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PROGRESS EVALUATION
PROJECT No. 522-ESF-0280
PVO FEDERATION ASSISTANCE PROJECT
(FOPRIDEH)

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GLOSSARY OF ACRONYMS

FOPRIDEH	Federation Of Private Development Organizations of Honduras Federación de Organizaciones Privadas de Honduras
OPD*	Private Development Organization Organización Privada de Desarrollo
PVO*	Private Voluntary Organization
DASP**	Project Analysis and Monitoring Department Departamento de Análisis y Seguimiento de Proyectos
Lempiras	Currency of Honduras: 2 Lps. = 1 US\$

Acronyms of OPDs used in Report:

ASEPADE	Asesores Para El Desarrollo
CEDEN	Comite Evangélico de Desarrollo y Emergencia Nacional
CODIDES	Comisión Diocesana Para el Desarrollo
COHMEAI	Corporación Hondureña para La Micro Empresa Agroindustrial
CONDERH	Consejeros para el Desarrollo Rural de Honduras
OFRANEH	Organización Fraternal Negra Hondureña

Notes

* On the use of PVO and OPD: PVO is an American English term for organizations that are engaged in private development efforts, social/humanitarian relief, and charitable work. OPD is used as its equivalent in Honduran Spanish. In the report, however, we use OPD in a more restrictive sense: OPDs as Private Development Agencies to differentiate them from private organizations engaged in social/humanitarian relief and charitable work. We use PVO when referring to all three types of organizations.

** DASP is a unit within the Federation.



EXECUTIVE SUMMARY

A. Purpose of the Activity Evaluated

The purpose of the project is to create and institutionalize a private non-profit organization (FOPRIDEH)* to function as:

- an "umbrella organization", capable of evaluating and providing financial assistance to private development activities by private development organizations (OPDs);
- an administrative and technical assistance unit entrusted with the responsibility of reinforcing the capabilities of OPDs involved in social and economic development activities, with emphasis on projects that attempt to improve the quality of life of the disadvantaged in urban and rural areas;
- a mechanism to enhance the image of OPDs in the national context.

B. Purpose of the Evaluation and Methodology Used

The purpose of the evaluation was to assess the progress made by FOPRIDEH in achieving goals and objectives stated in the grant agreement with USAID/Honduras, and to assess the FOPRIDEH's viability and projected self-sufficiency for continuing its work after financial support from AID is terminated.

The evaluation was conducted by a two-member contractor team assisted by a USAID/Honduras (Development Finance Office) Officer and FOPRIDEH personnel.

The methodology used in this evaluation consisted of extended discussions with FOPRIDEH staff members, interviews with USAID officers responsible for project management, meetings with members of the Board of Directors, Executive Committee and Project Selection Committee, and interviews with representatives of 20 OPDs. These interviews and discussions were supported by close examination of detailed project documentation and field visits to sub-project sites.

* Federation of Private Voluntary Organizations for the Development of Honduras

C. Major Findings and Conclusions

From many points of view, the PVO Federation and Assistance Project, born out of a USAID-sponsored seminar in 1982, has been an innovative project that has all the potential for becoming a catalyst for generating active interest and participation by Honduran and international private sector entities in solving socio-economic problems of Honduras' needy population. The evaluation team found that USAID/Honduras and members of FOPRIDEH have made an honest and continuing effort to make the Federation a success.

The findings and conclusions of the evaluation team as they pertain to the more important aspects of the project are summarized below:

1. Administrative structure

After 27 months of operation, FOPRIDEH has developed the necessary internal administrative and management structure to provide technical services and sub-grants to client OPDs. The Federation has developed a growth pattern and framework of experience that allows it to meet a variety of needs that arise in its dealings with OPDs desiring to use its services, facilities and resources.

The current professional staff composition is adequate to meet foreseeable demands, in terms of its ability to provide both administrative and financial support to OPDs.

Sufficient check and balance mechanisms have been built into the Federation's organizational structure to prevent bias. The growth and diversity in OPD membership further assures equitable use of the Federation's resources.

FOPRIDEH's success has had a significant and favorable impact within the OPD community. Increasing demands are being made on the Federation to deliver training and technical services in project administration, implementation and evaluation, as well as in coordination and information among OPDs and between OPDs and funding sources.

2. Project design/Review/Approval process

A fair and adequate sub-project selection process is in place. Funding requests are evaluated, prequalified, and approved in successive logical steps as they move from identification to proposal preparation, review and final approval. The selection process involves considerable technical assistance to the OPDs by the Federation's staff, which is an indication of the dire administrative needs of the OPDs.

While AID involvement in the selection process might have been initially needed because FOPRIDEH had no track record, the selection

process as it is presently being managed, shows that the Federation has developed the capacity and maturity to function without AID's current level of involvement.

FOPRIDEH's progress as a funding mechanism for OPD projects has suffered some delays due to poor communications with USAID that led to a serious slow down in disbursements. This delay has produced a setback in the Federation's relations with a number of OPDs whose projects have been delayed. FOPRIDEH's lack of funds has slowed down the proposal preparation and review process considerably, and a revision of the end-of-project-life date will be needed.

3. Project monitoring

FOPRIDDEH has a significant portfolio of sub-projects, has systematized a monitoring system and has acquired enough experience in it, to turn its efforts into on-going evaluations which would facilitate its role as a technical assistance and training institution.

4. Project impact

The project is having considerable impact on three different levels: (1) it is strengthening FOPRIDEH as the "umbrella" organization of OPDs; (2) it is contributing to the continuity and growth of the OPD community and raising its importance as a developmental alternative in the national context; and, (3) through the OPD subprojects, the ultimate beneficiaries are finding opportunities for new employment, job security, increased incomes, and better quality of life.

5. Self-sufficiency

With about 8 months remaining in the life of the AID/FOPRIDEH project, it is doubtful that the Federation will be able to achieve the objectives envisioned in the project documents, which revolve around the notion that self-sufficiency will be in place after the termination of AID's support in March, 1988.

FOPRIDEH is at present totally dependent on one source of financing: AID. A high proportion of the funds are earmarked to finance the activities of OPDs, while demands are growing for the Federation to expand and reinforce its administrative and program management capabilities and there is increasing need for higher profile in technical assistance to OPDs.

6. Technical Assistance

The current role of the U.S. long-term advisor is not clear. Renegotiation of his terms of reference have been pending for several months.

FOPRIDEH technical assistance needs for the future are in the areas of developing a credit program, a system to assess impact at the beneficiary level, and activities related to developing its training capabilities.

7. Training

Interviews with OPD directors readily brought forth one distinctive and positive suggestion: that FOPRIDEH would be wise to improve its image and broaden its appeal by building its training program and educational service facilities; and that integrated training formats could progressively reduce OPD needs for direct and intensive help with their projects.

The important element of this training suggestion is that it should be mainly directed to mid-level persons working for OPDs; structured along the lines of occupational skills where possible.

D. Principal Recommendations

AID/FOPRIDEH

Policy Dialogue

1. Pending actions (flow of funds through trust fund or timetable for obligations, terms of reference for long-term advisor, and tax exempt status) should be resolved as soon as possible through a dialogue involving the Federation's Board of Directors and a USAID representative authorized to deal with program policy issues.
2. The policy dialogue should also be used to discuss future goals, objectives, and direction of the project and of the Federation.
3. Project progress depends on a predictable flow of funds to finance sub-projects. AID should make explicit the conditions and timetable under which FOPRIDEH can expect future fund obligations and disbursements, and the conditions under which funding will be interrupted or terminated.

Sub-project Selection Process

4. AID's participation in the selection of sub-projects (as a member of the Selection Committee with a voice and veto power), should be terminated.

5. For monitoring and evaluation purposes, the sub-project documents routinely sent to AID should include a form showing sub-project compliance by FOPRIDEH with AID policy guidelines.

Long-term Technical Assistance

6. The contract of the U.S. long-term advisor should be immediately renegotiated. If mutually agreeable, the long term advisor, who has banking experience, could be offered a short-term contract with the specific purpose of assisting the Federation to develop a formal concessionary loan program.

Short-term Technical Assistance

Funds from the AID Dollar Grant (522-0266) should be used to contract short-term technical assistance in:

7. The development and establishment of a concessionary credit program within the Federation, and the development of FOPRIDEH's capabilities to provide assistance to the OPD credit programs.
8. The development of an on-going evaluation system to serve as a program management tool and to complement the present monitoring activities.
9. The development of an impact evaluation system to assess sub-project impact at the beneficiary level, and the development within FOPRIDEH of a capability to train OPDs in the use of the system.
10. The installation of a technical data center to assist OPDs in the implementation of their sub-projects.
11. The establishment of a Library.
12. The training of FOPRIDEH personnel in financial analysis and long-range planning.
13. The training of FOPRIDEH personnel in fund-raising techniques and strategy oriented to the U.S.A.

FOPRIDEH

Training

14. FOPRIDEH should present to AID a training program plan for use of the resources allocated to training in grant 522-0266.

Selection Process

15. Step 1. Inquiry:
Records should be kept of all inquiries. To save staff time, consideration should be given to making a videotape containing information on sub-project qualification criteria.
16. Step 2. Profile Review: No recommendation made.
17. Step 3. Sub-project Design and Proposal Preparation:
Data gathered during this step should be used to elaborate technical assistance plans for grantees, and to design training courses on OPD common problem areas.
18. Step 4. Review/Approval: No recommendation made.
19. Step 5. Selection Committee Approval:
The Selection Committee and DASP should make periodic self-evaluations, and utilize the results of this exercise to refine the selection process.
20. Step 6. USAID Approval/Veto: See Recommendation No. 4.
21. Step 7. Signing of Sub-project Agreement and Implementation:
See Recommendation No. 3.

Monitoring of OPD Performance

22. On-going evaluation of sub-projects should be emphasized to facilitate FOPRIDEH's role as a technical assistance and training institution for OPDs.

Project Impact

23. FOPRIDEH should limit its financing to organizations that function as development agencies and organizations engaged in social/humanitarian work. Organizations such as cooperatives, "patronatos", "juntas", and guilds should not be eligible for direct financing. If the latter type of organizations no longer require the help of an OPD, they have reached a developmental stage that disqualifies them from subsidies and grants.
24. FOPRIDEH should form a task force to study its current funding policy to consider the terms and conditions of financing different types of OPDs through a combination of grants and concessional loans.

25. The existing policy of one-time grants should be reviewed. Allowing repeat funding for OPDs after the lapse of a period of time would motivate higher involvement of OPDs in the Federation's activities.
26. While continuing its financing activities, the Federation should concentrate its efforts on consolidating its position as an umbrella organization through the systematic delivery of training, technical assistance, and representation to the OPD community.

FOPRIDEH's Self-sufficiency

27. A strategy for self-sufficiency is recommended which would include a combination of the following activities:
 - increasing the service generated revenues by selling FOPRIDEH's capabilities as a "project administrator" to international donors;
 - setting up a concessionary loan program following a study of its feasibility and potential impact on OPDs, to replace the current policy of charging fees on the revenues earned from OPD credit programs;
 - accelerating the fund-raising campaign being developed;
 - as part of its self-sufficiency campaign, explore the possibility of endowing the Federation with a revenue producing office building.

E. Lessons Learned

1. Overall progress of the FOPRIDEH project was affected by interruptions in the flow of funds while normal monitoring and evaluation activities were underway. Project activities, including monitoring and evaluation, have intended and unintended consequences. Periodically, a review of the impact of planned and normal monitoring and evaluation activities should be undertaken to assess the outcome and consequences of these activities on the overall progress and direction of the project.
2. Basis for the assumption that the Federation would become "self-sufficient" at the end of the first three years of the five year project should have been made explicit in the project design. A private sector development effort designed to assist people at the bottom of

the economic stratum will only be able to become self-sufficient through service generated revenues when the beneficiaries of these efforts reach income levels which allow them the pay for them.

3. Until beneficiaries are able to pay the full cost of the services they receive, OPDs and FOPRIDEH will have to rely on grants and other sources of revenues to cover their expenses.
4. Lessons being learned through the implementation of sub-projects need to be shared by the OPD community to increase the efficiency and effectiveness of the private sector development effort.
5. Institutional strengthening of FOPRIDEH and the OPDs are the means to help improve the standard of living of the target group. Both FOPRIDEH and the OPDs need to systematically evaluate the impact of their actions on the lives of the beneficiaries.

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USAID/HONDURAS
Project No. 522-ESF-0280
PVO Federation Assistance Project
(FOPRIDEH)

I INTRODUCTION

Experience, Incorporated (Contractor) made an evaluation of the subject project under the provisions of IQC Contract No. PDC-1406-I-00-7011-00. The evaluation was made during the period July 7-30, 1987. It was conducted by a two-person team comprised of Mr. Ivo Kraljevic, Anthropologist/Institutional Specialist and Team Leader, and Mr. Rudolph Cazenave, Financial Analyst.

The evaluation team adhered to the main tasks of the scope of work suggested by the USAID upon arrival in country, which included 27 specific administrative and operational processes in 8 important functional areas of the project. The evaluators also pursued a number of specific inquiry steps designed to gain insights into some subtle issues and relationships that surfaced in looking at the real nature and intents of the Federation and its overall performance.

II PURPOSE AND METHODOLOGY OF EVALUATION

The purpose of the evaluation was to assess the progress made by FOPRIDEH (a PVO umbrella organization) in achieving the organizational goals and objectives stated in grant agreement with USAID/Honduras; and, assess the Federation's viability and projected self-sufficiency for continuing its work after financial support from AID is terminated.

Specific study questions were furnished to the consultants in the Terms of Reference (Appendix A) document which included specific tasks in (a) administrative systems and internal controls, (b) sub-project design, review and approval processes, (c) project monitoring, (d) TA and institutional building for PVOs, (e) project impact, (f) FOPRIDEH's overall strategies and action plans, (g) self-sufficiency, and (h) institutional structure.

Since the ultimate success of this project hinges essentially on the perception and participation of FOPRIDEH's client OPD's (OPD is the Spanish acronym for Private Development Organization), the evaluation team spent a considerable amount of time interviewing executive directors in Tegucigalpa and the field. The team held meetings with members of the Board, the Finance and Executive Committees, the staff of FOPRIDEH, and officers of the USAID mission responsible for the project. These interviews and discussions were supported by close examination of detailed project documentation.

III PROJECT BACKGROUND

1. Purpose of the Project

The purpose of the project is to create and institutionalize a private non-profit organization (FOPRIDEH)* to function as an "umbrella organization", capable of evaluating and providing financial assistance to development activities sponsored by private voluntary organizations. FOPRIDEH provides financial grants and technical and administrative assistance to OPDs interested in participating in FOPRIDEH's program.

The federation has been entrusted with the responsibility of reinforcing the capabilities of non-profit organizations (OPDs) involved in social and economic development activities, with emphasis on projects that attempt to improve the quality of life of the disadvantaged in urban and rural areas. Apart from its role of promoting the project management capabilities of OPDs (affiliated and non-affiliated), FOPRIDEH is expected to play an important role in raising the image of a national body of benevolent organizations. These client organizations fill a gap in social and economic needs not being addressed by the public sector, while encouraging private participation in solving community problems.

2. Institutional Objectives

The institutionalization of FOPRIDEH stems from a desire to progressively achieve an acceptable degree of integration in the common efforts of private, non-profit development organizations. Specifically, the stated objectives of the Federation are:

- To serve as an administrative vehicle to channel and control grants from international donors to local voluntary organizations.
- To facilitate the interchange of ideas, methodologies and experiences among OPDs in common areas of interest.
- To facilitate a dialogue with government entities in solving local operational problems, creating new opportunities, and gaining acceptance of the OPD's efforts.
- To promote the passage of favorable laws and encourage the participation or contributions by government entities and/or representatives.

*Federation of Private Development Organizations of Honduras

- To assist member and non-member OPDs in their relations with national and international sources of cooperation.

FOPRIDEH is and will continue to receive OPD proposals covering a wide spectrum of geographic and programmatic activities. The ultimate beneficiaries to be reached under the project will likewise, cover a broad and significantly representative cross-section of Honduras' needy population. The priorities have been identified as follows:

Priority No. 1:

- Financial assistance to OPD's activities designed to increase productivity, employment and income of the rural and urban poor.
- Support to organizations which provide both savings and credit to the poor.
- Stimulation of small labor-intensive enterprises.
- Improvement of marketing facilities and systems.
- Expansion of rural infrastructure and utilities, e.g., water systems, land improvement, and energy and storage facilities.
- Strengthening of systems that provide services and supplies to small farmers and entrepreneurs, e.g., transfer of adaptable technologies, extension, practical research, training, and inputs in ways which assure access to them by small farmers.

Priority No. 2:

Assistance to development projects in the fields of health, population, education and human resource development. Specific examples are: Projects providing health services, disease prevention, cure and the integration of delivery systems; activities dealing with the reduction of illiteracy, extension of basic education, and increase in skills training; development and use of energy efficiently, wood burning stoves, solar and wind energy devices, waterwheels for irrigation, small scale storage facilities for crops; activities dealing with gasification, biomass and reforestation, etc.

3. FOPRIDEH's Executive Direction

Executive direction of the Federation has a wide and varied representation of interests (Appendices C and D). The Board of Directors consists of 5 members from affiliated OPDs (Private Development

Organizations). The Executive Committee also has 5 members. The Finance Committee which reviews and approves project financing proposals has 9 members representing four affiliated OPDs, three individuals from the Private Sector, and one representative from USAID, and FOPRIDEH.

IV EVALUATION FINDINGS AND RECOMMENDATIONS

1. Overall Institutional Progress

After 27 months of operations, the FOPRIDEH project has substantially achieved its fundamental objective of creating and setting in motion an "umbrella organization" capable of serving as a vehicle of solidarity among PVOs and providing financial and administrative assistance to PVOs in Honduras.

The evaluation showed that FOPRIDEH has the momentum to independently manage grants from domestic and international donors. There is a lean but adequate organizational structure in place, specifically:

- An accounting, financial management and reporting system that would meet the expectations of future donors.
- An acceptable system and internal control procedures for testing the legitimacy and viability of client OPD's project proposals.
- Established procedures for providing project related administrative assistance to client OPDs during the life of grants sponsored by the Federation.
- A growing framework of capabilities for undertaking analytical tasks related to target group characteristics, interests and motivations of client OPDs, and an increasing institutional awareness of potential donor interests.
- An institutional "conciencia social" that is growing in acceptance.

2. Administrative Development

A series of administrative manuals have been developed by the Federation (Appendix E). These manuals or guides contain the policies and procedures to be followed by the FOPRIDEH staff and line personnel, the committees on project reviews, and the Board of Directors. The basic internal control processes and stated procedures are sufficiently detailed and provide an acceptable level of assurances that

financial and operational resources are protected. Basic internal control processes and stated procedures refer to managerial control from the standpoint of the following operational areas:

- cash management and accounting processes;
- budgetary oversight and control;
- internal reporting and project feedback information systems;
- internal discipline of sub-project approval processes and subsequent follow-up of OPD performance;
- office procedures, staff morale, work knowledge, and understanding of institutional objectives.

Financial and administrative reviews have been made by Peat, Marwick, Mitchell & Co. and the Financial Analysis Office of USAID/Honduras. These external reviews have been useful to the Federation in achieving an improved level of discipline in financial accountability, reporting, and staff performance standards.

3. Technical Assistance

a. U.S. Long-term Technical Advisor

The complementary AID Dollar Grant (522-0266) supplied funds for a U.S. long-term advisor to help FOPRIDEH formulate and organize its internal administrative and operational policies and procedures. The current role of this advisor is not clear within the ranks of FOPRIDEH. The original terms of reference have become obsolete with the growth and unfolding experience of the Honduran professionals hired by mid 1986.

Recommendation:

The long-term contract should be immediately renegotiated. If mutually agreeable, the long-term advisor, who has banking experience, could be offered a short-term contract with the specific purpose of developing a formal concessionary credit program.

b. Credit Program

The Federation is negotiating a long term U.S.\$ 500,000 loan with the Inter-American Development Bank (IDB). This money will be used to start a concessionary loan program to supplement the

current use of USAID grant funds. If this loan is obtained, FOPRIDEH will have to set up a credit program.

We are recommending elsewhere in this report (section 9. on self-sufficiency) a review of the current grant policy of FOPRIDEH, which includes consideration of financing grantee sub-projects through a combination of grants and concessionary loans. The loan component would be of the portion of the funds used by the grantee to establish credit programs and other revenue producing investments.

FOPRIDEH lacks the capability to establish a loan program as part of its financing activities. It needs to develop this capability to manage the BID loan, and, if its current financing policy is changed, the portion of USAID grant funds to be used as loans.

Recommendation:

Funds from the AID Dollar Grant (522-0266) should be used to contract short-term technical assistance to assist FOPRIDEH in the development and establishment of a credit program as part of its financing activity.

c. Impact Evaluation

As explained in the sections on sub-project monitoring and project impact, the monitoring system the Federation established is adequate for monitoring purposes, but deficient for evaluation purposes as a management tool and as a source of training material.

The Federation also lacks the capacity to undertake impact evaluation studies at the beneficiary level. The lack of development of impact evaluation capabilities is partially explained by an initial concentration of efforts in developing the selection process and the financing and monitoring mechanisms. However, with one sub-project already completed and more nearing completion, there is a need to develop a system to assess impact at the beneficiary level.

Assessing impact at this level should be an ongoing activity undertaken by FOPRIDEH and/or contracted evaluators preferably from the OPD community itself.

Recommendation:

Funds from the AID Dollar Grant should be used to contract short-term technical assistance to assist the Federation in developing and establishing: 1) an ongoing evaluation system to complement

the Federation's monitoring system and as a program management tool, and 2) an impact evaluation system to assess sub-project impact at the beneficiary level.

Short-term technical assistance is also recommended in the following areas:

- Installation of a data center with technical information to assist OPDs in the implementation of their sub-projects.
- Installation of a library.
- Training of FOPRIDEH and OPD personnel in financial analysis and long-term planning.
- Training FOPRIDEH's personnel in fund-raising techniques and strategy oriented to the U.S.

4. Training Service

Interviews with OPD directors readily brought forth one distinctive and positive suggestion: that FOPRIDEH would be wise to improve its image and broaden its appeal by building its training program and education service facilities; and that integrated training formats could progressively reduce OPD needs for direct and intensive help with their projects.

The important element of this training suggestion is that it should be mainly directed to mid-level persons working for OPDs; structured along the lines of occupational skills where possible.

During the evaluation, FOPRIDEH's staff prepared a content format for a training and information exchange program (Appendix F). The idea for an agenda of seminar workshops, discussion groups, and information exchange programs is well conceived. It provides a starting point for the beginning of a training center that envisions the search and identification of specialized talents that may exist within the OPDs, and cooperation by other public and private organizations willing to participate.

The proposed emphasis on mid-level personnel training stems from the need to reach those persons who have direct access and close contact with beneficiaries of the OPDs. Another motivation factor is that OPDs would like to have sufficient knowledge on project formulation and development in order to deal more effectively with international donors when the opportunity arises.

From FOPRIDEH's side, the rationale for supporting the enhancement of administrative and technical skills of OPD personnel is that sub-

grants given to OPDs to undertake their approved projects almost invariably include a line item for salaries of the OPD staff.

The complementary grant (522-0266) allocates funds for the Federation's training/information program and the purchase of equipment and supplies. However, this grant was intended to finance only Dollar costs. We feel that this is no longer a valid restriction on the use of these funds, and that greater flexibility in their use would permit FOPRIDEH to undertake the training program and initiate an education service facility of the kind suggested above with less costly local resources.

Recommendation:

FOPRIDEH must begin to analyze specific alternatives on what it proposes to do with resources allocated for training, and go forward to AID with an implementation plan.

5. AID/FOPRIDEH Communications

Important program actions have been pending for several months. The lack of a resolution of these program actions has had a series of negative consequences on the progress of the project. Pending program actions include the following:

- A trust fund agreement negotiated by the Federation with a bank back in September of 1986 and approved by AID in October of 1986 has not been implemented, nor is there any formal explanation in the files as to why it was not implemented. (Informal explanations given indicate that AID elected to wait for the financial review of November 1986, and after the review it elected to wait for the present evaluation.)
- No alternative schedule for the flow of funds has been considered, making it impossible to schedule the orderly financing of OPD client sub-projects.
- New terms of reference for the long term advisor were drafted by the Federation in July-August 1986. No action has been taken on them since then. No formal explanation is available. Informal explanations suggest that no agreement could be reached between the advisor, the Board of the Federation and AID.
- The issue of tax exempt status was apparently forcefully followed by the first USAID Project Officer up until her departure in August 1986. No action has been taken since then. FOPRIDEH's explanation is that action on this issue has been left to its Board of Directors.

Some of the consequences of lack of resolution in these program actions include the following:

- The interruption of the flow of funds from AID to FOPRIDEH is affecting FOPRIDEH's credibility as a funding agency, as the time between the approval of sub-projects and their funding has not only become too long (average of over 100 days for the last sub-projects), but also unpredictable; thereby affecting sub-project schedules, counterpart funds, commitments to beneficiaries, commitments to institutions, etc.
- Since March of this year, no new sub-projects have been reviewed, and the selection committee has not met because of the inability of FOPRIDEH to offer any assurances that funds would be available to approved sub-projects.
- The Federation's projected activities, costs, and work flow for 1987 have been affected by the above factors. In effect, current projections of disposable funds to cover administrative costs show that as of August 1987, the Federation will be operating with a deficit, while still having obligated funds to disburse to sub-projects until January of 1988.
- The delays caused by the interruption in the flow of funds to FOPRIDEH makes it necessary to review March 1988 as the ending date of the project. Even if FOPRIDEH resumes its grant activity immediately, it will be impossible to achieve complete obligation of funds by March 1988.

The reasons cited by the USAID Project Officers for delaying the flow of funds are that USAID wanted to see the results of the financial review and of the project evaluation. The review requested by the former Project Officer around September of 1986 was undertaken in November 1986. It took the Federation until March 1987 to implement all 27 recommendations. We do not question the right of USAID to order a financial review or to expect full compliance with all recommendations. However, considering the effects on the FOPRIDEH project, we question the validity of interrupting the flow of funds during such an extended period of time. Neither the audit of 1986, nor the financial review turned up serious enough problems to justify a total interruption of funds. Continuing the flow of funds could have been conditioned on FOPRIDEH's implementing the recommendations within a reasonable time frame.

After the second obligation and disbursement of funds in May of 1987, the flow of funds was again held up because USAID wanted the results of the present evaluation, which was delayed for various reasons until July 1987.

Another reason behind these delays relates to the often repeated USAID concern that, from the start of the project, there have been questions about the ability of the Federation to equitably distribute the funds among all qualifying groups, and/or the fear that funds may be used for political purposes. Safeguards were built into the agreement, which have been translated into FOPRIDEH's policies to fund not only affiliated OPDs, but also and specifically, non-affiliated OPDs and other groups such as cooperatives, guilds, associations, etc. From eleven initial members, the Federation has grown to 28, with more OPDs in the process of affiliation. Despite these facts, the concern in USAID remains. It seems to have contributed to a widespread and ever present doubtful attitude towards FOPRIDEH and the project. The evaluation team spent considerable time probing for specific and concrete examples to support this concern. USAID offered up the following examples: the Federation's inability to gain tax exempt status; the twice-extended leave of absence for the former head of the current Special Activities Department; the keeping open of a Federation position until a pregnant candidate had given birth to her baby; and the financing of a transport cooperative (La Union) which had been previously supported by an OPD (ASEPADE) affiliated to FOPRIDEH. From the evaluators' point of view, the examples cited do not concretely support USAID's concern that FOPRIDEH's fairness in distributing funds is questionable, nor do they support USAID's reason for delaying the flow of funds.

Recommendation:

Thus far, communications or dialogue between USAID and the Federation have been between the Executive Director of the Federation and the USAID Project Officer. The above considerations lead the evaluators to conclude that this channel of communications has proven to be insufficient to resolve the issues affecting the overall performance of the Project.

We recommend, therefore, that a second channel of communications be opened between the Federation's Board of Directors and a designated person in USAID authorized to deal with program policy issues. The first objective of this channel would be to resolve the pending issues listed above. If USAID has other specific reasons (which the evaluators were unable to find) to support its concern over FOPRIDEH's ability in dealing equitably and fairly with potential grantees, these could be made explicit through this channel.

The second objective would be to establish an ongoing dialogue to discuss any differences in perception as to the nature of the project, its goals and objectives, as well as its future direction. A new time frame for the project life needs to be agreed upon given the delays caused by the interruption of the flow of funds. This dialogue would serve to keep both sides informed of program and

policy issues, to introduce some flexibility in the implementation of the project, and to prevent the recurrence of a situation similar to the one described above.

6. Process for Selecting Client OPD Projects

a. Proposal Design/Review/Approval

The "Departamento de Analisis y Seguimiento de Proyectos - DASP" (Project Analysis and Monitoring Department) is made up of four (4) professionals and is charged with the selection and monitoring of sub-projects, as well as with the provision of technical assistance to organizations in the design and implementation of sub-projects.

The four members of DASP have considerable experience in project preparation and implementation, with private voluntary organizations and in the public sector. Their academic backgrounds are in economics, agronomy, and business management. They were hired between May and August 1986, so that in effect, DASP as presently constituted, has been in place for less than a year. The members are assisted in their tasks by all other members of FOPRIDEH.

Since the hiring of these four professionals and the establishment of a fully operational DASP, the process of project selection and monitoring has improved dramatically. A review of a sample of sub-projects shows improvement in setting up a more efficient and objective process where potential grantees are screened in successive steps. This selection process allows both DASP and the grantees to invest increasing amounts of resources in the preparation and evaluation of proposals only as a result of the success of meeting the requirements of each step. This process insures that only qualifying and viable sub-projects reach the stage of proposal preparation.

In setting up the current selection process, FOPRIDEH has shown its capacity to learn not only from its own experience, but its willingness to incorporate suggestions from all sources. For example, recommendations contained in the USAID audit and review of financial controls regarding the management of files and the format of the "Dictamen" have been incorporated. The selection process will continue to improve as FOPRIDEH acquires more experience and incorporates the lessons it learns into it. After an initial apparent slow start, FOPRIDEH has accomplished the project goal of setting up an efficient, objective and fair process for the selection of sub-projects.

A similar learning process has taken place in the Selection Committee, which on the basis of its monthly meetings and extended discussions on sub-projects presented to it, has developed considerable expertise and developed consensus on its sub-project evaluation standards. The composition of the Selection Committee has shown to be adequate. Its diverse membership insures that sub-project proposals receive a thorough review reflecting the interests and experience of the members. As more OPDs become members of FOPRIDEH, it can be anticipated that the Selection Committee's role will continue to be important in refining the selection criteria.

This learning process and systematization of the selection process was formally halted in March due to the lack of disposable funds.

FOPRIDEH's position is that it cannot encourage applicants to incur in the expenses of preparing a sub-project if it is unable to reasonably assure the applicant that funds will be available if the sub-project is approved. Although this position was formally taken in March of 1987 and the committee has not met since, nor has DASP been actively involved in assisting applicants develop proposals, the problem originated during 1986. As more sub-projects were approved but could not be funded, the danger of loss of credibility for FOPRIDEH became apparent as approved grantee sub-projects suffered delays in implementation because of lack of funding. Agricultural development sub-projects (including credit) have been seriously affected by delays that force them to postpone implementation for an entire agricultural cycle or in some cases a year.

Organizations that have made a formal request for funding have also not been actively pursuing the development of their proposals, and in many cases have sought alternative sources of funding. However, they are all interested in maintaining their requests on file with the expectation that funds will eventually become available.

Despite FOPRIDEH's warning to potential grantees that it lacks funds and is unable to offer assurance of financing, inquiries by potential applicants have been increasing as word of FOPRIDEH's having financed sub-projects is spread in the OPD community and among other qualifying organizations (associations, cooperatives, juntas, etc). Unfortunately, FOPRIDEH had not kept a record of inquiries until this evaluation began. However, they are considerable. On July 15, the head of DASP spent 3 hours providing information and responding to the questions of two potential applicants.

Although temporarily halted, the selection process can easily resume its activities and momentum once the funds are made available to FOPRIDEH. The capacity is installed and the selection process has been established and shown to work appropriately and efficiently. (See recommendation on Step 7).

1) On-going Selection Process - Status

Since November 1985, the effective date of the start of operations in sub-project selection, FOPRIDEH has received 85 requests for financial help (an average of 4 per month) from a great variety of organizations covering all activity areas (e.g., economic development, education, health, environmental protection, drug rehabilitation, etc.), and representing all regions of the country. From November 1985 until the full staffing of the DASP in August of 1986, FOPRIDEH had received some 46 requests in different forms (profiles, proposals, etc.). Thirty-seven (37) new requests have been submitted since that date.

The Selection Committee has met 15 times since December of 1985. The records of the committee show that during this period it reviewed 63 sub-projects (including the ones considered more than once, as additional information and analysis was requested by the committee). Thirty (30) sub-projects were considered between December 1985 and August 1986, and 33 between August 1986 and March 1987.

The Committee reached a final decision on 51 sub-projects. Four (4) sub-projects were withdrawn from DASP consideration; either because the applicants could not formulate a proposal or were underdecided as to their goals and strategy. The remaining 28 requests are at various stages of project preparation: 4 have completed the stage of final proposal design and DASP expects their presentation as soon as they are notified that funds are available; 13 have had their sub-project profiles approved and are in the stage of final proposal design; 9 are at the stage of profile assessment; and 2 are reformulating their sub-project profiles. These 30 sub-projects, if approved, would require Lps. 3,360,477; which, added to the sub-projects already approved and under implementation, would amount to Lps. 7,750,988 or 95.4 per cent of the total amount allocated to FOPRIDEH for OPD funding under agreement 522-ESF-0280.

A summary of the status of the 85 total requests is presented next: (Appendix I contains the listing of the 85 requests)

Under implementation	19
Approved & awaiting funds	9
Rejected ("denegada")	22
Pending approval	1
Withdrawn by proposing organization	4
In process (inquiry, profile or final design)	<u>30</u>
Total	85

2) Selection Procedures

FOPRIDEH's list of documents detailing the selection process is presented in Appendix G.

The following is a brief description of the steps involved in the design, review and approval process as currently used by DASP. The description includes a brief analysis and some recommendations to fully systematize and formalize the process.

Step 1: Inquiry

This is a pre-qualifying stage in the process. Potential grantees are informed about the program, its requirements, and process. The outcome of this stage is the pre-qualification of organizations and it is based on the eligibility criteria of FOPRIDEH for qualifying organizations.

Following the determination of an organization's eligibility, DASP provides requirements for proposal preparation and technical assistance if needed. Eligible organizations are provided with a profile format, which they are asked to complete to determine sub-project eligibility.

The exchange of information between potential grantee and FOPRIDEH is in the form of a verbal interview, usually between the head of DASP and a representative of the organization.

Recommendation:

No written record of frequency and outcome of inquiries has been kept until now. This stage should be formalized. It is recommended that DASP design a form to be filled out during the interview recording the answers to the questions asked and the outcome of the interview. This information will assist in determining the potential demand, the types of institutions soliciting information, and the time spent in what is clearly becoming a time consuming task as more inquiries are received.

Step 2: Profile Review

Eligible organizations are provided with a sub-project profile format and asked to complete it. The purpose of the profile is to determine sub-project pre-feasibility and eligibility. It is designed to assess the organization's capacity, the beneficiaries, and the viability of the sub-project. Organizations are provided with assistance if needed.

Following profile presentation or during profile development, DASP conducts a preliminary assessment of the organization. This assessment is termed "indagatoria" in DASP's Spanish terminology.

The outcome of this step is the determination of the pre-feasibility of the project. Successful candidates are encouraged to incur time and expense needed to develop a final proposal. Unsuccessful candidates are saved further expense.

Recommendation: None.

Step 3: Sub-project Design and Proposal Preparation

Following profile approval, the organizations are notified and provided with guidelines to design the sub-project proposal. FOPRIDEH calls this stage "investigacion" (research) and it includes two tasks: an assessment of the organization as it develops its sub-project, and the furnishing of technical assistance. These two tasks allow DASP to closely follow the proposal preparation, conducting not only an ongoing feasibility study but also, and very importantly, an in-depth assessment of the organization's capacity.

The outcome of this stage is the formal presentation of a sub-project proposal to FOPRIDEH.

As currently functioning, the process is designed to assure all involved that only feasible sub-projects complete this stage. The high number of "rejected" proposals should be minimal in the future. (The high number of "rejected" proposals noted thus far (22) reflects proposals accepted during the initial months of the project when the DASP process had not yet been fully developed.)

The time that it takes an OPD to move from the initial contact to the preparation of a formal proposal has varied and will vary greatly from less than a month to as much as a year. This reflects the organization's capacity and strength. The organization's capacity is also reflected in the amount of

time and frequency of technical assistance provided by DASP. In many cases, developing a proposal with DASP's assistance constitutes institutional strengthening and human resource formation. The main vehicle for this are the visits by DASP technicians to assist in the preparation of proposals. However, it has also included formal training courses and seminars. The following summary of the times DASP had to review a proposal indicates the need by some institutions for technical assistance: of the 27 proposals reviewed by DASP, 12 were reviewed only once (i.e. met all requirements), 12 were reviewed twice, and 3 were reviewed 3 times.

Recommendation:

FOPRIDEH is currently making good use of this step to assess an OPD's capacity. However, it should use the process more systematically, not only as a means to diagnose the organization, but also to elaborate a specific plan for technical assistance to the organization in question and to gather information to plan formal training courses to be offered to all OPDs with similar problems.

Step 4: Review/Approval

Much of the review and analysis of a proposal is conducted during its preparation. In effect, by the time a proposal is formally submitted, DASP has accumulated enough information to quickly process it following a standard and objective qualification procedure. The proposal is scored on the basis of a detailed matrix of components, and its total score determines its final eligibility. In addition, DASP writes a series of recommendations when it judges necessary to modify aspects of the proposal. In some cases, usually when well established OPDs are the applicants, proposals have been presented without going through the previous steps, thus requiring DASP to conduct an investigation without much previous information or background. In those cases, the review and analysis may take longer than expected.

The outcome of this review and analysis is a finding ("Dictamen") with recommendations presented to the Selection Committee. Before presentation to the Selection Committee, the Executive Director reviews and approves the findings of DASP.

Recommendation: None

Step 5: Selection Committee Approval

As indicated before, up to March of this year the Selection Committee had met once a month. The meetings take place after the Committee has had time to review and study the findings and recommendations ("Resumen y Dictamen") of DASP.

The outcome of these meetings are: approval of DASP findings and recommendations, approval with modification of recommendations, requests for further analysis or additional information ("suspense"), and/or final rejection of proposal ("rechazada").

Recommendation:

At this juncture, DASP and the Selection Committee should make periodic self-evaluations wherein both of these groups together review their work and the outcomes of the approval meetings, and make any necessary modifications to refine the process of sub-project selection and approval.

Step 6: USAID Approval/Veto

A package of documents including the resolution of the Selection Committee, the findings of DASP, and copy of the proposal of projects over Lps. 30,000 is sent to USAID for its review and approval. USAID has veto power, which to date has not been used.

Currently, the A.I.D. project officer is a member of the Selection Committee with voice and no vote. A.I.D., however, has veto power, which in effect makes it the final step in the approval process.

While this AID involvement might have been initially needed because FOPRIDEH had no track record, the selection process, as it is presently being managed, shows that the Federation has developed the capacity and maturity to function without AID's current level of involvement.

One of the original objectives of developing FOPRIDEH's capacity to select sub-projects was precisely to transfer to the Federation this responsibility along with costs in time and money of having to review numerous small grants. FOPRIDEH's track record shows that this objective has now been accomplished, and that consequently, AID's close involvement is no longer needed. The departure of AID from the selection process would show recognition of FOPRIDEH's achievement and enhance its standing within the OPD community. It would also

relieve AID from having to undertake a second review process, as the documents submitted by the Federation on each sub-project are now not only reviewed by the Project Officer who sits on the Selection Committee, but on her request, by different technical departments within AID.

AID's veto power was originally intended as one more safeguard against the concern that FOPRIDEH might be biased in the selection of sub-projects. The veto power has never been used by AID, and given the track record of the Federation as well as its growth in membership (assuring more diversity), it has become an unnecessary safeguard. The main function of USAID involvement in the selection process has been one of monitoring and evaluation. This can be accomplished with less involvement and effort on USAID's part by simply reviewing the sub-project documentation routinely sent to AID. Presently, the main, unintended consequence of AID's veto power as the final step in the selection process is that it tends to reinforce the widespread opinion in the OPD community that USAID lacks confidence in FOPRIDEH's ability to act independently.

Recommendation:

USAID participation on the Selection Committee should be terminated and its veto power eliminated as the final step in the selection process.

The package of sub-project documents should continue to be forwarded to AID, as should the record of the decisions of the Selection Committee for monitoring and evaluation purposes.

To insure that the selection and funding of sub-projects comply with USAID policies and guidelines, USAID should provide FOPRIDEH with a document outlining what these policies are and request that the sub-project documents forwarded by the Federation to USAID include a form showing compliance.

Step 7: Signing of Agreement and Implementation

The OPD is notified of the outcome and arrangements are made to sign an agreement. The agreement may contain conditions to be met by the grantee before actual disbursements are made.

This step is contingent on availability of funds, and since the first obligation of AID funds to FOPRIDEH in 1985, it has become the principal cause of increasingly long delays.

Recommendation:

The Trust Fund (agreement prepared and approved by AID in October of 1986) should be implemented as soon as possible, or alternatively, a schedule of future obligations should be agreed upon between AID and FOPRIDEH. This agreement would improve FOPRIDEH's efficiency, eliminate the long delays between approval and implementation of sub-projects, and dissipate FOPRIDEH's growing reputation as an unpredictable funding agency.

b. Procedural Delays (Causes and Effects)

Based on 27 approved proposals (ASEPADE, the first one, is excluded since it was done on a emergency basis at the request of AID), the following is a summary of the time taken to move the proposal through a DASP review, consideration of the Selection Committee, and signature of agreement.

<u>TIME USED</u>	<u>NUMBER OF PROPOSALS</u>		
	<u>DASP Review</u>	<u>Selection Committee</u>	<u>Agreement</u>
Less than 30 days (From 2 to 30 days)	12	7	2
Between 31 and 60 Days	8	8	7
Between 61 and 100 Days	5	7	3
Between 101 and 200 Days	2	4	4
More than 200 Days	-0-	1	3
Pending signature ^{1/}			9

^{1/}

As of July 1, 1987, sub-projects pending signature had been waiting for 98 days in 3 cases, 104 days in two cases, 211 days in one case, and 295 days in one case. Two sub-projects for which funds had been obligated after the May 1987 disbursement were pending signature between May and July because their activities are scheduled to begin in September 1987. Up to May 1, 1987, however, these two sub-projects had been waiting 145 and 222 days respectively.

The records show that delays of more than 60 days for DASP findings were in most cases related to the inability of the grantees to deliver all documentation and/or provide all the required information (in two cases, the problem was compounded by their remote rural location and difficulty in communications). In these cases, DASP was required to assist the grantees in completing their proposals. This involved providing technical assistance not only to prepare the proposals, but more importantly, to strengthen the organizational capacity and upgrade the staff skills of the potential grantees.

Selection Committee delays of more than sixty days are related to the fact that the committee only meets once a month. Therefore, any proposal that requires more information or analysis for the committee to reach a decision must wait until the following meeting. On some proposals, the committee's delay is due to inability to reach a consensus. Cases where no consensus is reached require that all involved in the selection process clarify their reasons. The committee did not hold a meeting in February of this year, thus contributing to the number of proposals with more than 60 day delays.

Delays of more than 60 days in the signature of the sub-project agreement between FOPRIDEH and grantees are almost all due to the delays in AID obligation of funds to FOPRIDEH.

The five agreements signed after the second obligation and disbursement of Lps 2,000,000 in May 1987 had waited between 173 and 291 days to sign the agreements and start implementation after sub-project approval. Funds from this second disbursement have also been obligated to two other sub-projects scheduled to start implementation in September.

As of July 1, 1987, there were seven approved sub-projects awaiting funds to sign agreements and start implementation. The waiting for these subprojects was as follows: CONDERH, OFRANEH, and COHMEAI - 98 days; Cruz Roja and Maya Occidental - 104 days; CODIDES - 211 days, and CEDEN - 295 days.

7. Monitoring of OPD Performance

a. Procedures

FOPRIDEH uses the Spanish term of "seguimiento" for its monitoring activities.

DASP is charged with the primary responsibility of monitoring sub-projects. In this task it is assisted by the Accountant, the

Executive Director, and the Advisors. FOPRIDEH has elaborated a monitoring manual which details the type, frequency, and objectives of monitoring sub-projects.

FOPRIDEH's monitoring program is adapted to the strength and track record of the grantee. A number of factors related to the organization's capacity are taken into account to determine the intensity of monitoring. A Monitoring Plan is agreed upon before the agreement is signed. The Monitoring Plan is prepared by the head of DASP and approved by the Executive Director. Sub-project specific monitoring plans as well as the monitoring activities of DASP personnel are reviewed on a monthly basis, which has allowed the introduction of flexibility to the process by adapting it to the actual needs of each sub-project.

Monitoring consists of visits to the sub-project by FOPRIDEH, reports by the grantee, visits by grantee staff to FOPRIDEH, communication between grantee and FOPRIDEH, and outside reports and evaluations of the grantee. Grantee reports and DASP visits are the main monitoring activities and the ones that require the greatest amount of DASP's time and resources. The familiarity of DASP staff with each project acquired during the proposal preparation phase facilitates greatly the task of monitoring the projects. This familiarity is in effect taken into account when developing the specific monitoring plan for each sub-project.

FOPRIDEH's monitoring system includes 8 different and specific tasks. These are:

- Sub-project progress;
- Degree to which implementation corresponds to activities outlined in the agreement;
- Control of disbursement expenses;
- Control of eligibility of expenses;
- Goal and objective achievement;
- Review of short-term implementation plan;
- Review of documentation prior to disbursements;
- Control of capital reflows, interest rates, beneficiary contributions, and grantee contributions to FOPRIDEH.

b. Impact and Reactions

A review of the sub-project files showed that FOPRIDEH is implementing its monitoring plan. Supervisory visits and reviews of grantee reports all indicate a close monitoring activity by FOPRIDEH. 106 supervisory visits are recorded for the 19 sub-projects under implementation. An average of 6 supervisory visits are conducted during the life of a sub-project.

In addition to FOPRIDEH's monitoring, AID has also conducted reviews of a number of sub-projects constituting, in effect, a second monitoring system of the sub-projects.

The monitoring system, as conceived and implemented up to date, is adequate. What remains to be accomplished is the integration of all monitoring and on-going evaluation data into a sub-project monitoring card which is updated regularly. This card has been planned and it should be implemented, not only to facilitate monitoring but, more importantly, to serve as an evaluation tool for both FOPRIDEH and its OPD clients.

While FOPRIDEH intended its "seguimiento" to be both monitoring and evaluation, as implemented thus far it is mostly or strictly a monitoring activity.

Recommendation:

FOPRIDEH has a significant portfolio of sub-projects, has systematized a monitoring system and has acquired enough experience in it to turn its efforts into on-going evaluations which would facilitate its role as a technical assistance and training institution.

While monitoring will continue to be an important activity, a change in emphasis to an evaluation process would affect its relationship with the OPD community very favorably and improve its image as an institution building and strengthening organization and as a resource readily available to OPDs. To facilitate its monitoring and evaluation system, FOPRIDEH and AID should consider a computer aided system.

This shift in emphasis from monitoring alone to monitoring and evaluation should be complemented by formal evaluations of selected aspects of sub-project implementation and OPD approaches to the same problem. The evaluations should be sponsored by FOPRIDEH with the explicit objective of using them as a training tool for the OPDs. This type of evaluation (as an off-spring of monitoring) would strengthen FOPRIDEH's role as the source of state-of-the-art information and the source of effective technical assistance based on actual Honduran experience. It would also allow FOPRIDEH to disseminate innovative approaches throughout the OPD community and prevent the repetition of errors.

Some of the topics suggested for evaluation, specifically related to training and information needs of OPDs, include: credit and rural stores as income generating sources to partially offset OPD operation costs; interest rates on credit; and the self-sustainability of some of the services provided by OPDs. These evaluations should be conducted by FOPRIDEH or outside evaluators, and should also be used for training OPDs in impact evaluation methods.

8. Project Impact

The following chart illustrates the mode used for assessing the impact of the FOPRIDEH Project at various levels where institutional and socio-economic changes can take place. There are three different levels of impact: 1) institutional building of FOPRIDEH, 2) institutional strengthening of private development agencies (OPDs), and 3) quality of life of the target population. Institutional building of the Federation and the OPDs is assumed by the Project as a means to producing a positive impact on the quality of life of the ultimate beneficiaries: the poorest segments of the Honduran population.

a. Impact on FOPRIDEH

The first level of impact of the project is on FOPRIDEH itself. The project seeks to build an institution capable of:

- acting as financing agency (or mechanism) by assisting private development organizations in the design, preparation, selection, and implementation of sub-projects if finances; and
- representing, coordinating, training, and providing technical and financial assistance to private sector development efforts and organizations.

The following is an examination of the impact of the project on strengthening FOPRIDEH in both roles.

(1) Financing Agency

As of March 31, 1987, FOPRIDEH had approved 28 sub-projects for Lps. 4,040,512 to 28 different OPDs (organizations are eligible for a grant only once under current policy).

Five (5) categories of organizations are eligible and have received grants from the Federation. The distribution of funds among the 28 organizations by type or category is summarized in Table 1, below:

Table 1. Distribution of Funds and Average Size of Grants by Type of Organization.*

<u>Type of Organization</u>	<u>Number</u>	<u>Total Allocated</u>	<u>%</u>
Affiliated OPDs	9	Lps. 1,738,341	43.03
Non-affiliated OPDs	5	726,341	17.97
Cooperatives	6	707,669	17.51
Guilds ("gremios")	2	239,669	5.93
Associations, juntas, patronatos	<u>6</u>	<u>628,752</u>	<u>15.56</u>
TOTAL	28	4,040,512	100

* Source: "Programa de Financiamiento", Appendix J; and Lending Portfolio by Budget Line Item and OPD Categories, Appendix K.

AID/FOPRIDEH's agreement contains an implicit definition of PVOs that can and has been interpreted to mean any "bona fide" private not-for-profit organization. Apparently, AID's concern that the funds be distributed as widely as possible led to this open-ended definition of institutional eligibility to FOPRIDEH's funds.

The implementation of this open-ended definition of a PVO in the Honduran context has resulted in a FOPRIDEH policy of funding any private not-for-profit organization that meets additional eligibility criteria (i.e target population, track record, etc).

Under this PVO definition, OPDs, cooperatives, associations, guilds and communal groups (juntas and "patronatos") are all eligible. Furthermore, affiliation to FOPRIDEH by the OPDs was emphasized as not being a requirement.

In implementing this policy, FOPRIDEH has complied with all the conditions stipulated in the agreement, and developed a selection process and funding policy that is applied equally to all qualifying organizations.

The all encompassing definition of PVOs in the agreement and the resulting indiscriminate funding of all private not-for-profit organizations raises some questions when considering the significant differences in form and function between the organizations defined as private not-for-profit.

Private Development Organizations (OPDs) tend to be structured as development or service delivery agencies. OPDs work with a population that generally is not capable of obtaining these services by itself (through an organization) or from other sources (private or public).

One of the goals of OPDs is to lead their population groups to self-sufficiency and independence. either by promoting their own organization to replace the OPD, or by reaching sufficiently high income levels that enable them to access "normal" sources of services and pay the full cost.

Cooperatives, guilds, and communal groups (e.g. "patronatos") are organizations of the beneficiaries themselves. Many of them are the result of the labors of an OPD. They tend to be organized by the beneficiaries to provide services to themselves. Supposedly, they have reached or are in the process of reaching self-sufficiency and independence.

A third category of private not-for-profit organizations (Cruz Roja, Rotary Club, etc.) are the social relief agencies whose goals, structure, and manner of working are very different than the previous two. These PVOs are entirely dependent on donations and are engaged in social relief and humanitarian works. The nature of their work precludes their concern with self-sufficiency and independence. They are charitable organizations and depend on the "good will" of other for their existence and capacity to function.

The questions that arise from this very brief examination of the nature and characteristics of private-non-profit organizations in Honduras stem from FOPRIDEH's funding policy.

- Should FOPRIDEH finance other than OPDs?
- If any PVO is eligible for FOPRIDEH's financing, should they all be treated equally?
- Should all private non-for-profit organizations be given grants?
- Do grants to beneficiary organizations promote dependency?
- The financing needs of beneficiary organizations (especially cooperatives) are for revenue producing investments. Should FOPRIDEH act as investment banker?

Beneficiary organizations (i.e. cooperatives, guilds and "patronatos") pose a potential problem to FOPRIDEH. Although these organizations are on their way to achieving self-sufficiency and are attempting to function independently, in most cases they are fledgling organizations that still require considerable assistance. For example, UTICOL (a cooperative) is currently experiencing problems with its administration which has led FOPRIDEH to stop disbursement of funds and to undertake a major effort in technical assistance and training to solve UTICOL's problems. Problems of this nature may force FOPRIDEH to become directly involved in dealing with beneficiary organizations, a task that requires different skills and strategies than the ones it should be developing as an "umbrella" organization. In the above example, the Federation has requested one of its OPD members to assist. Although this is a good approach to this type of problem situation, the question remains whether it is appropriate for the Federation to be directly involved with beneficiary organizations.

Recommendation:

FOPRIDEH should limit its financing to OPDs and social/humanitarian relief agencies. Beneficiary organizations should not be directly financed, but could be financed through a sponsoring OPD. The OPD would be responsible for providing the organization with all the support needed.

FOPRIDEH should form a task force to study the current financing policy and make recommendations for change based on the informed decision of its membership.

One-time Grants

A final question related to FOPRIDEH's current funding policy is that of financing an institution only once. Again, this determination was made in the original agreement as part of AID's concern for a wide distribution of funds.

This policy is producing a number of unintended consequences, which may affect FOPRIDEH's impact strategies:

- a) A trend to soliciting the maximum amount allowed in order not to miss out on the only opportunity.

It is possible that in some cases OPDs may not need or be ready to effectively use all the money; however, it would be irrational for them not to request the maximum allowed.

- b) Already funded OPDs tend to react in two ways: (a) they lose one of the incentives for long term participation in FOPRIDEH's activities, a negative consequence; and (b) they shift their demands to other service areas, which can be positive in diversifying FOPRIDEH's services; however, this shift may cause FOPRIDEH to neglect its role as a funding agency.

Recommendation:

The existing policy of one-time grants should be reviewed. An adequate solution may be to allow new financing of an OPD after the lapse of a period of time.

Counterpart Funds

FOPRIDEH's grants to the 28 sub-projects contributed 47.23 % of the total cost of Lps. 8,555,227. Of this total cost,

50.98 % was contributed by the organizations as counterpart funds, and 1.78 % from other sources (only in one case additional funds were obtained from a third source). The highest contribution of counterpart funds was provided by the association, juntas and "patronatos" category, followed by the affiliated OPDs. Guilds made the smallest contribution in counterpart funds. The differences in size and capacity between all grantees are substantial, and the amount of counterpart funds any grantee contributes reflects this fact rather than any rule. This flexibility is adequate and the policy should continue. The breakdown of FOPRIDEH and OPD counterpart funds by type of organization is given in Table 2, below.

Table 2. Total Cost of the 28 Sub-projects and Source of Funds by Type of Organization (in Lps.)*

<u>Type of Organization</u>	<u>Total Value</u>	<u>Counterpart Funds</u>	<u>FOPRIDEH Funds</u>
Affiliated OPDs	3,986,063 100%	2,247,722 56.38%	1,738,341 43.62%
Non-affiliated OPDs	1,316,316 100%	590,316 44.85%	726,000 55.15%
Cooperatives	1,438,699 100%**	578,330 40.2%	707,669 49.19%
Guilds	305,707 100%	65,957 21.82%	239,000 78.18%
Associations, etc.	1,508,412 100%	897,660 58.32%	628,752 41.68%

* Source: Based on Table prepared by FOPRIDEH upon request of the evaluation team, in Appendix L.

** 10.7% was obtained from a third source by one cooperative: Maya Occidental.

Average Value of Sub-projects and Grants

The average size of sub-projects and the average size of FOPRIDEH's grants are listed below by type of organization (Table 3).

Table 3. Average Value of Sub-project and FOPRIDEH's Grant by Type of Organization (in Lps.)*

<u>Type of Organization</u>	<u>Average Value of Sub-project</u>	<u>Average Value of FOPRIDEH's Grant</u>
Affiliated OPDs	442,895	193,149
Non-affiliated OPDs	263,263	145,200
Cooperatives	239,783	117,949
Guilds	152,858	119,500
Associations, etc.	316,882	125,750

* Source: Based on Table prepared by FOPRIDEH upon request of the evaluation team, in Appendix L.

FOPRIDEH's current policy for funding sub-projects requires the organization soliciting a grant to have a track record and to contribute counterpart funds. The tables presented above show the results of the implementation of these policies, as well as the distribution of funds among qualifying organizations. In general, FOPRIDEH's grants have been used by the organizations to supplement their own funds in order to expand their coverage or introduce new components to the sub-projects. As will be shown below, the majority of the grantees have sought to use their grant funds for investment purposes, that is, for revolving credit funds, training, technical assistance, and purchases of equipment or infrastructure work. This use of funds reflects the orientation of the project to income producing activities for the beneficiaries of the sub-projects and also for the organizations themselves, as they attempt to find revenues to cover operating costs. The question of self-sufficiency will be dealt with below.

Budget Line Items and Main Activities Financed with the Grants

The following table (Table 4) summarizes the use of grant funds by budget line item for all 28 sub-projects approved between December 1985 and June 1987. As shown, the main use of grant money by the OPDs is for credit funds.

Table 4. Use of Grant Funds by 28 Sub-projects Approved Between 12/85 and 6/87.

<u>Use of Grant Funds</u>	<u>Percentage %</u>
Operating costs (salaries, travel per diem, and administrative costs)	19
Training	7.23
Technical assistance	0.97
Infrastructure and equipment	6.93
Credit fund	56.41
Fee to FOPRIDEH	3.02
Miscellaneous and inputs	6.44

* Source: FOPRIDEH "Cartera de Financiamiento", Appendix M.

There is a wide range of activities being supported by the grants; however, rural and agricultural development in the rural areas and business and enterprise development in the urban areas are the most predominant type of activity and have been allocated the largest amount of Lempiras, as shown in Table 5, next.

Table 5. Use of Funds by Main Activity, Percentage of Grant Money Allocated, and Number of Organizations Engaged in Each Activity.*

<u>Main Activity</u>	<u>Funds Allocated</u>	<u>Percentage %</u>	<u>Number of Organizations**</u>
Agriculture and Rural Development	296,346	7.33	4
Training	228,450	5.65	11
Infrastructure	107,940	2.67	6
Appropriate Technology	44,000	1.09	1
Health	491,999	12.18	5
Other (transport)	38,638	.96	1
Credit:			
Agriculture	1,717,815	42.55	13
Small Industry	989,724	24.50	9
Commerce/Business	105,400	2.61	5
Housing	<u>20,200</u>	<u>.64</u>	<u>1</u>
TOTAL	4,040,512	100.00	56

* Source: "Distribución por Actividad Principal", FOPRIDEH, in Appendix N.

** Grantees are involved in more than one activity.

FOPRIDEH's growing portfolio of grants shows it is ably developing its capacity as a funding agency. Although agricultural credit in the rural areas, and small industry in the urban areas constitute the major activities of most grantees,

there are also grantees involved in health, housing, transport, and traditional welfare (social relief) activities. This diversity in activities, as well as widespread geographical coverage should continue to provide the Federation with expertise and knowledge, which will, in turn, be used to refine its selection process and develop a source of training material based on actual experiences.

The information presented in this section also shows compliance with the objectives of the FOPRIDEH project. A wide variety of private development organizations are being supported. The bulk of the grant money is being used for investment purposes and in activities which emphasize income and job generation for the ultimate beneficiaries. The majority of sub-projects (those with credit programs) are undertaken by the grantees with the goal of generating revenues to cover part of their operating costs, and is part of the general preoccupation among the OPDs and FOPRIDEH with the issue of self-sufficiency.

(2) "Umbrella" Organization

Strengthening FOPRIDEH as an organization capable of providing a services to OPDs is the second objective of the project. A review of the record shows that the Federation is making progress in achieving this objective.

(a) Technical Assistance

Technical assistance provided by FOPRIDEH and related to sub-projects includes sub-project design, sub-project implementation and monitoring. The 28 sub-projects have required 66 visits or an average of over 2 visits per sub-project involving technical assistance for sub-project design and preparation. The 19 sub-projects under implementation or recently completed have had 106 supervisory and monitoring visits or an average of over 5 visits per sub-project.

In addition, FOPRIDEH has provided technical assistance in sub-project administration 39 times, or an average of 1 visit per sub-project. This type of technical assistance may be solicited by the grantee or may be considered necessary as a result of the monitoring of the sub-project.

(b) Training

Training through seminars, workshops, and other events are a significant activity of FOPRIDEH toward both the grantees and the OPD community in general.

The training courses, seminars and workshops sponsored by FOPRIDEH for all OPDs, as well as for FOPRIDEH's personnel have been an important activity and have contributed considerably to FOPRIDEH acceptance and recognition in the OPD community. Some 185 individuals have benefited from 28 training events. These training events took place in Honduras and other countries.

In addition to these open training events, FOPRIDEH also organizes and conducts grantee oriented training sessions in administrative and operational areas related to the implementation of sub-projects. The personnel of 8 grantees has benefited from 11 different sessions in accounting, computer use, and project administration.

(c) Representation

In its two years of existence, FOPRIDEH has gradually won not only the acceptance, but also the increasing support of OPDs. Its membership has grown from 11 to 28 OPDs. A majority of the OPDs visited by the evaluation team spoke of FOPRIDEH as "our organization", which contrasts by their own reports to an earlier appreciation of FOPRIDEH as either only a financing arm of AID or as a competing OPD.

The growing acceptance of FOPRIDEH as the legitimate representative of OPDs is an important achievement. It will have an immediate impact in the future of the organization, as more OPDs begin to actively participate in defining the types of activities and services that FOPRIDEH will deliver in the future. The present membership of 28 very diverse OPDs not only strengthens FOPRIDEH institutionally, but will also pose new challenges in the delivery of services.

Following the first annual meeting of PVOs in Honduras, several interviewed OPDs expressed their intention of becoming members. During July 1987, CEPROD (Centro de Estudios and Promoción de Desarrollo) and FURIL (Fundación Hondureña de Rehabilitación e Integración del Limitado) presented formal membership applications. Centro San Juan Bosco, L+L Fundación Hondureña de Iniciativa

Privada, and MOPAWI (a Miskito Indian OPD) have expressed their interest in membership.

Several other OPDs interviewed by the evaluators have also indicated their intention to apply for membership. These last ones indicated that since they enjoy all benefits without formal affiliation, they have had little incentive to become members. However, they indicate growing awareness of an obligation to becoming members and contributing to the strengthening of the Federation.

The majority of OPDs visited see FOPRIDEH as the representative of their common interests, the mechanism to get to know each other and coordinate actions, and an important source of information and technical assistance.

FOPRIDEH is making progress on becoming the OPDs' voice before the Government and the public sector. It is involved in a number of joint actions with public sector institutions. FOPRIDEH OR FOPRIDEH's members are currently serving as members or advisors in the following public sector agencies: SECPLAN (Secretaria de Planificacion Nacional); GADES (Gabinete de Desarrollo Social); INFOP (Instituto de Formacion Profesional); Ministerio de Gobernacion; and CONAVI (Consejo Nacional de Vivienda).

FOPRIDEH is also on its way to becoming internationally recognized as the OPD representative organization before international development agencies (public and private). It is achieving this status by: systematically contacting the most potential financial sources (PVOs and other development agencies) in the U.S., Canada and Europe; creating a data bank on financial sources for use by Honduran OPDs; channeling OPD requests for funds to PVOs and international development agencies; and participating in international meetings, training courses, etc.

Nationally, an important step in the consolidation of FOPRIDEH's role as the representative of Honduran OPDs was achieved through the first annual meeting of PVOs held in Tegucigalpa in June of 1987. The meeting was attended by representatives of 78 OPDs working in Honduras, 9 public sector institutions, and 7 international organizations, plus a host of other national organizations interested in development. All reports indicate that the meeting was a success and has contributed significantly to creating a feeling of solidarity in the OPD community and to raising the image of private sector development efforts.

(d) Growing Role of FOPRIDEH

Although FOPRIDEH was conceived as an umbrella organization of OPDs, the initial concentration of efforts went to creating a mechanism for the identification, design, approval, financing, and monitoring of sub-projects. This concentration of effort gave FOPRIDEH the initial appearance of a financing mechanism of AID. Some OPDs resented this role of FOPRIDEH fearing the loss of their direct relationship with AID.

In the process of implementing the financing mechanism, FOPRIDEH and the OPD community in general began to gradually discover other roles and activities which FOPRIDEH was uniquely qualified to assume and perform. These are mainly in the areas of representation, training, information collection and dissemination, and technical assistance.

This first meeting of PVOs already mentioned served both FOPRIDEH and the OPDs to realize the benefits of having a mechanism to exchange information and experiences, to bring them together, and to represent them. The interviews the evaluators held with various OPDs indicated that the OPDs expect and will demand from FOPRIDEH an increasing number of services related to information dissemination, coordination, and technical assistance.

FOPRIDEH, from its part, has gained sufficient experience through its portfolio of financed sub-projects to be in a position to begin to exploit the wealth of information and experience available in the OPD community in diverse activities. FOPRIDEH is expected to lead in a series of seminars and/or workshops dealing with subjects such as agricultural credit, micro enterprise development, health, housing, etc.

The consolidation of FOPRIDEH as an organization representing the OPD community and its interest will be related to FOPRIDEH's ability to deliver an increasing number of benefits in the areas of representation, information, training, and technical assistance. All of these areas of services are legitimate and natural functions of an association. New members will be attracted in the measure that FOPRIDEH can deliver these types of common benefits. At the same time, FOPRIDEH's membership will never include all OPDs in the country, since many will opt for a "free ride" simply because these benefits are open to everyone whether or not they are members. In addition, as a matter of policy, FOPRIDEH

is not allowed to restrict any benefits to members only. Consequently, FOPRIDEH's future active membership will never include all OPDs in Honduras, but a sufficient number to allow it to become firmly established and to represent all types of OPDs. What this number will be is difficult to estimate; however, the 28 current members already constitute a solid and diversified base to make FOPRIDEH a representative of the OPD community.

There is a growing awareness on the part of FOPRIDEH and many of its members for the need to increase the training of their staffs through the evaluation and study of their own experiences in the implementation of sub-projects. OPDs with similar sub-projects express the need to exchange information and experiences with other OPDs. OPDs indicate that lessons being learned through the implementation of sub-projects should not only be evaluated and analyzed, but more importantly, shared with similar OPDs implementing or planning to implement sub-projects in the same fields. The Board of Directors of FOPRIDEH has been attempting to organize "sub-groups" or committees of OPDs engaged in the same activity to exchange information and share experiences.

This "felt" need is an opportunity for FOPRIDEH to expand its training program and provide a service that could have a great deal of impact among all OPDs. The sponsorship of formal events designed to meet this need would contribute to FOPRIDEH's role as an "umbrella" institution providing important services to the OPD community.

Recommendation:

While continuing its financing activities, the Federation should concentrate its efforts on consolidating its position as an "umbrella" organization through the systematic delivery of training, technical assistance, and representation services to the OPD community.

b. Impact at the OPD Level

The second impact level of the FOPRIDEH project is at the grantee level. Strengthening and expanding the institutional capacity of OPDs to deliver services to the beneficiaries are the main results of the project at this level.

The strengthening and expanding of OPD capacity to deliver services is obtained through grants that cover the operational expenses of the PVOs and allow them to make investments in their human and material resources.

Operational costs include the salaries of program managers and technicians, as well as other expenses of service delivery (travel, per diem, etc). Operational costs account for 19% of the grant funds already allocated.

The following figures are projected figures on the impact on employment for OPD personnel:

- 21 of the OPD grantees are using part of their grants to generate 65 new positions for program managers and technicians.
- 163 already existing positions in all 28 grantee organizations will be maintained with partial support from the grant funds, either through direct contributions to their salaries, or through providing funds to undertake a new activity or contribute to an existing one.

OPD investments which include expanding the OPD training and technical capacities are projected to achieve the following:

- 26 grantees will organize 218 training sessions to benefit over 4,400 beneficiaries in subjects such as agriculture, business management, small industry development, health, housing.
- 25 grantees will provide continuing technical assistance to over 3,200 beneficiaries in agriculture, small industry, commerce, crafts, etc.

Investment in training and technical assistance account for 8.2% of the grant money.

A second area of investments by the grantees is the use of grant money in credit programs designed to provide loans for operational (and sometimes investment) expenses to beneficiaries. Fifty-six (56) percent of the grant money is being used for this purpose.

Initial projections are that 1,564 individuals will benefit with loans that vary in size from Lps. 50 to 200 in the case of the grantee credit program with the smallest loans, to loans of Lps. 1,000 to 5,000 in the case of the credit program with the largest loans. Projections beyond the initial round of loans are not yet available.

Five (5) grantees will be using their credit funds to give group loans to cooperatives and other groups. These loans will benefit several hundred members of these groups. They vary in size from Lps. 5,000 to over 83,000.

The main purpose of these loans is to support, expand, and create income producing activities among the beneficiaries of the OPDs. Most of the technical assistance and training mentioned above are also related to supporting, expanding and creating the income producing activities of the beneficiaries.

A second purpose of the credit program is to generate revenues for the OPDs, which can be used to partially cover the expenses of running these programs. This second purpose in the use of the grant for credit programs is related to the trend among the technically oriented OPDs towards programs that create the basis for the continuity and eventual self-sufficiency of their development activities.

In this early stage, revenue producing activities such as credit programs are having a minor impact on the "self-sufficiency" of the OPDs. Given the size of the credit programs and the income levels of the beneficiaries, it will be some time before OPDs become financially self-sufficient. The orientation of OPDs towards revenue producing activities is a logical consequence of the main intent of the FOPRIDEH project to help the ultimate beneficiaries improve the quality of their lives through income generating activities. OPDs will be able to become financially self-sufficient only if their clients (beneficiaries) reach sufficiently high income levels to afford the services they receive.

c. Impact at the Beneficiary Level

Impact at the FOPRIDEH and OPD levels are the means to the main goal of the project: improving the quality of life of the poorer segment of the population of Honduras.

Higher incomes, jobs, better health, more education, better housing, etc. are some of the impacts that the FOPRIDEH project is designed to have.

Existing data on the impact of the project at the beneficiary level is limited to projections. The projections themselves are limited to a few indicators. The most significant of those projected indicators are:

-- generation of 1,553 new jobs;

- contribution to the job stability of some 7,500 individuals by strengthening the businesses that employ them;
- increasing the incomes of the beneficiaries by 15 to 30% over the life of the sub-projects.

Evaluation of project impact at this level is not only limited by the fact that most sub-projects are under implementation or are scheduled to begin implementation in the near future, but also by a lack of methodology and system to gather data on an ongoing basis for each one of the sub-projects.

Recommendations have already been made in Sections 3. and 7. on technical assistance and monitoring and evaluation to create within FOPRIDEH a capability to conduct impact evaluation studies of the sub-projects and their finances.

9. FOPRIDEH's Self-Sufficiency

With about 8 months remaining in the life of the AID/FOPRIDEH project, it is doubtful that the Federation will be able to achieve the objectives envisioned in the project documents, which revolve around the notion that self-sufficiency will be in place after the termination of AID's support in March, 1988.

FOPRIDEH is at present totally dependent on one source of financing - AID, with administrative inadequacies in negotiating with that sole source of financing. A high proportion of the funds are earmarked to finance the activities of OPDs, while demands are growing for the Federation to expand and reinforce its administrative and program management capabilities and there is increasing need for higher profile in technical assistance to OPDs.

There are limitations to the Federation's ability to use funds for special internal development activities and continuing training programs (See 4. Training Service). This funding make-up reduces the speed at which the Federation can become more professional and increase its appeal to the local OPD community and potential international sources of funds.

The notion of self-sufficiency of FOPRIDEH was never made clear in the project documents. Two interpretations are possible: 1) self-sufficiency means developing the capabilities of FOPRIDEH to obtain funds from sources other than AID; 2) self-sufficiency means generation of revenues from the services it provides.

The strategy that the Federation has been following is a combination of the two.

a. Revenue Generation and Self-Sufficiency

In the 27 months of operations, FOPRIDEH has generated over 22% of the money needed to cover its expenses. Table 6, next page, presents details on the revenues and expenses of the Federation between March 1985 and June 1987.

The principal sources of revenues generated by FOPRIDEH's activities are sub-project administration (25% of total revenues) and overhead/administration of the Pro Alma Project (30% of total revenues). A recently signed contract to administer a Population Council Grant will increase the share of revenues obtained by the Federation through this type of activity. The rest of the revenues generated by FOPRIDEH's activities (membership and training fees, and fees on interest earned by OPDs) amount to 14% of total revenues.

The second significant source of revenue has been the interest earned by FOPRIDEH from obligated sub-project funds sitting in certificates of deposit (CDs) and savings accounts.

Table 6.

STATEMENT OF REVENUE AND EXPENSES

March 1985 through June 1987

(All Values in Lempiras (exchange rate Lps 2 = US\$ 1))

REVENUE	1985 March - Dec.	1986	1987 Jan. - June	TOTAL
Sub-Project				
Admin. (4.5%)	0	27,836	34,513	62,349
Overhead and Ad. of Pro Alma	0	51,419	22,394	73,813
Fee on OPD Interest Revenue (1)	0	808	3,919	4,727
Training Fees	0	9,635	2,600	12,235
OPD Fees:				
Affiliation	2,475	600	1,200	4,275
Annual Fees	0	5,400	6,400	11,800
Other:				
Interest Earned c/d 0280	10,717	23,718	20,965	55,400
Savings Accounts	1,618	5,194	7,601	14,642
Miscellaneous	0	208	8,264	8,472
TOTAL REVENUES	14,810	124,818	107,856	247,484
EXPENSES				
Annual Operating:				
0280	105,974	366,832	212,064	684,870
0266	67,306	210,153	72,634	350,093
Subtotal	173,280	576,985	284,698	1,034,963
Equipment: (2)				
Furniture	7,398	9,864	4,932	22,194
Vehicles	8,694	11,592	5,796	26,082
Computing	2,250	3,000	1,500	6,750
Subtotal	18,342	24,456	12,228	55,026
Start Up Costs (2)	1,989	2,652	1,326	5,967
TOTAL EXPENSES	193,611	604,093	298,252	1,095,956
FOPRIDEH's INCOME (revenues - expenses)	(178,801)	(479,275)	(190,396)	(848,472)

(1) Fees actually collected

(2) Amortized over 5 years

Actual Costs to Date: (Equip. 122,273 and Start Up Costs 13,289)

Source: Based on Financial Information Provided by FOPRIDEH

Revenues could potentially be increased from two activities: (1) overhead fees for administrating additional projects (like PRO ALMA and Population Council), and (2) a change from charging fees on the interest earned by OPDs on grant money used for credit to a formal lending program.

The fee on the revenues earned by OPDs from their credit programs has been controversial and has not produced a significant revenue for the Federation. This fee consists of charging the OPDs that use grant money in their credit program 1/4 of the interest earnings during the first 3 years, and 1/8 during the next 3 years.

Many grantees as well as members of the Board are opposed to this fee on the basis that the grants are gifts and not loans (see section 10. for more on this issue). FOPRIDEH's Executive Direction has not been aggressively collecting this fee, as a consequence of the disagreement.

The fee on interest revenues and the controversy of its appropriateness point to a key issue in the matter of self-sufficiency. The issue involves the question of the self-sufficiency of not only the Federation, but also of the OPDs, and ultimately, of the beneficiaries.

It is generally accepted that handouts are not the best way to help needy people find jobs, increase their incomes, and become self-sufficient. The grantee OPDs (that are structured and function as development agencies) have used the bulk of the grant money in credit programs designed to assist beneficiaries, with loans, technical assistance and training in the generation of jobs or the improvement of existing ones.

The idea behind these credit programs is that they will assist the beneficiaries to increase their incomes to a level that makes them acceptable bank clients. Initially, the beneficiaries are expected to pay part of the cost of the services they receive from the OPDs. Eventually, as the beneficiaries need less assistance, they would be expected to pay the full cost of the services. When the beneficiaries reach this point, they would be eligible and have the option to obtain credit from the normal banking sources.

All OPDs running credit programs are at the initial stages, and their credit programs (even when the interest charged is at the commercial rate or higher) are heavily subsidized. The subsidies are in technical assistance, training and close supervision. The credit funds are small, and the revenues generated serve only to cover partially the costs of the credit programs themselves. Thus, OPD costs are covered by grants from FOPRIDEH and other sources.

Given the income levels of the beneficiaries, it will be a long time before the OPDs and the Federation can generate the revenues needed to cover the expenses of delivering services to the beneficiaries. Nevertheless, loans rather than gifts to the beneficiaries are a positive step in the direction towards eventual self-sufficiency of the OPDs.

Turning the part of the grants used by the client OPDs for income producing activities into a concessionary loan program will not lead to FOPRIDEH's self-sufficiency, but could contribute to its revenues and become more consistent with the philosophy of OPDs as development agencies.

OPDs would still be given grants for activities that do not directly generate revenues or are undertaken in support of the credit programs. OPDs in social and humanitarian endeavors with no chances or pretension of becoming financially self-sufficient will continue to receive grants.

Recommendation:

The Federation should undertake, as soon as possible, a review of its funding policy to study the implications of setting up a concessionary loan program for the part of the Grant funds presently being used by OPDs in credit programs and other revenue producing activities.

b. FOPRIDEH's Fund Raising Strategy

During the early part of 1987, the Federation developed an action plan to initiate a fund-raising campaign.

The strategy for financial source diversification developed by the external technical assistance advisor (funded under project 522-ESP-026b and CIM of Europe) is summarized as follows:

- Collect information on specific international entities and organizations interested in development, in order to create a data bank that will facilitate the search for alternative sources of financing (this is in progress).
- Approach those international entities with particular characteristics and appeal to the Federation by providing them with periodic information on problems, achievements and future plans of the Federation, cooperating with them through dissemination of information of their activities with local OPDs, and seeking direct contact with their local representatives to solicit suggestions for diversification of sources of support.

- Make the Federation more appealing to local OPDs and international entities by:
 - strengthening its training, information handling, and cooperation capabilities;
 - offering the data bank resources for use by OPDs;
 - improving technical assistance to OPDs in managing their sub-projects;
 - improving initiatives to produce a greater variety of attractive projects;
- Prepare a long term plan (10 years) that will facilitate continuity and extended visibility of the Federation's activities and desire for growth.
- Disseminate information among international entities on the Federation's ability to administer projects, e.g. PRO ALMA and Population Council.

Appendix O contains a list of specific actions taken by the Federation to obtain financial resources from other donors.

We find FOPRIDEH's strategy for fund-raising, as the second leg of its strategy for self-sufficiency, adequate. The emphasis on long-term goals and the systematic approach taken to develop the strategy contrast favorably with the experimental revenue generation actions taken in the implementation of the AID/FOPRIDEH project.

Recommendation:

FOPRIDEH should start the fund-raising campaign as planned without further delay.

AID and FOPRIDEH should consider using funds from grant 0266 to contract short-term assistance on fund raising in the U.S. to complement the European expertise of the long-term advisor.

c. Endowment of the Federation and Self-sufficiency

The matter of FOPRIDEH as well as OPD self-sufficiency and continuity through the generation of revenues, which at least cover the basic operational costs, was raised by many of the OPD directors interviewed. Charging fees for services, while likely to generate some revenue, is unlikely to become the source of self-sufficiency in the near or even medium term. Grants, which are usually given for specific projects with a definite time frame, generate bursts of activity and growth that often end before the development effort has reached self-sufficiency. With increasing frequency, grant agreements demand that the grantees generate revenues for

operational costs. This demand sometimes does not take into account that those service generated revenues must be raised from a target population that, by all indicators, is unable to pay for them, which is the reason why grants are given in the first place.

One of the OPD directors interviewed made an interesting suggestion: that the possibility be explored of endowing the Federation with a revenue producing office building that would allow it to have a reliable source of income for its administrative and operating expenses.

We find this an excellent suggestion, and recommend FOPRIDEH to make it a part of its fund-raising campaign.

Recommendation:

In its strategy for self-sufficiency, FOPRIDEH should include a strategy for endowing itself with a revenue producing office building that would allow it to have a reliable and continuing source of income for its basic administrative and operating expenses.

10. General Observations and Comments: Grant/Credit/Investment Concepts

FOPRIDEH's approach to funding OPDs deserves some examination to make explicit a number of assumptions which at times may be a cause of misunderstandings.

The following example illustrates FOPRIDEH's funding approach. The first grant made by FOPRIDEH went to ASEPADE to help a number of small merchants who had lost their business in a fire. Newspaper accounts of the event mentioned the fact that AID had "donated" the funds to help these merchants.

The merchants' interpretation of donated funds was that it was a gift to them and they demanded that all the money be delivered to them without any conditions attached. ASEPADE and FOPRIDEH had to spend considerable time explaining to the beneficiaries that the funds were a grant designed to assist them recover their business and as such there were conditions attached to it. Some 18 months later, some 30% of the loans remain unpaid.

"Donación" is the Spanish translation for both grant and donation. "Donación" means a gift in the Honduran cultural context. Gifts are voluntary acts, and at least among adults, imply some kind of reciprocity, but not a specified set of conditions nor the right of the giver to monitor the use of the gift.

To avoid the social and cultural complications of a relationship involving gifts, and to preserve the intent of AID donated funds, FOPRIDEH's approach to funding grantees is defined as the financing of specific services, equipment, materials, etc. on behalf of the welfare and well being of the target population. The word donation, grant, or gift is never used. One has to look very carefully in the FOPRIDEH/OPD agreements to find the clause stating that the funds provided are, in fact, non-reimbursable or in plain words, a gift.

By couching its grants in terms of financing the grantee's services, FOPRIDEH is in effect contracting services for the benefit of the target population. Therefore, the relationship between FOPRIDEH and the grantee involves a series of rights and obligations on both sides. FOPRIDEH has the right to select what it finances, to monitor its "investment" and to expect a "return" on it.

The "returns" expected from this "investment" are benefits to the target population. The bottom line of these benefits are defined as increased income, employment generation, better health, education, or simply an improvement in quality of life.

Providing these benefits to the target population has a cost, which given the income levels of beneficiaries cannot be expected to be fully repaid. Consequently, the costs of the delivery of these services is covered, in different proportions, by the grants.

Most of FOPRIDEH's grantees replicate FOPRIDEH's funding approach in their dealings with their beneficiaries. They are all very careful to establish the fact that they are financing "investments" and not providing gifts.

This tendency towards financing development through financing "investments" and away from gifts is part of the general trend to making the grant process a developmental tool and getting away from the notion of grants as a charitable activity that creates dependency, and frequently, a disincentive to self-help.

Although, in effect, grants continue to heavily subsidize services to the poor, it is now expected that these services will produce measurable returns in terms of actual benefits, lead to self-help and independence on the part of the beneficiaries, and render the grantee's services unnecessary.

What services, to whom, what degree of subsidy, and for how long are all questions that the OPD community in Honduras and elsewhere is trying to find answers to. The goal, however, is clear: services to the poor should eventually bring them out of poverty by increasing their incomes to the levels which allow them to buy these services without any subsidies.

Although the goals and purposes of grants are clear and there is consensus that the beneficiaries should eventually become self-sufficient, there is a tendency to expect too much too soon.

All private development organizations (OPDs) are under increasing pressure not only to achieve beneficiary self-sufficiency, but also to become self-sufficient themselves. This pressure on OPDs is reflected in the terms of the grants which emphasize productive activities, and in the increasing tendency among OPDs to focus on revenue producing activities.

The majority of FOPRIDEH's grantees are Private Development Organizations. FOPRIDEH is the Federation of these organizations. Most of these OPDs were formed to function as development agencies to provide services to clients. As development agencies, they tend to function as professional service delivery organizations. They have paid technical staff who work under contract. In their organization and basic approach, there is little that resembles the old type of Private Voluntary Organization dedicated to charitable work. Yet, they all depend, at least to date, on grants for their existence. Given the income levels of their clients and the time needed to foster self-sustaining activities among them, it will be some time before the OPDs themselves can become self-sufficient.

Recognizing the funding approach of FOPRIDEH, most of the OPDs and other grantees and the economic development stage of the target population should help put some perspective on the issue of self-sufficiency. It should also contribute to a policy formulation on the funding of OPD activities as grants and credits by making distinctions on what kinds of activities can and will generate revenues through income producing, beneficiary sub-project activities. Finally, it should contribute to making a distinction between different types of grantees into development agencies and charitable or welfare organizations.

A P P E N D I C E S

TERMS OF REFERENCE
FOR THE EVALUATION OF FOPRIDEH

A. Administrative System and Internal Controls

1. The validity of the administrative structure of FOPRIDEH for the development of activities that form FOPRIDEH's mandate, including the eventual self-sufficiency of the project.
2. Type of internal controls established for the use of funds. Efficiency of FOPRIDEH's accounting system and the impact of the administrative recommendations from the November 1986 audit, conducted by the USAID Financial Analysis Office.
3. Effectiveness of the policies used with respect to personnel administration and labor conditions of FOPRIDEH's employees.

B. Project Proposal Design, Review, and Approval Process

1. An analysis of the configuration of FOPRIDEH's Design and Analysis Committee and that Committee's capability regarding PVO's project proposal review and approval.
2. Type and effectiveness of the assistance provided to PVOs in the improvement of project proposals and the technical capacity that these PVOs have as a result of FOPRIDEH's assistance.

Appendix A

TERMS OF REFERENCE FOR THE EVALUATION OF FOPRIDEH

-2-

3. Role of FOPRIDEH's field supervisors with respect to information gathering to improve and better evaluate project proposals.
4. The extent and desirability of A.I.D.'s participation in the process of project proposal approval as it was initially contemplated in FOPRIDEH's agreement. Type of participation and support required from USAID to FOPRIDEH for the future.
5. Adequacy of the criteria used for the selection of project proposals by the Design and Analysis Committees.
6. Established procedures for screening and approval of project proposals and whether these procedures take up too much time vis a vis other activities and allow for a fair distribution of financial resources to PVOs, both members and non-members of FOPRIDEH.

C. Project Monitoring

1. Effectiveness of technical assistance and follow-up given to PVOs by FOPRIDEH for the implementation of projects.
2. Role played by FOPRIDEH's Special Activities Coordinator in the monitoring of grant agreements with PVOs. Impact of programmed training under the grant to the organization.
3. What type of procedures are established in FOPRIDEH in order to manage problematic projects? Is there a procedure to suspend or cancel a project?.

Appendix A

TERMS OF REFERENCE FOR THE EVALUATION OF FOPRIDEH

-3-

D. Technical Assistance and Institution Building for PVOs

1. What kinds of activities has FOPRIDEH planned and implemented for technical assistance and institution building in the PVO community. How do these activities compare with the expressed needs of the PVO community.
2. Institutional capacity that has been realized by FOPRIDEH through contracted technical assistance and the adequacy of the technical assistance.
3. How many member organizations does FOPRIDEH have? How many did it have when the project was started? Are there barriers that keep some PVO's from becoming members who want to become members? If there are barriers, how can these be overcome?

E. Project Impact

1. What type of systems have been created in order to evaluate project's impact in the areas of productivity, employment, income generation, health and education?
2. What impact has this project had in each one of those previous areas?
3. Adequacy and effectiveness of PVO approach to generate developmental impact. Modifications needed in project design to magnify that impact.

SV

Appendix A

TERMS OF REFERENCE FOR THE EVALUATION OF FOPRIDEH

-4-

F. FOPRIDEH's Overall Strategy and Action Plan

1. Description of strategy for the allocation of financial resources and the validity of this strategy with respect to FOPRIDEH's eventual self-sufficiency. What has been the role played by the technical assistance contractors in the design and implementation of this strategy?.
2. What systems are being used by FOPRIDEH for the planning of the use of financial resources for medium-term project financing (2 to 5 years).
3. Is there a specified set of targets or goals which FOPRIDEH hopes to reach by the end of the Project? How are they doing in reaching these targets?.

G. Self-Sufficiency

1. Mechanisms and requirements established in order to obtain a percentage of counterpart for project implementation from the FOPRIDEH grantee.
 2. What types of activities may permit FOPRIDEH to reach a 100% self-sufficiency?
 3. Institutional capacity in place and needed to eventually implement a loan component to PVOs.
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Appendix A

TERMS OF REFERENCE FOR THE EVALUATION OF FOPRIDEH

-5-

4. How well is FOPRIDEH performing in activities where it is generating funds through services such as funds management for PROALMA and the Population Council? Do they have the capacity to take on more of these kinds of activities?
5. What kind of financial support will be needed by FOPRIDEH in the future from AID to maintain their present level of activity?

II. General

1. Institutional systems that need to be strengthened or modified. Make recommendations to achieve that objective.

LIST OF INSTITUTIONS CONTACTED

The following organizations were visited by the evaluators to discuss issues related to FOPRIDEH's evaluation and to assess the nature of the institution. In cases where the organization was a FOPRIDE grantee the interviews included a brief assessment of the institution's sub-project.

FOPRIDEH affiliates are marked with a *
OPD with FOPRIDEH grants are marked with +

1. ASEPADE: Asesores para el Desarrollo **+
2. ACAN: Asociación Campesina Nacional +
3. FUNDHEMU: Fundación Hondureña de Desarrollo de la Mujer +
4. I.D.H.: Instituto para el Desarrollo Hondureño **+
5. INHBIER: Instituto Hondureño de Bienestar Rural **+
6. FEDECOH: Federación de Desarrollo Comunitario de Honduras **+
7. COPACYL: Cooperativa de Ahorro y Crédito Yoro Limitada +
8. CEDEN: Comité Evangélico de Desarrollo y Emergencia Nacional +
9. AIEH: Asociación de Instituciones Evangélicas de Honduras **+
10. HOPE: **+
11. ACPH: Acción Cultural Popular Hondureña *(withdrawing from the Federation)
12. AHDEJUMUR: Asociación Hondureña para el Desarrollo de la Juventud y de la Mujer Rural +
13. CARE Honduras *
14. IFC: Instituto de Investigación y Formación Cooperativa *
15. AHE: Asociación Hondureña de Ecología *

Appendix B

LIST OF INSTITUTIONS CONTACTED

-2-

16. CCF: Fondo Cristiano para Niños *
17. ODEF: Organización para el Desarrollo Empresarial Femenino *
18. FUHRIL: Fundación Hondureña de Rehabilitación del Inválido Limitado
19. CATHOLIC RELIEF SERVICE
20. Horizontes de Amistad *

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FOPRIDEH
BOARD OF DIRECTORS AND EXECUTIVE COMMITTEES

BOARD OF DIRECTORS
(Private Voluntary)

PRESIDENTE	Asesores para el Desarrollo (ASEPADE) Lic. Juan Ramón Martínez
VICEPRESIDENTE	Américas Mano a Mano Lic. Raúl Flores Gómez
SECRETARIO	Instituto de Investigación y Formación Cooperativista (IFC) Lic. Carlos Vigil Moreno
1er. VOCAL TESORERO	Instituto para el Desarrollo Hondureño (IDH) Lic. Rodolfo Grádiz
2do. VOCAL	Fundación Horizontes de Amistad Lic. Isabel de Zapata

VOLUNTARY EXECUTIVE COMMITTEE

PRESIDENTE	Asociación San José Obrero (ASJO) Rev. Alejandro López Tuero
SECRETARIO	Fondo Cristiano para Niños (CCF) Lic. Norma de Sierra
VOCAL	Federación de Desarrollo Comunitario de Honduras (FEDECOH) Lic. Mercedes Sofia de Gloetzner
VOCAL	Federación Hondureña de Cooperativistas Industriales Limitada (FEHCIL) Lic. Marlen Urtecho de Salazar
VOCAL	CARE HONDURAS Lic. Martín Schwarz

Appendix C

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VOLUNTARY FINANCE COMMITTEE
(Meets Monthly 4-6 Hours)

1. Propietarios Institucionales:
 - Américas Mano a Mano Sra. Zonia Matilde de Flores
 - Asociación San José Obrero (ASJO) Rev. Alejandro López Tuero
 - Fondo Cristiano para Niños (CCF) Lic. Norma de Sierra
 - Instituto para el Desarrollo Hondureño Lic. Rodolfo Grádiz
 - Suplentes Institucionales:
 - Fundación Horizontes de Amistad Lic. Isabel de Zapata
 - Hermandad de Honduras Ing. Carlos Pineda
2. FOPRIDEH
 - Presidente del Comité Ing. Ramiro Irabién
3. Propietarios Individuales:
 - Sector Financiero Lic. Virginia de Avilez
 - Sector Social Lic. Ramón Velásquez Nazar
 - Sector Empresarial Ing. Zacarías Bendeck
 - Suplente Individual:
 - Club de Servicio Lic. Guillermo López Gómez
4. Miembro Especial:
 - Agencia para el Desarrollo Internacional (AID) Lic. Margarita Castellón de López

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FOPRIDEH STAFF

1. Executive Director
2. Secretary
3. Special Activities Coordinator
4. Accountant/Administrator
5. Bookkeeper
6. Bookkeeper (PROALMA II)
7. Secretary/Computer Operator
8. Office Boy (Conserje)
9. Maid
10. Chief Project Analyst
11. Project Analyst
12. Field Supervisor - Agronomist
13. Field Supervisor - Economist
14. Receptionist

FOPRIDEH

LIST OF MANUALS FOR ADMINISTRATIVE POLICIES AND PROCEDURES

1. FOPRIDEH Statement of Policies and Procedures for the Approval of OPD Sub-projects. Outline of Selection Priorities as Stated in USAID/Honduras Project No. 522-ESF-0280.
2. FOPRIDEH's Institutional Code of Ethics.
3. FOPRIDEH Manual of Policies, Procedures and Norms for the Administration of Personnel.
4. Accounting Manual. Chart of Accounts and Financial Reporting System.
5. Manual of Security, Office Procedures and Internal Control of Resources.
6. Manual for Vehicle Use and Maintenance.
7. Manual for Petty Cash Handling.
8. Guide for Training and Technical Assistance under AID Project 522-0266.
9. Guide for Evaluation of Accounting and Administrative Capabilities of OPDs, Prior to Approval of Project Proposals.
10. Guide for the Presentation of a Project "Perfil".

Appendix E

FOPRIDEH LIST OF MANUALS FOR ADMINISTRATIVE POLICIES AND PROCEDURES

-2-

11. Guide for the Preparation and Approval of Project Financing Proposals.
12. Guide for the Preparation of an Application for Membership Affiliation in FOPRIDEH.
13. Manual for Control of Travel and Perdiem.
14. Manual of Detailed Procedures and Criteria for Review and Approval of Proposed Projects Submitted by OPDs.
15. Manual for Follow-up and Monitoring Implementation of Sub-projects and their Socio-Economic Impact.

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FOPRIDEH
PROGRAMA DE CAPACITACION

- I. Areas de Capacitación para Personal Intermedio y Técnico de OPD's para transmisión a Beneficiarios Finales.

Areas:

1. Desarrollo

- a. Filosofía o corrientes de desarrollo.
- b. Políticas y estrategias de desarrollo.
Internacionales y Nacionales.
- c. Organismos de desarrollo.
Internacionales, Locales, Estatales y OPD's.

2. Administrativo

- a. Planificación, programación, diseño, evaluación de proyectos, estadísticas.
- b. Administración, crédito, contabilidad básica.

3. Tecnologías

Calidad, diseño, producción (sistemas), mercadeo, etc.

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Appendix F

FOPRIDEH PROGRAMA DE CAPACITACION

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4. Campos Técnicos Específicos

- a. Agricultura General:
Granos básicos, hortalizas, frutales, ganado menor, piscicultura, apicultura, ornamentales, cultivos industriales, etc.
- b. Agricultura de Ladera:
Técnicas de conservación de suelos, nivelación, acequias, aboneras orgánicas, etc.
- c. Agroindustria Artesanal:
Conservación de alimentos, deshidratación y concentración, salado y cristalización, enlatado y embotellado, fermentación, encurtir, enfriamiento y congelación, irradiación, etc.
- d. Tecnología Rural Apropiada:
Para riego, obtención de energía, construcción de viviendas, etc.
- e. Micro-Industria:
Calzado y cueros; madera, carpintería, hojalatería y metal mecánico, construcción, alimentaria, vestuario, etc.
- f. Comercio y servicios.
- g. Transporte.
- h. Salud.
- i. Artesanías.

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5. Organizativa

- a. Razones para la organización.
- b. Tipos de organizaciones:
Asociaciones, cooperativas, sociedades, tribus, clubs, consejos,
etc.
- c. Funcionamiento de la organización.

II. Formas de Capacitación

- 1. Charlas Periódicas.
Para información o reforzamiento de un tema.
- 2. Seminarios-talleres.
Exposición de temas y recopilación de opiniones sobre el tema.
- 3. Cursos específicos.
Capacitación de grupos en áreas determinadas.
- 4. Boletines y libros.
Informativos, y de temas específicos.
- 5. Biblioteca y Hemeroteca.
Para uso general y específico.

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Appendix F

FOPRIDEH PROGRAMA DE CAPACITACION

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6. Demostraciones específicas.
7. Intercambio de experiencias, giras educativas.
8. Medios, ayudas audiovisuales especializadas.
 - a. Proyectos de slides
 - b. Proyectos de acetatos
 - c. Proyectos de cintas
 - d. Betamax o VHS, para proyección de documentales
 - e. Grabadora para conferencias, etc.

III. Recursos Humanos para la Capacitación

1. Técnicos y profesionales nacionales y extranjeros contratados para actividades específicas.
2. Personal especializado de OPDs, Agencias Gubernamentales y Gubernamentales (Zamorano, INFOP, Universidad Nacional, etc.)

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LIST OF FOPRIDEH DOCUMENTS

SUB-PROJECT SELECTION PROCESS AND MONITORING POLICIES, MANUALS, AND GUIDES

1. Project Approval Policies and Priorities
Políticas y Prioridades para la Aprobación de Proyectos
2. Analysis and Approval Procedures
Procedimiento de Análisis y Aprobación de Proyectos a Financiar
3. Classification System of Proposals
Sistema para Clasificar Propuestas a Financiar
4. Proposal Register and Control Method
Método para Numerar las Propuestas para Financiamiento
5. Funds Distribution System
Sistema de Distribución de Recursos Financieros
6. Selection Committee Rules
Reglamento del Comité de Financiamiento
7. Sub-Project Monitoring Manual
Manual de Seguimiento de Proyectos
8. Sub-Project Profile Guide
Guía para la Presentación de un Perfil de Proyectos
9. Proposal Preparation Guide
Guía para la Propuesta de Financiamientos

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FOPRIDEH
FINANCIAL SUMMARY OF GRANT AGREEMENTS
6/30/87

<u>Grant Purpose</u>	<u>Grant Amount</u>	<u>Received by FOPRIDEH</u>	<u>Spent 6/30/87</u>
A. <u>522-ESF-0280 (3/85 - 3/90)</u>			
Financing of Sub-projects:			
1. Institutional costs of FOPRIDEH	1,875,000		595,218
2. Financing for PVO Projects	<u>8,125,000</u>	<u> </u>	<u>1,405,711</u>
	1,000,000	3,800,000	
B. <u>522-0266 (3/85 - 3/88)</u>			
Complementary Dollar Costs for Institutional Development-FOPRIDEH			
- L/T Tech. Asst.	\$ 293,500		
- S/T Tech. Asst.	50,000		
- S/T Training	130,000		
- Equipment/Supplies	<u>26,000</u>		
	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
	\$ 500,000	\$ 225,462	\$ 141,394

Appendix h

FOPRIDEH-FINANCIAL SUMMARY OF GRANT AGREEMENTS
6/30/87

-2-

<u>Grant Purpose</u>	<u>Grant Amount</u>	Received by <u>FOPRIDEH</u>	<u>Spent 6/30/87</u>
C. <u>522-ES-313 (12/85 - 12/88)</u>	L 2,337,000	L 1,400,000	L 785,876

FOPRIDEH/AID/PROALMA II
FOPRIDEH administers the funds
for AID, Ministry of Health,
Council of Soc. Welfare and the
Institute of Social Security.

D. <u>C186.33A FOPRIDEH/POPULATION COUNCIL</u>	(\$ 90,497)	(\$ 31,665)	
<u>(9/86 - 3/88)</u>	(\$ 90,497)	L 63,330	L 64,517

FOPRIDEH Administers the funds
for Population Council and
AID to support Maternal-Child-
Health Program.

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F O P R I D E H

FEDERACION DE ORGANIZACIONES PRIVADAS DE DESARROLLO DE HONDURAS.

ESTADO DE SOLICITUDES DE FINANCIAMIENTO

AL 30 DE JUNIO DE 1957.

001	COOP.LAS CRUCITAS	Institución agua potable	16,201	Denegada
002	AHPE	Capac.Mujer Campesina	170,000	Denegada
003	Club Rotario Choluteca	Rehabilitación Alconolica	26,952	En Ejecución
004	FEHCIL	Fortalecimiento Institución		
005	COOP.LA UNION	Crédito a Cooperativas	195,040	En Ejecución
006	CGT	Trasn.p.y proy.product.	49,636	En Ejecución
007	ITSM	Fortal.Institucional Capa- citación	116,161	Denegada
008	ATA	Talleres Rurales	41,800	En Ejecución
009	ASEPADE	Ayuda al Artesano	200,000	Retirada
010	ANMPI	Reconst.de Fuentes de Venta y Crédito	60,000	En Ejecución
011	ACAN	Crédito al mocroind.	200,000	En Ejecución
012	UTICOL	Capac.y crédito agric.	39,700	En Ejecución
013	FUNHDEMU	Producción de Papaya	108,000	En Ejecución
014	COOP.NUEVA SUBIRANA	Crédito Mujer Microemp. Producción Agrícola, artesanal y mejora en servicio de salud	104,500	En Ejecución
015	CAMARA DE COMERCIO	Crédito peq.Proyectos	116,000	En Ejecución
016	MADERAS RONY	Producción de Muebles	200,000	Reformulación Perfil
017	ITEC	Crédito Educativo	30,000	Denegada
018	SAN JOSE DEL MARIOL	Crédito Educativo	60,000	Denegada
019	OFASA	Cultivo De Flores	165,000	Denegada
020	IDH	Crédito Agrícola y Nutr.	200,000	Preparación de Propuest
021	COHORSIL	Crédito Peq.Industria	200,000	En Ejecución
022	FEHCAFOR	Centro de Investigación y Cooperativa Agrícola	51,088	En Ejecución
023	AHDAR	Crédito para la Producción agroforestal	131,200	Perfil (Indagatoria)
024	FENAGH	Capacitación,generación empleo		Contacto Inicial
025	SAIS	Reactivación Institucio. Cria Ganado Vacuno y Porcino	65,825	Denegada
026	ECAT	Comercialización de Leche y Derivados	22,774	Denegada
027	AHE	Coservación de Suelos y Aprovechamiento de flora	30,000	Denegada
028	COOP.LAS TERRAZAS	Cult.Hortalizas/Flores	23,000	Propuesta en Preparació
029	COOP.MAYA OCCIDENTAL	Crédito Agrícola y Beneficiado de arroz	160,000	Denegada
030	COOP.MODISTAS CONCORDIA	Capital de Trabajo	200,000	Aprobada
031	INHBIER	Crédito Agrícola y Capacitación	5,146	Denegada
032	EL SEMBRADOR	Crédito Produc.Porcina	180,000	En Ejecución
033	FECORAH	Crédito Pequeños Proyec- tos Productivos	200,000	Retirada
			200,000	En Suspensio

034	VISION MUNDIAL	Conservación de Ambiente	200,000	Retirada
035	AIEH	Des.int.Zona de Yoro	200,000	En Ejecución
036	COMCA	Conservación Ambiental	120,000	Denegada
037	PATRONATO LINACA	Inst.Agua Potable	4,189	Investigación
038	PROYECTO DIAMANTE	Drogadictos	200,000	Perfil en Indagatoria
039	AMERICAS MANO A MANO	Capacitación Y Apoyo Financiero a la producci- ón agrícola	180,000	En Ejecución
040	APRODIB	Cap.y Crédito a la Microempresa	200,000	En Ejecución
041	COHMEAI	Apoyo Técnico y Financ. a la microempresa	136,000	Aprobado
042	COOPACYL	Crédito para la Agricul. Ganaderia y Vivienda	200,000	En Ej. cución
043	COPEN	Diagnóstico Plan Nacional de Emergencia	200,000	Denegada
044	CAMARONERA MONTEVISTA	Cultivo Camarones en Agua Dulce	200,000	Denegada
045	CARPROMACOL	Crédito Agrícola	200,000	Denegada
046	HOPE/HONDURAS	Capacitación Maestros en el Area de la Salud	200,000	Aprobada
047	COOP.AUTOMOTRIZ SULA	Reparación y Remodelación de Automóviles	200,000	Denegada
048	COOP.EL SAUCE	Cultivo de Plátano	41,260	Propuesta en Preparación
049	COOP.LA COSTENA	Prod. y Comercialización de embutidos	195,000	Denegada
050	IISE	Crédito grupos campesinos	36,000	Reformulación de perfil
051	FACACH	Financiar Proyectos Agropecuarios	200,000	Denegada
052	ODEF	Capac.a microartesanos	200,000	Retirada
053	CEDEN	Cultivo de Chile Tabasco	172,425	Aprobada
054	MOPAWI	Crédito a la Producción y Comercialización	200,000	Propuesta en Preparación
055	COOP.GUAYMAS LIMITADA	Producción Ganadera	200,000	Denegada
056	FUPROCODE	Crédito a la producción Agropecuaria	90,220	En Ejecución
057	CLUB INTERNAL/COSTURA	Crédito Produc.Manual	200,000	Perfil en Indagatoria
058	COOP. LOS PINOS	Crédito Produc. de Cal	90,000	Perfil en Indagatoria
059	LIGA CONTRA EL CANCER	Clínica Ambulante	20,000	Indagatoria
060	INST.TECNICO LOYOLA	Cap.Tecni. en Mecánica y Carpinteria	30,000	Preparación de Propuesta
061	FEDECOH	Cap.y Crédito Producc.	200,000	En Ejecución
062	CRUZ ROJA HONDUREÑA	Análisis Bacteriológico	200,000	Aprobada
063	CODIDES	Generación de Trabajo Comunitario	200,000	Aprobada
064	ASJO	Clínica Popular de Servicios Múltiples	200,000	Aprobada
065	OFRANEH	Fortalecimiento Instituc. y Crédito Peq.Proyectos	200,000	Aprobada
066	AGUA PARA EL PUEBLO	Agua Potable y Saneami- ento Ambiental	700,000	Denegada
067	CARITAS PARROQUIAL	Mercadeo Agrícola y Alfareria	60,000	Preparación de Propuest
068	CONDERH	Producción de Harina de Banano y almidón de yuca	200,000	Aprobada
069	COMPAÑEROS/LAS AMERICAS	Capac.Pecuaria y producc. espec. menores	183,460	Prpuesta en Preparació
070	HOSPITAL EVANGELICO	Salud Integral	200,000	Indagatoria

071	MOVIMIENTO FAMILIAR CRISTIANO	Planificación Familiar	30,800	Denegada
072	ANDESH	Crédito para Industria	200,000	Preparación de Propuesta
073	AMOR VIVIENTE	Rehabilitación Alcohólica	50,000	Preparación de Propuesta
074	COOP.GANADERA INDUST. DEL SUR	Crédito Agropecuario	52,675	Preparación de Propuesta
075	CEELA	Rehabilitación al limitado	100,000	Perfil
076	CONSULTORIO PEDAGOGICO	Capacitación en Prducc.	63,000	Perfil
077	AHDARAC	Salud en Asentam.Urbanos	99,200	Perfil
078	ODF	Crédito Empresas Porcinas	67,052	Perfil
079	PATRON.STA.ROSA COPAN	Inst.Agua Potable	67,052	Perfil en Indagatoria
080	PASTORAL SOCIAL PARROQ, LA GUADALUPE	Crédito para la mujer Marginal	29,789	Preparación de Indagato
081	PATRO.ALDEA LA TRINIDAD	Inst.Agua Potable	23,000	Propuesta Investigación
082	ANAH	Crédito para la Empresa Artesanal	200,000	Perfil
083	CREA	Rehabilitación Alcohólica	27,840	Perfil
084	IFC	Proyecto Piloto de Desarrollo Integral de Cooperativas Agropecuarias en el Valle de Morocelí	200,000	Perfil
085	SAN JUAN BOSCO	Proyectos Productivos Huertas Familiares	150,000	Perfil

PROGRAMA DE FINANCIAMIENTO
SITUACION ACTUAL

A. Proyectos Financiados con Primera Obligación de Fondos
(L. 1,800.000.00).

<u>No.</u>	<u>No.Proyecto</u>	<u>Institución</u>	<u>Monto Aprobado</u>	<u>Firma Convenio</u>
1	009	ASEPADE	L. 60,000.00	Nov./85
2	011	ACAN	39,750.00	12/01/86
3	003	CLUB ROTARIO	26,952.00	5/02/86
4	012	UTICOL	108,000.00	19/03/86
5	013	FUNHDEMU	104,500.00	7/04/86
6	020	I.D.H.	200,000.00	25/04/86
7	007	I.T.S.M.	41,800.00	21/05/86
8	039	AMAM	189,300.00	21/05/86
9	014	NUEVA SUBIRANA	116,000.00	18/07/86
10	021	COHORSIL	51,088.00	01/09/86
11	031	INHBIER	180,000.00	19/09/86
12	040	APRODIB	199,600.00	24/09/86
13	010	ANMPIH	200,000.00	07/10/86
14	056	FUPROCODE	29,800.00	23/10/86
			<u>L.1,546,790.00</u>	
Monto Total Desembolsado			L.1,125,160.00	72.81%
Monto por Desembolsar			420,630.00	27.19%

B. Proyectos A Financiar con la Segunda Obligación de Fondos
(L. 2,000,000.00).

<u>No.</u>	<u>No.Proyecto</u>	<u>Institución</u>	<u>Monto Aprobado</u>	<u>Firma Convenio</u>
1	005	LA UNION	L. 49,638.00	25/05/87
2	042	COOPACYL	200,000.00	1/06/87
3	035	A.I.E.H.	200,000.00	11/06/87
4	004	FEHCIL	200,000.00	11/06/87
5	061	FEDECOH	200,000.00	22/06/87
6	046	PROYECTO HOPE	169,041.00	--
7	064	ASJU	200,000.00	--
			<u>L.1,218,679.00</u>	
Monto Total Desembolsado			L. 319,307.00	26.20%
Monto por Desembolsar			L. 899,372.00	73.80%

C. Proyectos A Financiar con la Tercera Obligación de Fondos

<u>No.</u>	<u>No. Proyectos</u>	<u>Institución</u>	<u>Monto Aprobado</u>	<u>Firma Convenio</u>
1	053	CEDEN	L. 188,100.00	-.-
2	063	CODIDES	200,000.00	-.-
3	062	CRUZ ROJA H,	149,306.00	-.-
4	029	MAYA OCCIDENTAL	182,943.00	-.-
5	068	CONDERH	192,000.00	-.-
6	065	OFRANEH	200,000.00	-.-
7	041	COHMEAI	162,694.00	-.-
			<u>L1,275,043.00</u>	

LENDING PORTFOLIO BY BUDGET LINE ITEM
AND OPD CATEGORIES

ORGANIZACION	SUELDOS	CAPACIT.	FONDO CREDITO	INFRAES STRUCTURA	TRANSPOR. GTS. VIAJE VIATICOS	GASTOS ADMN.	EQUIPO MATERIALES MOBILIARIO	GASTOS FINANC.	ASIST. TECNICA	INSUMO	TOTAL	%
Afiliadas	358,579	238,800	814,212	50,000	62,986	43,783	49,000	42,031	-0-	78,950	L1,738,341	43.03
No Afiliadas	84,900	26,000	513,060	21,140	14,800	15,600	18,860	31,640	-0-	-0-	726,000	17.97
Cooperativas	64,240	16,180	388,600	5,840	55,766	19,000	45,945	15,110	26,000	70,979	707,669	17.51
Organizaciones GREMIALES	-0-	11,000	206,500	-0-	-0-	-0-	-0-	9,000	13,250	-0-	239,750	15.56
Juntas, Patronato y Asociaciones	39,700	-0-	356,960	50,688	7,400	787	38,768	24,361	-0-	11,088	628,752	15.56
TOTALES	L.547,419	L. 291,980	L.2,279,341	127,668	140,952	L. 79,170	152,573	122,142	L. 39,250	260,017	L.4.040,512	100
PORCENTAJE	13.55	7.23	56.41	3.16	3.49	1.96	3.77	3.02	0.97	6.44		

Origen Fondos

Proyectos	Costo total	Contraparte F. Propios	Fopridett
ACAN	49,950 100%	10,200.= 20%	39,750.= 80%
Club Rotario	81,003 100%	54,051.= 67%	26,952.= 33%
Unicef	341,509 100%	233,509 68%	108,000.= 32%
Fundaciones	126,125.= 100%	21,625.= 17%	104,500.= 83%
IDH (A)	235,957.= 100%	35,957. 15%	200,000.= 85%
I + S M.	157,800 100%	116,000 72%	41,800.= 28%
AMAM.	294,300.= 100%	105,000.= 36%	189,300.= 64%
Mesa Superiora	172,900.= 100%	56,900.= 33%	116,000.= 67%

	Costo total	Contingente	FopudeH	O. Fu
ANMPIH	255,757. = 100%	55,757. = 22%	200,000. = 78%	
COHORAIL	65,688 100%	14,600. = 22%	51,088. = 78%	
APRODIB	489,235. = 100%	289,635. = 59%	199,600. = 41%	
INHBIER	272,125 100%	92,125 34%	180,000. = 66%	
Coopacyl	290,000 100%	90,000. = 31%	200,000. = 69%	
FEDERCOH	644,167 100%	444,167 68.95%	200,000. = 31.05%	
CEDEN	225,116 100%	37,016 16%	188,100. ~ 84%	
FEHCIL	295,361 100%	95,361 32.29%	200,000. = 67.71%	
LA UNION	180,859. = 100%	131,221 73%	49,638. = 27%	
FUPROCODE	38,255. = 100%	8,455. = 22%	29,800. = 78%	

	Costo total	Contraparte	Foprideff	OT
HOPE	219,341.= 100%	50,300.= 22.9%	169,041.= 77.1%	
AIEH	762,842.= 100%	562,842 73%	200,000.= 27%	
CODIDES	464,000.= 100%	264,000.= 56.9%	200,000.= 43.1%	
ASJO	1036,270 100%	836,270 80.70%	200,000.= 19.30%	
Cruz Roja Hond.	471,204 100%	321,898.= 68	149,306.= 32%	
CONDERH	318,040 100%	126,040 39.6%	192,000.= 60.4%	
Ing. Mayo occidental	387,773.= 100%	52,100.= 13.4%	182,943.= 47.2%	152,700 39.4%
COTMEAI	393,980 100%	231,286 59%	162,694 41%	
DFRANEH	225,700.= 100%	25,700.= 11.4%	200,000.= 88.6%	
ASepode	60,000.= 100%		60,000.= 100%	
	<u>8,555,227. =</u>	<u>4,362,015. =</u>	<u>4,040,512. =</u>	<u>152,700</u>

CARTERA DE FINANCIAMIENTO

Appendix M

DISTRIBUCION POR RUBRO PRESUPUESTARIO

FONDOS FOPRIDEH

30 DE JUNIO DE 1987

	SUELDOS	CAPACITACION	FONDO CREDITO	INFRAESTRUCTURA	TRANSPORTE GASTOS VIAJE Y VIATICOS	GASTOS ADMON	EQUIPO Y MATERIALES MOBILIARIO	COSTOS FINANC. FOPRIDEH	ASISTENCIA TECNICA Y ADMINIST.	INSUMO	MISCEL.	
ASEPADE	-0-	-0-	30,000	30,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	60,000
ACAN	-0-	11,000	15,500	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	39,750
CLUB ROTARIO	-0-	-0-	20,688	-0-	-0-	-0-	-0-	-0-	13,250	-0-	-0-	26,952
UTICOL	-0-	-0-	-0-	-0-	38,300	15,300	6,264	-0-	-0-	-0-	-0-	108,000
FUNHDEMU	-0-	-0-	85,000	-0-	-0-	15,000	3,200	-0-	-0-	51,200	-0-	104,500
I.D.H.	-0-	20,000	180,000	-0-	-0-	-0-	-0-	4,500	-0-	-0-	-0-	200,000
I.T.S.M.	-0-	-0-	-0-	21,140	-0-	-0-	-0-	-0-	-0-	-0-	-0-	200,000
A.M.A.M.	58,500	17,800	60,000	-0-	-0-	-0-	18,860	1,800	-0-	-0-	-0-	41,800
N. SUBIRANA	23,400	7,700	36,322	1,340	8,428	1,000	44,000	-0-	-0-	-0-	-0-	189,300
ANMPI	-0-	-0-	191,000	-0-	-0-	-0-	-0-	4,756	26,000	1,500	5,554	116,000
COHORSIL	10,000	4,000	-0-	4,500	9,038	-0-	-0-	9,000	-0-	-0-	-0-	200,000
LA UNION	2,100	2,400	11,000	-0-	-0-	-0-	10,745	-0-	-0-	12,725	-0-	51,88
APRODIB	30,000	26,000	135,000	-0-	-0-	-0-	32,000	2,138	-0-	-0-	-0-	49,539
INHBIER	32,500	9,000	115,000	-0-	-0-	-0-	-0-	8,600	-0-	-0-	-0-	193,500
FEDECOH	31,850	38,750	129,400	-0-	11,646	4,103	-0-	7,751	-0-	-0-	-0-	180,000
COOPACYL	17,040	-0-	181,950	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	200,000
CEDEN	54,900	-0-	109,700	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	200,000
FENCIL	77,408	15,200	92,712	-0-	14,800	600	-0-	8,100	-0-	-0-	-0-	188,100
FUPROCODE	-0-	-0-	28,460	-0-	14,000	680	-0-	-0-	-0-	-0-	-0-	200,000
HOPE	95,161	43,000	-0-	-0-	-0-	-0-	1,340	-0-	-0-	-0-	-0-	29,300
ATEH	15,560	10,000	140,100	15,000	-0-	18,600	5,000	7,280	-0-	-0-	-0-	169,041
CODIDES	33,600	-0-	150,000	-0-	10,340	-0-	-0-	9,000	-0-	-0-	-0-	200,000
ASJO	20,000	57,057	-0-	35,000	7,400	-0-	-0-	9,000	-0-	-0-	-0-	200,000
CRUZ ROJA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,000	-0-	78,950	-0-	200,000
MAYA OCCIDENT.	11,700	2,000	158,327	-0-	-0-	-0-	32,504	6,714	-0-	110,088	-0-	149,305
CONDERH	-0-	-0-	183,360	-0-	-0-	2,700	-0-	8,216	-0-	-0-	-0-	182,943
OFRANEH	27,600	28,000	97,000	-0-	-0-	-0-	-0-	8,640	-0-	-0-	-0-	192,000
CORMEAI	6,100	-0-	148,500	-0-	27,000	11,400	-0-	9,000	-0-	-0-	-0-	200,000
	L. 547,419	L. 291,980	L. 2,279,341	L. 127,668	L. 140,952	L. 79,170	L. 152,573	L. 122,142	L. 39,250	254,463	5,554	L. 4,040,512
PORCENTAJES	13.55%	7.23%	53.41%	3.16%	3.49%	1.96%	3.77%	3.02%	0.97%	6.30%	0.14%	100%

F O P R I D E H
FEDERACION DE ORGANIZACIONES PRIVADAS DE DESARROLLO DE HONDURAS

DISTRIBUCION POR ACTIVIDAD PRINCIPAL

INSTITUCION	AGRIC. DESARR. RURAL	C R E D I T O			31 de marzo de 1987						
		AGROPECUARIO	PEQUEÑA INDUSTRIA	COMERCIO SERVICIOS	VIVIENDA	EDUCAC. CAPAC.	INFRAES- TRUCTURA	SALUD	TECNOLOGIA APROPIADA	OTROS PROYECTOS	TOTAL
ASEPAGE	-0-	-0-	-0-	L. 30,000	-0-	-0-	30,000	-0-	-0-	-0-	L. 60,000
ACAN	-0-	15,500	-0-	-0-	-0-	24,250	-0-	-0-	-0-	-0-	39,750
CLUB ROTARIO	-0-	-0-	-0-	-0-	-0-	-0-	-0-	26,952	-0-	-0-	26,952
UTICOL	103,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	103,000
FUHDEMU	-0-	-0-	83,600	20,900	-0-	-0-	-0-	-0-	-0-	-0-	104,500
I.D.H.	-0-	-0-	160,000	-0-	-0-	20,000	-0-	-0-	-0-	-0-	180,000
I.T.S.M.	-0-	-0-	19,700	-0-	-0-	-0-	22,100	-0-	-0-	-0-	41,800
A.M.a.M.	67,500	60,000	-0-	-0-	-0-	17,000	-0-	-0-	44,000	-0-	188,500
N.SEBIFIANA	78,338	36,322	-0-	-0-	-0-	-0-	1,340	-0-	-0-	-0-	116,000
ANMFI	-0-	-0-	200,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	200,000
COMORSTI	42,508	-0-	-0-	-0-	-0-	4,000	4,500	-0-	-0-	-0-	51,008
LA UNION	-0-	-0-	6,000	5,200	-0-	-0-	-0-	-0-	-0-	-0-	11,200
APRODIB	-0-	-0-	137,870	34,500	-0-	27,170	-0-	-0-	-0-	38,638	199,578
IMBSTER	-0-	155,600	-0-	15,000	-0-	9,400	-0-	-0-	-0-	-0-	179,600
FEDECON	-0-	161,250	-0-	-0-	-0-	-0-	-0-	38,750	-0-	-0-	200,000
COOPACA	-0-	174,800	-0-	-0-	20,200	-0-	-0-	-0-	-0-	-0-	200,000
CEDEH	-0-	188,100	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	188,100
FEHCTI	-0-	-0-	184,800	-0-	-0-	15,200	-0-	-0-	-0-	-0-	200,000
FUPROCODE	-0-	29,800	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	29,800
HOPE	-0-	-0-	-0-	-0-	-0-	-0-	-0-	169,041	-0-	-0-	169,041
ATIH	-0-	175,000	-0-	-0-	-0-	10,000	15,000	-0-	-0-	-0-	200,000
COBIDES	-0-	185,000	15,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	200,000
ASJO	-0-	-0-	-0-	-0-	-0-	57,050	35,000	107,950	-0-	-0-	200,000
CRUZ ROJA	-0-	-0-	-0-	-0-	-0-	-0-	-0-	149,306	-0-	-0-	149,306
MAYA OCCIDENT.	-0-	180,500	-0-	-0-	-0-	2,000	-0-	-0-	-0-	-0-	182,500
ORFALIP	-0-	150,500	-0-	-0-	-0-	41,500	-0-	-0-	-0-	-0-	200,000
COMDESH	-0-	192,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	192,000
COMREAF	-0-	-0-	182,694	-0-	-0-	-0-	-0-	-0-	-0-	-0-	182,694
TOTALES	L.296,346	1,717,815	L. 989,724	L.105,400	L. 20,200	L.208,150	L.107,940	L.491,999	L. 44,000	L. 38,638	L.4,040,512
PORCENTAJES	7.33	42.51	24.50	2.61	.64	5.65	2.67	12.18	1.09	.96	100
No. COMPONENTES	4	13	9	5	1	11	6	5	1	1	56

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FOPRIDEH
FUNDING SOURCE DIVERSIFICATION ACTIONS
(Thru May 1987)

1. Contract with technical advisor (H.J. Picht) for exclusive effort of seeking outside sources of financing and support for the Federation and its affiliates. This TA support was offered by Comité Intergubernamental de Migraciones (CIM) for a maximum of 6 years, which includes financial support of \$1,500 for the first year and \$15,000 for the second year to support the work of the contractor.

2. During the first campaign FOPRIDEH gathered information about 135 international entities from directories and guides:
 - 38 American
 - 31 Canadian
 - 55 European
 - 11 Transnational
 - 135

3. Computer programs have been designed for the donor data bank which is currently 80% completed.

4. Donor classification files are being activated with specific donor characteristics (interest: geographic, objectives, motivations, functional areas, type of projects, amounts, etc.)

5. Direct contacts have been made with representatives of IO's in Honduras: Fundaciones F. Naumann y F. Ebert, BTZ-COHAAT (German), Desjardins (Canada), FUPAD (USA), The Comunidad Económica Europea, through its rep in PROIND-GmbH, Banco Interamericano de Integración Económica, and UNDP.

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Appendix 0

FOPRIDEH

FUNDING SOURCE DIVERSIFICATION ACTIONS (Thru May 1987)

-2-

6. Pamphlets and circulars describing the work of the Federation, its history, accomplishments and future plans were sent to Miserior, Pan Para el Mundo (Germany), Oxfam (England) and the International Council on Social Welfare (Austria).
7. Made direct contacts with IOs without reps in Honduras: Fundación H. Seidel, Kirchlicher Entwicklungsdienst (German), Trocaire (Ireland), and VITA (USA).
8. Obtained \$12,500 from Fundación H. Seidel to design and conduct a training program for client PVOs on preparation of projects and applications for grants.
9. A project proposal is being prepared for submission to IDB after preliminary negotiations with the local representative (tentative: \$500,000).
10. A proposal for a grant was submitted to INCAE to conduct a management training program on PVO operations. Preliminary response was positive.
11. Obtained seeds and basic grains valued at \$8,000 for distribution among PVOs.
12. Obtained voluntary medical services (14 p/m).

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ESTADO DE PROYECTOS APROBADOS

AL 31 DE JULIO DE 1987

1. ASEPADE
Proyecto No.009
Reconstrucción Puestos
de Mercado y Crédito Comercial
20 Meses de ejecución
Se donaron Lps. 30,000 para reconstrucción de los puestos del mercado a 40 personas damnificadas, con el fondo rotatorio de crédito han otorgado 67 préstamos, invirtiendo un monto de Lps. 42,470, la morosidad es de 31% y se debe a que los prestatarios consideran los préstamos como una donación de parte del Gobierno de los Estados Unidos, debido a la campaña publicitaria que se hiciera sobre ese particular al momento del incendio.
Se están tomando acciones para recuperar los préstamos morosos mediante cobros diarios.
AID practicó una auditoría e informó haber encontrado algunos problemas, los cuales ya solventaron y fueron constatados por FOPRIDEH y AID.
2. ACAN
Proyecto No.011
Capacitación y Crédito Agrícola
18 meses de ejecución
Han atendido dos grupos campesinos con crédito para cultivar maíz y arroz. En el cultivo de arroz tuvieron pérdidas que las cubrieron con con las utilidades del maíz. Tres grupos recibieron capacitación sobre organización y administración, la cual no se considera del nivel requerido.
Existen divergencias entre los informes recibidos de la organización y los datos obtenidos en las visitas de supervisión.
Nos se ha podido verificar la contabilidad, porque en la sede de ACAN en Yoro informaron que ésta se llevaba en INHBIER.
Al tratar de verificar esta información, INHBIER nos informó que ellos no están haciendo el trabajo. Se localizó al Presidente

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de ACAN pero este no prestó la debida colaboración para la verificación de la contabilidad.

3. CLUB ROTARIO

18 Meses de ejecución

Proyecto No.003

Construcción Sala de Desintoxicación y Rehabilitación Alcohólica

La Construcción de la sala de desintoxicación y rehabilitación de alcohólicos está terminada. El Club Rotario se ocupó del equipamiento de dicha sala, El Ministerio de Salud tomó acciones y el proyecto esta funcionando.

La Asociación San José Obrero les donó 15 camas, 10 de las cuales ya se acondicionaron en el local. La Asociación Liga Amigos para el Alcohólicismo (ALPA) es la encargada de manejar esta sala.

AID practicó una auditoría e informó haber encontrado algunos problemas que no definieron. No se ha recibido el informe correspondiente.

4. UTICOL

17 Meses de ejecución

Proyecto No.012

Producción y Comercialización de Papaya

La Cooperativa cambio de Directiva y tiene problemas administrativos. No han cumplido con los términos del convenio y hubo manejo inadecuado de los fondos por parte del Presidente de la Junta Directiva anterior. Además se constató en la visita que se hizo, que tienen problemas técnicos de producción y mercadeo. Se presentó informe al Comité de Financiamiento, que resolvió suspender los subsiguientes desembolsos mientras no se resuelva la situación de la Cooperativa. Se han iniciado pláticas con los directivos para tratar de recuperar el proyecto.

Se le ha brindado asistencia administrativa para la reactivación de este proyecto, actualmente en conjunto con IFC.

Se realiza un programa de capacitación cooperativa. El proyecto se diversificará apoyando tanto actividades agropecuarias, artesanales e industriales.

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5. FUNHDEMU
Proyecto No.013
Crédito a Mujeres Microempresarias

16 Meses de ejecución

El Proyecto de crédito a mujeres microempresarias ha atendido a mujeres de escasos recursos que trabajan en sus propios talleres o negocios, produciendo bienes y servicios para consumo local. Se han otorgado 474 préstamos a 212 mujeres microempresarias. El monto invertido en préstamos es de Lps. 235,667.96. La morosidad acumulada es de 10% debido a problemas internos de las microempresarias (producción y comercialización). Las microempresarias han ahorrado Lps. 12,339.51, un promedio de Lps. 58.20 por beneficiaria, han generado y fortalecido 445 empleos, han capacitado a 212 mujeres en 40 cursos.

El proyecto está ayudando a que las microempresarias a través de la capacitación den los primeros pasos para asumir el control y tomen decisiones sobre la buena marcha de sus microempresas y que participen activamente en la economía nacional.

AID practicó una auditoría e informó haber encontrado algunos problemas los cuales ya solventaron y fueron constatados por FOPRIDEH y AID.

6. IDH
Proyecto No.020
Crédito a Pequeños Empresarios

15 Meses de ejecución

Han atendido con préstamos a 73 pequeños empresarios de Danlí, Siguatepeque, Tegucigalpa y Juticalpa. El monto invertido es de Lps. 189,200 de los que se han recuperado Lps. 35,670.90 los ingresos por intereses alcanzan Lps. 15,983.00. La morosidad es de 9% la cartera vigente es de L. 153,850.49.

Han impartido 35 cursos a 410 asistentes sobre costos, mercadeo y sobre manejo de créditos.

Se han generado 114 nuevos empleos.

Los prestatarios están satisfechos con el proyecto que les ha facilitado recursos económicos y educativos que les permiten operar sus pequeñas empresas con mayor eficacia.

AID practicó una auditoría e informó haber encontrado algunos problemas que no definieron. No se ha recibido el informe correspondiente.

7. ITSM
Proyecto No.007
Talleres Rurales (Carpintería y metal-mecánica)

12 Meses de ejecución

Ha comprado parte de la maquinaria (un compresor, una sierra de mesa, un taladro de mesa, una sierra de banda). Graduaron 7 jóvenes en noviembre, los que recibieron un curso de capacitación sobre administración de pequeños negocios que impartió Compañeros de las Américas y un curso sobre cooperativismo impartido por un particular. Actualmente están capacitando a 24 jóvenes en los oficios de carpintería, ebanistería y metales.

Aún no se han instalado los talleres. Esta planificado instalar uno en Siguatepeque en el mes de noviembre y uno en Omoa a inicios del próximo año. Estos talleres serán integrados por los jóvenes graduados del ITSM y productos locales que conformarán una organización de tipo cooperativo o asociativo.

AID practicó una auditoría e informó haber encontrado algunos problemas que no definieron. No se ha recibido el informe correspondiente.

8. Américas Mano a Mano
Proyecto No.039
Capacitación y Crédito Agrícola

15 Meses de ejecución.

El Centro de capacitación de AMaM ha graduado a 50 jóvenes en técnicas agrícolas, los primeros 18 se graduaron con apoyo parcial de los fondos de este proyecto.

Atendieron 15 adultos en los fines de semana, enseñándoles el uso de las tecnologías apropiadas.

Han prestado Lps. 22,920 a los alumnos egresados y otros agricultores de la zona para que trabajen en sus parcelas, supervisadas por los promotores del centro.

Están elaborando un texto sobre las tecnologías que están enseñando.

9. Nueva Subirana
Proyecto No.014
Clínica de Salud, Producción Agrí-
cola y Artesanal.

12 Meses de ejecución

Con un monto de Lps.6,500 han otorgado 41 préstamos para extracción de liquidambar, de los cuales 13 no están firmados por el prestatario y los fiadores y no especifican el porcentaje de interés a cobrar en los préstamos.

Ya contrataron a un maestro alfarero para que enseñe a las mujeres a fabricar utensilios de barro.

La Clínica de salud está bien atendida por dos promotores de salud de la comunidad, que atienden un promedio de 14 personas por día.

El agrónomo aún o se ha contratado.

El I.F.C. les está llevando la contabilidad y dandoles capacitación y asesoría para el proyecto de crédito.

Reestructurarán la Junta Directiva anterior por varios problemas de tipo administrativo

Obtuvieron una donación de TROCAIRE de Irlanda para la instalación de una bodega de insumos agrícolas y un proyecto de carpintería .

- 10 ANMPI
Proyecto No.010
Crédito a la Pequeña Industria

10 Meses de ejecución

Han otorgado 111 créditos a pequeños empresario invirtiendo un monto de Lps. 106,000 de los que han recuperado Lps. 45,685. El índice de morosidad es de 2% y se debe a enfermedad y a la falta de pago de productos que los empresarios vendieron al crédito.

El cumplimiento de metas es de 80%

Es necesario que la selección de los beneficiarios sea hecha previa información/investigación con otras instituciones financieras.

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- 11 COHORSIL
Proyecto No.021
Finca demostrativa de tecnologías
agrícolas.
Manualidades y Salud

11 Meses de ejecución

COHORSIL cambió la sede de la finca de EL Rincón a un lugar llamado Potrerillos, que se encuentra a 15 minutos de Siguatepeque y que ofrece mejores condiciones para el desarrollo del proyecto.

Tomaron, sin autorización de FOPRIDEH, Lps.2,000 asignados a la apertura de un camino de acceso, para la compra del terreno, esta irregularidad fué corregida pues pagaron dicho valor con fondos propios de la Cooperativa.

Actualmente han terminado la construcción de la infraestructura de la finca demostrativa. Han descombrado dos manzanas, han hecho 1.5 manzanas en terrazas y han construido aboneras.

Inician la fase investigatoria en control de plagas y enfermedades, propagación de nuevas variedades, tecnologías apropiadas en hortalizas en asociación con la escuela Agrícola El Zamorara Proyecto UDA, CDI, PTR CATIE.

Se realizó una gira educativa a Guatemala con asociados de la cooperativa visitando proyectos similares.

La capacitación en tecnologías apropiadas de cultivo no la realizaron como fue prevista por problemas logísticos.

Han capacitado a cuatro grupos de 50 mujeres cada uno que son esposas de los asociados en manualidades y confección de ropa de niño.

12. LA UNION
Proyecto No.005
Servicios de transporte, producción
de flores y fortalecimiento
institucional

2 Meses de ejecución

Se firmó convenio en mayo de 1987. Hicieron el pago de la prima del autobus y están tramitando la dispensa.

Han invertido 4000 en la tienda de consumo.

13. APRODIB
Proyecto No.040
Crédito a la Microempresa

8 Meses de ejecución

Han otorgado 3/ prestamos a microempresarios con un monto de L 119,400

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- de la pequeña industria y de actividades comerciales y de servicio. Han impartido cursos a beneficiarios.
- 14 INHBIER
Proyecto No.031
Crédito agrícola, capacitación y tiendas de consumo
- 8 meses de ejecución
- Se financiaron 203 créditos agrícolas cumpliendo en 157% la meta establecida. Están cultivando 244 manzanas de maíz, 18 de frijol y se han generado 609 empleos'
- Se impartieron dos cursos de agricultura a 61 campesinos.
- Hay problemas administrativos por lo que se hace urgente un análisis de la situación. Además se han organizado 79 proyectos de cría de conejos. Se han promovido huertos familiares los que no han funcionado muy/bien por falta de seguimiento.
- Se organizó una pequeña empresa de autogestión "Brassabola" por 8 mujeres sastres en la comunidad del Pedernal, Cedros. Han instalado con L 5,000 una tienda de consumo, las ventas actuales son muy bajas.
- 15 FEDECOH
Proyecto No.061
Crédito agrícola, capacitación y Salud
- 1 Mes de ejecución
- Se firmó convenio el 22 de junio de 1987. Están en el proceo de otorgamiento de créditos.
- 16 COOPACYL
Proyecto No.042
Crédito agropecuario y de vivienda
- 2 meses de ejecución
- Se han otorgado 31 préstamos agrícolas a igual número de beneficiarios con un monto de L 68,728 para cultivar 146.5 Mz de granos básicos en 15 comunidades diferentes.
- 17 CEDEN
Proyecto No.053
Crédito Agrícola
- Proyecto aprobado el 18 de Sep. 86
Pendiente de firma de convenio por falta de obligación de fondos AID
- 18 FEHCIL
Proyecto No.004
Crédito a Cooperativas Industriales
Capacitación y Fortalecimiento
Institucional
- 1 mes de ejecución
- Proyecto aprobado el 16 de Oct. 86
Se firmó convenio el 11 de junio de 1987 por falta de obligación de fondos AID. Están en la promoción, planificación de los cursos de capacitación y análisis de solicitudes de préstamos.

- Han impartido 4 cursos de administración, 2 charlas sobre planeamiento relaciones humanas, principios de cooperativismo.
- AID practicó una auditoría e informó haber encontrado algunos problemas que no definieron. No se ha recibido el informe correspondiente.
- 19 FUPROCODE
Proyecto No.056
Crédito Agrícola
- 9 meses de ejecución
- En el anterior ciclo productivo se cumplió en un 80% las metas programadas. Actualmente están entrando al segundo ciclo, diversificando las especies a cultivar como ser: chile, tomate, zanahoria, remolacha, repollo. Ya han desembolsado la totalidad del financiamiento aprobado.
- Actualmente tienen sembrados 100.000 arbolitos de chile morron 30,000 de tomate, 15,000 de repollo, 5,000 de cebolla.
- 20 PROYECTO HOPE
Proyecto No.046
Capacitación en Salud a Maestros de Educación Primaria
- Proyecto Hope aprobado el 27 de Nov.87
- Firmarán convenio en el mes de agosto de 1987
- 21 AIEH
Proyecto No.035
Crédito Agropecuario, Tecnologías Apropriadas, Nutrición y Salud
- 1 mes de ejecución
- Proyecto Aprobado el 27 de Nov. 86
- Firmo Convenio el 11 de Junio de 1987. Esta iniciando el otorgamiento de créditos agrícolas
- 22 CODIDES
Proyecto No.063
Crédito Proyecto Productivo Agrícolas
- Proyecto Aprobado el 2 de Dic. 1986
- Pendiente firma de convenio por falta de obligación de fondos AID
- 23 ASJO
Proyecto No.064
Clínica de Salud
- Proyecto Aprobado el 2 de Dic. 86
- Pendiente firma de convenio, al cumplir ciertos requisitos
- 24 CRUZ ROJA HONDUREÑA
- Proyecto aprobado el 19 de Marzo de 1987
- Pendiente firma de convenio por falta de obligación de fondos AID.

- 25 MAYA OCCIDENTAL
Proyecto aprobado el 19 de Marzo de 1987
Pendiente firma de convenio por falta de obligación de fondos AID.
- 26 CONDERH
Proyecto aprobado el 19 de Marzo de 1987
Pendiente firma de convenio por falta de obligación de fondos AID
- 27 OFRANEH
Proyecto aprobado el 19 de Marzo de 1987
Pendiente firma de convenio por falta de obligación de fondos AID
- 28 COHMEAI
Proyecto aprobado el 19 de Marzo de 1987
Pendiente firma de convenio por falta de obligación de fondos AID.