group's (and business's) strengths, weaknesses, and opportunities are assessed.

2. Objectives: Increase incomes of women. Strengthen the institutional and technical assistance capabilities of OEF and collaborating institutions.

Activity: Technical Assistance

Technical assistance has been provided both to project staff and beneficiaries in livestock maintenance and industrial baking. CONSULTEC, MAG (Ministry of Agriculture and Livestock), and CEGA (Centro Experimental de Ganaderia) have provided training in animal maintenance; INCAITI sponsored a trip for a beneficiary group and a staff member to visit a bakery in Guatemala to learn about a new oven technology, and has supervised design and construction of three of the project's commercial ovens. The Ministry of Health has provided nutrition courses and baking courses at the Regional Hospital. CEGA and DIDECO (Ministry of the Interior) have assisted OEF with transport of animals and animal feed, The Banco Hipotecario has provided orientation to beneficiaries regarding the credit program, as well as providing its administrative services for the loan fund, and FEDECREDITO has provided installations: the piggery, stables and silo, three ovens and a storefront. The chicken coops are still in initial construction stages.

The OEF staff has provided continuous technical assistance to beneficiaries in business organization, management and marketing, and in areas related to each of the particular enterprises (livestock production, etc.). It is important to note that in these technical areas, the OEF staff had no prior knowledge and has had to educate itself and seek out technical advice as it passes that information on to beneficiaries.

3. Objective: Increase women's access to capital and credit.

Activity: Loans Disbursed

While the original proposal stated that fifteen loans would be made--3/4 to individuals for working capital and 1/4 to cooperative enterprises and solidarity groups for fixed assets--in actuality loans were disbursed to four cooperative businesses which have taken out their loans as a group to purchase assets. The information below summarizes loan activity to date.

Group	Activity	Loan Amount	Loan Purpose
Santo Domingo	Bakery/Store	\$ 5,847	Property, Improvements, Equipment
FENADESAL	Piggery	\$ 7,980	Pigs, Feed, Property
Dos Quebradas	Bakery	\$ 5,800	Property, Inventory, Installation of market stall
San Lorenzo	Dairy/Bakery	\$18,718	Property, Cows

A fifth group is in the process of purchasing a plot of land for its chicken-raising enterprise. As these negotiations are completed, a loan will be extended to this group for the purchase of land, and eventually for the purchase of 2,000 chickens, if the enterprise proceeds as originally planned.

4. Objectives: Increase employment opportunities for women. Increase women's access to capital and credit.

Activity: Fixed Capital Investments/Improvements

The combined assistance from OEF loans and FEDECCREDITO construction projects (the FEDECCREDITO contribution totalling US\$ 51,310 to date) have increased beneficiaries' assets and contributed to infrastructure development in the five communities in which OEF works. In addition to the FEDECCREDITO-constructed facilities described above, beneficiaries have purchased and improved two plots of land and a house which is used as a bakery and a storefront, as well as a meeting place for the group.

5. Objective: Increase opportunities for supportive community services such as day care and literacy.

This project indicator is not measurable at this time, although our beneficiary survey results indicate that 14% of the beneficiaries now have at least one child enrolled in school who was of age but not enrolled at the time of project start-up.

CHAPTER 4

PROJECT IMPLEMENTATION

This chapter will look at various aspects of project implementation. The first section will look at project administration. The follow sections then will assess OEF's participatory training techniques as well as evaluate aspects of the project methodology: technical assistance, the credit mechanism, OEF's enterprise development strategy, and finally, sustainability. This section constitutes the core of the evaluation, since key aspects of OEF's methodologies will be reviewed, and impact upon beneficiary enterprises will be analyzed in light of that discussion.

PROJECT ADMINISTRATION

Internal control procedures, recordkeeping, budgetary control, and cash management are all carried out in a timely and efficient fashion. Administrative procedures are clear, the organizational structure is appropriate, and the project staff is well managed by a capable and dynamic Director. An organizational chart for the Displaced Women's Project is attached in Appendix E.

OEF/El Salvador states its procedural policies in a staff manual. Each employee has a clear job description and is evaluated periodically. Staff members are highly motivated and work as a supportive close-knit team. Staff relations are congenial. Frequent staff meetings are managed informally and are highly participatory. Internal reporting is excellent and there is good use of chalkboards and notices to reinforce decisions and policy.

Communications between the OEF Regional Director in Costa Rica and the El Salvador staff seem to be strained and often reflect tensions which are not clearly articulated. No records document communications between Costa Rica and El Salvador, so assessment of this situation is difficult. To clarify points of conflict and document disputed decisions, an information management system should be initiated internationally to document all policy discussions between the Washington, D.C., the Costa Rica, and the El Salvador offices, and to confirm decisions that have been made.

While field staff have a great deal of hands-on experience and exhibit a high level of motivation, they are lacking in some academic areas required for this program. They lack the business training and experience required to advise and train skill-less women in enterprise development and management. The ramifications of this can be seen in the small enterprises themselves. The staff failed to supervise the group treasurers with even simple techniques like calculating a monthly income/expense balance to assess the enterprises' progress. The initial feasibility studies were inadequate for investments of the size contemplated. These points will be discussed later, but they relate to a discussion of project administration insofar as they illustrate the need for an additional staff member with strong business expertise, as well as ongoing training for the present staff in business concepts.

Staff also require attention to improving their use of time, particularly in reaching greater numbers of women with training, and providing that training on a more consistent basis. The weekly staff reports to the project coordinator reveal that a large number (perhaps 40%) of the scheduled training sessions with beneficiary groups were not realized, for a variety of reasons: emergency staff meetings, international visitors, CONADES food distribution, poor attendance, errands that were run to assist a beneficiary group in obtaining materials or information, etc.

Project Finances

As can be seen by the Table below, the project has underspent during its first sixteen months and will have, according to the OEF staff, sufficient funds in the budget to run until June 1987. The project appears to be heavily dependent on vehicles and equipment, which made the project more expensive than necessary for a project reaching 62 beneficiaries who live practically within eyeshot of the project office! The computer has not proven necessary to project implementation, since not a single staff person has learned how to use it.

The OEF staff is paid more than the great majority of their counterparts in Salvadoran organizations. A survey of seven similar organizations conducted by Save the Children revealed that OEF promoters, the staff coordinator, and the senior accountant earn more than the maximum paid to their counterparts in all but two cases. This would be acceptable if the OEF project staff were highly qualified in the field of enterprise development, but none of the mid-level staff has higher than a secondary school degree, and none has experience in the field of enterprise development.

DEF DEPARTMENTAL REPORT

SELECT NUMBER: B416
PROJECT: EL SALVADOR DISPLACED

DESCRIPTION	CURRENT MONTH DEC. 1986	YEAR TO DATE	INCEPTION TO DATE	BUDGET	BUDGET BALANCE
INCOME					
Government Income	10,000.00	65,000.00	361,000.00	464,392	103,392.00
Total	10,000.00	65,000.00	361,000.00	464,392.00	103,392.00

EXPENSES

Salary	4,568.47	28,156.48	80,476.76	103,745	23,268.24
Gratuity Benefits	3,090.92	12,604.85	35,513.36	27,186	(8,327.36)
Temporary Help	0.00	514.26	875.52		(875.52)
Consultants	209.00	378.80	5,848.06	49,300	43,451.94
Travel & Per Diem	264.28	9,607.61	28,463.31	40,060	11,596.69
Office Supplies	124.91	2,632.13	7,274.92	4,000	(3,274.92)
Office Space	6.02	640.84	1,971.69	3,600	1,628.31
Printing & Duplication	150.61	588.10	6,502.77	2,000	(4,502.77)
Telephone/Telegraph	373.42	2,529.87	5,862.39	3,000	(2,862.39)
Postage	41.10	349.99	1,282.00	2,000	718.00
Shipping	0.00	0.00	6,567.96		(6,567.96)
Equipment/Construction	0.00	0.00	39,260.64	75,600	36,339.36
Publications/Subscription	0.00	20.00	20.00		(20.00)
Recruitment	0.00	0.00	16.45		(16.45)
Insurance	0.00	0.00	172.54		(172.54)
Equipment Maintenance	0.00	0.00	37.00		(37.00)
Miscellaneous	0.00	0.00	0.00	175	175.00
Loan Fund	0.00	0.00	80,000.00	80,000	0.00
Overhead Expenses	3,178.34	20,888.25	65,119.15	73,726	8,606.85
Total	12,007.07	78,911.18	365,266.52	464,392	99,125.48

PLUS/DEFICIT
(2,007.07) (13,911.18) (4,266.52)

HEAD
3,178.34

Institutional Development

OEF/El Salvador is currently engaging in dialogue with OEF/Washington and the Costa Rica Regional Director to clarify concerns about USAID strategy in El Salvador. OEF feels strongly that it wants to continue to assist displaced and marginalized women, but (1) does not want to endanger staff or beneficiaries' lives by engaging in projects located in strategic areas, and (2) firmly resists identification with government pacification strategies.¹⁰ For these reasons, OEF/El Salvador will obtain its personería jurídica in order to broaden its funding base and develop an autonomous identity locally. In developing that local institutional base, OEF/El Salvador should develop a local advisory board, to formulate OEF policy and maintain inter-institutional relations. This institutional development is part of the NGO mandate to strengthen pluralistic participation in local government in Latin America.

¹⁰A number of U.S. based PVO's have refused to accept USAID funds under the Health and Jobs for Displaced Families program in El Salvador because of the political implications of such work. Among these PVO's are: CARE, Save the Children, Catholic Relief Services. Several U.S. churches have also refused USAID funding in El Salvador. Among them are: Presbyterian Church, Mennonite Church, American Friends Service Committee, Methodist Church, Episcopal Church, Lutheran Church.

Each of these institutions, along with the Catholic Church of El Salvador, recognizes that USAID policy regarding displaced populations, as embodied in the Health and Jobs for Displaced Families Program, is coordinated closely with the Government of El Salvador to further their political and military objectives.

TRAINING METHODOLOGY

As mentioned previously, training is OEF's real strength. Women participating in the project evidence a sense of self determination and self esteem. In their meetings, they discuss and make decisions democratically. Participants in the evaluation training (assuredly the most capable of the group members) retained complex concepts and were able to explain them to the group in their own words several days later. For example, the women reviewed the idea that "feedback" will help to improve a person or an organization and that measurement indicators serve as feedback mechanisms to help improve the OEF program. The women were able to explain the survey questions in different ways so that others could understand. They adapted the language of the questionnaire and discussed what their peers could best comprehend to grasp the true meaning of the questions. This involved critically evaluating the different comprehension levels of members of their groups, and in that, the team articulated some of the weaker areas which the groups needed to address. The evaluation process clarified the program goals for the team, helped them to identify with those goals, and in turn should generate a stronger commitment to realizing the work of the organization.

The evaluation training served to crystallize some of the participants' views about OEF's training methodology. One woman commented,

I feel that in the capacitacion¹¹ there has been a great deal of progress for those in the group; there was one in the group who couldn't even sign her name, and now she has even learned how to do that. So if she needed any kind of form or application, she saw that she needed to know. So she decided to learn. And that's how we see that if you decide to, you can do just about anything.

Another woman commented on the training:

Well what I can say is that I am happy for the help that the capacitacion has brought us, because when we left our villages we didn't have any work here, and now here with this capacitacion we are working, even if just a little bit. But we are earning enough to give just a little bit to our children. So I believe that we are all happy to be working. Also because we have learned alot; before we couldn't...we were afraid to speak with some people, and now with what we've learned, the fear has left us.

¹¹The original Spanish word capacitacion is used here rather than its literal translation ("training"); the original is preferred because it retains a truer sense of how the OEF methodology works: to create greater capacity.

A third woman reflects:

Before the (OEF) women came to consult with us, we felt a little afraid, awkward to talk because maybe you feel that you are less than that person, you know. Because of the situation here, we have lost everything, and we are living here in poverty. But after the (OEF staff) came and taught us how to do this job, gave us capacitation, you feel animated and there is no awkwardness about talking. And something else is that also before I entered this program, I could barely write or do math -- my hand felt so clumsy and heavy holding a pencil -- and now I do well at all of the accounts, the controls, the bank books, along with the petty cash and the general account books, because I keep three sets of books. And then we have work, and what we earn serves to help our children...Really, I was thinking the other day how I never believed I would be meeting with a group like I did that day, that I would be doing something like this.

It is important to note that most of the women interviewed are impatient to work more hours per week. They feel that a great opportunity has been opened up to them, but it only partially fulfills their expectations, since they hope to work full time. I note this in relation to training since the training may have helped women to articulate both their hopes and their frustrations about their work. Most of the women commented that before the training they felt absolutely no hope about earning an income, since they had no skills and there seemed to be no opportunities for even marginal employment. Now, through their own experience and through observing the other groups, they see that a range of activities might be developed either within a group or individually. This increased sense of opportunity, even if temporarily frustrated, indicates that women feel more empowered to improve their lives.

This may be OEF's most significant achievement in El Salvador: to create expectations and generate dignified self-concepts that serve as alternatives to helplessness and poverty. While these expectations are frustrated at present, they will lead participants to seek out new solutions to problems that were previously considered insoluble.

In fact, the great majority of women identified non-economic gains when questioned about what had "happened" in their groups/communities. During informal visits, women's first response to my question was almost universally a variation on this theme: "we got to know each other; we didn't know ourselves/each other before, we may have not trusted each other. and now we work together, know each other." The term, *conocernos*, probably has a deeper significance for these women than we can discern.

from the literal translation, "to know each other"/"to know ourselves." The fact that it was practically the universal response among women interviewed informally points to its significance.

A member of one group commented that "most of all" the program had taught her group

...many things: to love each other, to respect each other, to know each other better and to set up a business. So these are many things that we really enjoy.

As many social scientists have observed, simply bringing people together--for any purpose--may have far greater implications than the realization of the activity for which the group was brought together. In this case, the importance of the groups' economic activities seems marginal; it fades next to the meaning that women evidently find in the companionship, interdependence, even perhaps self-realization generated by the group itself.

OEF's training materials have been well translated and are appropriate to groups of this type. Some of the materials may be overly didactic, but serve as a good guide for local staff, and as a basis for their improvisation of new materials. In general, the materials provided by OEF Washington are excellent. The El Salvador staff has created additional materials on management development and administration using similar methods: these need some improvement, particularly in the role-play (dramatization) components; they also suffer from heavy didactic sections relieved by exercises that seem too much like mindless games.

The OEF staff is knowledgeable about training materials and techniques, and uses them capably. At times during the evaluation training, however, the staff assumed a lower level of beneficiary comprehension than was necessary.

The training component could be strengthened by adopting a more rigorous approach: promoting the training courses more aggressively, meeting more regularly with groups, scheduling more meetings per day, taking measures to assure that attendance improves, and coordinating training with other local organizations.

The consultant recommends that the maximum size group for this type of training be twenty participants. Community members who have already participated in OEF training could act as co-trainers/promoters, to strengthen attendance and to further develop organizational capacity in the community. Training need not necessarily be linked to income generating activities, and could be combined with activities of other local technical assistance agencies. For example, a community group working on housing construction or building a clinic could meet once a week for

OEF training in health and safety issues related to the new housing/clinic.

A final "training" anecdote which OEF staff members like to tell is a story of a member of the group in Dos Quebradas which has a bakery. She and a friend, also a group member, decided one day to go into the ingenio, the cane-processing compound, to sell their bread. The state-run compound is surrounded by fences and guarded by the military. The two women were detained by soldiers who treated them as trespassers, and were taken to military headquarters. With the intervention of Colonel Amaya, the two women were eventually released. After the ordeal, the women described how before they got involved in the program they would have been terrified by the entire experience, intimidated by the soldiers, and probably would have allowed themselves to be treated like criminals. Now, the women say, they won't allow themselves to be treated like that. They stood up to the soldiers, telling them that they were not criminals, they were simply selling their product and trying to make an honest living in a situation that was practically impossible. They said, "there is nothing wrong with baking and selling bread to the workers in the ingenio."

When the young women got back to their OEF group (the president of their group went to retrieve them from the military headquarters after the Colonel had intervened), they then recounted to the group that "even though we were so scared, we remembered what (the OEF promoter) told us; we shouldn't be afraid to speak out. and so we told them that we had done nothing wrong!"

TECHNICAL ASSISTANCE

This section will first discuss technical assistance extended by OEF staff, then will review the inputs of technical assistance agencies collaborating with OEF.

Beneficiaries surveyed by the evaluation team enthusiastically praised the courses offered by the OEF staff. All of the respondents recalled the names of at least two of the courses they had received. The course which the largest number of women remembered (33% of those interviewed) was the Feasibility Study course. There are two possible reasons for this; the local OEF staff developed this course, so it may have been more appropriate for the comprehension of the local women than the materials sent to them from Washington. Another explanation may be that because the course involved actually carrying out a feasibility study in their communities, the women remember it more clearly.¹²

Again, significantly, the content of the technical assistance courses was not as important as the social benefits members derived. When asked by the evaluation team, "what did you learn?" (in the capacitacion) the following replies emerged:

To be united	27%	To love each other	21%
To respect each other	14%	To buy and sell	13%
To manage the project	11%	To know more, w/others	6%
Confidence	5%		

When asked what else they would like to learn, they replied as follows:

Dressmaking	40%	Make bread	33%
Manage the business	17%	Read and write	9%

While OEF technical assistance was greatly appreciated by the great majority of the beneficiaries, the staff lacks technical assistance capacity in business management. As mentioned above, not even the simplest sales/costs tracking method was applied, nor did the staff have accurate information on the groups' loan repayments. Staff members should closely monitor the four beneficiary groups' businesses, particularly checking for net income and loan repayment. This has not been done. For a three-person mid-level staff working with just 62 beneficiaries (four functioning enterprises), this not excusable.

At the present time, the project staff seems best able to offer training to beneficiaries in non-technical areas, and should

¹²Research has shown that people tend to retain more information when they actively get involved in a learning activity; this example seems to support that finding.

continue to seek outside technical expertise for specific enterprise-related training.

A variety of technical assistance organizations has collaborated with OEF to assist in the development of the bakery, dairy, and piggery. Their input is reviewed here according to the category of technical assistance extended:

Animal

For the pig project and the dairy, OEF has received assistance primarily from CONSULTEC. CONSULTEC is a private technical assistance agency with three years of experience. Based in San Salvador and generally consulting to much larger livestock operations, this was their first experience in giving training of any kind. The Chief of Operations with whom I spoke said that his team found it difficult to adapt their materials for the OEF groups, and he feels that the women only understood part of the content.

CONSULTEC technical assistance consisted of a series of twelve weekly courses on the care and management of Brown Swiss Cows. When asked to analyze the technical expertise of the OEF beneficiary group in San Lorenzo, the CONSULTEC consultants found that the major problem now is the poor nutrition of the cows. The group apparently is cutting back on protein feed (soy or cotton flour) in order to save money, and milk production is suffering. The women would need additional credit to buy this protein in bulk; if they did, they could increase milk production by two bottles per cow per day, producing a total of 150 bottles a day. Presently they produce an average of 120 bottles per day.

The dairy management is somewhat inefficient, since only one person is necessary to do the work that four are doing (although CONSULTEC recognizes that OEF's goal is employment generation, not efficiency) also, the facility could easily house twice the number of cows that are presently being milked. Again, the problem is capital, to buy the cows. First, however, the women must prove that they are capable of managing the cows that they have.

CONSULTEC notes that the method of raising cows which they have recommended (keeping them in corrals rather than grazing in open fields) is foreign to the zone but serves as a good model for other farmers. Most farmers think this cow is too fragile to subsist in the zone, and the OEF stable is proof that they can. The Brown Swiss produces 100% more milk than the average local cow.

CONSULTEC notes that this dairy enterprise should pay for itself in 8 years, while the OEF loan period is four years. Therefore,

the group will need to sell cows in order to meet its loan payments, rather than being able to generate enough income through sales of milk and cheese. The commercial interest rate for this type of enterprise at the time of the OEF loan was 10% (from Central Bank); CONSULTEC feels that 15% is too high an interest rate, and that this project is "strangling" the women in the group, since they need more income to buy proper feed, increase production and pay their expenses. The consultant noted that "Perhaps there will be a long term benefit, but there is no immediate benefit for these women."

To date, the total assistance offered by CONSULTEC cost 6,000 Colones; the costs were shared by OEF and the San Lorenzo dairy enterprise. CONSULTEC feels that adapting training materials for this population is extremely important and that their team learned some critical lessons. The CONSULTEC team recommends that the Ministry of Agriculture document the OEF training method for use in Ministry programs.

The OEF group in FENADESAL purchased a batch of pigs from Plan Padrino, another AID-backed agency, but the pigs were poorly nourished and OEF found them to be of inferior quality.

DIDECO (Ministry of Interior) has donated a truck and a driver to transport the pigs on various occasions.

The Ministry of Agriculture and Livestock has given technical assistance to OEF in the pig and cow enterprises, including veterinary assistance and training, since April 1986. MAG also advised FEDECCREDITO on the construction of the silo in San Lorenzo.

Bakery

ICAITI, a Guatemalan-based appropriate technology institute, provided OEF with a design for a model oven which burns wood, and supervised its construction by FEDECCREDITO. ICAITI took a group of four women and one staff member to Guatemala to be trained for two days in the use of oven, donating these services through funds provided by AID.

DIDECO, of the Ministry of the Interior, donated a bricklayer for construction of the ovens. The ICAITI official with whom the consultant spoke observed that members of the OEF groups seemed afraid of the ovens at first, and that OEF reacted with a maternalistic attitude, but eventually the women took over the ovens themselves. He noted that to avoid continuing dependency, that the ovens should have been paid for on credit, rather than donated by FEDECCREDITO.

Agriculture

The Ministry of Agriculture and Livestock assisted the OEF group in San Lorenzo to plant sorghum in May-June 1986 for harvest in August-September. The Ministry lent the group a harvester.

Community Development Training

OEF International has offered technical assistance to the OEF/El Salvador staff in Community Development Training. The El Salvador staff was trained in Honduras and Costa Rica to use OEF educational materials. Staff members found the OEF training materials useful, and the training they received in how to use the materials was reported to be very valuable. The participatory training helped them to generate ideas for adapting the materials for their own use, and provided an experiential learning environment.

The staff has obviously integrated the OEF participatory methodology into all of its training. The El Salvador staff has used OEF materials/courses titled Human Development, Marketing, Feasibility Study, and Credit (the latter two have been adapted by the OEF staff for their own use). They've used all of the above materials completely, and refer to "Women Working Together" (another OEF guidebook) for exercises and games. Based on the technical assistance it has received in this area, the OEF staff has created manuals for its own use, which were described above: Managerial Development, Administration (including functions of a Board of Directors, internal controls, etc.)

FEDECCREDITO Assistance

FEDECCREDITO is a government agency funded by USAID which primarily administers credit to small businesses, through 58 cajas or branches throughout the country. In ten Departments FEDECCREDITO also administers funds allocated by AID for the Jobs and Health Program for Displaced Persons; this is managed through the central federal office in San Salvador and is administered through the Caja de Credito jobs program. The program pays 6 Colones daily and gives workers rations of corn, rice and milk on a biweekly basis.

The FEDECCREDITO jobs program provided laborers and materials for construction of the OEF installations (stables, silo, piggery, ovens, bakery). The FEDECCREDITO assistance created valuable employment opportunities for community members (OEF group members worked as volunteers), but the jobs were constantly delayed due to lack of materials or labor, and in fact are still not finished. The installations were overly expensive for such a small group of beneficiaries, both from FEDECCREDITO's and OEF's point of view. Also, the proportion of labor donated

by the group (30%) was smaller than the normal community counterpart expected for this type of project. OEF is the only project of this type which FEDECCREDITO has undertaken.

CREDIT

The OEF credit component is one of its weaker areas. First, feasibility studies for the group enterprises are conducted by beneficiaries, most of whom have had no prior business experience. Neither is the staff adequately prepared to advise them about investments of the size and nature that have been contemplated. In the Champas Caritas project, for example, where the group plans to purchase 2,000 chickens at once, a more critical market analysis is called for, particularly given that potential markets have no refrigeration and almost no income, and the area suffers from a plethora of unhealthy conditions which will threaten the chickens' lives.

While the groups need outside assistance in conducting feasibility studies, the women should participate more in the credit application process. Presently, credit applications are prepared by an OEF staffperson. The women do write project descriptions which outline plans for the enterprise and are submitted with the loan application, but this does not address the question of loan terms or loan size. Without participating in the loan application process, the groups have little input into the loan size, period, or payment schedule. This has created a "black box" situation where relations with the bank and the structure of the loan is an unknown quantity to the great majority of project participants.

The Loan Committee is made up of the OEF project director, the program coordinator, and a bank representative. According to the bank officials, generally it is the OEF staff which has determined the loan sizes and terms, based on their financial analysis of each enterprise. The bank feels that it is not equipped to analyze businesses of this nature, and depends upon OEF for expertise in this area. The Bank Manager in San Vicente commented,

The OEF knows the technical part of the project; I don't know the enterprises in depth. I just sign (the loan applications), they know what they're doing. If they approve, I approve; I don't look at the cost/benefit of the enterprises.

The bank charges OEF 2% of the total amount loaned for its administrative expenses; this is a one-time fee, so the bank is essentially subsidizing its services. For this reason also, the bank does not commit its resources to appraising the viability of the OEF enterprises.

A 15% interest rate was set by OEF to capitalize its loan fund; although the group members believe that they are paying interest to the bank, in fact OEF is collecting the interest through the bank. While the commercial interest rate was 12-13% at

project start-up, according to OEF's regional director, the 15% rate was chosen to ensure that the fund would be able to continue to rotate. If a rotating loan fund is envisioned, then the ability of the beneficiary enterprises to repay their loans is also critical. At this point it is still not clear whether all of the enterprises will be able to clear their debts.

The 15% interest rate on the loans is considered to be too high by 74% of the project beneficiaries, by the Loan Committee Representative from the Banco Hipotecario, by CONSULTEC (technical assistants in livestock production), by the project director and staff. In most cases, the repayment periods are probably also too short for businesses of this nature, although more careful analysis is called for here.

The bank's role in credit approval and delivery is questionable. The bank actually exerts no control over credit analysis or approval, nor is it responsible for assuring loan repayment. Indeed, a "cold appraisal" on the bank's part might strengthen the project's credit component. Presently, beneficiaries borrow from OEF funds, using OEF-prepared credit applications, with the impression that the bank is lending to them under strictly commercial lending conditions. This seems like an unnecessary distortion of reality.

Members of the evaluation team all agreed that they wouldn't want to borrow again from the bank, if at all possible. This contradicts one of OEF's objectives, which is to familiarize poor women with the formal banking system. Because of what they perceive as unfair interest rates and untenable loan payments, beneficiaries experience greater fear of and resentment toward the bank than any disposition to familiarize themselves with it. Neither is the bank more inclined to lend its own funds to these poor women, given their uneven repayment records to date.

ENTERPRISE DEVELOPMENT

OEF accepted a serious challenge when it decided to make entrepreneurs out of women with little to no business experience. In Santo Domingo, none of group had ever been involved either in baking or vending activities, and now they manage a business with monthly sales of US\$ 1,000. In San Lorenzo, only one woman had baking experience and one woman had cheese making experience.

The following table (drawn from OEF's baseline data) illustrates how many of the beneficiaries had some previous work experience, and how many had experience in the type of enterprise their group was to develop:

	General employment experience	Experience in activity realized by OEF group
San Lorenzo	46%	13%
Santo Domingo	14%	0
FENADESAL	27%	0
Dos Quebradas	47%	24%
Champas Caritas	30%	0
AVERAGE	35%	8%

57% of the women initially expressed interest in realizing the enterprise that they actually developed in their community.

As has been mentioned, OEF's enterprise development strategy needs to be strengthened. OEF field staff do not monitor the ongoing status of businesses and do not appear to have a means of evaluating the ongoing training and technical assistance requirements of those enterprises. Treasurers generally keep accurate books but don't calculate the actual status of the business on a monthly or weekly basis, and project staff are equally unaware. OEF should develop monitoring systems to track the progress of these businesses and to identify needs and plan provision of technical assistance and training. Either the two promoters or an additional staff person with business skills should visit no less than once a month to check

1. marketing--to ensure that their sales are adequate and that they are carrying out an appropriate marketing plan;
2. production--to ensure that operations are efficient and that they are using appropriate techniques and technology;
3. administration-- to ensure that financial records are correct and kept on a timely basis, that they have and use adequate financial information, and that they are adequately planning and controlling the business

Based on this analysis, training and technical assistance could be planned in business or production-related areas. A simple checklist could be developed for use by field staff. This could then be reviewed with the Project Coordinator and Business Advisor to identify problems and plan appropriate action.

The bakery in Santo Domingo lost a lot of bread while the women learned to use the new oven, but gradually they have increased production. Women in another group had the same experience with milking cows and making cheese, but now production has doubled that of the initial months. One hopes that this trend will continue. The group in San Lorenzo lost three cows (one cow and two calves), out of 15 original adult cows, due to disease or infection. Several of the pigs in FENADESAL have been ill, two have died, and all of them developed a hoof disease. Veterinary care and medicines cut deeply into these groups' budgets. With experience and time, and further training, the women should learn to control these problems more successfully. The progress of each of the beneficiary enterprises will be reviewed in the Sustainability section below.

The impact evaluation team made several conclusions with regard to the OEF enterprise development methodology. They felt that groups would have been ready to begin an enterprise earlier than they did; in other words, the start-up period was too long and many of the women lost confidence that the enterprise would actually take off. The team suggested that the size of groups was good for training, but for their businesses they would prefer to work in smaller groups of two to three individuals. This way they could work more days and perhaps earn higher salaries. Also, they feel they would have greater control over a smaller enterprise. Some of the women commented, "Groups always have problems," and "Not everyone is conscientious; some of the members aren't careful with the animals, and then they get sick

Some of the women disagreed: "The group is good because with more of us working, we have more free time." They also liked the group structure because it was more decentralized than a smaller business might be: "Nobody tells anybody else what to do."

In each of the communities, treasurers and some beneficiaries feel that their enterprises barely produce enough to actually pay salaries. Paying the bank too is just about impossible. The treasurer from FENADESAL said, "If we pay the bank with the sales from our pigs, we won't be able to buy any more pigs. This is the situation, while their piggery is only at two-thirds

capacity. And the women are still not earning enough to feed their families.¹³

For beneficiaries who are just beginning to manage new approaches to livestock maintenance and production, loan size and the size of their businesses (as a consequence) should probably have been less ambitious at start-up. Gradual growth, starting with very small loans and very small enterprises would be more appropriate, with fixed capital investments gradually increasing as beneficiaries demonstrate proficiency and productive capacity. A "solidarity group" type methodology using a graduated loan mechanism could facilitate this process. Clusters of solidarity groups might be organized for training and technical assistance, while credit is administered to the smaller groups. This approach would be more likely to succeed with small commerces (food vending, for example) which enjoy a daily turnover, or with simple productive activities that could be carried out at home with minimal capital investment required (candle making, sewing, etc.). Research into informal sector businesses in San Vicente might reveal which enterprises are most successful and the nature of their markets. These existing small entrepreneurs might also serve as a trainers for groups undertaking new types of productive activities.

¹³An interesting aside on the question of "enterprise development" is the controversy over the price of milk in San Lorenzo. This example serves as an illustration that enterprise development does not necessarily lead to entrepreneurship in the traditional sense of the word. The dairy enterprise in San Lorenzo is losing money on its milk but won't raise prices "because people will talk badly" of them. Further, they have raised the prices once already, and are selling milk above the market value. Nevertheless, they enjoy a seemingly inexhaustible market for milk. Although there is less demand for cheese, the group charges more for cheese made from the same amount of milk and can still turn a profit, so the group has decided to avoid the whole question of milk pricing and make most of the milk into cheese. Members of the community are furious because they want fresh milk and can't understand why the group sells such a limited amount to a small number of people in the community. And the group continues to subsidize the community's limited supply of fresh milk.

SUSTAINABILITY

This section treats sustainability as first a cost/benefit analysis of the overall OEF program and then looks at the long term economic sustainability of the four beneficiary enterprises.

OEF Sustainability

Sustainability of OEF as an institution hinges upon its ability to administer cost-effective programs which benefit displaced women and in this case, launch them into self-sufficient enterprises. It must be noted that this project for displaced women is a pilot project which only targeted 60 women for its first 18 months. Furthermore, this project required many upfront expenses to start up an office.

This section presents a cost benefit analysis of the program. The expenses of the program will be presented. The benefits, both monetary and non-monetary will be outlined. Finally, several cost/benefit ratios will be calculated.

Expenses

Information available on project expenses is for the sixteen month period, September 1, 1985-December 31, 1986. As seen on page 21, project expenses totalled US\$ 365,267. These must be divided between start up costs (US\$ 79,125), recurrent costs (US\$ 206,142), and loan fund capital (US\$ 80,000).

Start up costs include equipment (US\$ 39,261), printing (US\$ 6,503), consultants (US\$ 5,848), shipping (US\$ 6,568), and the respective overhead (36%--US\$ 20,945) on those items.

To determine the total project period cost, we need to amortize the start-up costs over either the life of the project or the life of the item. The OEF accountant stated that depreciation for office equipment US\$ 608 and for vehicles, US\$ 5,107. For lack of disaggregated financial data, these figures will be used. Printing and consultants will be amortized over three years.

As the cost benefit analysis will be completed over an eighteen month period, the sixteen month financial data must be extrapolated to include expenditures for January and February. Expenditures for these two months are based on 1986 spending levels.

- o Training benefits to community (increased organizational skills, expanded economic infrastructure)
- o Social benefits derived from backward and forward linkages (increased information exchange, informal lending, pluralistic economic infrastructure, better distribution)
- o Increased local awareness of enterprise and training opportunities
- o Increased local confidence in Non-governmental Organization (NGO) initiatives

Cost Benefit Calculations

It should be stated that the nature of this program makes a cost benefit analysis at this time misleading. At present, beneficiary businesses are still incipient, incomes are still minimal, and groups are just beginning to repay their loans. Therefore, it is inaccurate and inappropriate to compare total project costs to present benefits or even those expected over two years. While the expenses should be compared to the marginal income attributed to these women through their participation in the five business--over the life of these businesses--this is impossible to calculate with any degree of certainty. It should also be kept in mind that the program was not operating at full capacity during the first eighteen months. During the following program year, with little additional cost, the number of beneficiaries can be significantly increased, which will imply a lower cost benefit ratio. Recurrent expenses may even drop somewhat. In addition, non-monetary benefits have not been quantified in this analysis. This section will, therefore, present different scenarios, making explicit any and all assumptions made.

Scenario 1. As stated earlier, average annual income from wages per woman is US\$ 185 or US\$ 278 for the eighteen months. The first calculation assumes no income projections into the future. If we assume that these businesses close at the end of the eighteen month period, monetary benefits are US\$ 17,236 (US\$ 278 x 62 women) compared to expenses of US\$ 254,072. The cost/benefit ratio is US\$.07. That is, there was a return of seven cents in beneficiary income for each dollar invested. The project spent US\$ 4,006 to create each job, or US\$ 3,881 if the two women who started their own businesses are included.¹⁵

¹⁵According to the OEF project director, the cost of creating a new job in the formal sector of El Salvador is 5,000 colones, or US\$ 1,000. The OEF project created employment at the cost of US\$ 3,881.

However, it is more accurate to include the monetary benefits that will accrue to these women after the end of the first eighteen months. We will assume that OEF involvement terminates at the end of this eighteen months, with no additional project expenses. We will assume that the enterprises, however, do continue into the future under different conditions. It is impossible to make any accurate income projections; instead, this analysis will first assume that the businesses continue at present levels--a conservative estimate--and then assume moderate increases. For lack of data on inflation rates, incomes have been projected in present-day dollars.

Scenario 2. Let's first assume that these businesses will operate for another five years, implying a marginal income per woman of US\$ 925 or US\$ 57,350 total generated income. The cost benefit ratio becomes US\$.23. If we assume, more optimistically, that the businesses will operate at the same level for ten years, marginal income is US\$ 1,850 per woman, or US\$ 114,700 total generated income for the 62 women. The cost benefit ratio rises to US\$.46.

Scenario 3. A more realistic assumption might be that wages increase by 10% the second year, 20% the third year, and hold steady after that point. Under this scenario, the total wages per woman for five years is US\$ 1,121 and for ten years, US\$ 2,341. The corresponding cost benefit ratios are US\$.28 and US\$.58, respectively.

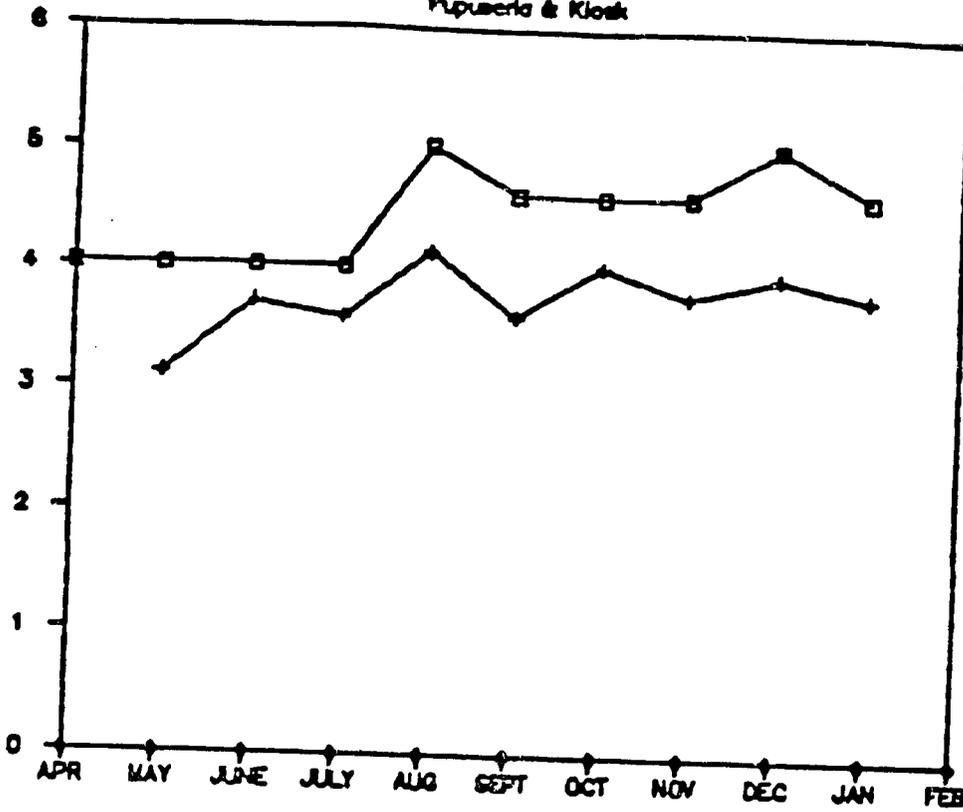
Sustainability of Beneficiary Enterprises

Cost-benefit analyses of individual beneficiary businesses are inappropriate. A more appropriate analysis involves an assessment of each group's financial situation at the time of the evaluation. Each business is discussed below. It is important to keep in mind that each business is relatively new, with recent start-up costs and with their expected start-up problems. It is interesting to note that in each of the businesses, sales are well below the projected amounts, as illustrated in the charts below. (Note that San Lorenzo's monthly sales were not projected, either for the dairy or the bakery, so only actual sales are illustrated here.)

SANTO DOMINGO

Papueria & Kiosk

SALES IN COLONES
(Thousands)



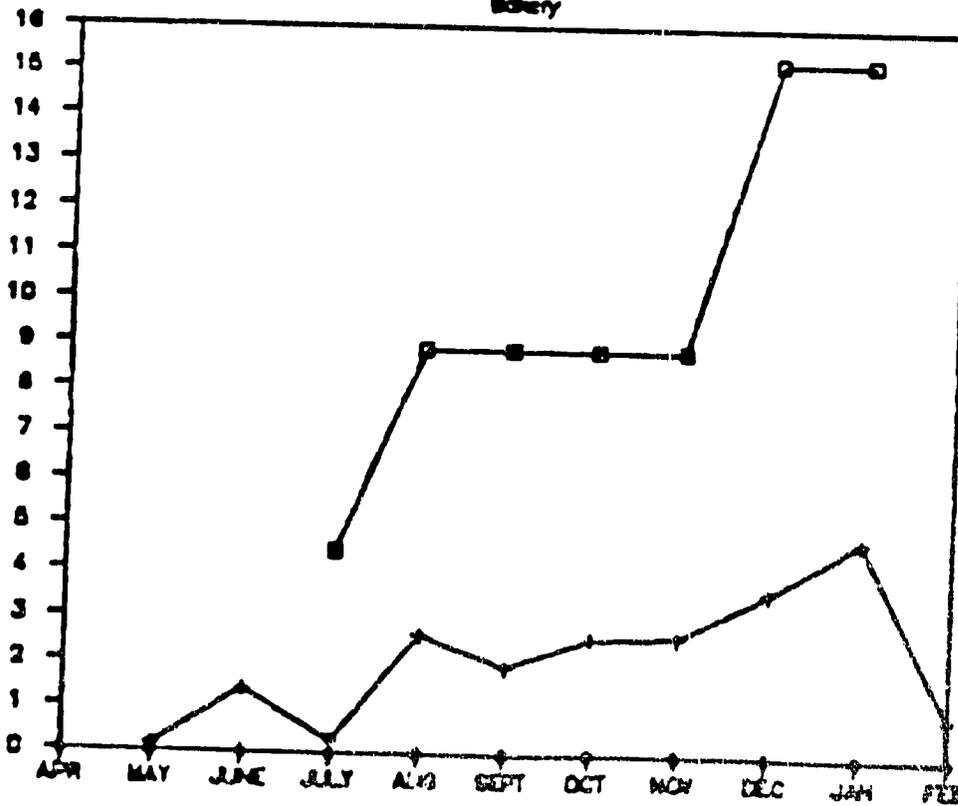
□ PROJECTED SALES

◆ ACTUAL SALES

DOS QUEBRADAS

Bakery

SALES IN COLONES
(Thousands)



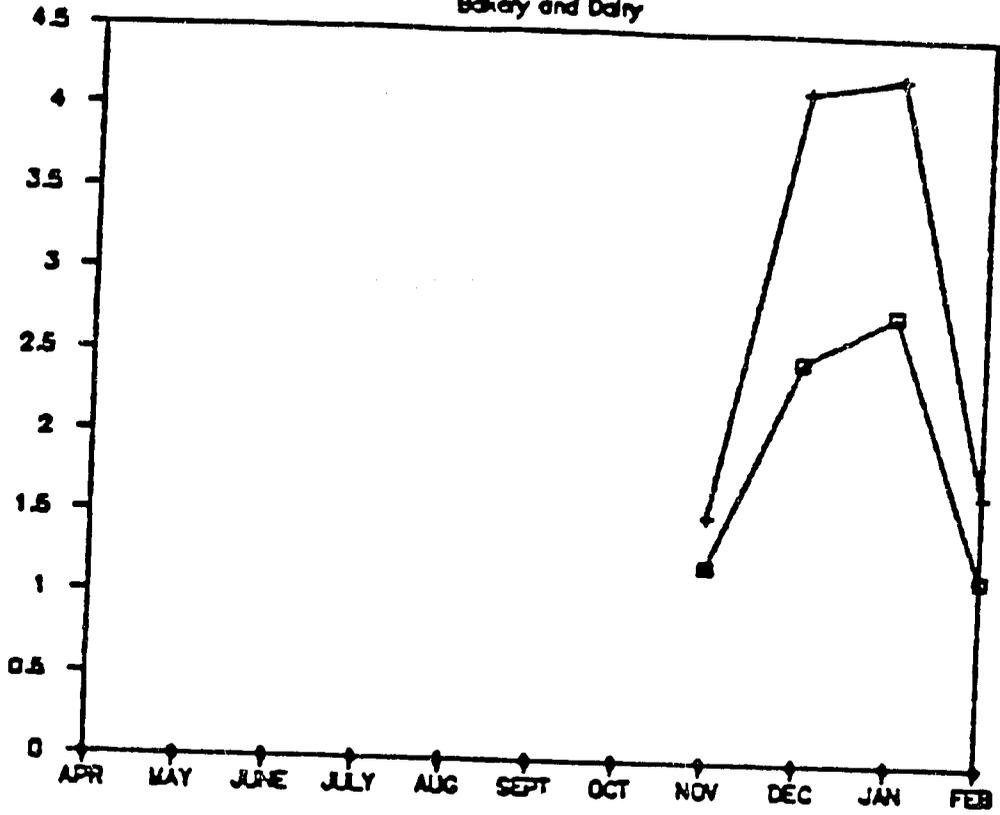
□ PROJECTED SALES

◆ ACTUAL SALES

SAN LORENZO

Bakery and Dairy

SALES IN COLONES
(Thousands)

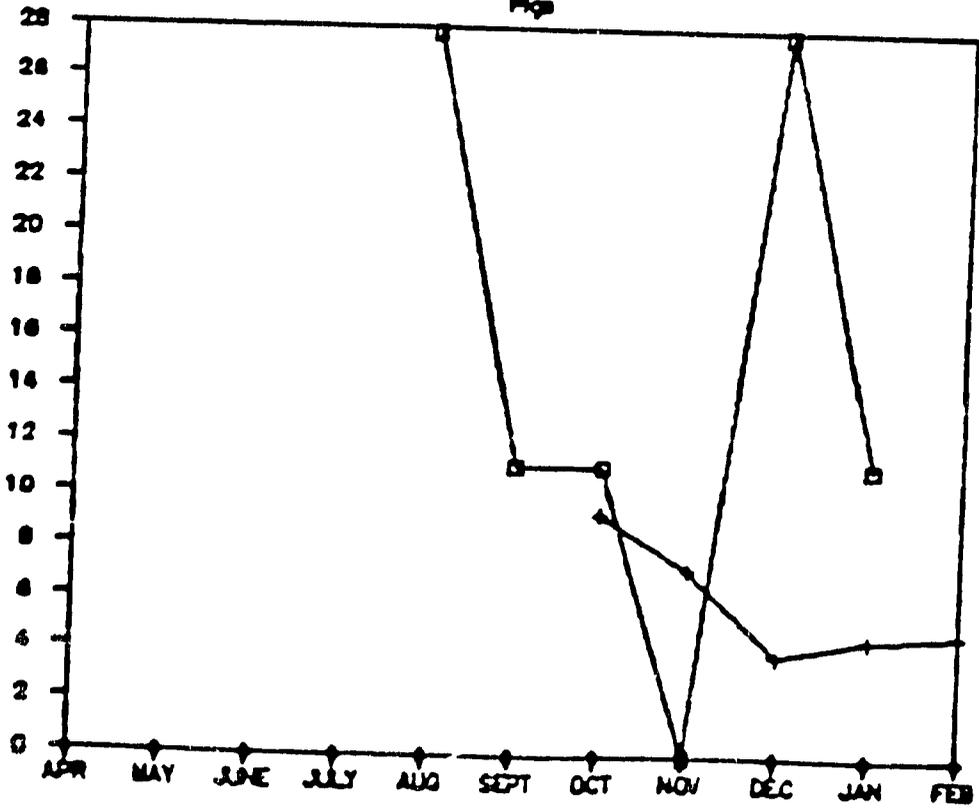


□ BAKERY SALES + DAIRY SALES

FENADESAL

Pigs

SALES IN COLONES
(Thousands)



□ PROJECTED SALES + ACTUAL SALES

Dos Quebradas

Thirteen women operate a bakery which has a US\$ 5,800 loan to purchase property and inventory and to set up a market stall. At the time of the evaluation, they had drawn down US\$ 3,600 of that loan. The status of their financial situation at 2/10/87 is as follows:

Income and Expenses

Sales	(5/1/86-2/10/87)	Q	20,804
Expenses	(5/1/86-2/10/86)		
	Wages	3,068	
	Materials	18,779	21,847
Net Income			< 1,043 >
Loan Payments	(Interest only)	1,779	
Net Income After Loan Payments			< 2,822 >

Balance Sheet

Liquid Assets	2,125	
Fixed Assets	13,407	
Capital Installations	81,101	96,633
Loan Payable		16,221
Owners' Equity		Q 80,412

Sales had increased steadily over the period with January sales of Q 4,747, with a net profit for the last six months after wages (before bank payments) of Q 357. After bank payments, the group showed a loss of Q 1,017.

US\$ 1.00 = Q 5.00

FENADESAL

Eight women established a pig project with a US\$ 7,980 loan to purchase pigs, feed, and property. At the time of evaluation, they had drawn down US\$ 7,273 of that loan. The status of their financial situation at 2/1/87 is as follows:

Income and Expenses

Sales (10/1/86-1/31/87)		Q	29,791
Expenses (4/1/86-1/31/87)			
Wages	2,870		
Materials	42,370		
Medicine	1,165		46,405
Net Income			<16,614>
Bank Payments (Interest only*)	2,008		
Net Income After Bank Payments			<18,622>

Balance Sheet

Cash	4,403		
Pigs	18,605		
Feed	666		
Fixed Assets	10,640		34,314
Loan Payable*			22,984
Owners' Equity		Q	11,330

*The group had repaid Q 6,292 of principal due.

Santo Domingo

Six women established a bakery/pupusaria/kiosk project with a US\$ 5,847 loan to purchase property, equipment, and make capital improvements. At the time of evaluation, they had drawn down US\$ 5,450 of that loan. The status of their financial situation at 2/1/87 is as follows:

Income and Expenses

Sales (5/1/86-1/31/87)		Q	33,826	
Expenses (5/1/86-1/31/87)				
Wages	5,725			
Materials	25,058		30,783	
Net Income			3,043	
Bank Payments (Interest only*)	1,275			
Net Income After Bank Payments				1,768

Balance Sheet

Cash	375		
Inventory	600		
Fixed Assets	24,750		
Capital Installations	29,652		55.377
Loan Payable*			26.419
Owners' Equity		Q	28,958

Sales have stayed at the same levels from May through January, with a net income of US\$ 299 for the last six months. after wages but before loan payments. Considering interest payments, the project showed a profit of US\$ 44.

*The group had repaid Q 2,040 of principal due.

San Lorenzo

Eighteen women established two business activities--a dairy and a bakery--with a US\$ 18,718 loan to purchase property and cattle. At the time of evaluation, they had drawn down the entire amount of that loan. The status of their financial situation at 2/10/87 is as follows:

Income and Expenses

DAIRY		
Sales (11/1/86-2/10/87)	Q	11,572
Expenses (4/1/86-2/10/87)		
Wages	2,728	
Materials	15,435	18,163
Net Income		< 6,591 >
BAKERY		
Sales (11/1/86-2/10/87)	Q	7,636
Expenses (4/1/86-2/10/87)		
Wages	1,766	
Materials	7,845	9,611
Net Income		< 1,975 >
Net Income from Bakery And Dairy		< 8,566 >
Bank Payments (Interest only)		0
Net Income After Bank Payments		< 8,566 >

Balance Sheet

Liquid Assets	< 3,115 >	
Cattle	58,000	
Fixed Assets	29,371	
Capital Installations	76,645	160,901
Loan Payable		93,591
Owners' Equity	Q	67,310

According to the Banco Hipotecario records, only one of the groups (FENADESAL) has been able to maintain its loan repayments up-to-date, and the treasurer of this group claimed that it would be unable to pay its upcoming quota in March. Respondants to the beneficiary survey (excluding respondents in Champas Caritas) underlined their concern in response to the question, "With the income from the (group's) business, is there enough to pay the Bank quota?" 38% responded, "We have problems," while 31% said "Always" and 29% said "Sometimes."

In conclusion, the bakeries and "pupuseria" will probably become viable businesses. The major problems face the animal enterprises, which have entailed major investments and high maintenance costs. The women work very hard to care for and keep the animals in good health, but they are not experienced enough to troubleshoot and perhaps to recognize early signs of distress. Further, marketing the animals (and animal products) is new territory and requires expertise. These businesses should be carefully monitored on a monthly basis and reassessed after six months.

ASSUMPTIONS

One assumption implicit in the original project proposal was that this pilot experience with access to credit and capital would weaken the barriers poor women face vis a vis banks and financial institutions. That assumption has not proven to be valid, at this stage, although the beneficiaries may qualify in the future for a USAID-backed FEDECREDITO loan.

A second assumption was that new technologies could be effectively adopted by displaced women, if given training and technical assistance. This assumption also has yet to be verified, and will depend upon long term sustainability of the pig-raising and dairy enterprises. In the case of the one functioning bakery using a new technology, the group seems to have learned to use the new oven successfully.

Finally, a third assumption implicit in the project proposal, that women can increase their incomes if provided with access to credit and training, has proven to be true, although the increase in income is only marginal at present.

RECOMMENDATIONS FOR FUTURE EVALUATIONS AND MONITORING

Sustainability of the five economic enterprises initiated by the OEF beneficiary groups should be monitored on a bi-annual basis. Maintenance of installations and animals, loan repayment performance, and changes in technology or production levels should be assessed.

Future evaluations should also assess the OEF/El Salvador-Costa Rica-Washington D.C. information management system. Communications, regional reporting, budgeting, documentation of policy, etc. all fall into this framework. Special attention should be paid to participation of local national staff in this system.

APPENDICES

- A Activities Realized
- B Persons Contacted
- C Survey Instruments
- D Raw Data
- E Organizational Chart
- F Scope of Work

APPENDIX A

ACTIVITIES IN EL SALVADOR

Evaluation of Displaced Women's Enterprise Development
Project (No. 519-0281-A-5442-00)

- 2/1/87 Arrive in El Salvador; briefing by Regional Director and Project Director (San Salvador)
- 2/2/87 Meeting with D.Thompson, D.Kennedy, USAID; Plan Agenda for consultancy with Regional Director and Project Director (San Salvador)
- 2/3/87 Meet with OEF/El Salvador staff; Visit each of five project sites; Select ten project participants to design and administer evaluation survey (San Vicente)
- 2/4/87 Train evaluation team to design survey instrument (San Vicente)
- 2/5/87 Train evaluation team to design survey instrument (San Vicente)
- 2/6/87 Meet with CONSULTECH, ICAITI (technical assistance agencies coordinating with project); Meet with Catholic Relief Services; Meet with USAID/PRE (J.L.Trigueros, R. Lopez); Meet with Deputy Director, USAID (Witherall) and Health and Jobs for Displaced Persons Administrators (D.Thompson, D.Encs) (San Salvador)
- 2/7/87 Meet with John Cortin, University of Central America; Review project documents, training materials; Interview Regional Director, Latin America Director (San Salvador)
- 2/8/87 Review project documents, training materials (San Salvador)
- 2/9/87 Continue training evaluation team (San Vicente)
- 2/10/87 OEF Staff facilitates continued training of evaluation team (San Vicente); Meet with National Repopulation Committee; Meet with representative of Social Secretary, Archdiocese of El Salvador; Interview OEF Director for Latin America; Review documents and training materials (San Salvador)
- 2/11/87 Evaluation team tests survey in sample community; Meet with Salvadoran Development Foundation (San Salvador); Meet with Treasurers from beneficiary groups

- Review results of survey testing, revise survey
(San Vicente)
- 2/12/87 Evaluation team administers survey;
Meetings with Banco Hipotecario, Mayor of San Vicente,
Ministry of Agriculture and Livestock;
Meeting with OEF Staff
(San Vicente)
- 2/13/87 Evaluation team administers survey;
Meeting with Colonel Campos Amaya (cancelled);
Meeting with Caja de Credito, San Vicente;
Meeting with Interior Ministry (cancelled);
Visit beneficiary enterprise (Champas Caritas)
(San Vicente)
- 2/14/87 Visit three beneficiary groups/enterprises in San
Vicente (FENADESAL, Dos Quebradas) and San Lorenzo
- 2/15/87 Review Project Documents
- 2/16/87 Evaluation team administers survey;
Interview Accounting Department, Review financial
and administrative systems;
Interview staff members
- 2/17/87 Evaluation team administers survey;
Review documentation at USAID/EI Salvador mission;
Write draft report for debriefing;
Meet with Segundo Montes, University of Central America;
(Unable to obtain meeting with World Relief)
- 2/18/87 Submit draft report to USAID (San Salvador);
Interview OEF staff members;
Tabulate survey results with evaluation team;
Team's preliminary analysis of results
(San Vicente)
- 2/19/87 OEF Staff facilitates tabulation of survey results
with evaluation team (San Vicente);
Visit Salvadoran Development Foundation project for
displaced persons
- 2/20/87 OEF Staff facilitates tabulation of survey results
with evaluation team (San Vicente);
Debriefing at USAID/EI Salvador (D. Thompson, D. Kennedy,
R. Lynch, OEF Regional and Project Directors);
Debriefing of OEF Staff (San Vicente)
- 2/21/87 Depart for U.S.

APPENDIX B

LIST OF PERSONS CONTACTED

I. OEF International

Marcy Kelley, Regional Director
Elizabeth Dore, ex-Director of Latin American Programs
Dinora Mendez de Sanchez, Director
Elvia Mojica, Coordinator of Displaced Women's Project
Sonia Quinteros, Facilitator
Rafael Antonio Sanchez, Facilitator
Ada Linda, Administrative Assistant/Accountant

II. US Agency for International Development

Mr. Witherall, Deputy Director
Donald Enos, Director, Office of Humanitarian Assistance
David Thompson, Manager, Health and Jobs for Displaced Families
Office of Humanitarian Assistance
Jose Luis Trigueros, Private Sector Office
Debbie Kennedy, Office of Projects

III. Government of El Salvador

Manuel de Jesus Montano, Chief of Operations
Banco Hipotecario de El Salvador, San Vicente

Flores Huevo
Ministerio de Agricultura y Ganaderia, San Vicente

Sr. Felipe L. Quintanilla
Mayor of San Vicente

IV. Private Institutions

Oscar Landaverde, Chief of Operations
CONSULTEC (Consultores Tecnicos Agropecuarios, SA), San Salvador

Jaime Gonzales Palma
Carlos Eduardo Gonzales
ICAITI (Instituto Centroamericano de Investigacion y Tecnologia
Industrial), San Salvador

Francisco Alvaranga
Caja de Credito
FEDECREDITO, San Vicente

John Cortin
Segundo Montes

University of Central America, San Salvador

Octavio Cruz, Social Secretary
Archdiocese of El Salvador

Ken Brown
Catholic Relief Services

Ricardo Stein
Salvadorean Development Foundation

APPENDIX C

SURVEY INSTRUMENTS

Encuesta No. _____

ENCUESTAS PARA BENEFICIARIAS DEL PROGRAMA

1. HISTORIA DE VIDA

1.- Nombre de la Comunidad: _____

2.- En qué trabaja usted? _____

3.- Cuántas horas trabaja usted al día? _____ en el mes, _____
 Cuántos días trabaja? _____

4.- Es usted responsable de su familia? sí no

5.- Recibe dinero de algún otro familiar?
 Siempre A veces Nunca

6.- Cuánto tiempo tiene usted de vivir en esta comunidad? _____

7.- De qué lugar se vino usted? _____

8.- Llegó con un grupo de gente, o solamente con su familia?
 Grupo Familiar Solo

9.- Por qué se trasladaron? Qué pasó? _____

10.- Qué institución o persona les ayudó cuando se trasladaron, y/o les ayudan actualmente?

11.- Cómo las ayudó?

- Comida _____
- Ropa _____
- Medicina _____
- Transporte _____
- Seguridad/Protección _____
- Casa _____
- Un trabajo _____
- Otros _____

12.- Alguna persona o institución le pidió registrarse como desplazada? sí no
 ¿Cómo? _____

13.- Piensa usted regresar a donde vivió antes? sí no
 Por qué? _____

5. El interés que cobra el Emco, como lo considera?
 Aceptable bajo alto

IV. BENEFICIOS SOCIALES

1.- Que cursos de capacitación recibió usted?

2.- Qué aprendió? _____

3.- Qué más le gustaría aprender? _____

4.- Educación de los hijos

EDAD	ESTUDIO ANTES	ESTA ESTUDIANDO AHORA

V. INDICACIONES DEL IMPACTO DE LA INSTITUCION

1.- Cree usted que el personal del programa comprende los problemas que nosotros tenemos?

Siempre Casi siempre Poco Nunca

2.- Qué quisiera usted para que DEJ haga un trabajo mejor?

3.- Cree usted que el gobierno manda al programa? sí no

No. de la encuesta _____

ENCUESTA A LA COMUNIDAD

1. Como se dio cuenta usted del grupo que tiene su negocio aqui en esta comunidad? _____
2. Ha asistido a reuniones del grupo? si no
3. Que le parece las reuniones? _____
4. Compra usted el producto del grupo? si no
Por que? _____
5. Le gustaria a usted participar en un proyecto como el nuestro?
si no
6. Usted cree que debe haber mejor colaboracion entre el grupo y la comunidad? si no Como? _____
7. Cuanto tiempo tiene usted de vivir en esta comunidad? _____
8. A donde vivia antes? _____ Llegaron con un grupo, o
solamente con la familia? grupo familia solo
9. Porque se trasladaron? Que paso? _____
10. Que instituciones o personas les ayudaron cuando se trasladaron y/o les ayuda actualmente?

11. Como les ayudo?
Comida _____ Ropa _____
Medicina _____ Transporte _____
Un trabajo _____ Seguridad/proteccion _____
Casa _____ Otro _____
12. Cree usted que el programa que capacita o ayuda al grupo en esta comunidad es del gobierno? si no
Por que? _____
13. Mas o menos, cuanto ganan la gente al dia en esta comunidad? _____
Cuanto gana usted? _____

APPENDIX D
RAW DATA

Encuesta No. MASTER RESULTS

N = 59

[3 project beneficiaries were unavailable for interview]

ENCUESTAS PARA BENEFICIARIAS DEL PROGRAMA

I. HISTORIA DE VIDA

- 1.- Nombre de la Comunidad: _____
- 2.- En qué trabaja usted? _____
- 3.- Cuántas horas trabaja usted al día? 9.2 en el mes, _____
Cuántos días trabaja? 10.7 (both incl. Champs*)
- 4.- Es usted responsable de su familia? si 49% no 51%
- 5.- Recibe dinero de algún otro familiar?
Siempre 27% A veces 23% Nunca 50%
- 6.- Cuánto tiempo tiene usted de vivir en esta comunidad? 5 years
- 7.- De qué lugar se vino usted? see attached
- 8.- Lingü con un grupo de gente, o solamente con su familia?
Grupo 5% Fami. in. 93% Solo 2%
- 9.- Por qué se trasladaron? Qué pasó? see attached
- 10.- Qué institución o persona les ayudó cuando se trasladaron, y/o les ayudan actualmente? see attached
- 11.- Cómo les ayudó?
Comida 66%
Ropa 10%
Medicina 2%
Transporte 7%
Seguridad/Protección 2%
Casa 8%
Un trabajo 3%
Otros 0
- 12.- Alguna persona o institución le pidió registrarse como desplazada? si no
Cuáles? see attached
- 13.- Piensa usted regresar a donde vivía antes? si 15% no 85%
Por qué? see attached

Champs is community in which no enterprise has been started

14.- Si habría un programa prescrito al maestro donde vivía usted antes, regresaría de nuevo? si 41% no 59%

Por qué? See attached

15.- Aquí en la comunidad, hay una clínica o servicio de salud, o una enfermería? si 97% no 3%

De qué institución es? See attached

16.- Actualmente, participa usted en programas de alguna institución?

Iglesia	<u>10%</u>	Cooperativa	<u>7%</u>
Clínica	<u>1%</u>	Organización de desempleados	<u>-</u>
Casa de Crédito	<u>1%</u>		
Otro	<u>See attached</u>		

II. BENEFICIOS ECONÓMICOS PERSONALES

1.- En qué trabajó antes de entrar al programa de OLF?

See attached

2.- Ahora sus hijos conocen mejor que usted (Without including Champas)

Much mejor 42% Igual mejor 18% Lo mismo 20%

3.- Usted está contenta con los ingresos que recibe del negocio?

Muy contenta 60% Poco contenta 35% Insatisfecha 5%

4.- Como planea que va a salir su empresa después de este punto (Without Champas)

Much mejor	mejor	igual	Poco	Insatisfacción
41%	43%	11%	2%	-

III. BENEFICIOS ECONÓMICOS DEL GRUPO

1.- Con los ingresos del negocio siempre y pagar la cuota del banco? (Without Champas)

A veces 29% Siempre 31% Siempre y siempre 38%

2.- Han tenido problemas con el control del dinero? si 0% no 100%

Que tipo de problemas? NONE 100%

3.- Son responsables, las acciones del grupo?

Todas 89% La mayor parte 17% Pocas 23%

4.- Como se resuelven los problemas en el grupo?

See attached

5. El interés que cobra el Banco, cómo lo consideran?
 Aceptable 19%, bajo 7%, alto 74%

IV. BENEFICIOS SOCIALES

1.- Que cursos de capacitación recibió usted?

See attached

2.- Qué aprendió?

3.- Qué más le gustaría aprender?

4.- Educación de los hijos

14% (or 8 total) have a child studying now who was of school age but didn't study prior to project participation.

EDAD	ESTUDIO ANTES	ESTÁ ESTUDIANDO AHORA

V. INDICACIONES DEL DEPARTO DE LA INSTITUCION

1.- Buenas notas que el personal del programa comprenda los problemas que nosotros tenemos?

Siempre 83% Casi siempre 85% Nunca 85%

2.- Qué quisiera usted para que OTE tenga un éxito mayor?

See attached

3.- Buenas notas que el gobierno envíe el financiamiento al 5% en 95%

BENEFICIARY SURVEY
(fill-in questions)

1. 7. De que lugar vino UD?

La Soledad	Berlin	San Antonio Caminos
Sta. Gertrudes	San Juan	San Antonio
San Lorenzo	Teculeca	Canton El Naranjo
Maquizado	Los Pinos	Maquizado
Morazan	Sacero	Santa Ana
San Felipe	San Sebastian	San Jacinto
San Salvador	La Jolla	San Francisco la Burera
Lempas	San Jose Rio Grande	
Canton Tecunugo	San Geronimo	

1. 9. Por que trasladaron?

Por la guerrilla	76%
Por que estaba peligroso	6%
Por la situacion	7%
Por falta de trabajo	3%
Por que se llevaron al esposo/hermano	3%
Por motivo del conflicto	2%
Por que no tenia casa	2%

1. 10. Que institucion o personas les ayudo cuando se trasladaron, y ¿les ayudan actualmente?

NINGUNO	37%	AMICA	
COMARSES	29%	COMARSES	87%
CASITAS	14%	CASITAS	6%
Cruz Roja	10%		
Mopa	2%		
Amigos	5%		

1. 11. Alguna persona o institucion le pidio registrarse como beneficiario?

Fuerzas Armadas	7%
COMARSES	59%
Alcaldia	19%
CASITAS	17%
Red Cross	3%
Nada	12%

I. 13. Piensa usted regresar a donde vivia antes? Por Que?

Tiene trabajo aqui	27%
Si se mejora la situacion	22%
Este peligroso	7%
No se pueda vivir alla	14%
Nadie existe en ese lugar	19%

I. 14. Si habria un programa parecido al nuestro donde vivia usted antes, regresaria de nuevo?

Si tendria trabajo	24%
Tendria que recibir nueva capacitacion	7%
Ya se acostumbro aqui	2%
Ya tengo trabajo	15%

I. 15. Aqui en la comunidad, hay una clinica o servicios de salud, o una enfermera?

Hope	56%
Government	27%
Fuerzas Armadas	3%
Don't know	12%

I. 16. Actualmente, participa usted en programas de alguna institucion?

Bank	5%
DEF	27%
COINAD	3%
None	59%

II. 1. En que trabajo antes de entrar al programa de DEF?

Caja de Credito	18%
Empresario Pez	1%
El casa	22%
Donde se venden	19%
Donde se vende	24%

III. 4. Como se relaciona con los problemas en el mundo?

En relacion	22%
En relacion con DEF	2%
No hay ningun problema	27%
No se sabe nada	29%

IV. 1. Que cursos de capacitacion recibio usted?

Fertibilidad	32%
Controles internos	18%
Mercados	23%
Desarrollo Humano	27%
FODA (diagnosis of group)	1%
Inversion	2%

All respondents remembered the name of at least two courses.

IV. 2. Que aprendio?

Ser unidas	27%
Quererme	21%
Respetarme	14%
Comprar y vender	13%
Manejar el proyecto	11%
Conocer mas, con otras	6%
Confianza	5%

IV. 3. Que mas le gustaria aprender?

Escribir	40%
Leer y escribir	2%
Hacer pan	33%
Manejar el negocio	17%

V. Si Que quisiera usted para que DEF haga un trabajo mejor?

Me parece bien como trabaja	39%
Que nos capaciten mas	25%
Que se capaciten mas	25%

PRELIMINARY FINDINGS OF SURVEY ADMINISTERED TO COMMUNITIES
IN WHICH DEF IS ACTIVE
(Key questions only)

5. Would you like to participate in a project like DEF's?

Yes 66% No 32%

14. Would you like to participate in a business in a group
like DEF's?

Yes 98% No 3% Maybe 10%

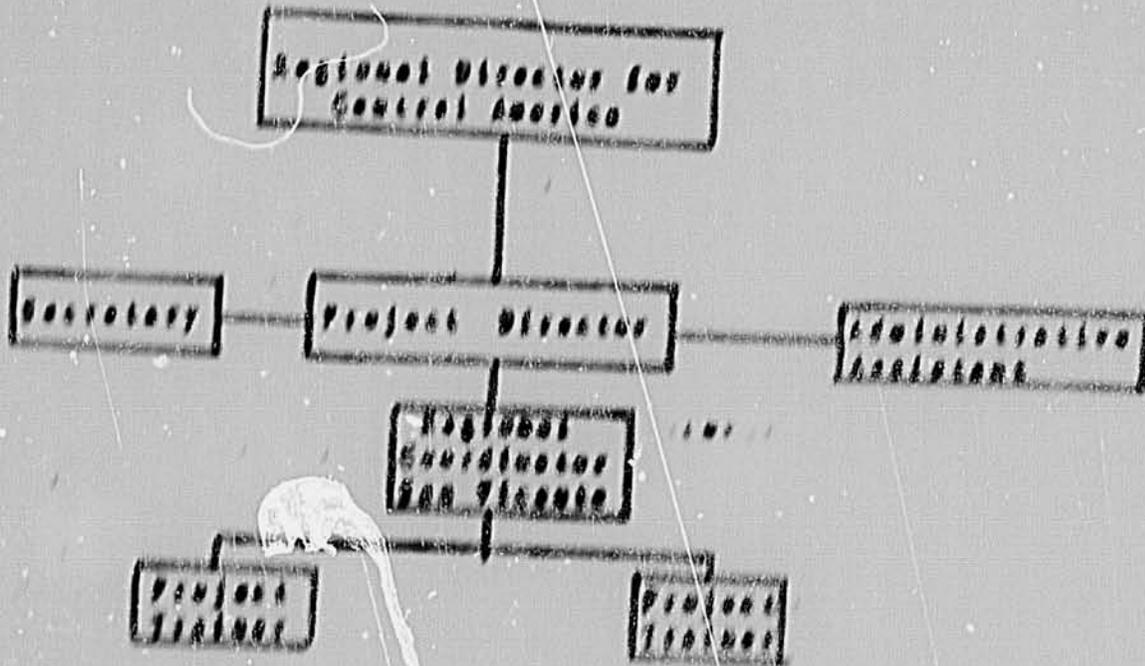
19. Do you believe that the women in the group live better
than before (they joined the group)?

A little better 55%
A lot better 27%
The same 10%
Worse 3%

42% of the community members interviewed in San Lorenzo said,
"trabaja mucho y no gana" or "gana poco."

APPENDIX E
DEF/EL SALVADOR ORGANIZATIONAL CHART

ORGANIGRAM



PT = Project Teams

April 17, 1986

**SUGGESTED MODIFICATIONS TO TERMS OF REFERENCE
FOR EVALUATION OF OET/EL SALVADOR, DISPLACED
WOMEN'S ENTERPRISE DEVELOPMENT PROJECT**

STATEMENT OF WORK

I. GENERAL OBJECTIVE

To provide USAID/El Salvador with an evaluation of the Pilot Relocated Component of Project 319-0781, in relation to project objectives, as implemented by OET INTERNATIONAL.

II. SCOPE OF WORK

Working under the guidance of the USAID Human Resources and Humanitarian Assistance Office, the evaluator will undertake the activities described below and prepare a final evaluation report, which concerns project impact and performance to date, and recommends, if appropriate, improvement of activities financed by this project. In addition, how closely fully each project fits in USAID's overall strategy be determined.

A. GENERAL:

1. Assess the overall management of OET, including their management procedures;
2. Review and analyze OET's financial controls and their use of cost accounting in monitoring the cost effectiveness of their various activities;
3. Assess the usefulness of the current management information systems utilized by OET in project planning and implementation;
4. Determine the actual and potential for economic impact of the production loans granted to displaced women establishing rural business enterprises.

B. SPECIFIC TASKS:

An evaluation, conducted by OET will review the following areas:

- Administration and Finance
- Training Methodology
- Agriculture, Small Business Production, Credit and Community Development Technical Assistance.

a) Administration and Finance

The consultants will evaluate the overall administrative procedures of OET.

His/her duties will include, but not be limited to:

- 1.- Determine the adequacy of the numbers and types of personnel currently working in the administration and management of each project. Appropriateness of ratio of number of personnel to number of beneficiaries/ types/numbers of personnel appropriately covers complexity of project activities; the job descriptions appropriately reflect project objectives and activities as described in the cooperative agreement)
- 2.- Assess availability and adequacy of staffing by position, within OET. (Qualifications and experience of personnel fit the objective and activities of the Cooperative Agreement).
- 3.- Assess OET's personnel system in relation to the management and project requirements of each cooperative agreement, (Frequency, format of staff meetings; reporting system within OET/El Salvador, from OET/RS to OET/Costa Rica and to AID/El Salvador, is timely and provides appropriate information; delegation of authority increases efficiency in meeting project goals).
- 4.- Identify the interrelationships between the project's management and other Private Voluntary Organizations (PVO's) and assess how OET's activities coordinate implementation of project activities. Assess the degree of coordination in overall project activities (Project 51-00001) which expedite project implementation, (List the various relationships with coordinating institutions and indicate degree of progress toward intended objective of the interinstitutional coordination)
- 5.- Analyze the current organizational structure of OET in order to assess their appropriateness with regard to managing the current cooperative agreements. (Identify definition of lines of authority; clear assignment of responsibilities by position, etc.)
- 6.- Evaluate record keeping and information systems of OET by specific task. (The filing system which reflects the organization of the project; the type of information produced efficiently describes progress of project activities toward program goals).

areas of transportation, packing, competition, marketing skills training, production, financing, material, publicity and management.

- 2.- Assess training received in activities dealing with — traditional lending practices, interest rates, inflation, savings and checking accounts. (The beneficiary population reflects knowledge and lack of fear of banking system).
- 3.- Evaluate the credit system as to its ability to function and its adequacy to the target population; the agility — of credit disbursements; appropriate requirements for — credit; appropriate interest rates; acceptance of credit lines within bank.
- 4.- OYF's agreements with local committees for small business infrastructure construction will also be evaluated. (Land acquired; construction of businesses; agreements — or contracts drawn up).
- 5.- Assess OYF's baseline surveys in relation to the objectives of the program. (Congruence of information collected — with objectives expressed in the cooperative agreement).
- 6.- Evaluate training in business management received by — OYF beneficiaries (retention and applications concepts received in training).
- 7.- Evaluate the effectiveness of OYF's technical assistance provided by project staff and beneficiaries (increase in productive skills).
- 8.- Evaluate the responsiveness of the business investment plan (compare plan to existing knowledge on establishing such a business).
- 9.- Evaluate the small businesses in OYF's program. (Increase in income, increase in sales and profits, increase in number of jobs created) various employed; state of — (disbursements; evidence of business management and other — progress/impediment; use of credits according to original investment strategy; increased business turnover; expansion by employees).

11 *Final reflections*

III. METHODOLOGY

The evaluation methodology will be actively participatory in nature, involving those who are being evaluated in the various phases of the evaluation: design, data collection and analysis. The methodology will include, but not be limited to:

- 1.- Review of official project documentation and correspondence, including the Project's Cooperative Agreements, Implementation Letters, Annual Implementation Plans and Baseline Studies;
- 2.- Review of documentation on the Mission's overall strategy;
- 3.- Critical review of Monthly and Quarterly Progress Reports prepared by OEF;
- 4.- In-depth interviews with personnel from both projects, both in home offices and in the field;
- 5.- Individual interviews with beneficiaries in San Vicente (OEF);
- 6.- Sufficient site visits on a random sample basis to gather adequate information for assessing project implementation in the three areas where projects are being implemented by OEF;
- 7.- Interviews with GOVS institutions including the Ministry of Agriculture and its dependencies, Banco Hipotecario de El Salvador, Ministerio de Salud and Education and other GOVS training institutions — and private sector companies and organizations providing technical assistance.

IV. REPORTING PROCEDURES

RESULTS FROM EACH OF THE PHASES IN THE FOLLOWING TABLE WILL PRESENT TO UNICEF FOR REVIEW AND APPROVAL & FINAL OUTPUT FOR THE FINAL REPORT WHICH SHALL INCLUDE THE FOLLOWING:

- 1.- An executive Summary, including purpose of the evaluation, methodology used, findings, conclusions and recommendations. It will also include comments on implementation impact and lessons learned. The summary should be a self-contained document;
- 2.- A copy of the scope of work under which the evaluation was carried out. The methodology used will be outlined, the scope will describe the responsibilities of various key personnel, the phases of program being evaluated into the Mission's overall strategy.

- 3.- A clear presentation of the evaluation recommendations, in a separate section of the report;
 - 4.- A separate section on development impact of the projects, - This section should clearly present the development benefits resulting from the project;
 - 5.- The project's lessons learned should be clearly presented, - This section also include a discussion of the techniques - or approaches which proved most effective or had to be changed and why. Lessons relating to replicability and sustainability will be discussed;
 - 6.- A paginated table of contents.
- b) The Contractor will present to USAID, and OEF copies of a draft - final report in English (five copies) and Spanish (five copies), - three days prior to completion of services for USAID, and OEF for - comments and observations;
 - a) The Contractor will present seven final copies in English and - three final copies in Spanish of the final report within 30 days of completion of field work in El Salvador.

7. QUALIFICATIONS

1.- General

The consultants shall be fluent or bilingual in Spanish and English (L1-L2) and experienced in the evaluation of resettlement and - economic rehabilitation programs in Latin America in their area of expertise.

2.- Specific

- a) Master degree in Business Administration or similar field with emphasis in accounting or at least five years experience in - management/administration in and evaluation of resettlement - and/or small business development programs in Latin America.
- b) Master's in Sociology, or at least five years of experience in implementation and evaluation of non-formal education - programs, demonstrated experience in adult education methodology and the development of training materials and knowledge of work in development programs in Latin America.

- e) A least five years of experience in community development and/or small business programs with credit components in Latin America.

VI. LEVEL OF EFFORT

The team shall spend 21 consecutive days in El Salvador and 5 days — in the U.S. for final report writing. Services should begin o/a — September 15, 1986.

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