

69241

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.  
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office <u>USAID/HONDURAS</u> (ES# <u>FY 90-1</u> )		B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY <u>90 Q1</u>	C. Evaluation Timing Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
---	--	---	---

D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project /Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
522-0257	Honduran Council for Human Resources Development	FY84	5/92	\$14,159.3	\$12,537.3

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
1. Develop and implement a strategy which segregates development activities from activities which can be self-sustaining so that tensions between the two goals are eliminated.	CADERH & Mission	12/24/89
2. Develop and implement a marketing plan for existing CADERH products and services.	CADERH	1/15/90
3. Revise project outputs and evaluation criteria based on evaluation recommendations.	CADERH HRD/DF	02/15/90
4. Terminate the technical assistance contract.	CADERH CSI & HRD	12/31/89
5. a. Develop and implement an integrated accounting system. b. Devise and implement an incentive pay system and c. Implement a physical reorganization and layout for emphasizing the organization as a whole, rather than activities or components.	CADERH CADERH	01/15/90 12/31/89
6. Modify guidelines and redefine strategies for using the training fund.	CADERH	02/15/90
7. Revise 1989 work plan to reflect results of the evaluation	CADERH	completed 12/31/89

(Attach extra sheet if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) (Day) (Year)

G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
	Ned Van Steenyk	Leonel Bendeck Ricardo Castillo	Jose A. Rivera Carmen Zambrana	John A. Sanbraillo
Signature	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
Date	12/1/89	Dec 19, 89	12.12.189	

**ABSTRACT**

**H. Evaluation Abstract (Do not exceed the space provided)**

The project purpose is to improve the quality and relevance of vocational/technical education for meeting private sector training needs and achieve the economic and technical self-sustainability of the implementing institution, the Honduran Council for Human Resources Development (CADERH), by the PACB of 5/92. This mid-term evaluation was conducted by an evaluation team from Juarez & Associates on the basis of a review of project documents, interviews with project personnel and private sector representatives, and the direct observation and evaluation of CADERH services and products. The purpose was to evaluate CADERH's performance during the first two years of a five year project amendment (1987-1992) in: (1) improving the quality and relevance of vocational/technical education for meeting private sector training needs; and (2) reaching financial and technical self-sustainability as an institution. The major findings and conclusions are:

- Leadership is excellent but organizational flexibility is being reduced by tensions between the project's development goals and the demands for economic self-sustainability.
- Changes are being affected in the training system, the basic strategy and rationale for improving vocational/technical instruction are valid, and could be used by other Honduran and Latin American training institutions for achieving higher degrees of relevance, quality, and cost effectiveness.
- Industry specific training has not been implemented, activities are one year behind schedule for various reasons, but training needs analyses are revealing needed changes in industry.
- CADERH is likely to survive as an institution but cannot continue its optimum development impact activities with less privileged sectors of society without an endowment or other sources of income.
- Technical capabilities are satisfactory although they could be improved in competency testing and training needs analyses.

The evaluators noted the following "lessons":

1. Required changes in policies which have a negative effect on project implementation, should be accompanied by parallel adjustments for facilitating project implementation.
2. Goals for economic self-sustainability cause institutions to offer services to more privileged sectors of society. If development impact for less privileged sectors is to be maintained, appropriate sources of funding must be provided.
3. Validated competency exams should be in place before developing competency based instructional materials.
4. Successful technical assistance advisors must be culturally sensitive; attending to client's needs and desires, rather than offering prepackaged solutions; and should work with clients, not just tell clients what to do.

**COSTS**

I. Evaluation Costs				
1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
John McNeil	Juarez & Associates	AID/LAC-000-C- 00-6074-00	\$40,000	522-0257
Robert Milbrath	" "			
Dennis Hersehbach	" "			
Enrique Paredes	Local Consultant			
2. Mission/Office Professional Staff Person-Days (Estimate) <u>20</u>		3. Borrower/Grantee Professional Staff Person-Days (Estimate) <u>40</u>		

# A.I.D. EVALUATION SUMMARY - PART II

## SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Purpose of evaluation and methodology used</li> <li>• Purpose of activity(ies) evaluated</li> <li>• Findings and conclusions (relate to questions)</li> </ul> | <ul style="list-style-type: none"> <li>• Principal recommendations</li> <li>• Lessons learned</li> </ul> |
|--|--|

Mission or Office: USAID/Honduras	Date This Summary Prepared: August 29, 1989	Title And Date Of Full Evaluation Report: Evaluation of Centro Asesor para el Desarrollo de Recursos Humanos (CADERH) August 1989
--------------------------------------	--	--

### Purpose of the Evaluation and Methodology Used

The purpose was to evaluate CADERH's performance during the first two years of a five year project amendment (1987-1992) in: (1) improving the quality and relevance of vocational/technical education for meeting private sector training needs; and (2) reaching financial and technical self-sustainability as an institution.

The methodology used was based on a review of project documents, communications, previous evaluations and audits; conducting interviews with project, USAID, and other public and private center institutions and individuals; the direct observation of CADERH activities and the evaluation of CADERH products and services.

### Purpose of Activities Evaluated

- (1) To improve the quality and relevance of vocational/technical education for meeting private sector training needs, and
- (2) Reach economic and technical self-sustainability through:
  - (a) rationalizing the vocational training system and introducing the concept of skill certification standards and competency based instruction (CBI);
  - (b) increasing the involvement of the private sector in identifying and resolving worker related training problems; and
  - (c) developing CADERH as a key institution to affect desired change in the training system.

### Findings and Conclusions

- CADERH's financial capability and current income shows that it is likely to survive as an institution but that it cannot continue its highest development impact activities with vocational centers serving the least privileged sectors of society without an endowment or other sources of funding.
- CADERH has an excellent leadership team but tension has not been resolved between the development goals of the project and the demands for financial self-sustainability, this is having a negative effect on organizational flexibility; organizational cohesiveness is also sometimes sacrificed to short-term, component specific, task completion because of pressures to reach project outputs and generate income.
- The technical capabilities of CADERH are satisfactory although they could be improved in competency testing and industry needs analyses.
- Outputs for the certification of workers and instructors have not been reached because of prior technical difficulties in test construction and establishment of valid and practical tests. Corrective actions are now being taken.

The CBI system has been implemented in 10 training centers with over 2,000 students. Cost-effectiveness and the rationalization of the training system are increasing as demonstrated by 85% retention and 70% job placement rates. The goal of having centers reach 50% cost recovery through integrating production with instruction is within sight: 44% average cost recovery with person hour of instruction costs of L.0.51, as compared to other training centers whose costs range from L.1.24 to L.6.62 (\$1=L.2). These results demonstrate that the basic strategy and rationale for improving instruction is valid.

- CADERH is affecting change in the training system with outputs in curriculum development, training centers using CADERH CBI curricula and other related goals at or above projections. While the impact of the CBI system now in place is evident, it will require several more years to reach its full potential. The system could be used by USAID in short-cutting vocational curriculum development time and costs in other Latin American countries.
- Outputs for training materials production have exceeded projections, this component of the project has been the most successful in terms of self-financing, and the quality of the materials produced is excellent, comparing favorably with the best of work in the U.S.
- Although the private sector has contributed to CADERH's work in defining trade areas, competencies and tasks, as well as assisting in programs at vocational centers, it has not yet proven its willingness to invest in in-plant training for improving productivity. Industry specific training needs analyses and training activities are approximately one year behind schedule because of delays in technical assistance, policy constraints on using the training fund, national macroeconomic factors, and delays in establishing free trade zones. No industry specific training has been conducted to date and the impact of the training needs assessments can not be evaluated at this time, but the assessments are revealing needed changes in industry.

#### Principal Recommendations

- Conflicts and tensions related to resource allocations between activities for meeting project development goals and self-sufficiency goals are affecting project implementation. CADERH and USAID should develop and implement strategies for reducing these tensions and permitting the project to meet development goals while achieving financial self-sustainability.
- CADERH has a wide range of services and products which could be marketed in a more aggressive manner. CADERH should develop and implement a marketing plan for existing products and services.
- Revise project outputs and evaluation criteria to replace projections for person years of employment with the number of persons graduating and employed; eliminate goals for the number of training needs analyses and training programs to place emphasis on the numbers of persons trained and income generation as the primary goals for Component II; and allow adjustments in the number of people who receive job entry level and skill upgrading training using the ratio of 2.6 skill upgrading trainees as the equivalent of 1 job entry level trainee.
- Terminate the technical assistance contract with Convergent Systems International so that the remaining financial resources from the contract can be reallocated to higher priority activities in Component I.

- An integrated cost accounting system should be developed; organizational procedures and the physical layout of CADERH should be revised to emphasize the institution as a whole rather than separate components and activities; and develop an incentive pay system for rewarding more productive employees.
- Modify guidelines for using the training fund to permit the purchase of training related equipment; allow CADERH Directors access to the fund in exchange for non-involvement in loan decisions; and address issues on the appropriate ratios between donations and loans.

### Lessons Learned

1. Changing A.I.D. policies on credit and pressure for self-sustainability caused subsequent changes in the original project design and the regulations for using the Component II Training Fund. These changes were partially responsible for implementation delays with industry specific training programs. When these types of changes are required but become detrimental to project implementation, then other adjustments should be allowed for facilitating project implementation.
2. An institution that must become self-sustaining will offer services to those who can pay for them rather than to marginal populations. If current levels of high development impact are to continue with vocational centers serving less privileged sectors of society, appropriate sources of funding must be provided.
3. It is best to have validated competency tests in place before preparing instructional modules when developing CBI and trade certification systems.
4. Technical assistance advisors must be prepared to adapt to the culture of those they are serving; they must know what is needed by the client, and not just promote what they have to offer; and must work with clients, not just tell clients what to do.

## ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

- Attachment A: Outline of Basic Project Identification Data.
- Attachment B: Complete list of Evaluation Recommendations.
- Attachment C: Full Evaluation Report Titled Evaluation of Centro Asesor para el Desarrollo de Recursos Humanos (CADERH), August 1989.

## COMMENTS

### L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

The evaluators successfully completed the workscope of the evaluation and both the Mission and the grantee agree with the overall conclusions, findings and recommendations which will be very helpful for making adjustments in project strategies over the remaining 34 months of the project. While the Mission and the grantee also agree that the technical assistance contract should now be cancelled or modified for reallocating funding to higher priority activities in Component I, it is the Mission's opinion that the evaluation could have given more attention to the more positive aspects and accomplishments of the technical assistance contractor (Convergent Systems Inc.) in the areas of curriculum development (Component I) and multimedia (Component III).

The evaluators made 50 recommendations not all of which were major recommendations. It would have been helpful if the evaluators had listed in order of priority the recommendations of major importance to the project.

Key recommendations from the Evaluation Report which have been acted upon by CADERH and the Mission include the following:

- 1) Develop guidelines for module and certification test development based on criterion referenced exams.
- 2) Continue assistance to vocational training centers through 1991 while striving for alternative sources of income for financing these activities.
- 3) Complete priority certification exams and job placement mechanisms for November-December 1989 vocational training graduates.
- 4) Revise guidelines for using the training fund to permit the purchase of training related equipment and issues related to ratios between donations and loans from the Component II training fund. AA/LAC must now act on the Mission request to consider an exception on insider loans to allow CADERH Directors access to the fund in exchange for non-involvement in loan decisions.



**ATTACHMENT B**

**Complete List of Evaluation Recommendations**

**RECOMMENDATIONS**

**ACTION/COMMENTS**

**TECHNICAL ANALYSIS**

**Advisory Committees**

- |  |                            |
|--|----------------------------|
| 1. Acknowledge contributions of individual participants.   | See No. 7 Action Decisions |
| 2. Assure that the Advisory Committees are limited to an advisory role on competencies and tasks.  | No. 7 Action Decisions     |
| 3. Intensify efforts at differentiating the truly essential from desirable competencies and tasks. | No. 7 Action Decisions.    |

**Certification Testing**

- |  |                        |
|--|------------------------|
| 1. Complete tests in woodworking, bench mechanics, lathe, milling machine, metal plane, welding, electricity, auto mechanics, bookkeeping and secretarial areas before developing tests in other trade areas.  | Action Completed       |
| 2. In planning future test development consider domain (criterion) referenced tests which will be locally developed rather than norm referenced tests as previously recommended by external technical advisors.  | Action Completed       |
| 3. Revise standards for test performance, using empirical data collected from qualified workers as well as employer expectations in making judgements, without losing touch with what is required for obtaining employment and increasing productivity.            | No. 7 Action Decisions |
| 4. Given the difficulties in test development and technical assistance in this area, CADERH should develop its own specific guidelines for test development to be used by CADERH's writers in revising current exams and preparing new ones for other trade areas. | Action Completed       |
| 5. Insure that separate tests are available for those wanting certification at assistant levels and those wanting to qualify as craftsmen.   | Action Completed       |

4

RECOMMENDATIONS

ACTION/COMMENTS

6. Job placement and certification exams must be in place by October 1989 for graduates of CADERH affiliated training centers and the secretarial and bookkeeping areas.

Action  
Completed

Competency Based Instruction

1. Undertake no further modular development until work on welding, lathe, metal plane, milling machine, bench mechanics, secretarial, bookkeeping, auto mechanics and electricity modules are completed.
2. Future development of modules should follow the certification test. The test should drive the curriculum.
3. Intensify efforts to disseminate the CBI system, considering INFOP other AID projects in Latin America, and commercial publishers.
4. Print modules to meet distribution needs, assuring that training centers have access to modules as scheduled, and optimizing cost effectiveness.

Action  
Completed

Action  
Completed

No. 2 Action  
Decisions

No. 7 Action  
Decisions

Vocational Center Aid

1. Promote participation of women in CB instructional programs.
2. Strive for endowment support for the centers.
3. Continue services of coordinators, using either contingency funds or funds from the cancellation of the technical assistance contract.
4. Continue supporting existing vocational centers for two years per center or until they reach their objectives including production.

No. 7 Action  
Decisions

No. 1 Action  
Decisions

No. 7 Action  
Decisions

No. 7 Action  
Decisions

Integration of Production and Vocational Institution

Explore alternative ways to move the production fund in centers, including subcontracting and cooperative buying with CADERH.

No. 7 Action  
Decisions

Job Placement System

Continue SNE but fees to clients including employers, should be increased as certification becomes available so SNE can support its direct cost.

No. 7 Action  
Decisions

9

RECOMMENDATIONS

ACTION/COMMENTS

Project Design Analysis-Needs Analyses and Training

1. Because of delays in start-up, component II of the project should receive a no cost extension from AID to mid 1993.
2. AID should use its financial leverage to encourage a working agreement between FIDE and CADERH for jointly conducted needs studies for export firms and joint loan programs.

To be considered by CADERH & AID

To be considered by CADERH & AID

Industry Specific Training Needs Analyses

1. Increase staff for conducting need analyses studies.
2. Train project staff in making costs analyses and cost benefit projections.
3. The current focus upon production and training needs should include assessment of organization and equipment as they bear on production.

NOTE: Recommendations Nos. 1 and 2 of this section are no longer relevant and were rejected as the primary focus for Component II is now implementing training and income generation

No. 7 Action Decisions

Contracting Industry specific training

1. Ensure the availability of high quality training teams.
2. Continue to involve the executive director in negotiations with banks for program loan management and establishing agreements with FIDE and FONDEI, developing connections with specialists in industrial areas and training firms and locating clients for training needs studies and training programs.
3. Consider specific suggestions for moving the training loan fund. (Insider loans, equipment loans, official exchange rate and possible changes in donation/loan ratios).

No. 7 Action Decisions

No. 7 Action Decisions

(Mission action completed; Insider loan exception being considered by AA/LAC)

10

RECOMMENDATIONS

ACTION/COMMENTS

Training Materials Bank

1. Maintain sufficient training materials (modules) to meet distribution needs of vocational centers and other clients.
2. Complete installation of key equipment in multimedia center so this division can increase its income and educational materials producing ability.
3. Complete activities scheduled in 1988/90 workplan as soon as possible.

No. 7 Action Decisions

No. 7 Action Decisions

No. 7 Action Decisions

Institutional Analysis

Technical Capability

1. Increase needs analyses personnel and provide assistants with training in cost analysis and cost benefit projections.
2. Familiarize staff with CR testing in contrast with NR testing.

N/A: See note on industry specific training above.

Action Completed

Administrative Capability

1. CADERH's management should continue to develop their own plans for the future, especially in the move towards self-sufficiency.
2. Implement, physical layout, design changes, emphasizing the organization as a whole and integration of activities.
3. Develop an integrated accounting system.

No. 1 Action Decisions

No. 5.c. Action Decisions

No. 5.a. Action Decisions

Finance

1. Seek long term financial support through an endowment assistance fund proposal that will address human resource development activities.
2. Study use of grant funds as well as loans to move the training fund.

No. 1 Action Decisions

Action Completed

11

RECOMMENDATIONS

ACTION/COMMENTS

3. Continue direct educational activities. CAL resources should be maintained by CADERH to enhance self-sustainability and assure USAID that a source of high quality English language instruction is available for future CAPS Programs.
4. Develop and implement a marketing plan for promoting CADERH's services and products.
5. In view of the tension between the project goals for developmental impact and the demands for self-sustainability, CADERH and USAID should resolve the issue quickly so CADERH's board and staff can make plans for the future of their institution, and AID can reassess the groundrules and orientations for the project.

Action  
Complete

No. 2 Action  
Decisions

No. 1 Action  
Decisions

Organizational Flexibility

1. Develop an integrated accounting system which produces necessary and separate reports and budget versus actual expenditures, reconciling cash basis liquidations for AID with accrual financial statements and relating sources and uses of funds. CADERH should contract a consultant to develop a computerized information system capable of producing timely reports on program accomplishments, costs, and budget items, as well as financial statements on a consistent basis.
2. Make personnel and salary adjustments taking into account inflation with emphasis on incentives for increase productivity.

No. 5.a. Action  
Decisions

No. 5.b. Action  
Decisions.

Technical Assistance

1. Terminate CSI or modify the contract and reprogram the funds for serving human resource development activities in Component I.

No. 4 Action  
Decisions

Project Outputs

1. Complete and implement modules and certification tests for 6 major trade areas during this project fiscal year.
2. Put the emphasis upon the goal for the number of workers to be trained rather than upon the number of training programs.

No. 7 Action  
Decisions

No. 3 Action  
Decisions

- |  |                        |
|--|------------------------|
| 3. Adjust goals projecting number of workers and instructors certified to a one-year extended schedule.  | No. 3 Action Decisions |
| 4. Revise projections for person years of employment for the project using the total number of students graduating and employed, rather than person years of employment. | No. 3 Action Decisions |
| 5. Increase Component I job entry level to 3,070 over the life of the project; reduce skill upgrading and graduates to 2,000 over the life of the project.               | No. 3 Action Decisions |
| 6. Revise other project output and evaluation criteria as suggested in Appendix II of the evaluation report.   | No. 3 Action Decisions |