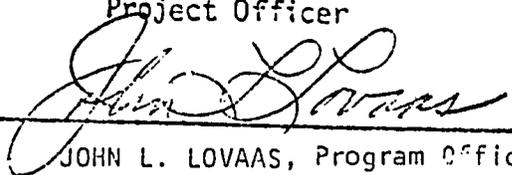
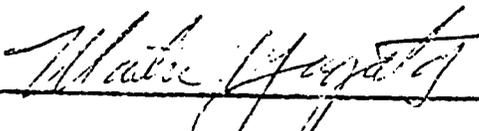


**PROJECT EVALUATION** PDABA 442 6975 73  
 (Submit to MO/PAV after each pr)

Mission or AID/W Office Name USAID/Honduras			7. Project Number 522-0128 <i>File</i>	
8. Project Title Pespire Valley Integrated Development (Community Development Foundation OPG) <i>File</i>				
4. Key project dates (fiscal years)			5. Total U.S. funding - life of project	
a. Project Agreement Signed	b. Final Obligation	c. Final input delivered	200,000 \$	
9/30/76	FY 79			
6. Evaluation number as listed in Eval. Schedule		7. Period covered by this evaluation	8. Date of this Evaluation Review	
78-3		FROM: 9/76 Month/year	TO: 12/77 Month/year	
			3/20/78 month/day/year	
9. Action Decisions Reached at Evaluation Review, including items needing further study (Note--This list does not constitute an action request to AID/W. Use telegrams, airgram, SPARS, etc., for action)			10. Officer or Unit responsible for follow-up	11. Date action to be completed
Modifications were incorporated into the Grant Agreement, March 31, 1978.			USAID/H	

12. Signatures:

Project Officer  TYPED name: JOHN L. LOVAAS, Program Officer Date: 4/20/78	Mission or AID/W Office Director  TYPED name: Martin V. Dagata, Acting Director Date: 4/20/78
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SUMMARY

The Grantee, Community Development Foundation, after 1 1/4 years of its 3 year OPG program, is carrying out project activities in all nine towns of the Pespire Valley projected in the OPG proposal.

The major project component, the expansion and strengthening of a sorghum cooperative for small-scale, low-income farmers, is receiving significant community support and participation. The goal of 700 members by the end of CY 1977 was short eleven members; 200 members have joined since the start of the OPG. The coop has exceeded its EOP increase of 35% in sorghum pre-payments to farmers due to a rise in the price of sorghum. The financial status of the coop, however, is worse than projected, due to drought, and the coop received less than half the sorghum originally projected for the end of 1977. The coop made a modest profit last year, but member debts and low savings and capital reserves must be dealt with.

The grantee has come close to meeting or has exceeded its 1977 goal in numbers of persons trained in Social Motivation and Cooperative Education. The number of persons who have received Agricultural Diversification training in new products such as fishponds, tree crops, etc., is 33% of the goal through CY 1977, and 11% of that projected for the life of the project. Credit given for diversification activities reached 62% of the goal for the same period.

Industry development activities have focused on one project; a cooperative mango puree factory established by twenty women in one community. While excellent as an organizational and self-help tool, the project's profitability is not certain.

A wholesaler currently is marketing the product on a trial basis, and while preliminary results indicate good sales, it will be another month or two before the coop can decide whether to expand production. For this reason, consideration of additional USAID financing of this subproject (tentatively budgeted for \$10,000) will be delayed until a firmer judgment can be made with regard to the potential profitability of expansion.

Of two other small industry studies planned, one for animal feed has shown that activity to be infeasible. The FY 1978 Grant budget provides funds for a hemp production feasibility study.

The project's cooperative activity was found to be having a beneficial impact on a still relatively small portion of the desired target group; agricultural diversification activities, while creating a generally positive impact, are affecting a very small number of people. Overly optimistic assumptions made in the proposal regarding water availability have caused coop financial status projections to be far behind schedule. The grantee also is behind schedule on agricultural diversification/training activities because of staff limitations and water scarcity.

EVALUATION METHODOLOGY

This regular evaluation measures project progress against indicators as of the end of 1977, as agreed to in the CDF OPG Proposal and Grant Agreement of September 30, 1976. In addition, it assesses impact to date on the target population and makes recommendations for changes needed to improve execution and impact of the OPG.

Information for the evaluation was collected by Cynthia E. Gallup, USAID/H, in collaboration with Andy Rubí and Gersan García of CDF, during three days of visits to eight project sites, as well as information from grantee reports and conversations with grantee personnel. Informal interviews with project participants and non-participants were carried out to assess the following topics: grantee's capacity to implement the subprojects; contributions/participation by target group; and feasibility of project design. The following OPG-supported activities were seen: five private fishponds, two group vegetable gardens, two private rabbit hutches, five cooperative grain storage facilities, the CDF/coop field office, and the mango puree factory. In addition, several water systems, community centers, schools, and a women's rosquilla (biscuit) factory initiated by CDF prior to the OPG, were seen. No training courses were attended, but CDF and AID personnel participated in meetings held during two visits which were regularly CDF scheduled monthly visits to villages. Cooperatives profit/loss and balance statements for the past year were reviewed, as were CDF quarterly reports on project activities. Finally, CDF personnel cooperated fully in providing additional information and in discussing the content of this evaluation as it was being drafted and in reviewing the draft.

## INTRODUCTION

CDF's integrated rural development project is directed toward nine communities of small-scale, near subsistence farmers in the arid Pespire Valley of southern Honduras. Drought in this zone is the rule rather than the exception. Spring water is abundant in fewer than half of the target communities. Corn, the preferred subsistence crop, does not produce well; as a result, most farmers plant sorghum instead, or as a back-up, because of its greater resistance to drought. Approximately half of the small farmers in this region must rent land for cultivation of subsistence crops since they own none of their own. An even greater percentage migrate to the south and east during the slack season to work in the cotton, coffee and cane harvests for cash.

The OPG project purpose is "to help the communities in the municipality of Pespire develop the organizational and financial capabilities that will enable them eventually to continue the planning, administration, funding and evaluation of an effective community development program without further dependence upon assistance from external sources.

This statement of project purpose can be expressed more clearly and explicitly by breaking it down into four statements of sector purpose:

A. Institutional Development: to strengthen the habits and skills of community interaction through broadly-based participation in the selection, design, funding, implementation and evaluation of community projects.

B. Social Development: to demonstrate that a community-based approach can effectively respond to the expressed needs of the rural poor, can foster a continuing demand for higher standards of social well-being, and can bring about an involvement of the community's own resources into socially and economically productive activities.

C. Economic Development: to create the necessary conditions for a steady, sustainable increase in income, for an improvement in income distribution, and for the channeling of increased financial resources into socially and economically productive activities.

D. Infrastructure Development: to relate the communities of the Pespire Valley more effectively to their socio-economic environment, and to assure the future availability of adequate supplies of food, water, and natural resources."

CDF project activities include promotion and support of a sorghum production and marketing cooperative; start-up materials for agricultural diversification activities in fishponds, gardening, rabbits, bee-keeping, terracing, and tree crops; technical assistance and start-up capital for a mango puree cooperative enterprise; and training courses in cooperativism, agricultural diversification, and social motivation for rural development, given by the Centro de Comunicación Popular Hondureño. Activities planned but not being

implemented are goat-raising, soybean introduction, and small-scale ropemaking, due to unforeseen problems in getting them organized and probably overly optimistic assumptions with respect to the capacity of technical staff.

Besides the integrated development project supported by the OPG, CDF&SCF administers the Save the Children program in which funds from sponsors in the U.S. support community projects in return for quarterly letters from the child they "sponsor." This program has been operating since 1973 in the OPG project area. CDF/SCF also distributes medicines through government health facilities in the zone.

### PROJECT PROGRESS

A. Institutional Development: Community-level institutions promoted by CDF are the Administrative Committee (for organization and operation of development projects) and the Cooperative Committee. The CDF field team spends the first 16 days of each month (including week-ends) visiting each of the nine villages to meet with the Administrative Committee, and with other citizen groups (Housewives' clubs, children, and coop members) to discuss community needs and project ideas.

The project design calls for the community to gradually take control of its own development program. Significant progress toward this end was apparent in one of three town meetings observed, where community residents convened and chaired a well-organized town meeting, with CDF personnel offering comments only when requested. However, in two other town meetings observed, CDF personnel or the local primary school teacher instigated and chaired the meeting while community members played a passive role. CDF is aware of considerable variation in community motivation and self-help efforts; to encourage broader participation, the field team uses video-tape techniques and social motivation training. It is too early to judge the effectiveness of these techniques which are intended to support achievement of a key objective -community participation and then actual control and direction of its own activities.

CDF plans to encourage the elimination of village-level Administrative Committees and gradually place their responsibilities (i.e., community development schemes) with the Cooperative Committee to avoid institutional duplication. Much remains to be done, however, in terms of planning the role of the Cooperative Committee and how such transition can occur. The Regional Cooperative Council is described elsewhere in this paper.

B. Social Development: Progress toward a number of purpose-level indicators was found to be good. CDF campaigns to boil water have met with some success; while a few women interviewed did not find this effective in reducing illness, most did. CDF, with community participation has built six classrooms with a capacity of 40 students each. In one town virtually every house has a latrine, as a result of CDF efforts. The effect of the project on nutrition, health and education was not measured.

C. Economic Development: The sorghum cooperative initiated by CDF has met an important need for small-scale sorghum farmers whose income

was so precarious that it was necessary to negotiate pre-payment for their crop from outside middlemen, and then buy back the product for family consumption purposes at the then current market price. Before the coop was established, pre-payment generally was L. 5.00 per 240-lb. carga; the price to buy back was at least L. 30.00 per carga. The coop has been able to double the pre-payment, as of late CY 1977, and in CY 1978 is offering L. 12.00/carga pre-payment for a reduced carga of 205 lbs. Sales of sorghum by the Cooperative are made on a cash-only basis to coop members. When there is excess production, it is sold to non-members and outside the community.

The cooperative can be said to have achieved its membership goal for FY 1977 (689 members vs. a projected 700).

Although the cooperative has increased member pre-payments and distributes a profit (up to L. 16.00/carga, depending on the village), it fell short of expected receipts in CY 1977. L. 62,000 were the expected coop receipts; L. 27,000 were the actual receipts. Due to drought, coop members sold to the cooperative last year an average of one and one-half cargas per member, instead of the four cargas projected. As a result, member savings reached L. 4,800 instead of L. 9,000. At the end of last year's harvest but before pre-payments were made (April 30, 1977), the coop was carrying a debt of L. 38,826 (L.1,750 from 1976) on undelivered sorghum. The number of members in debt from 1977 is 78. Attempts to date to recover the debts, largely due to crop failure, have been unsuccessful. Capital reserves, increased only by L. 680.36 (from L.4,135.33 to L.4,815.69) from late 1976 to 1977, despite the addition of 116 members. It was explained that each member pays at the time he delivers sorghum to the cooperative, and because of the harvest failure, the coop could not collect. Nevertheless, the coop's net profit, after setting aside the 10% legal reserve fund, 5% education fund, and 5% social assistance fund, was L.9,781 in 1976 and L.9,237.49 in 1977. This entire amount was distributed to the coop members as profit, in proportion to the number of cargas actually delivered to the coop.

The number of recipients of Cooperative Training was 85 (five more than projected). Coop sorghum storage capacity, while less than projected (228 tons vs. 397 tons) is appropriate to current need. In early March, with one month remaining for sorghum delivery to the coop, only one town had exhausted all silo capacity and was using other storage methods; the Tapatoca silo with a capacity of 1,000 cargas (120 tons) was one-third full. Aldeas visited showed half of two-thirds of their silo capacity full.

The impact of the coop varies considerably among and within the aldeas. In San Antonio de Padua, where sugar cane and beans are cultivated, the members voted to buy up local production of brown sugar (dulce) and beans, in addition to sorghum, thereby stopping addition outflow of community resources to middlemen. In Tapatoca, where 90% of the heads of family belong to the coop, but owned no land, a group of twelve coop members borrowed money interest-free from CDF to buy a 40 mz. plot of land. They report they will meet their first year payment as scheduled.

One of the twelve reported a harvest of eight 240-lb. cargas from one manzana compared to the two cargas per manzana harvested by another coop member on rented land. A third aldea, Concepción, is a dispersed community with poor-quality land. Community silos are not feasible because houses are situated next to the family milpa (plot), often at a distance of one to two kilometers from each other, and residents prefer to store their grain in sight of their house. Community organizations do not exist, and self-help will be extremely difficult. CDF is encouraging the coop leadership to diversify its activities and move toward becoming a consumer cooperative. This is one way the coop may secure Personería Jurídica (legal status). To date, Personería has been denied because the coop does not qualify as a production group. (It does not have land in common).

The coop is having an impact on the poorest farmers, since it is they who need the pre-payment for their crop. 60% of all coop members are landless, renting the land they produce the crop on. One town where CDF has promoted the coop without success is wealthier in cattle, cars, and brick houses than surrounding towns. Women of the town interviewed claimed that they do not need to sell their crop before harvest and they were, therefore, uninterested in CDF activities. CDF does not plan significant efforts in this aldea, except among its obviously poorer residents.

CDF is promoting the cultivation of Senta-1 sorghum which produces two crops per year. It is hoped this can help coop members meet their payments. Preliminary reactions among farmers who have harvested it show that yields are much better than the old variety, particularly with the use of fertilizer, but that the tortillas made with it are inferior (perhaps just new) in taste.

A regional cooperative council, made up of one representative from each aldea, meets six times per year. This council sets the pre-payment price and profit percentage to be distributed, and judges coop needs in seed, fertilizer, and storage space. The village Cooperative Committees meet monthly with the grantee to review coop receipts and debts. Each Committee maintains records on grain sold to the coop, pre-payments and profits disbursed to the members, and member debts. The Committee is responsible for visiting each member's field at planting time to compare the probable yield with the member's own estimate (although that may not happen in practice because of committee members' own planting responsibilities), for setting the subsequent sale price, and for trying to collect on bad debts.

Agricultural Diversification: During the first 1 1/4 years of the OPG, the grantee has experimented with various agricultural activities to help beneficiaries diversify their diet and cash income. While there have been mixed results, CDF appears to have identified several activities that have a potentially high impact in the area. To date, terraced vegetable gardens and fishponds are having the most positive impact. Terraced gardens have been established in two towns, but in one of these, La Arrinconada (Los Liomnes), the water source dried up causing the garden to do the same. Four men in San Antonio de Padua have a

terraced garden established on one-half manzana. Last year they harvested 600 lbs. of tomatoes, all of which were sold locally for L.0.25/lb. Radishes, cabbages and a few other vegetables also are grown. The men are fertilizing with compost and are experimenting with different types of terracing. Two other townspeople interviewed expressed interest in establishing gardens. It is worth mentioning that San Antonio de Padua enjoys an abundance of spring water. A thriving unterraced hillside garden was seen in Espinal. CDF discussed plans it has to teach the three owners terracing and to build a fence. Tomatoes, radishes and green peppers are growing. Terracing methods without gardening have been demonstrated in several other communities, with no apparent spread effect.

Twenty-four fishponds have been established in four communities, including the two towns mentioned above where there is currently an abundance of water, and in San Juan Bosco and La Arrinconada, where either water shortage or porous soil have caused ponds to dry up. Twelve are stocked and being used for their intended purpose. The successful fishponds are certainly having a positive nutritional impact. The five fishpond owners interviewed claim to eat fish twice a week. One owner sells part of his stock. A recent report by aquaculture expert, Dr. William McLarney, attests to the success and value of the functioning fishponds.

Rabbits are being raised by two households, but at only one was there enough stock to consume. That man expressed a preference for rabbit meat to chicken.

Sesame seed and tree crops such as cashew have been promoted on a limited scale. One farmer in La Arrinconada planted less than one-half manzana in sesame, put virtually no effort into the venture, and harvested over four quintales (100 lbs. each), which he sold for L.45.00 per quintal. Trees for windbreaks and soil conservation are being promoted in a few localities.

Bees are being raised by two farmers, but were not seen. CDF has decided not to promote this activity further because insecticide use in the area could kill the hives. Goats have not been promoted because of difficulty obtaining the stock and lack of CDF personnel experienced in their care. Agricultural training accomplishments fell far short of goals. Training of 500 students was planned; 164 were realized.

Many of the diversification activities depend on an abundance of water; as a result, CDF has been promoting a number of projects in the same few towns where water is not a constraint. Moreover, farmers who are inclined to invest the labor and land in terracing or fishponds are those who own land. Since privately-owned land is a constraint in this zone, the result is that the diversification activities are carried out by a very few people, usually small landowners, in a small number of communities. CDF is aware of these limitations and is helping the landless purchase land through interest-free loans. Over the short run,

it will be necessary to help the landless with activities that depend neither on land nor on abundant water.

Industry Development: Funds for this activity were invested in the Cooperative Women's mango puree plant in San Juan Bosco. While the factory produced a value of L.10,712 during the four-month mango harvest, creating employment for nineteen women and valuable family income, financial independence is not certain. A local wholesaler purchased and subsequently resold 100 cases of the product to test its marketability. This enabled the coop to make a profit on last year's production. The possibilities of a contract for next year's entire production will not be known until April. To create employment at other times of the year, the coop is experimenting with ways to manufacture locally foods that are "imported" into the community, such as bread, and with diversifying the bottling production.

The coop has filed a petition with the National Agrarian Reform Institute for the title to three manzanas (1.4 acres each) of land on which to cultivate fruits and vegetables for diversification. A decision is expected in April.

Training: No training courses were observed. In addition to training activities mentioned above, social motivation courses were given to 293 of a planned 300 people.

D. Infrastructure Development: Progress toward project purpose is good. CDF with community labor has installed four potable water systems (two of which are seasonally dry) and has attracted SANAA resources and supervision to install another. Two wells have been dug.

With the assistance of the Ministerio de Recursos Naturales, COHAAT (German Foreign Aid Agency) and community labor and local materials, 14 km. of new access roads and 15 km. of road improvement have been accomplished. While the economic impact remains to be measured, these roads are serving to transport production of the CDF-initiated mango puree and rosquilla (biscuit) factories to market.

CDF currently is promoting a fuel-saving, smoke-free home stove made of mud and sand (lodo and arena), known as "Lorena." Two of the stoves already in use show fuel consumption to be one-half to two-thirds less than that of traditional adobe stoves.

## RECOMMENDATIONS

The following recommendations correspond to project components discussed above. All have been discussed with CDF personnel.

### A. Institutional Development:

No recommendations.

### B. Social Development:

No recommendations.

### C. Economic Development:

Sorghum Cooperative: Drought in the Pespire zone is a serious, frequent problem that was assumed away in the project design. The coop consequently should be managed as though drought, rather than abundant rainfall, were to be expected. To improve capitalization of the coop, it is recommended that:

- 1) a larger percentage of profits (perhaps 5% to 10% additional) be added to the legal reserve each year;
- 2) greater effort be given to helping coop members, and particularly new or indebted members, project more realistically the crop that they will produce, before pre-payments are disbursed. To do this, CDF should enlist the temporary assistance (at planting time) of an agronomist knowledgeable about sorghum. This might be accomplished through an agreement with the Ministry of Natural Resources. In addition, CDF and the Regional Cooperative Council should experiment with pre-payment systems that do not advance the entire amount, but that reimburse the farmer weekly or monthly as he works his land.

### Agricultural Diversification:

1) Land appears to be a serious constraint to participating in the kinds of activities CDF promotes. Fishponds and terraced gardening probably are cost-effective only for those farmers who own their own land or who have a very secure rental arrangement. It is recommended that CDF experiment with activities for the landless, as well. Examples are small animal care (chicken vaccinating), small household gardens, and arid-climate, non-permanent crops. CEDEN experience in small animal care might be enlisted, in this respect.

2) Lack of water is one reason a number of diversification activities are behind-schedule or have failed. One of three vegetable gardens and twelve out of twenty-four fishponds are dry. It is recommended that CDF reorient its activities to reflect the realities of

availability in the zone. CDF already is promoting tree crops as cashew that hold the water and prevent soil erosion.

3) Because of CDF's commitment to terracing as a water-conserving, non-preventing investment, it is recommended that they visit terracing sites of COHDEFOR/FAO to exchange ideas on the potential uses and care practices, and to explore Food-for-Work compensated labor.

4) The number and diversity of agricultural activities being promoted by CDF is impressive, but too ambitious given the number of local personnel CDF currently has. It is recommended that the number of activities be reduced in order to realize the broader impact envisioned in the OPG proposal. Specifically, promotion of bees, goats and rabbits might be discontinued. Funds budgeted for motivational and cultural diversification training and diversification credit for agricultural activities should be used to finance short-term technical assistance in areas as terracing, fishponds, poultry care, reforestation and tree crops.