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**Proposed Project Design for  
The National Environmental  
Protection Fund Project**

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**Proposed Project Design**

**for**

**The National Environmental  
Protection Fund Project**

**by**

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- **Presidential Resolution 35-92 (La Gaceta 10 June 92).** Recognizes the *personería jurídica* of the Honduran Foundation for Environment and Development (VIDA) and approves its statutes.
- **Legislative Decree 69-92 (La Gaceta, 6 August 92).** Establishes the 30 million lempira Fund for Protection of the Environment, makes VIDA responsible for its management, and authorizes transfer to VIDA of a first tranche of 5 million lempiras.
- **SECFIN Resolution DGT-628-II-SG-92 of 12 August 92.** Makes contributions to VIDA tax deductible.
- **Basic Technical Level Notes on the Functions and Programmatic Areas for VIDA's Investments.** 11 September 92. Planning document prepared by VIDA's executive director.
- **Institutional Strengthening of the Honduran Foundation for Environment and Development.** UNDP Project Document signed 13 August 92. Provides VIDA with operating costs over six months. Includes a six-month budget.
- **Analysis of Honduran NGO Capability to Absorb Financing from the National Environmental Fund (submitted to Biodiversity Support Program by Ruth Norris, 4 November 92).**
- **Strategic Objective 3 and Program Outputs**

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## LIST OF ACRONYMS

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AHE	Asociación Hondureña de Ecología (Honduran Environmental Association)
ANI	Asociación Nacional de Industriales
BSP	Biodiversity Support Program
CABEI	Central American Bank for Economic Integration
CAPS	Central American Program of Scholarships
CIDA	Canadian International Development Agency
COHDEFOR	Corporación Hondureña de Desarrollo Forestal
CONAMA	Environmental Coordinating Unit
DA	Development Assistance
DESFIL	Development Strategies in Fragile Lands Project
EOP	End of Project
FAO	Food and Agriculture Organization
FOPRIDEH	Federación de Organizaciones Privadas de Desarrollo de Honduras
GEMA	Gerentes y Empresarios Asociados
GDP	Gross Domestic Product
GOH	Government of Honduras
IAF	Inter-American Foundation
IICA	Instituto Interamericano de Cooperación para la Agricultura
LAN	Local Area Network
LC	Local Currency
LOP	Life of Project
MIS	Management Information System
MOPAWI	Mosquitia Pawisa
NEPF	National Environmental Protection Fund
NGOs	Nongovernmental Organizations
ONGs	Organización no gubernamental
OPDs	Private Development Organizations
PA	Project Administrator
PACD	Project Activities Completion Date
PVOs	Private Voluntary Organizations
RFP	Request for Proposals
UNDP	United Nations Development Programme
UNISA	Unidad de Servicios de Apoyo para Fomentar la Participación de la Mujer Hondureña
<del>VIDA</del>	<del>Honduran Foundation for Environment and Development</del>
WID	Women in Development

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## **CAVEAT AND CONCLUSION**

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The Honduran Foundation for Environment and Development (VIDA) is an incipient institution, in existence for less than five months, but rapidly developing its basic character. Obviously, its capacity to manage its resources "efficiently and effectively" has not been established, nor have its strategy, priorities, and criteria and procedures for identifying, promoting, appraising, selecting, awarding, and monitoring grants to implementing organizations. The proposed USAID-funded National Environmental Protection Fund (NEPF) project is intended to help VIDA establish this capacity.

This preliminary project design and the accompanying analyses are based on probable scenarios for VIDA's development over the next five years. These scenarios, in turn, are based on the experience of similar efforts in Guatemala, Costa Rica, Dominican Republic, and elsewhere; evaluation of the effective demand for VIDA support; and discussions with VIDA staff and board members, Biodiversity Support Program (BSP) staff, and others. These factors suggest strongly that the purpose of this project will be met by the project activities completion date (PACD), with the assistance provided by this project.

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## SECTION I PROJECT DESCRIPTION

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### A. Rationale and Summary

#### A1. Rationale

##### A1a. Environmental Deterioration

Like many developing countries, Honduras has been dependent on its land, forest, and water resources for much of its economic growth. The agricultural sector alone accounts for 30 percent of the gross domestic product (GDP) and 55 percent of employment. Forest and mineral resources along with agricultural commodities are the principal exports, contributing needed foreign exchange to one of the poorest economies in this hemisphere. Nontraditional exports, which expanded during the 1980s, particularly shrimp and lobster, have also been important as generators of employment and foreign exchange. While the Honduran economy is undergoing structural transformation, renewable resources will, nevertheless, continue to play a significant role in the country's economic development.

The "renewable" nature of Honduras's natural resources implies their continued regeneration and role in providing income and employment. These resources, especially the latifoliate, pine, and mangrove forests, also provide important environmental benefits such as watershed protection and the basic life support system for wildlife and plant species. However, the continuation of economic and environmental benefits is contingent upon the sustainable management of the resources.

The last few decades have witnessed a deterioration in both the quality and quantity Honduras' renewable resources. The growth in population of about 3 percent along with inappropriate land management and forest policies have been key factors responsible for clearing of virgin land, destruction of vital watersheds, and loss of biodiversity.

Although only about 25 percent of the land is suitable for agriculture and animal husbandry, hundreds of thousands of hectares of forested land have been brought into agricultural production. Current rates of clearing are nearly 40 hectares per hour. Besides the unsuitability of land for agriculture or pasture, the production practices are unsustainable, leading to erosion, loss of soil productivity, and lower and more erratic water yield. In the mountainous areas of the central region, soil erosion per hectare has been estimated at 22-46 tons per hectare. The economic losses from soil erosion per year in only one region could be as high as 547 million lempiras. (Honduras Environmental Agenda 1992.)

Primary causes of deforestation are harvesting for lumber, harvesting for fuelwood (for lime kilns, trapiches, and salt production, as well as for domestic use), clearing for pastures, and clearing for agriculture.

Urbanizing areas display increasing environmental degradation, as land is indiscriminately cleared for homes, commerce, and industry, and the surrounding areas are denuded to provide fuelwood and lumber for the construction of vacation homes. Solid waste and sewage disposal have become major problems for most urban areas, contributing to the increase in river and lake pollution.

The Government of Honduras (GOH) has been slow to recognize the growth and severity of these environmental problems. The institutional capacity to design and implement sustainable resource management is weak and the resources required to make environmental investments are woefully insufficient. The will and ability to enforce laws lags well behind the ability to pass desirable legislation. However, some positive signs are emerging that indicate an increased awareness of the severity of the problems and the need for action. The recent legislative initiatives in the areas of forestry and local government along with the establishment of the National Environmental Protection Fund (NEPF) demonstrate the GOH's interest in establishing the framework for improved resource management.

### **A1b. Opportunities**

*"We are always presented with wonderful opportunities, superbly disguised as insoluble problems."*

Despite the enormity of the problems, there are, indeed, promising opportunities. The GOH is undergoing a structural transformation from an entity which frequently participated ineffectively but forcefully in economic activity. It is decentralizing and privatizing to become an organization which places the main responsibility for economic activity on the private sector, exerting necessary control through policies and regulations. Considerable central government authority is being transferred to the municipalities, which are much closer to environmental problems than the central government.

Environmental awareness is emerging, and is being promoted through formal and informal educational methods. The government has established an environmental coordinating unit (CONAMA), attached to the Presidency, which will be transformed by the proposed General Law of the Environment into a ministry or autonomous agency that will not only regulate the environmental effects of economic activities, but will have its own legal unit to initiate immediate corrective action.

The GOH has begun to deliver expanded funding to the environment, through its own resources and external funding. Official debtors are swapping significant amounts of debt for environmental activity. Virtually all multilateral and bilateral donors now place a high priority on environmental projects.

Decentralization and privatization require an expanded environmental response by the private sector. The Honduran Foundation for Environment and Development (VIDA) has been created to encourage and support this response, through education, financing, and development of implementation capacity by a network of nongovernmental organizations (NGOs), municipalities, and others. It is also given responsibility for servicing this network

with training, information, technology, and fund-raising. The GOH thus sees the foundation as filling a critical role in its environmental action plan. But considerable assistance will be required to develop this concept into an efficient and effective organization. This project is expected to provide the support necessary to accomplish that job.

## **A2. Project Summary**

### **A2a. Project Background**

In conjunction with U.S. official debt forgiveness in September 1991, and with U.S. encouragement, the GOH pledged to create an "Environmental Protection Fund" in the amount of 30 million lempiras (approximately \$5.5 million at the current exchange rate). Since September, the GOH has submitted and Congress has approved a law [Legislative Decree 69-92, La Gaceta, 6 August 92] which created the National Environmental Protection Fund and authorized the first tranche of 5 million lempiras. The law also specifies that the fund is to be managed by VIDA, a recently created, apolitical NGO. VIDA will not itself implement projects. (VIDA received its *personería jurídica* by Presidential Resolution 35-92, La Gaceta, 10 June 92.)

### **A2b. Project Description**

The purpose of the proposed NEPF project is to strengthen the Honduran nonprofit private sector capacity to manage and protect natural resources and the environment. This will be accomplished through institutionally strengthening VIDA to better achieve its mandate of managing NEPF. With support from the GOH, USAID, and other international donors, the foundation will provide grants to other NGOs to implement environmental projects. The foundation will establish criteria for project selection and evaluate proposals based on these criteria. It is expected that projects will reflect the country's environmental strategy, which has been described in the Environmental Agenda (1992) and the Environmental Action Plan (1992). In addition, VIDA will conduct a dialogue with the GOH on a wide range of policies related to natural resource and environmental management.

It is anticipated that PL-480 local currency will be contributed to NEPF as a counterpart to the project. It is also anticipated that many local NGOs will implement projects with assistance or in partnership with U.S. private voluntary organizations (PVOs). It is for this reason that the project will allocate to VIDA development assistance (DA) dollars for subgrants to U.S. NGOs that are collaborating with local NGOs. In this way, the project will strengthen a number of Honduran environmental NGOs.

### **A2c. VIDA**

VIDA is a private, nonprofit organization. Its objectives are: "To promote and contribute to the conservation of natural resources and the environment, as well as the ethnic and cultural heritage within a context of sustainable national development, channeling efficiently and effectively the resources which it receives. In this sense, it will assure that its efforts are coordinated with those of the Central Government and other public and private

institutions with which it is linked in the fulfillment of its objectives." (Presidential Resolution 35-92)

In 1990, leading Honduran environmentalists identified the need for a foundation, and began the process of drafting statutes and seeking members to support its establishment. By September 1991, they were able to convoke an assembly, elect a provisional board of directors, and apply for the *personería jurídica* (legal personality) of the organization. This was granted by Presidential Resolution 35-92, published officially on 10 June 92. Legislative Decree 69-92 of 6 August 92 created the National Environmental Protection Fund, gave VIDA responsibility for its management, and awarded a first year tranche of 5 million lempiras. Currently, its offices are in the process of being equipped, and a staff of five professionals, including the executive director, technical director, and financial director, has been hired. Price Waterhouse is developing manuals for installation of internal operating procedures. The Biodiversity Support Program (BSP) is helping VIDA prepare an operating plan that will establish criteria and procedures for identifying, designing, appraising, selecting, awarding, and monitoring grants to implementing organizations.

#### A2d. NGO Community

There are between 200 and 250 NGOs in Honduras, broadly identified as either developmental or environmental. The majority of Honduran NGOs are development organizations, many of whose missions are narrowly focused on a geographic area or client group. Generally they have been operating longer than the environmental NGOs and are larger and better established, with close ties to their client communities. Some of these are substantial, with effective liaison to international PVOs. The main umbrella organization for development NGOs is the Federación de Organizaciones Privadas de Desarrollo de Honduras (FOPRIDEH). It lists some 164 NGOs in its current directory, only about 50 of which are active members.

Many of these developmental NGOs include some type of environmental activity tied to their primary mission; for example, rural NGOs working with agriculturalists are naturally concerned with sustainable agricultural practices. VIDA will serve these development NGOs, in order to strengthen their environmental activities in both scope and proficiency.

There are only about 70 or 80 NGOs in Honduras whose missions are primarily environmental. A recent survey by BioConsult has identified 50 NGOs managing environmental projects, but many of these do not classify themselves as environmental NGOs. With the collapse of the Honduran Ecological Association (AHE) the only national-level organization that has emerged is FEDAMBIENTE, a federation of some 40 organizations, whose average length of existence is two years.

Only a dozen of the environmental NGOs now meet minimum standards of absorptive capacity, that is, *personería jurídica*, more than two years of existence, an annual budget of at least \$5,000, and contacts with external financing and advisory services. VIDA will have to focus considerable effort on helping them to meet these standards in order to develop a suitable client base.

Like local NGOs, international PVOs tend to be oriented to development or specialized toward the environment. The following discussion focuses on U.S. PVOs, but comparable organizations, based in many developed countries, maintain programs in developing countries, including Honduras.

U.S. international development PVOs, as the classification implies, generally have a proprietary focus on some aspect of development, as well as established methods of operation. Many have some environmental capability within this proprietary focus, but are generally reluctant to broaden that focus. However, they are frequently closely linked to local NGOs, and aware of local problems (including environmental), possible solutions, and constraints.

Although many environmental PVOs have a long history of performance in their own countries, their international programs generally are less than a decade old. This growth in international programs has coincided with the increasing concerns about the environment in their base countries and recognition that these burgeoning problems are international in scope and effect. Reflecting their origins, they have tended to establish working relationships with national NGOs. However, they frequently work closely with national governments, and have been actively supported in their work by USAID. U.S. environmental PVOs with significant international experience include The Nature Conservancy, World Wildlife Fund, CARE, Wildlife Conservation International, Cultural Survival, and World Resources Institute.

A significant problem for PVOs of both types, but particularly for the environmental PVOs, is the 25 percent matching requirement of cooperative agreements. Nevertheless, we believe that Honduras will receive a higher priority in their future planning, due to the improving country policy environment and the restructuring and reorientation of the GOH public sector. The emergence of VIDA as a source of counterpart funding of local NGOs, as well as the availability of dollar funds for environmental cooperative agreements should make Honduras a highly attractive place to use its own resources.

#### **A2e. Municipalities**

Secondary clientele include municipalities that are beset with a variety of environmental problems, both urban (solid waste and sewage disposal) and rural (unsustainable agriculture, degradation of the watersheds that supply municipal water). The decentralization of authority to the municipalities empowers them to attack these problems, but they may lack the popular support or technical and managerial capacity for a complete response. VIDA can provide indirect assistance through local NGOs and community organizations to help municipalities in planning and prioritizing efforts. Then, it can join with NGOs in the implementation of action programs co-financed by the municipality. As a private sector institution, VIDA should not finance activities undertaken directly by the municipality, or any other level of government, but should actively seek their cooperation with local NGOs. This establishes effective community participation and facilitates public investment in useful environmental activities.

**B. Project Goal and Purpose**

**B1. Goal**

Improve environmental protection and increase sustainable use of natural resources.

**B2. Purpose**

Increase the role of NGOs in environmental protection and natural resource management activities.

**C. Project Elements (Components or Objectives)**

**C1. Strengthen the Technical and Managerial Capacity of VIDA to Perform the Following Functions:**

**C1a. Generate Additional Supporting Resources**

NEPF is not self-perpetuating, but is to be used to strengthen or implement environmental projects. The GOH commitment to this fund is an authorization for 30 million lempiras to be allocated in six equal annual installments. In order to grow and sustain its operations, VIDA must seek additional contributions to replenish or expand NEPF. VIDA should also use its position to help the NGO community obtain funding from their municipalities and private sector constituents. Not only will this enhance its role as a leader in the Honduran environmental community, but it will help to establish cofinancing as the financial medium for project implementation. This will also permit VIDA to support a larger number of projects in each of the country's provinces.

While environmental programs are a high priority for both the GOH and the donor community, VIDA's prospects for being selected for funding will be enhanced by a carefully crafted development program. Such a program must rest on: (1) a track record of efficient reliable management; (2) a clear set of rational program priorities packaged to facilitate investment; (3) an evident leadership role in the Honduran environmental community; and (4) a track record of supporting projects that generate both environmental and economic benefits. Achieving these four conditions should be a primary goal for VIDA management.

Eventually, VIDA will want to devote some of its resources to fund-raising. Fund-raising has become a very specialized field with its own experts who can identify appropriate methods to assist VIDA in meeting its financial goals. As soon as possible, VIDA should obtain with USAID assistance a specialist to provide the directorate and the board with an overview of these methods.

### **C1b. Manage NEPF by Soliciting, Evaluating, and Selecting Proposals and Financing and Monitoring Environmental Projects**

**Selection.** VIDA must develop its own procedures and criteria for soliciting, evaluating, selecting, and developing proposals consistent with its priorities. This process must also look at the implementation and control capability of the prospective client NGO to identify any needed training or technical assistance. Criteria and procedures for this award process that have been developed for similar programs are available for adaptation to VIDA's particular needs and the Honduran culture. The BSP buy-in will lend its experience to help VIDA work through this process. An emphasis should be placed on supporting projects that show promise not only in terms of environmental improvement, but also as generators of economic benefits to the project participants. Where appropriate, local NGOs should be encouraged to undertake benefit/cost analysis. Projects that can become financially self-sustaining are more likely to achieve positive long-run environmental results.

**Financing.** Once a project has been selected and adapted to meet all VIDA's criteria, its salient features must be incorporated in a standard financial agreement, which identifies the work to be performed by the client, the performance objectives and benchmarks, the tranching of the funding, and any training or technical assistance requirements. Co-financing arrangements must also be detailed.

**Monitoring.** Client NGOs must report periodically on progress, and must be visited frequently by VIDA staff, and, as necessary, by their expatriate counterparts. These visits will confirm progress, help correct problems, and evaluate results against established benchmarks (environmental, economic, and social).

The BSP is providing pre-project technical assistance to VIDA in developing a strategy, program priorities, and project selection criteria. This process of identifying, selecting, financing, implementing, and monitoring projects is not static, but must be adjusted by experience over time, and applied with judgment. Two resident advisors provided under USAID contract will help implant this operational guidance and adjust it over time to reflect program experience.

### **C1c. Provide Training to NGOs in Project Design and Implementation**

A major weakness encountered in all USAID-financed projects implemented by NGOs has been a lack of effective accounting and management capacity. The accounting and management capacity of each candidate NGO must be diagnosed, with a view to correcting deficiencies at an early stage. Where weaknesses are encountered, the NGO must have its staff undergo training and receive technical assistance to ensure its proper application before receiving NEPF financing. The project will earmark funds with which VIDA can contract locally for such diagnostic, training, and technical assistance services.

#### **C1d. Support National Environmental Policy and Legislation**

As a leading private sector actor in environmental matters, VIDA has a signal responsibility for reviewing and commenting on policy and legislative proposals. To support this role, VIDA will contract studies on the impact of such proposals, and disseminate their results. It is expected that most such studies will be funded by NEPF and performed by Honduran private institutions. However, short-term expatriate assistance may be subcontracted under the project's technical assistance facility.

#### **C1e. Provide an Environmental Information Service**

Information on environmental problems, their solutions and methods, and on those involved in either creating or solving the problems is sketchy and not broadly available. VIDA will create a repository of environmental information, and will develop a service for its dissemination. The majority of these data will reflect Honduran or Central American conditions and programs. However, access to environmental information in other parts of the world is also needed. The project will provide equipment for information cataloging, processing, storage, and retrieval, including CD-ROM readers, and for desktop publishing of divulgative materials.

#### **C2. Finance, through VIDA, the Joint Efforts of Selected Honduran and U.S. NGOs to Design and Implement Environmental Activities**

The project will provide a fund from which VIDA can subgrant support to U.S. PVOs to enter agreements for working on environmental matters with local NGOs. The latter may receive support from NEPF. These arrangements may provide resident staff or intermittent support, and may be one-on-one or with several NGOs. It is expected that most of these arrangements will be made by U.S. PVOs, but VIDA may also approve and fund similar agreements with U.S. universities and other institutions. The intent is to make knowledge of this opportunity available to a wide array of U.S. PVOs, as soon as VIDA has been certified as a subgrantor.

#### **D. Project Outputs**

##### **D1. Design and Implementation by NGOs of Projects that Successfully Address Improved Environmental Protection and More Sustainable Natural Resource Management**

VIDA will subcontract with experienced local firms to provide services to diagnose NGO needs, and then train their staffs in program design, accounting, management, and monitoring. Direct long-term technical assistance (see subsection D2. below) will provide VIDA with an experienced monitoring capability. This same technical assistance will provide short-term specialists to design studies or help identify and plan the resolution of unusual environmental problems.

Preliminary targets for this activity (in \$000 and number and type of projects, by year) are:

	YEARS									
	I		II		III		IV		V	
	\$	#	\$	#	\$	#	\$	#	\$	#
Projects	285	10	375	16	520	20	630	23	780	25
Org Dev	65	6	130	8	135	9	160	10	165	11
Studies/Info	10	2	10	2	10	2	10	2	10	2

Source: Norris, p. 17

Note: "Projects" refer to environmental activities undertaken by NGOs. "Organization Development" consists of a complex of activities undertaken to strengthen an NGO in order to prequalify it for undertaking a project. "Studies/Information" are activities contracted by VIDA undertaken to collect and analyze information.

## D2. Development of VIDA into a Strong, Widely Respected Institution Capable of Performing Its Functions and Managing NEPF

Training and technical assistance provided by the project will improve the capacity of VIDA personnel to perform all its functions. Technical assistance will be provided through a USAID contract with a U.S. firm, preferably in cooperation with a PVO that has direct experience in developing the capacity of Central American NGOs to become effective institutions. This technical assistance will help VIDA develop and implement, on a continuing basis, the systems needed to select, finance, monitor, control, and evaluate the projects that it finances. It will provide short-term assistance to plan a development program to increase finances, and to design a program for strengthening the capacity of NGOs to design and implement environmental programs and an information service.

Interim output targets, in addition to attainment of the project output targets cited above, are, by year:

### Year I

- Establishment of full operating authorities
- Design of an institutional operating strategy and program
- Installation of all operating and control systems
- Design of preliminary program strategy with priorities, a process and criteria for financing and monitoring projects
- Design and implementation of a preliminary program for strengthening local PVOs

### Year II

- Resident technical advisors on board
- Delivery of project-supplied commodities
- Review and revision of institutional and program systems
- Establishment of minimum but comprehensive technical capacity, in-house and through consultation
- Design of environmental information system

- Establishment of registry characteristics and capacity of local NGOs and international PVOs

**Year III**

- Continued refinement and strengthening of all operating and program systems
- Installation of environmental information system
- Formal mid-term evaluation (at end of year)
- Departure of one resident advisor (no longer necessary)

**Years IV and V**

- Establishment and internalization of all operating and program systems
- Establishment of a projectable trajectory through fundraising that ensures continuation of NEPF
- Implementation of mid-term evaluation recommendations
- Concrete evidence of NGO recognition of VIDA's leadership role and service capacity

**Year VI**

- Departure of last resident advisor (no longer necessary)
- End of project (EOP) Evaluation

**D3. Creation of a Network of Technically Capable NGOs Effectively Designing and Implementing Environmental Projects**

Proposed output targets are:

- Number of NGOs prequalified for VIDA support:

YEARS				
<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>
10	16	25	40	55

(Estimated from Norris, pp. 17-21)

- By year III, two active umbrella organizations providing more effective services ~~and networking~~
- Doubling of NGO membership in umbrella organizations, and tripling of active NGO membership by Year V

#### **D4. An Increase in Public Awareness Concerning Environmental Issues and the Importance of Sustainable Resource Management**

Targets will be set following analysis of a baseline survey of public awareness early in Year II. Annual iterations of this survey will indicate progress.

#### **E. Project Inputs**

##### **E1. USAID Inputs (Table B on page 30)**

##### **E1a. Training**

- **International Training (\$1.0 million)**

International training will be short-term. It will include observation travel to similar programs in the region, as well as funds to permit one or more board members to travel with a member of the directorate to international meetings and to raise funds for VIDA's programs. A limited amount of training funds will be used to cover training within the region on strategic planning for environmental programs.

Long-term degree training is recognized as highly desirable in fields such as ecology, where Honduran education is weak. Such training should be provided under the Central American Program of Scholarships (CAPS) program, rather than by this project.

- **Local Training**

The equivalent of U.S.\$200,000 in PL-480-generated local currency counterpart will be available to VIDA to fund seminars, workshops, and meetings.

##### **E1b. Technical Assistance**

- **Expatriate Technical Assistance (\$2.3 million DA)**

Technical assistance will be provided through a USAID contract with a private firm in consortium with a U.S. PVO with demonstrated experience in developing the capability of Latin American umbrella organizations serving programs implemented by local NGOs. This technical assistance contract will provide two long-term advisors for three years, then one advisor for another two years. These long-term advisors will be expected to serve essentially as VIDA staff at headquarters and in the field, while imparting their expertise to their counterparts, on the job. They will also identify needs for up to 25 months of short-term specialized help to be provided under the contract. This will be a performance-based contract, measured by the successful establishment of VIDA as an institution and achievement of its output targets.

- **Domestic Technical Assistance**

VIDA will not add staff to provide technical assistance to develop NGO capacity or to respond to specialized technical issues. Instead, it will rely upon local firms and individuals to provide such things as accounting and administrative training and advice and research on environmental matters. Local technical assistance and training capability will be subcontracted directly by VIDA, using PL-480-generated local currency counterpart equivalent to U.S.\$300,000. This will provide between 75 and 100 person-months of local professional technical assistance at \$3,000 to \$4,000 per month.

**E1c. Equipment (\$100,000)**

The project will provide a small amount of equipment essential to VIDA's effective functioning. The major elements will be:

- 1 7-station local area computer network (LAN)
- 1 Accounting computer
- 1 LaserJet printer linked to above
- 1 CD-ROM reader
- 3 Laptop computers and software
- 3 Vehicles for long-term advisors (one is a replacement)
- 1 Photocopier with document copying and collation capacity and one- and two-sided copying from one- and two-sided originals
- 1 Telefax machine
- 1 Overhead projector
- 1 Color monitor, camcorder, and compatible VCR player

**NOTE:** VIDA will have to acquire some office equipment well before the USAID project can provide these commodities. Because of severe budget limitations, it will undoubtedly buy the minimum amount at the low end of the line. The above equipment is considered the minimum for economical operation of an organization such as VIDA, so prior equipment purchases will still be useful. For example, a fax machine purchased now can still be used to facilitate communication with a field officer working out of San Pedro Sula, while a simple photocopier can supplement the proposed machine.

**E1d. Grants to U.S. PVOs (\$5 million DA)**

Dollar DA funds will be provided to enable VIDA to finance U.S. PVOs who make joint venture arrangements with local NGOs. Such arrangements may be one-on-one, or with several NGOs, and on geographic or subject matter concentration. The PVO may work on either a residential or intermittent technical assistance basis, as long as the relationship is formalized and ensures a reasonable schedule of visitation. Care will be taken to ensure that these funds will not substitute for current PVO financing.

Expected distribution is as follows:

1 large project (\$1.0 million)	\$1.0 million
4 medium-sized projects (\$500,000)	2.0 "
10 small projects (\$200,000)	<u>2.0</u> "
Total	5.0 "

VIDA will evaluate PVO proposals and negotiate subcooperative agreements for implementation of selected efforts. It is expected that VIDA will be certified for dollar subcontracting within a year of project authorization.

**E2. Host Country Counterpart Financing (\$2.5 million equivalent in PL-480-generated lempiras)**

E2a. Seminars, workshops and meetings	\$0.2 million
E2b. Local technical assistance	\$0.3 million
E2c. NEPF project funding	<u>\$2.0</u> million
Total	\$2.5 million

A total of \$200,000 equivalent in lempiras will be set aside for VIDA's use in funding seminars, workshops, and meetings.

A total of \$300,000 equivalent in lempiras will be set aside for VIDA's use in subcontracting with specialized local firms to provide training and technical assistance in accounting, project planning, management, and monitoring to local NGOs.

The remaining \$2.0 million equivalent in lempiras will be incorporated in NEPF to finance environmental projects implemented by NGOs.

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**SECTION II  
OTHER VIDA RESOURCES**

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VIDA is a private Honduran institution that will receive most of its support from GOH and donor resources. Non-USAID project resources contribute to, and the project success partly depends on, these non-USAID, noncounterpart resources. They are included here, not as a part of the USAID project, but as additional support contributing to its purpose and goal.

**A. GOH Financing of NEPF (\$30 million in lempiras)**

NEPF project funding \$5.0 million

The GOH is committed by Congressional Decree to transfer 30 million lempiras originating from debt reduction to VIDA in six equal annual allotments, for inclusion in NEPF. The *reglamento* for use of these funds has not been issued. It is expected not only to permit funding of projects, but to allow VIDA to use up to 10 percent of the funds for operating expenses.

**B. Other Donor Financing**

With the exception of a six-month planning grant from United Nations Development Program (UNDP), which is dedicated to VIDA start-up costs, none of the following have been definitively agreed.

**B1. Institutional Support (from UNDP and others)** \$1.5 million

**B2. NEPF project funding** \$8.0 million  
(expected, but not yet committed from Canada, Netherlands, etc., primarily from debt reduction)

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### SECTION III IMPLEMENTATION PLAN

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#### A. Phasing

##### A1. Phase I. Start-Up and Program Initiation (VIDA Year I)

VIDA's institutional life began with Presidential Resolution 35-92 of 10 June 92, which awarded it *personería jurídica*. It has now (December 1992) acquired office space, minimum office equipment, and a five-person professional staff. In January 1993 it will install the internal operating and control systems prepared by Price Waterhouse. In that same month, it will conduct regional meetings with environmental NGOs and others, informing them of VIDA's objectives, priority interests, proposal requirements, and selection criteria and limitations. It is expected that a small number of carefully selected proposals will be financed in March and April 1993.

This USAID-financed project is expected to be authorized in the first or second quarter of CY1993. Training funds (both DA and local currency [LC]) will be available immediately, as will LC funds for local contracting. Commodities and technical assistance, even if advertised immediately, will not be delivered for another three to seven months. In recognition of this delay, USAID has provided pre-contract assistance by Price Waterhouse and the BSP to enable VIDA to establish the systems, controls, and funding strategy needed to maintain the schedule described in the above paragraph. USAID will also seek to provide a grant for the initial office equipment required by these operating plans.

##### A2. Phase II. Growth and Expanded Influence (VIDA Years II-IV = Contract Years I-III)

This phase will begin with the arrival of the two resident advisors under a USAID technical assistance contract, and the equipment to support both VIDA and the advisors. Over the next three years, VIDA's procedures will be refined, and its portfolio will expand, as will its influence.

VIDA will continue to provide institutional development assistance to NGOs through local contracts and will cofinance their environmental projects. It will also help their umbrella organizations take on a greater service and coordination role.

It will continue its role in environmental sensitization and education through its projects and through seminars, workshops, and meetings. It will use its influence, through dialogue with public agencies and private firms, to convert people who are part of the problem into becoming part of the solution.

In addition to the resident advisors, VIDA will make use of short-term advisors available under the USAID contract to learn and apply appropriate methods of fund-raising, and to establish an information service, as well as to design varied programs with ever greater influence on preserving, restoring, and maintaining the environment, both rural and urban.

Within a year, VIDA should become certified as capable of making dollar subgrants to U.S. PVOs. It will announce the availability of funding to such organizations that associate themselves with local NGOs, the conditions under which it will accept proposals, and the criteria for selection. It will select and finance such proposals as it finds suitable, within the limits of funding availability.

By the end of Phase II, VIDA will have established its leadership role in Honduras, and its ties with the international environmental movement and other donors. It will have established a trajectory of funding, both domestic and international, which will ensure its own continuation, as well as that of NEPF.

### **A3. Phase III. Proaction and Maturation (VIDA Years V-X)**

In the third year of the project (VIDA Year IV), one of the resident advisors will be phased out, as no longer necessary. The remaining advisor will continue to not only provide a useful continuing presence, but also to work with VIDA to develop a strategy and action plan for the next five years. The basic objective of this five-year plan will be to continue to transform VIDA's role from response to proaction. This will focus and prioritize its efforts, ensuring greater influence and effect.

## **B. Project Actors' Roles and Responsibilities**

### **B1. VIDA**

The intent of this institutional strengthening project is to establish VIDA's responsibility for all aspects of project management, to the maximum extent possible. VIDA will collaborate with pre-project advisors in designing the internal operating and control systems and the project development, award, and monitoring systems, but will be solely responsible for final approval, installation and implementation of those systems. It will contract for local short-term technical assistance, and will arrange and finance seminars, workshops, and meetings with funds set aside for these purposes. As soon as it is certified to make dollar subgrants to U.S. PVOs, it will announce the program, accept proposals, and select and fund the most appropriate.

### **B2. Local NGOs**

Local NGOs are responsible for identifying environmental problems, designing programs, preparing proposals for their solution, and implementing them when financed. They are also responsible for accepting and making effective use of training and technical

assistance to improve their institutional development and capacity to implement and control project execution.

### **B3. U.S. NGOs**

U.S. NGOs will initiate and arrange joint programs with local NGOs, and with them, will prepare proposals for VIDA financing under both the DA funds available for financing U.S. PVOs and NEPF local currency funds. Dollar funding of PVOs by this program does not depend on NEPF financing of NGOs, or vice versa. Both sources of funding are helpful, but they are not interdependent.

### **B4. USAID/Honduras**

USAID/Honduras will arrange for international training, contract U.S. technical assistance, and procure commodities. It will issue the necessary project implementation orders needed by VIDA to utilize the funds, services, and equipment provided under this project. A USAID project officer will review VIDA's work plans and keep abreast of its progress. S/He will also arrange periodic program evaluations and audits, and will help VIDA implement its recommendations. The project officer's role is primarily advisory and facilitative, rather than directive.

### **C. Procurement Plan**

USAID and VIDA will agree on the training to be provided, the commodities to be procured, the qualifications of the resident advisors, and the probable specializations required of short-term advisors. USAID will prepare all specifications of commodities, and an request for proposals (RFP) for procurement of technical assistance before the project is authorized, so that procurement of both can proceed immediately. Note that one vehicle will be acquired as a replacement in Project Year IV (VIDA Year V).

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## SECTION IV MONITORING AND EVALUATION PLAN

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### A. Strategic Objectives and Program Outputs (see Annex VI)

This project contributes directly to Strategic Objective 3 (Improved Management—toward long-term sustainability—of selected natural resources). It has a direct effect on Program Outputs 3.2 (increased environmental awareness and technology transfer) and 3.3 (increased private sector activity in improving natural resource management), and may influence Output 3.1 (improved policy framework).

The single indicator for Program Output 3.3 is the number of NGOs working on natural resource management activities. A recent study by BioConsult has established a baseline of some 50 NGOs working on natural resource management activities. This project is expected to increase that number (Output A5c) by 55 over the life of project.

Data for Program Output 3.2 indicators 1, 3, and 5 will be obtained from reports on individual projects. Indicator 2 is essentially irrelevant for this project. Data for Indicator 4 must come from an initial baseline sample survey, repeated annually. Funding for these sampling studies, which should be produced by national opinion samplers, should come from the Project Management and Evaluations line item.

### B. Project Monitoring

VIDA staff and their advisors will develop procedures for monitoring and reporting the progress of NGO projects financed by VIDA, and for taking any corrective measures. Reports on individual projects will be the major means for evaluating impact on the environment and on the beneficiaries. Project design and reports will be designed to collect data on Program Output Indicators 1, 3, and 5, along with other information that will enable VIDA to improve its program operations. Where relevant, these same sources will demonstrate the relationship between VIDA's activities and policy change.

### C. Monitoring Institutional Progress of VIDA and NGOs

VIDA's board and directorate, with assistance of the residential advisors and the project officer, will monitor VIDA's institutional progress. A midterm evaluation, to be financed by USAID, is planned for Project Year III (VIDA Year IV), and a final evaluation is planned for Project Year V (VIDA Year VI).

**TABLE A**  
**Output 3.2**  
**INCREASED ENVIRONMENTAL AWARENESS**  
**AND TECHNOLOGY TRANSFER**

INDICATOR	Increased number of households receiving TA on environmentally sound production practices	Increased number of NGOs qualifying for VIDA assistance	Increased positive attitudes towards environmental issues
UNIT OF MEASUREMENT	Number of households	Number of NGOs	Percent of positive attitudes held by survey respondents
TARGETS			
DATE	93 94 95 96 97	93 94 95 96 97	93 94 95 96 97
PLANNED	[targets will be generated from funding applications]	10 16 25 40 55	[targets will be set by baseline opinion survey]
ACTUAL			
BASELINE INFORMATION	From application proposals of NGOs for VIDA financing	BioConsult Survey and Norris Report	Initial Opinion Survey
DATA SOURCES	Applications and field reports	VIDA reports of Org Dev activities	Repeat Opinion Surveys
METHOD/APPROACH	Funding proposals will generate targets, which will be verified by field officers monitoring project progress.	NGOs receiving org dev grants will be monitored by VIDA field agents	Changes in attitudes will be measured from initial baseline study
MONITORING EVALUATION OR STUDIES	Monitoring by VIDA field agents, collated by VIDA.	Monitoring by VIDA field agents, confirmed by accepted proposals	Annual surveys by a VIDA-contracted local opinion research firm
FREQUENCY	Annual	Annual	Annual
RESPONSIBLE STAFF	522-0385 Project Manager	522-0385 Project Manager	522-0385 Project Manager

#### **D. Measuring Impact on Environment and Well-being**

VIDA will collect information on relevant environmental conditions and beneficiaries, by individual projects, in the project appraisal process, and in subsequent monitoring visits. It will render periodic reports about changes from both monitoring visits during the individual project's active life, and from a post hoc evaluation.

VIDA will also collect secondary information on Honduras' environmental characteristics and NGO characteristics, their members, and their beneficiaries. It will fund initial studies on beneficiary characteristics (at the individual, family, and NGO group levels), which will improve project design and impact, and serve as a baseline for later studies. All this information will be available to the midterm and final evaluation teams for their perusal and judgments.

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## SECTION V SUMMARY OF ANALYSES

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### A. Technical/Institutional Analysis

#### A1. Institutional

VIDA has existed for less than five months, but is already forming its institutional structure. It has already created a basic governance and management structure (see subsection C. Administrative Analysis), and is now working out its operating systems and program structure. It is being assisted in developing its internal operating systems by pre-project assistance provided by a contract with Price Waterhouse. The BSP is helping VIDA to develop its program strategy, priorities, and procedures for selecting and financing environmental projects. It is expected that these systems will be in place and operational in the first quarter of CY1993, and that its first environmental project grants to NGOs will be placed in that quarter. Current staffing should be adequate to initiate these grants, but additional field staff, accumulated at a rate of one field officer to each 10 to 15 projects, will be required to monitor these activities in the field and arrange technical assistance to prequalify new NGOs for subsequent awards.

The second phase of VIDA's development consists of refining these systems and developing a capacity for raising funds and other support to ensure its continuance. During this phase, VIDA should establish its position as a private sector leader in environmental matters, as both an objective voice in policy and legislation, and as a source of sound information. It should further strengthen its leadership by developing a network of NGOs capable of successfully implementing environmental projects, federated to make common cause and receive effective supporting services.

The universe of VIDA's anticipated clientele are the 260 NGOs registered in Honduras. Of these, some 70 to 80 are classed as environmental NGOs, but only a dozen of these now meet minimum standards for prequalification (*personería jurídica*, two years of existence, annual budget greater than \$5,000, and ties to national and/or international support organizations). The rest will need intensive organizational development support, particularly in accounting, financial management, and project management, in order to prequalify for project grants.

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Some 180-200 developmental NGOs are older and better established than the environmental NGOs. Some of these are already involved in environmental efforts associated with their primary objectives; for instance, agriculturally oriented NGOs are introducing sustainable agricultural practices. These may also qualify for VIDA grants.

Secondary clientele include municipalities beset with a variety of environmental problems, both urban (solid waste and sewage disposal) and rural (unsustainable agriculture,

degradation of the watersheds that supply municipal water). The decentralization of authority to the municipalities empowers them to attack these problems, but they may lack the popular support or technical and managerial capacity for a complete response. VIDA can provide indirect assistance through local NGOs and *patronatos* to help municipalities plan and prioritize efforts. Then it can join with NGOs in implementing action programs co-financed by the municipality. As a private sector institution, VIDA should not finance activities undertaken directly by the municipality or any other level of government, but should actively seek their cooperation with local NGOs. This establishes effective community participation and facilitates public investment in useful environmental activities.

## **A2. Technical**

VIDA's current staff is strong on management, but lacks some technical qualifications that it must develop or acquire. Both the technical director and his assistant have desirable experience, but not a full spectrum of technical capability. Minimum in-house technical capability for project appraisal, selection, and monitoring includes ecology, resource economics, and sociology or anthropology, as well as management of environmental activities. VIDA should make technical capability combined with environmental management experience a strong criterion for new hires. VIDA should also seek to complement the in-house capability of its staff with resident expatriate capability provided under the proposed USAID contract, and might include the Peace Corps as another source of complementary skills.

This in-house capability will probably leave VIDA without operational experience in such areas as waste management, pollution control, sustainable agriculture, and watershed management. VIDA may wish to identify a panel of experts in these operational areas to which it can refer proposals for advice.

## **B. Economic Analysis**

This project is institutional in nature; its direct benefits are also institutional: improved management, human resource development, research, and policy analysis. Its indirect benefits, such as improved environmental management, environmental protection, and sustainable resource use, can be measured only through the projects that it may finance.

The economic rationale for USAID's investment strategy is twofold: (1) grant management costs will be substantially lower when managed by an organization such as VIDA than through any other available alternative, and (2) the project complements other USAID activities. It performs a sensitization and environmental education function involving the private sector, and it facilitates integration of the communities' interests into all aspects of environmental programs. Strengthening the NGO community, and using NGOs as the major implementing agents reinforces the decentralization of former central government functions and their privatization at the local level.

This project also encourages a reversal of the trend to underinvestment in environmental affairs. Drawing down of a country's natural capital, coupled with

insufficient levels of environmental investment, will lead to a reduction in both economic and environmental benefits. Honduras has invested only about \$38/hectare in environmental activities, compared with \$114/hectare in Guatemala, and \$1,212/hectare in Costa Rica. Honduras, like many developing countries, has depended on its land, forest, and water resources for much of its economic growth. Without offsetting investments, this exploitation has been unsustainable, reducing employment, income, and exports.

This project comes at a propitious time, when Honduras is undergoing a structural transformation. Policies that encouraged exploitation of natural resources are being corrected. The government is decentralizing its authority and privatizing former functions, becoming more of a normative or regulatory organization, while encouraging the private sector to take responsibility for all economic activity. VIDA's activities will help prepare the private sector to assume these responsibilities in environmental matters.

Analysis of the causes of resource degradation involve both natural science and socio-economic evaluation. Often the unsustainable use of resources may relate to economic factors at the local level reinforced by inappropriate policies. Efforts to establish better resource management need to achieve a balance between sound ecological principles and the development needs of the communities that exploit the resources. It is expected that a considerable portion of VIDA's support will be directed toward projects that are expected to generate both environmental and economic benefits. In the context of VIDA's organizational development, efforts should be undertaken to establish financial and economic criteria for project appraisal. Personnel with appropriate expertise will need to be hired. In cases where environmental organizations have not included this analysis in their proposal, VIDA can assist them through various training and institutional-strengthening mechanisms. Where appropriate, projects should include benefit/cost analysis and demonstrate the financial and/or economic benefits of the investment. Project proposals that do not meet these investment criteria should be redesigned or rejected. In cases where the economic benefits are difficult to measure (such as, watershed management, and reduced soil erosion), and where there may be substantial off-site benefits, the environmental organization should identify them and incorporate them into the projects results.

## **C. Administrative Analysis**

### **C1. Organization and Financing**

VIDA is a legally constituted, private sector foundation, whose objective is "to promote...the conservation of natural resources and the environment...within the context of sustainable national development...." It is governed by an assembly of its members which selects the board of directors.

It manages NEPF, established by legislative decree in the amount of 30 million lempiras, funded in six equal annual installments. Although the first 4 million lempiras have been received by VIDA, the Treasury regulations governing possible uses of the fund have not yet been issued. Operating costs are being met through a six-month project design grant

from UNDP. It is expected that the resulting institutional support project, fees from members, and other income will continue to cover operating costs.

## **C2. Management and Staffing**

The board of directors is composed of leaders in the environmental movement, most of whom are successful industrialists and/or landholders with close ties to the largest and most successful environmental NGOs. The executive director, the technical director, and the financial director are exceptionally well-qualified by education and experience to manage this organization. The executive director has had 20 years experience appraising and managing projects and raising funds for the Central American Bank for Economic Integration (CABEI), rising to the post of financial director.

The staff of five professionals is sufficient to manage the initial institutional development process. However, field officers will have to be added to monitor projects (at the rate of one field officer for each 10 to 15 projects). VIDA must also obtain for its central staff expertise in ecology, economics, and sociology or anthropology, as well as experience in managing environmental programs. At this point, only the technical director and his assistant have such experience.

Pre-project assistance, in the form of a contract with Price Waterhouse, is helping to define and document the internal operating systems. Similar assistance from the BSP is helping to define and document a program strategy, priorities, and project selection and management criteria. Both systems are expected to be operational in the first quarter of CY1993.

A project-funded USAID contract will provide two resident advisors and 35 person-months of short-term technical assistance. The resident advisors will work as VIDA staff while imparting their knowledge to counterparts and helping VIDA adjust its operating systems to project experience. Short-term advisors will provide a wide variety of talent to offset any weakness or deal with unusual problems. Short-term training in the Central American area will take the form of observational tours and short courses. This training will also fund participation of members of the board of directors and senior staff in international meetings.

We believe that the combination of a competent VIDA staff, pre-project assistance, and the support provided by this project will enable VIDA to become an institution fully competent to perform its intended functions.

## **D. Financial Analysis**

VIDA is still in the process of establishing, with assistance from Price Waterhouse and the BSP, its operational and program management systems. Both are expected to be installed and operative in the first quarter of CY1993. VIDA has already been given responsibility for NEPF, and has received two tranches of funds, but the Finance Ministry has not yet issued the regulation which governs their uses.

## D1. Audit and Oversight Arrangements

The board of directors includes a financial secretary and a *fiscal* (a director specifically charged with ensuring that laws and regulations are rigorously complied with). The internal auditor is housed in VIDA, but reports directly to the board. The board also is empowered to employ an external auditor. The board has not yet issued its internal regulations, so the details of the audit review process are not yet established.

## D2. Capacity to Manage Subgrants

VIDA is not now certified to administer U.S. dollar procurement. Price Waterhouse is preparing procedural manuals on contracting and other procurement. VIDA is expected to immediately use local currency counterpart funds to finance both the procurement of local technical assistance and seminars and workshops. The procedural manuals plus the local contracting experience should lead to VIDA's certification to write DA-financed cooperative subagreements within a year of project authorization. In the meantime, USAID/Honduras can write such agreements with U.S. PVOs for financing under this project.

## D3. Project Financial Plan and Analysis

### D3a. DA Budget

Table B details the content of the DA budget. Table C shows its anticipated utilization over the life of project (LOP), as described in the project description.

### D3b. VIDA Operating Budget

There is no firm official budget projection for VIDA operations, except for a six-month budget included in the UNDP project development agreement:

	<u>6 Months</u> <u>\$000</u>	<u>Annualized</u> <u>\$000</u>
Professional Staff (24 p/m)	48	96
Clerical Staff (24 p/m)	8	17
Capital Equipment	22	44
Rent	3	6
All Other Operating Costs	<u>21</u>	<u>42</u>
<b>TOTALS</b>	<b>102</b>	<b>204</b>

In calculating administrative costs, Norris started with an initial annual budget of \$200,000 in Year I, rising by 10 percent/year, to a level of \$293,000 in Year V (Norris, pp. 17-21).

Our understanding is that UNDP will authorize an institutional support project. We believe that this project, membership fees, and other earnings will cover all VIDA's direct operating costs. VIDA will also seek authorization in the *reglamento* to be issued by the Ministry of Finance to use some of the NEPF for operating expenses, in case of shortfall.

TABLE B  
DA BUDGET

BUDGET	:					
ITEM	:	Unit	Unit Cost	Number	Total Cost	EXPLANATION
	:		\$000		\$000	
<b>TRAINING</b>	:				1000	
Short Courses	:	1 pers/mo	3	200	600	
Regional Observation	:	1 pers/wk	1	150	150	10 persons/year
International Meetings	:	1 pers/wk	2.5	100	250	3 1-wk meetings per yr; 2 attendees
	:					
<b>TECHNICAL ASSISTANCE</b>	:				2500	
Resident Advisors	:	1 pers/yr	225	8	1800	2 residents 3 yrs; 1 resident for 2 yrs
Short Term Advisors	:	1 pers/mo	20	35	700	5 ST advisors/yr or equiv. in studies
	:					
<b>COMMODITIES</b>	:				115	
7-Station LAN	:	Unit	37	1	37	
Accounting Computer	:	Unit	3	1	3	
LaserJet Printer	:	Unit	3	1	3	
CD-ROM Reader	:	Unit	1	1	1	
Laptop Computer	:	Unit	2	3	6	
Software	:				2	Lump sum (network, computers, upgrades)
Photocopier	:	Unit	8	1	8	
Telefax	:	Unit	1	1	1	
Overhead Projector	:	Unit	0.4	1	0.4	
Monitor, VCR, Camcorder	:	Unit	2.6	1	2.6	
Vehicles	:	Unit	17	3	51	2 initially plus 1 replacement
	:					
<b>GRANTS TO PVOs</b>	:				5000	
Large	:	Unit	1000	1	1000	
Medium	:	Unit	500	4	2000	
Small	:	Unit	200	10	2000	
	:					
<b>PROJ MGMT, EVALUATIONS</b>	:	All			800	
	:					
<b>SUBTOTAL</b>	:				9415	
<b>CONTINGENCIES</b>	:				585	
<b>TOTAL</b>	:				10000	

**TABLE C  
ANTICIPATED USE OF DA BUDGET OVER LIFE OF PROJECT**

CASHFLOW:								
ITEM		YEAR						Total
		I	II	III	IV	V	VI	Cost
								\$000
*****	:	****	****	****	****	****	****	*****
TRAINING	:	120	200	200	200	200	80	1000
Short Courses	:							600
Regional Observation	:							150
International Meetings	:							250
	:							
TECHNICAL ASSISTANCE	:	60	570	590	610	345	325	2500
Resident Advisors	:		450	450	450	225	225	1800
Short Term Advisors	:	60	120	140	160	120	100	700
	:							
COMMODITIES	:	98	0	0	0	17	0	115
7-Station LAN	:	37						37
Accounting Computer	:	3						3
LaserJet Printer	:	3						3
CD-ROM Reader	:	1						1
Laptop Computer	:	6						6
Software	:	2						2
Photocopier	:	8						8
Telefax	:	1						1
Overhead Projector	:	0.4						0.4
Monitor, Camcorder, VCR	:	2.6						2.6
Vehicles	:	34				17		51
	:							
GRANTS TO PVOs	:	400	900	1300	1200	1200	0	5000
Large	:	200	100	300	200	200		1000
Medium	:	100	400	500	500	500		2000
Small	:	100	400	500	500	500		2000
	:							
PROJ MONIT, EVALUATIONS	:	50	120	200	120	120	190	800
SUBTOTAL	:	728	1790	2290	2130	1882	595	9415
CONTINGENCIES	:							585
	:							
TOTAL	:							10000

### **D3c. Evolution of the NEPF**

Table D provides a crude projection of NEPF's evolution, based on heroic assumptions included in the table and its footnotes. The bottom line assumption is that a successful fund-raising effort by VIDA will enable NEPF to provide a continuous flow of funds to NGOs at an annual level near 5 million lempiras. This will hopefully be coupled with continually expanding cofinancing by client NGOs from their own fund-raising efforts and municipal support as the environmental movement in Honduras gathers momentum.

### **E. Social Soundness Analysis**

The Social Soundness Analysis examines five levels of Honduran institutions, which are key to the foundation's objective of promoting and contributing "to the conservation of natural resources and the environment...."

- Local men and women
- Local community leaders, local NGOs, and municipalities
- Regional and national NGOs
- Umbrella institutions
- Fundación VIDA

For each level, the following questions were examined:

- Who are the people represented by the institution? What kind of participation can they offer to VIDA?
- What can they offer in solving environmental problems? What stands in their way?

For each level, the cross-cutting issues of participation and gender were also addressed.

The success of VIDA's work will be determined in large part by the changed attitudes and activities of local people. It is therefore essential to identify these men and women and to learn about their environmental roles in order to have a basis for planning projects. It is crucial that project plans reflect human needs as well as environmental needs. Local residents must see projects as being in their best interests. Achieving this goal requires participation by local people in all stages of project planning and execution.

TABLE D

NEPF:									
		1992	1993	1994	1995	1996	1997	1998	1999
FUNCTION	UNIT	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
GOM Appropriation	Lempiras	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00
Project Input	Lempiras		2500.00	2500.00	2500.00	2500.00	2500.00		
Other Inputs	Lempiras			2500.00	5000.00	7500.00	7500.00	7500.00	7500.00
Available	Lempiras	5000.00	7500.00	10000.00	12500.00	15000.00	15000.00	12500.00	12500.00
Exchange Rate	L/\$	5.40	6.20	6.75	6.75	6.75	6.75	6.75	6.75
GOM Grant	\$	926	806	741	741	741	741	741	741
Inflat Rate (\$)	0.00	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.34
1992 Value	\$	888.89	774.19	711.11	711.11	711.11	711.11	711.11	711.11
Reconversion Rate	L/\$		6.20	6.75	6.75	6.75	6.75	6.75	6.75
Project Funding	Lempiras		5511.11	5225.81	4800.00	4800.00	4800.00	4800.00	4800.00
Assumptions:									
(1) GOM will maintain same rate of contribution to NEPF after L30 million is contributed.									
(2) VIDA will continue to convert Lempiras received to dollars, and reconvert the following year.									
(3) Fund raising (from other donors, GOM, municipalities, and private sector will be successful).									
(4) Project and other inputs will actually enter the NEPF, as stated.									
In fact, they might be contributed as lump sums, so that excess to needs could earn income.									

## **E1. Recommendations**

### **E1a. Information**

- There are major gaps in information about local populations, their interactions with the natural resource base, and the NGOs that work with them. It is strongly recommended that USAID fund a socioeconomic examination of the rural populations that are potential beneficiaries of the foundation's funding, and an examination of NGOs working with these populations, and provide recommendations to the foundation about successfully incorporating these populations and NGOs in project selection, implementation, and evaluation procedures. An elaboration of the content of the study and the identity of a qualified investigator are included in the Social Soundness Analysis.

### **E1b. Project Planning, Selection, Implementation, and Evaluation Criteria**

- An essential criterion should be the NGO's plans for participatory planning and implementation.
- An essential criterion should be the NGO's plans for including women's natural resource activities, as well as men's, in project planning and implementation.
- An essential criterion should be a social analysis of the beneficiary population, including disaggregation by gender and ethnicity, if appropriate.
- All human resource data, from the local level up through the foundation, should be disaggregated by gender and, if appropriate, by ethnicity.
- Projects should be planned around human needs as well as around environmental needs, so that projects are in the best interests of local men and women as well as the natural resource base. Base these plans on socioeconomic knowledge about the area.
- Project goals must include creating additional or alternative income sources for local residents, both women and men.
- Ensuring that these criteria are addressed should be a task of the staff social scientist.

### **E1c. Technical Assistance and Training**

- Technical assistance and training on participatory planning and implementation should be given to client NGOs.
- Technical assistance and training on gender analysis should be given to client NGOs.

- Gender issues should be integrated into other technical assistance or training; for example, workshops on social forestry or sustainable agriculture.
- VIDA staff should be included in all training in order to improve their understanding of technical issues.
- If the NGO lacks the technical capability to carry out a simple, but appropriate, social analysis for project design and evaluation, short-term technical assistance should be provided.
- Coordinating this technical assistance and training should be a task of the staff social scientist.

#### **E1d. Outreach and Networking**

- Networking among environmental organizations is an effective way to establish VIDA as a leader in environmental issues. Include local-level NGOs, municipalities, and community leaders in the network as a way to reach local communities. Consider ways to offer them technical and/or financial assistance.
- Begin immediate outreach to possible participant Honduran NGOs, through meetings, workshops, and the several meetings proposed for January.
- Continue that type of outreach throughout the project and consider adding a newsletter. Designate outreach and networking as the responsibility of a specific staff member.
- Quickly develop a roster of national, regional, and local NGOs and bilateral PVOs, beginning with the BioConsult database and adding to it NGOs with natural resource possibilities and NGOs working in the women in development (WID) sector.
- Board members should participate in education, outreach, and networking in order to increase public awareness about VIDA and environmental issues.
- Board members should help raise funds for the foundation.

#### **E1e. Structural Issues: Board of Directors**

- Clarify procedures for nominating and electing board members.
- Clarify maximum tenure for board members and procedures for rotating membership.
- Clarify how to avoid the appearance of conflict of interest after members leave the board.

- **Include on the board of directors representatives of business interests that play a key role in environmental degradation.**

#### **Elf. Technical Capacity within the Foundation**

- **Core staff should participate in technical training on subjects such as social forestry, participatory planning, and gender in order to broaden their knowledge about their relationships to natural resource projects.**
- **Include a sociologist or anthropologist as a long-term advisor. Selection criteria should include experience with natural resource issues such as participatory planning and gender issues and the ability to impart this knowledge to other staff. Duties would include helping to determine socioeconomic criteria for project selection, reviewing projects, coordinating technical assistance and training on social issues, and organizing socioeconomic information for baseline data and project evaluation.**
- **Consider establishing a roster of experts to assist with such tasks as project review and other technical assistance.**

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**ANNEX I**  
**TECHNICAL AND INSTITUTIONAL ANALYSIS**

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**Note:** In the following text, commentary and recommendations are printed in bold.

**A. Project Summary (excerpted from USAID cable of 6/24/92)**

**A1. Project Background**

In conjunction with U.S. official debt forgiveness in September 1991, and with U.S. encouragement, the Government of Honduras (GOH) pledged to create an environmental protection fund in the amount of 30 million lempiras (approximately \$5.5 million at the current exchange rate). Since September, the GOH has submitted and Congress has approved a law [Legislative Decree 69-92, La Gaceta, 6 August 92] which created the National Environmental Protection Fund (NEPF) and authorized the first tranche of 5 million lempiras. The law also specifies that the fund is to be managed by the Foundation for Environment and Development (VIDA), a recently created, apolitical NGO. VIDA will not itself implement projects. VIDA received its *personería jurídica* (literally, legal personality) by Presidential Resolution 35-92, La Gaceta, 10 June 92.

**A2. Project Description**

The purpose of the proposed project is to strengthen the Honduran nonprofit private sector capacity to manage and protect natural resources and the environment. This will be accomplished through institutionally strengthening VIDA to better achieve its mandate of managing NEPF. The concept of the foundation is an organization that will provide grants to other nongovernment organizations (NGOs) based on submitted project proposals. The foundation will evaluate projects against a national environmental strategy and against a set of criteria that will be developed. Approved projects will be implemented by the respective NGOs and monitored by VIDA. In addition, VIDA will dialogue with the GOH on a wide range of issues with respect to natural resource management and the environment. It is anticipated that PL-480 local currency will be contributed to NEPF as counterpart to the project. It is also anticipated that many local NGOs will implement projects with assistance or in partnership with U.S. NGOs. It is for this reason that the project will allocate DA dollars for subgrants to U.S. NGOs that are collaborating with local NGOs. In this way, the project will strengthen a number of Honduran environmental NGOs.

## **B. Fundación VIDA**

### **B1. Overview**

VIDA is a private, nonprofit organization. Its objectives (Presidential Resolution 35-92) are: "To promote and contribute to the conservation of natural resources and the environment, as well as the ethnic and cultural heritage within a context of sustainable national development, channeling efficiently and effectively the resources which it receives. In this sense, it will assure that its efforts are coordinated with those of the Central Government and other public and private institutions with which it is linked in the fulfillment of its objectives."

VIDA is an incipient organization. Its creation was proposed by several leading Honduran environmentalists in 1990. Its legal existence (*personería jurídica*) was recognized by Presidential Resolution 35-92 of 10 June 92, which published its bylaws. Legislative Decree 69-92 of 6 August 92 created NEPF, gave VIDA responsibility for its management, and awarded a first year tranche of 5 million lempiras.

The organization has thus been in business for only five months. At this point it has minimally equipped offices and a staff of five professionals, including the executive director, technical director, and financial director. It is still in the process of defining its role and functions. Still, it is moving forward steadily, defining its institutional character, its operating systems, and a strategy and criteria for performing its functions. These are still undefined, but the process is promising.

VIDA has signed a six-month project agreement with UNDP to receive, convert, invest, and disburse against VIDA orders, the lempira funds (U.S.\$ equivalent of \$167,000) which VIDA received from the GOH. United Nations Development Program (UNDP) project planning funds of \$103,000 are added to this account, and will pay VIDA's operating costs for six months, since VIDA in essence is designing a UNDP five-year project. This UNDP project is expected to continue to provide significant institutional support, leaving most GOH funds available for direct investment in environmental projects.

In the interim, USAID/Honduras is assisting VIDA, through a contract with Price Waterhouse of Honduras, to establish adequate technical norms, systems and procedures for VIDA's effective operation and control. This effort is expected to produce by February 1993 a set of administrative manuals to be installed to control VIDA's internal operations and the financial management of its institutional resources, including the NEPF.

USAID/Honduras is also providing, through a buy-in with the Biodiversity Support Program (BSP), technical assistance in operations planning and regulations, including strategic planning, priority setting, and criteria for NGO prequalification and eligibility for funding. This assistance includes designing operational systems for fund-raising; proposal preparation, appraisal, and selection; project monitoring; and a program for training NGOs and developing its own staff. These operational systems are expected to be

operating and working under preliminary criteria and procedures by the end of February 1993.

VIDA's success in meeting its own and the project's objectives also depends upon the capacity and extent of Honduran NGOs, which are expected to be the principal implementing agencies for grants from the NEPF. USAID/Honduras has funded a consultant to conduct interviews with staff of U.S.-based NGOs and in Honduras to assess the number and capacity of local NGOs who would become clients of the NEPF. This work is nearing completion, and its report has provided information for this study.

Although virtually none of VIDA's institutional characteristics are fully defined, the progress in all aspects of institutional establishment described in the following sections leads us to conclude that there is a high degree of probability that VIDA will indeed achieve the anticipated institutional development by the project activities completion date (PACD), and the project's purpose will have been met.

## **B2. Detailed Description**

### **B2a. Authorities**

#### **B2a(1). *Personería Jurídica***

*Personería jurídica* classifies the organization and confers upon it the authority to seek its objectives in accordance with its bylaws. VIDA received its *personería jurídica* in Presidential Resolution 35-92 of 10 Jun 92.

Title I defines its name, duration, domicile, objectives, and membership. VIDA is a nonprofit private organization of indefinite duration with its own capital, located in Tegucigalpa, and national coverage. VIDA will seek to coordinate its mission of conservation of natural resources and the environment, as well as the national ethnic and cultural patrimony, in the context of sustainable development, with the efforts of the central government. It also gives it broad authority to obtain financing and technical assistance, celebrate contracts and sign documents, and perform any other activity that tends to achieve its objectives.

Title II describes VIDA's governance and assets, while Title III deals with liquidation, amendments, and transition.

#### **B2a(2). Fund for Protection of the Environment**

Legislative Decree 69-92 of 6 August 92 established this fund of 30 million lempiras, and made VIDA responsible for its management. This fund is to be funded by annual transfers of 5 million lempiras to VIDA over a six-year period; the decree also authorized the first 5 million lempiras transfer. These funds are to be used as counterpart to other funds which VIDA can obtain from international sources, to finance projects which will be implemented by other NGOs.

The regulation on the use of the fund, which must be emitted by the Ministry of Hacienda, has been drafted, and is expected to be approved in January.

### **B2a(3). Tax Exemption of Contributions to VIDA**

The General Directorate of Taxation in the Ministry of Finance has resolved (12 August 92) that contributions to VIDA are deductible.

With exception of the regulation (*reglamento*) on managing NEPF, which is pending emission by the Ministry of Finance, necessary authorities have been established.

### **B2b. Governance and Management**

VIDA is presently composed of the membership-at-large, the general assembly, and a nine-member board of directors. It is managed by an executive director who reports to the board, a technical director, and a financial director. The financial director is supported by an accountant, and the technical director by a biologist.

#### **B2b(1). Members**

VIDA's membership consists of founding members, the general assembly, contributing members, and honorary members. Founding members are those who participated in the formation of the foundation, and are listed in the *Acta Constitutiva*. The general assembly members are all the founding members as well as qualifying entities or individuals who join the foundation. Contributing members are qualifying entities or individuals who have solicited and are approved for affiliation. Honorary members are qualifying entities or individuals who have carried out activities which merit the board designating them as such.

#### **B2b(2). General Assembly (*Asamblea*)**

The general assembly is the principal governing body of the foundation. Among others, it has the powers to elect or remove members of the board and the oversight committee (*comité de vigilancia*); approve, reject, or modify the annual work plan and budget; approve or reject technical and economic reports presented by the board; and select other assembly members.

#### **B2b(3). Board of Directors (*Junta Directiva*)**

The board consists of 13 members (nine voting, four alternates). They receive no fees nor honoraria. Except for the founding board, members serve for two years. They may be re-elected indefinitely. Members for the second board must be elected during the first quarter 1993, but the procedures for the election process are incomplete. It is Honduran tradition that the second board is much the same as the first. The board's internal operating regulations have not yet been issued.

Most current members of the board were involved in VIDA's founding. Most are confirmed environmentalists, effective managers of their own businesses and/or environmental organizations. The board is well-balanced, but not homogeneous. Members are intelligent, committed, and articulate, and believe that they represent a broad cross-section of Honduras' incipient environmental movement. None has raised politics in board meetings nor sought advantage for themselves, their businesses, or their organizations. They vociferously reject such matters, and will assiduously avoid appearances of conflict of interest.

Most have contributed effectively to VIDA business, despite significantly different personalities. Nine members of the current board are fully engaged; the others are less interested and may not stand for re-election. Despite the multiple activities of the board members, there has never been a problem in assembling a quorum (five members).

At this time, VIDA's board appears to be dedicated, environmentally aware, and managerially competent. The second board of directors is expected to mirror the first, and will have been installed before this project is approved.

#### **B2b(4). Executive Staff (*Dirección Ejecutiva*)**

The executive director is the main administrative representative of the foundation, and is therefore accorded a broad range of powers. The executive director (who is not required to be a member of the foundation) is elected by the board for an indefinite period. The executive director must comply with all VIDA's statutes, the governing regulations, and decisions made by the general assembly and the board, and is responsible for administering the foundation. Among the executive director's responsibilities are to formulate program strategies and priorities, seek financial and material contributions, select and contract personnel, negotiate and implement agreements and contracts which carry out the objectives of the foundation, and be responsible for the foundation's assets.

#### **B2c. Objectives, Functions, Priorities**

The following is excerpted from a preliminary internal document prepared by the executive director. It will undoubtedly be modified somewhat before being approved by the Junta, and will be refined in detail by experience but is currently the best expression of VIDA's intentions. It is an excellent and unexceptionable statement for orienting VIDA's institutional and programmatic development. However, it does not establish a strategy with priorities and criteria for project selection.

#### **B2c(1). General Objective**

To promote and contribute to the conservation of natural resources and the environment, as well as the ethnic and cultural patrimony, in the context of sustainable development of the country, channeling with efficiency and effectiveness the resources placed at its disposition. In this sense, it will seek that its actions advance in coordination with the

efforts of the central government, and of other public and private institutions with which it becomes linked in attaining its objectives.

#### **B2c(2). Principal Functions**

**(1) Identification of possible sources of support for**

- Financing for operations, projects, studies, training
- Technical assistance on environmental methods, legislation, policies, project development, evaluation of economic impact, and so forth

**(2) Evaluation and financing of environmental projects**

- Appraise proposals
- Approve their financing
- Supervise and monitor project implementation
- Upon completion, evaluate their social and environmental impact

**(3) Training for VIDA, NGOs, and others**

- Client NGOs: diagnosis and training in accounting, financial management, and project management
- Other NGOs: training in project design
- All NGOs, central and local government, and general public: training in environmental awareness

**(4) Environmental policy and legislation**

- Propose, promote, and support policy and legislative initiatives
- In parallel with public sector initiatives, promote the participation in and compliance with national and international agreements for environmental protection
- Participate in national public and private committees
- Participate in national and international meetings

**(5) Establishment of an environmental information database**

- For internal use, in order to:
  - Set priorities for financing
  - Support technically sound dialogue on environmental affairs
  - Strengthen VIDA's financial base
- For general distribution, and to make available to other institutions that lack access to such information
- For preparation of informational and promotional material

### **B2c(3). Priority Program Areas**

- (1) Environmental and ethno-cultural education
- (2) Conservation of ecosystems and protection of biological diversity
- (3) Conservation and sustainable management of watershed resources
- (4) Management and control of contaminants

### **B2d. VIDA's Role in the Environmental Movement**

Interviews with VIDA staff, NGOs, USAID staff, VIDA board members, and environmental players indicate that there is a relatively consistent view of the role that VIDA should (and should not) play in the Honduran environmental arena. Almost all people interviewed felt that VIDA's major role should be to finance environmental projects, and agreed that VIDA should not *implement* environmental projects.

However, it was also clear that VIDA will be expected to play some part in the formation of environmental policy. This should take the form of sponsoring conferences and other fora which will promote open dialogue, and not taking an activist position on any specific environmental policy. This will require considerable caution, as there is a fine line between supporting "good" environmental policy, and taking an active role in promoting environmental policy. There is no way that VIDA can avoid taking some positions; the very act of funding certain projects and not funding others will convey the clear message that they consider some activities and policies better than others.

Because environmental protection and conservation are frequently highly charged politically, VIDA will have to take strong precautions to avoid being dragged into political battles. The current board appears cognizant of the dangers, and committed to remaining a nonpolitical organization.

### **B2e. Operating Systems and Controls**

The Price Waterhouse contract requires it to deliver the following systems and manuals:

- (1) Administrative and Management Procedures
  - a) General administrative and management policies
  - b) Personnel policies and procedures
  - c) Procurement procedures
  - d) ~~Travel procedures~~
  - e) Organization plan with position descriptions and qualifications
  - f) Operational budget
  - g) Financial management, including treasury procedures and investment strategy

- (2) **Completely Adequate Accounting System, including**
  - a) **General accounting procedures manual**
  - b) **Computer software**
  - c) **Training of an accountant**
  
- (3) **Control System**
  - a) **External audit schedule and procedures manual**
  - b) **Operational forms and document manual and internal controls manual**
  - c) **Fund disbursement procedures**
  - d) **Organizational plan defining responsibilities and lines of authority**
  - e) **Procedures for segregation of duties manuals**
  - f) **Tests for compliance of transactions with procedures**
  
- (4) **Management Information System**
  - a) **Weekly reporting**
  - b) **Addressing of requirements of different funding sources**

**These systems and their manuals have not yet been delivered, but their content should provide VIDA with comprehensive capability for conducting and controlling internal operations, including NEPF financial management.**

#### **B2f. Program Strategy, Priorities, Criteria**

**[These are being developed by BSP advisors in discussions with VIDA. A preliminary document is available, but it must be refined through further dialogue. A more comprehensive document will be available in January. However, strategy, priorities, and criteria must still be refined by experience.]**

#### **B2g. Anticipated Program Development**

**By the PACD, VIDA is expected to become a fully functional, credible, and continuing organization. It will be worthy and capable of eliciting additional GOH and international donor contributions to replenish and expand the NEPF. It will have established priorities, criteria, and procedures needed to efficiently manage that fund to support a growing and effective environmental NGO community. It will have developed systems to strengthen the institutional capacity of NGOs to plan, execute, and control projects that address important local and regional environmental issues.**

**Helping VIDA attain that character is the major focus of the USAID project. Creating the desired capacity can only be accomplished by stages:**

## **B2g(1). Program Phasing**

### **Phase I: Start-up and Program Initiation (VIDA Year I)**

This stage consists of creating an organization, broadly defining its objectives, functions, methods, and priority program areas, and initiating pilot activities. The USAID project will not start before VIDA Year II. In the interim, USAID is providing pre-project assistance through a contract with Price Waterhouse to develop manuals for internal operating systems, including administrative and operating procedures, accounting and financial management, personnel, procurement, organization planning, and so forth. These operating systems manuals are now being reviewed in draft, and will be delivered in final form before the end of the year, but will require board approval before full implementation.

Pre-project assistance is also provided through the BSP to assist VIDA in developing strategies and establishing priorities, criteria, and procedures needed to manage NEPF, including NGO strengthening and project monitoring. This work reflects the experience of similar programs elsewhere, adapted to the Honduran environment. This work is expected to be delivered in January 1993. However these priorities, criteria, and procedures must be considered as tentative, subject to change with increasing experience.

Rapid initiation of a few, generally small program activities is essential, both to demonstrate its existence and to gain the experience needed to refine and expand its operations. It includes identifying, developing, selecting, financing, and overseeing a few projects over a fairly broad range, in order to demonstrate VIDA's commitment, while it gains the experience needed to move to the next stage. An illustrative program for this first phase would include three types of projects:

- A large project, such as introducing environmental education in primary school curricula.
- Four to eight small to medium-sized projects (\$20-\$50,000) distributed within VIDA's priority program areas, to be implemented by well-qualified NGOs.
- Ten to a dozen micro-grants (\$2-5,000) awarded to minimally qualified NGOs, conditioned on training and technical assistance in accounting, management, and record keeping.

### **Phase II: Growth and Expansion (VIDA Years II-IV)**

This stage grows out of Phase I, and lasts until VIDA attains the proactive stance characteristic of Phase III. It is distinguished by the formalization of an initial program strategy, preliminary criteria for prequalifying clients, and a process for making and overseeing grants. This process defines a methodology and criteria for identifying, developing, and appraising projects, awarding grants for their implementation, and overseeing implementation. During this phase, VIDA progressively develops its organization, defines and initiates functions other than NEPF management, refines and

implants all procedures, builds its portfolio, and strengthens the capability of its clientele. It also develops environmental umbrella organizations to assume responsibility for continued development and service of environmental NGOs.

**Phase III: Proaction and Maturation (VIDA Years V-X)**

This phase is marked by: (1) proficient management and implementation of proven systems, and (2) definition of a program and portfolio based on VIDA's objectives and priorities, secured by its success in fund raising as well as in program management. VIDA will have established its credibility as a continuing private sector organization by demonstrating clearly its capacity to manage and expand NEPF. It will have confirmed its leadership position in environmental affairs, based in part on the successful development of client NGOs, and in part on its influence on and linkages with both the private and public sectors. And it will be recognized as an environmental service organization, providing environmental information, guidance in organizational development, and testimony on issues of environmental policy and programs.

**B2g(2). Growth Projections (in \$000)**

	YEARS										
	I		II		III		IV		V		
	\$	£	\$	£	\$	£	\$	£	\$	£	
<b>Conservative</b>											
Projects	285	10	375	16	520	20	630	23	780	25	
Org Dev	65	6	130	8	135	9	160	10	165	11	
Res + Info	10	2	10	2	10	2	10	2	10	2	
<b>Moderate</b>											
Projects	800	13	970	23	970	23	1430	43	1550	49	
Org Dev	165	7	210	9	275	11	320	13	365	15	
Res + Info	10	2	20	4	30	6	40	8	50	10	

Projections made by Ruth Norris (Norris, pp. 17-21)

The conservative growth projections appear more credible, given the few qualified NGOs, at least for the first two years.

**B2h. Projected Structure**

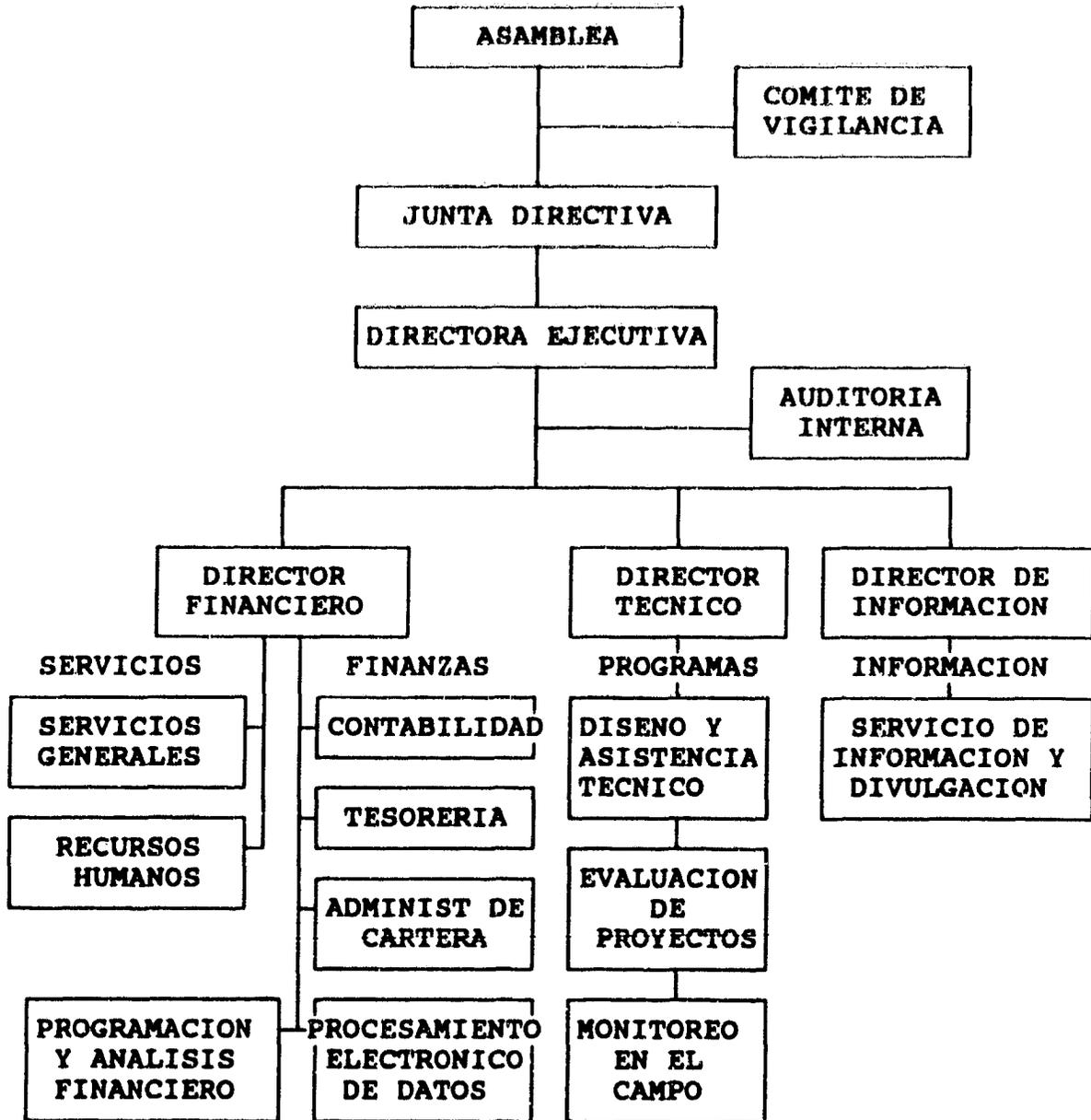
**B2h(1). Tentative Organization Chart (See page 11)**

**B2h(2). Projected Staff Requirements**

Current VIDA professional staff consists of the executive director, financial director and an accountant, and technical director, with a technical professional. With moderate local technical consultation, this five-person professional staff should be able to handle the establishment of VIDA's organic structure and operating norms, as well as developing, appraising, selecting, and financing Phase I projects. One or two field officers should be added to oversee these projects.

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**TENTATIVE ORGANIZATION CHART**



**Note:** Price Waterhouse recommended four directorates. However, we do not believe that four directors are necessary for the level of operations expected.

Long-term advisors will be able to supplement the technical and managerial capacity of VIDA's central and field staff during the project, and short-term advisors will bring specialized technical skills. VIDA will have to ensure that its technical staff reflects professional capability in ecology, resource economics, and sociology-anthropology, as well as the management of environmental programs. Clerical staff will increase to handle the new accounting and secretarial load and information services.

From two to five project field officers will be needed, as well. Donor and PVO operating experience in Honduras suggests a ratio of one project field officer to oversee 15 NGO-implemented projects. Norris has described a conservative scenario and a moderate scenario, with different levels of projects and financing. She also projected an ambitious scenario, but it reflects higher levels of project financing rather than increased numbers of projects. Using the 1:15 ratio, the conservative scenario would require two to three field officers by VIDA Year V, while the moderate scenario would require four to five.

VIDA staffing has not yet been determined and projected. VIDA management is determined to limit growth to those absolutely necessary. The staffing levels proposed in these paragraphs are believed necessary to handle the program levels outlined above, given that long-term technical advisors should function as staff. VIDA might also seek Peace Corps assistance.

**B2h(3). Projected Financing (also see Financial Analysis)**

• **National Environmental Protection Fund (LC)**

NEPF will be established with the lempira equivalent of \$5.3 million at current exchange rates. This 30 million lempiras will be provided by the GOH in six equal annual installments, which it is planned will be converted to dollars and held in trust by UNDP for release only on VIDA orders. This project will add local currency equivalent to \$2 million, which will not be converted. An estimated \$8 million is expected to be added to the fund over the life of project (LOP), mostly from debt swaps by other bilateral donors, such as Canada, The Netherlands, Japan, Germany, and Scandinavian countries.

GOH	\$5.0 million
USAID	2.0 "
Others	8.0 "
Total	\$15.0 million

• **VIDA Operations (L/C)**

There are no firm official budget projections for VIDA operations, except for a six-month budget included in the UNDP project development agreement:

	6 Months <u>\$000</u>	Annualized <u>\$000</u>
Professional Staff (24 p/m)	48	96
Clerical Staff (24 p/m)	8	17
Capital Equipment	22	44
Rent	3	6
All Other Operating Costs	<u>21</u>	<u>42</u>
<b>TOTALS</b>	<b>102</b>	<b>204</b>

In calculating administrative costs, Norris started with an initial annual budget of \$200,000 in Year I, rising by 10 percent/year, to a level of \$293 in Year V (Norris, pp. 17-21).

Our understanding is that UNDP will authorize a support project. We believe that this project, membership fees, and other earnings will cover all of VIDA's direct operating costs. VIDA will also seek authorization in the *reglamento* to be issued by the Ministry of Finance to use some of the NEPF for operating expenses, in case of shortfall.

- **Other Local Costs (LC)**

The proposed project will provide PL-480-generated local currency funds for domestic training, such as meetings, workshops, seminars (\$200,000 equivalent) and local contracting (\$300,000 equivalent).

- **DA-Financed Dollar Costs (DA \$)**

The project will provide \$1.0 million from DA for short-term international training and orientation visits; resident and short-term international technical assistance; equipment; and funding of cooperative agreements with U.S. PVOs:

	<u>\$ 000</u>
Training	1,000
Technical Assistance	2,500
Equipment	115
Cooperative Agreements	5,000
Contingencies	<u>585</u>
<b>TOTAL</b>	<b>10,000</b>

### C. Overview of the NGO/PVO Community

VIDA will not conduct any project operations, but will finance projects proposed and operated by Honduran NGOs. The success of the VIDA program is inextricably linked with the capability of these NGOs to design, implement, and control projects which improve or maintain the environment.

## **C1. Honduran NGOs**

The following material was largely drawn from Norris (1992), and from interviews with BSP staff and Honduran NGO staff. Structured interviews were also held with five major Honduran NGOs that are currently implementing sizeable environmental programs. Summaries of these interviews are found in Attachment B to this annex.

There are between 200 and 250 NGOs in Honduras, broadly identified as either developmental or environmental.

### **C1a. Developmental NGOs**

The majority of Honduran NGOs are development organizations, many of whose missions are narrowly focused on a geographic area or client group. They have generally been operating longer than the environmental NGOs, and are generally larger and better established, with close ties to their client communities. Some are substantial, with effective liaison to international PVOs, and may, in fact, be the local arm of one of those PVOs. Many of these include some type of environmental activity tied to their primary mission; for example, rural NGOs working with agriculturalists are naturally concerned with sustainable agricultural practices. VIDA will serve these development NGOs, in order to strengthen their environmental activities in both scope and proficiency.

The main umbrella organization for development NGOs is FOPRIDEH. It lists some 164 NGOs in its current directory, but only about 50 are active members.

### **C1b. Environmental NGOs**

There are only about 70 or 80 NGOs in Honduras whose missions are primarily environmental. No more than a dozen of these could now meet minimum standards of absorptive capacity. A recent survey by BioConsult has identified 50 NGOs managing environmental projects, but many of these do not classify themselves as environmental NGOs. With the collapse of the Honduran Ecological Association (AHE), the only national-level organization which has emerged is FedAmbiente, a federation of some 40 organizations, whose average existence is two years.

## **C2. Developing Absorptive Capacity**

Only a dozen of the environmental NGOs now meet minimum standards of absorptive capacity, that is, *personera jurídica*, more than two years of existence, an annual budget of at least \$5,000, and contacts with external financing and advisory services. VIDA will have to focus considerable effort on helping them meet these standards in order to develop a suitable client base.

Longevity and minimum budget should take care of themselves. An organization which is more than two years old and lacks an annual budget of at least \$5,000 evidently

lacks the community participation, program focus, or entrepreneurial capacity to be a serious contender for VIDA funding.

Acquisition of *personería jurídica* requires a minimum of six months, but may take several years. VIDA technical assistance should help NGOs to develop the application, with the requisite bylaws. Such assistance should be coupled with training in proposal preparation, which is also an introduction to the other criteria for VIDA support. Neophyte NGOs are *only* eligible for organizational development grants. Normally, they must have *personería jurídica* before being considered for anything except micro-grants. VIDA can make an exception if it judges that the application for *personería jurídica* in process is complete in all particulars and in suitable form.

The experience of USAID/Honduras with projects implemented through NGOs suggests that the greatest problem is poor financial management, reflecting inadequate knowledge of accounting and management. Current managers of such programs strongly advise that no funds be advanced until NGOs have selected an accountant who, with the NGO management, has undertaken foundation training in the material. Good trainers for both are available in Honduras. Both *Gerentes y Empresarios* (GEMA) and the *Asociación Nacional de Industriales* (ANI) offer diagnostic services and training geared to the level of the participants, and have had considerable experience in working with NGOs.

Linkage with external sources of information and assistance is a major criterion of eventual success. This not only strengthens the individual NGO, but is a major factor in building a community of interests with a network of other environmental organizations. Although VIDA will be one of these links, it should systematically assist client NGOs in establishing ties to other national and international sources of advisory and material assistance. VIDA should initiate a registry of NGOs and another of supporting services, the latter including national umbrella organizations, funding sources, and training and advisory services, as well as international environmental NGOs. These registries should be constructed to facilitate linkage at geographical, capacity, and mission levels.

A significant part of VIDA's effort should be directed to institutional capacity building of individual NGOs in order to broaden its clientele base. It should also encourage their federation into second-level support organizations, and strengthen these support organizations. Over time, this will relieve VIDA of the continuous need to provide support for organizational development of new NGOs. Both international training and technical assistance will be oriented to assist this process.

### **C3. International Private Voluntary Organizations**

Like local NGOs, international private voluntary organizations (PVOs) tend to be oriented to development or the environment. The following discussion focuses on U.S. PVOs, but comparable organizations, based in many developed countries, maintain programs in developing countries, including Honduras.

### **C3a. Development PVOs**

U.S. international development PVOs, as the classification implies, generally have a proprietary focus on some aspect of development, as well as established methods of operation. Many have some environmental capability within this proprietary focus, but are generally reluctant to broaden that focus. However, they are frequently closely linked to local NGOs, and aware of local problems (including environmental), possible solutions, and constraints.

An incomplete list of American PVOs with active programs in Honduras includes:

- Americas Hand and Hand
- World Vision
- Catholic Relief Services
- CARE
- Save the Children Federation, Inc
- Heifer Project International
- World Neighbors
- Project Hope

### **C3b. Environmental PVOs**

Although many environmental PVOs have a long history of performance in their own countries, their international programs generally are less than a decade old. This growth in international programs has coincided with the increasing concerns about the environment in their base countries and recognition that these burgeoning problems are international in scope and effect. Reflecting their origins, they have tended to establish working relationships with national NGOs. Although they have introduced some methodologies that have served in the country of origin, most have quickly recognized the limitations of adaptability and have become very innovative in order to meet national conditions.

U.S. PVOs with significant international experience include The Nature Conservancy, World Wildlife Fund, CARE, Wildlife Conservation International, and World Resources Institute.

A significant problem for PVOs of both types, but particularly for the environmental PVOs, is the 25 percent matching requirement of cooperative agreements. Nevertheless, we believe that Honduras will receive a higher priority in its planning, due to the improving country policy environment and the restructuring and reorientation of the GOH public sector. The emergence of VIDA as a source of counterpart funding of local NGOs, as well as funding for environmental cooperative agreements, should make Honduras a highly attractive place to use its own resources.

#### **D. National Technical Capacity**

Ultimately, the success of VIDA, and of the environmental movement itself, rests on an educational process which begins in school and is extended through popular communications media. This process, like the selection and management of VIDA's projects, depends on the competence of professionals who are well-trained in natural resources and the environment. Honduras has a few experts in most of the natural resource areas, but not nearly enough to meet the burgeoning demand. The university system has not yet adapted its curriculum to meet this need. For instance, the specialization in ecology is very weak. Technical level training is also weak; for instance, ESNASCIFOR forestry training lacks conservation/ecology content, but is improving.

No long-term training is contemplated under this program. Fortunately, the Central American Program of Scholarships (CAPS) has been training six to 10 Hondurans/year to the BS or MS levels in watershed management and natural resources management. VIDA should avail itself of both short-term and long-term training under the CAPS program, and should contact the CAPS follow-up specialist on the whereabouts of returned professionals. This should enable the VIDA program to acquire the competent technical personnel it needs for field project officers.

## **ATTACHMENT A**

### **VIDA ASSESSMENT OF TECHNICAL ASSISTANCE AND TRAINING NEEDS**

VIDA has outlined its need for both technical assistance and training in the above-mentioned areas:

#### **Technical Assistance**

1. Administrative/Financial Control
  - Development of strategy and support in obtaining resources
  - Development of a strategy for long-term self-sufficiency
  - Management of fluctuations in currency exchange rates
  - External auditing procedures
2. Policy
  - Establishment, evaluation, and monitoring of a strategic plan
  - Analysis of legal and policy issues
  - Studies regarding important national environmental themes
3. Information management
  - Sources of environmental information
  - Development of information (information networks, accessing materials, training in providing information services)
  - Provision of information and promotional materials
4. Projects
  - Design of projects and programs to promote VIDA
  - Development of a system to monitor and evaluate projects
  - Impact evaluations

#### **Training**

1. Administrative/Financial Control
  - Seminar on financial/accounting issues (these might include financial management or financial and economic feasibility analysis)
  - Personnel administration
  - Seminar on techniques for utilization of resources
  - Evaluation of internal control systems
  - Computer training
  - Programming
  - Budgeting
  - Management information system

**2. Policy**

- **Conferences**
- **Communication with board**
- **Project proposals**

**3. Management Information System**

- **Database design/management**
- **Monitoring/evaluation**

**4. Project-related**

- **Impact evaluation**
- **Workshops and seminars on administration of environmental projects**
- **Project management**
- **Workshops, seminars, and conferences on specific technical topics**

**ATTACHMENT B**  
**PROFILES OF HONDURAN NONGOVERNMENTAL ORGANIZATIONS**

- Mosquitia Pawisa (MOPAWI)
- Proyecto Aldea Global (PAG)
- Fundación BANHCAFE
- ECOLAGO
- Bay Islands Conservation Association (BICA)
- Fundación Cuero y Salado (FUCSA)

**B1. Mosquitia Pawisa (MOPAWI)**

MOPAWI is an NGO based in the Mosquitia, which is in the northeastern section of Honduras. It is mostly in the Department of Gracias a Dios, and also covers parts of Colón and Olancho. The Mosquitia contains a combination of tropical and pine forests as well as some of Honduras' last hardwood forests. Extremely rich in natural resources, the area is the habitat of a wide variety of flora and fauna.

The major activities of MOPAWI are centered around community development, legalization of land, integrated management of the Rio Platano biosphere, and health. There is also a fairly extensive marketing project.

**B1a. Organization**

MOPAWI is managed by an administrative council consisting of an executive director, a deputy director/community development coordinator, and general administrator, and a marketing coordinator. They report to a board of directors which is composed of representatives of different sectors of the Mosquitia.

**B1a(1). Legal and financial status**

MOPAWI obtained *personería jurídica* on May 21, 1985, through Resolución No. 46. It receives financing from a number of national and international organizations based in Honduras including: Ministry of Education, Ministry of Public Health, AVANCE/Sani Radio, Peace Corps, COHDEFOR, IHAH, INFOP, CAHDEA, World Relief/USA, UNAH, Technical Mission of Japan, ANDI/PYME, INA, AHE, APROCACAHO, FHIA, FOPRIDEH, CONSEDE, BANADESA, World Neighbors/Honduras, and CCD. In addition, it has received support from international agencies based outside the country, including: TEAR FUND/UK, EEC, ZOA, CRWRC, World Neighbors, WWF, Moravian Mission, and Cultural Survival.

Its operating budget during 1990 and 1991 was 2,368,726 lempiras and 1,862,323 lempiras, respectively.

### **B1a(2). Management**

- Delegation of authority
- Experience and capability of managers
  - Professional backgrounds
  - Ability to lead and coordinate

### **B1a(3). Staffing**

- Adequacy and turnover
- Current workload

### **B1b. Projected Technical Assistance Requirements**

- Management
- Finance
- Proposal preparation
- Project monitoring and evaluation
- MIS
- Specialized technical expertise
  - Wildlife management
  - Ecotourism
  - Biodiversity
  - Forest management
- Training

### **B2. Proyecto Aldea Global (PAG)**

Aldea Global is an extremely well-organized, efficient NGO, with a geographical focus on three watersheds: the Yure River Basin, the Humuya River Basin, and the Celaque Mountain Range. It also works in the slum areas of Tegucigalpa. Its approach is essentially integrated, including a strong emphasis on regenerative (sustainable) agriculture (about 50 percent of its resources), forest preservation and reforestation, health, community infrastructure, leadership training/education, and spiritual development. It has a long-term (12-15 years) commitment to the communities it works in, and works toward sustainability in all activities.

#### **B2a. Organization**

PAG staff consists of eight professional (university degree) staff, including an executive director, deputy director, and accountant.

## **B2b. Legal and Financial Status**

PAG has diverse funding sources. Most of its donors fully fund a component of a given project. Its donors include Mercy Corps International, the Inter-American Foundation (IAF), Habitat for Humanity, COSUDE, Ministry of Public Health (MPH), World Accord, American Jewish World Service, CRWRC, the John Knox Presbyterian Church, Church of the Brethren, Hope International, and the Kellogg Foundation. It has submitted grants to the McArthur Foundation and plans to submit a proposal to VIDA.

## **B2c. Management**

PAG strongly espouses the approach of involving and training local leaders and other community members to manage and implement their own projects. It presently has over 100 personnel, the vast majority of whom are full-time, paid paraprofessionals from the area in which they work.

### **B2c(1). Experience and Capability of Managers**

Executive Director Chet Thomas is an MPIA with 21 years of development experience in Latin America. He is largely responsible for the growth and success of PAG, and for its highly participatory and decentralized approach. Deputy Director Jairo Sarmiento is a trained psychologist with five years of development project administration. Mario Carbajal has been with PAG for five years as Head Accountant.

Mr. Thomas described the staff as hard-working, highly motivated and dedicated. All of them have been with PAG for a number of years and are committed to its philosophy and objectives.

## **B2d. Projected Technical Assistance Requirements**

PAG feels that it will need no assistance in proposal preparation, or in financial or administrative management. It has considerable experience working with international donors, and has developed sophisticated management and reporting systems. For example, PAG uses MASS90, an accounting software program.

PAG does feel it will need technical assistance in specific topical areas including park management, eco-tourism, biological investigation, encroachment on parks (enforcement), and training of local people. PAG suggests Costa Rica as a possible source of technical assistance.

## **B2e. Vision of VIDA**

PAG sees VIDA as being the umbrella organization for the ecological movement. VIDA should be sponsoring and coordinating seminars, workshops, and conferences. FOPRIDEH could become a channel, but is probably not equipped to act as a major umbrella. One area VIDA could become involved in is sponsoring workshops to develop a

common vision—to develop the same basic set of principles, particularly as they relate to park management. VIDA could also finance the training of forest guards and park managers. Environmental centers should be established, which are tied to schools. These would be places the school children could be taken to participate in environmental education programs.

### **B3. Fundación BANHCAFE**

Fundación BANHCAFE (FUNBANHCAFE) is a nonprofit NGO which was created by the board of BANHCAFE to carry out social programs for coffee producing families and communities. FUNBANHCAFE believes that is important that development efforts come out of the communities themselves, and strongly emphasizes community participation from planning to evaluation. A major focus of FUNBANHCAFE is to promote an "eco-development" approach to coffee production which includes use of organic fertilizer (especially coffee pulp), watershed management and conservation, agroforestry, cultivation of cover crops, and protection and conservation of the environment in general.

#### **B3a. Organization**

FUNBANHCAFE has a board which consists of six members of the board of BANHCAFE, including the general manager of BANHCAFE. The general manager and three of the members are coffee producers, one is an exporter, and one is a processor. The board appoints the office staff which consists of the executive director and an administrator/accountant. The executive director then oversees the administrative staff, the project and program promotion unit, the information and statistics unit, and the evaluation unit.

Until late 1991, FUNBANHCAFE was physically part of BANHCAFE. It then reorganized to create an independent program, and physically separated its offices from the BANHCAFE facilities.

FUNBANHCAFE networks with other NGOs that can meet needs which it cannot. For example, in its literacy programs, it collaborates with other GOH programs, and for training it turns to INFOP. It is presently working with nine other NGOs on pilot projects to provide solar energy panels to rural areas. The FUNBANHCAFE will be managing the rotating credit fund for this activity. It is also part of the PACA project with CARE, has recently received a grant from the IAF, and has had discussions with other international organizations. For next year, it plans to collaborate with 10 NGOs to form a new foundation to work in the areas of health, ecology, and nutrition. This new foundation is still in the planning stages.

#### **B3a(1). Legal and Financial Status**

FUNBANHCAFE received *personería jurídica* on February 12, 1985. The majority of its funding comes directly from BANHCAFE, but it also carries out joint programs with other NGOs, including the Rotary Club of Tegucigalpa, IHCAFE, APROHCAFE, POCET, SANAA, and ALA. FUNBANHCAFE's assets in 1991 were 684,498.90 lempiras.

### **B3a(2). Management**

FUNBANHCAFE is managed by its executive director, José Rolando Bu Zaldívar, a rural development specialist with extensive experience in the management of development projects in coffee producing areas. He works closely with the accountant and administrator, Magda Portillo Reyes, who has considerable experience working with Honduran PVOs, including having worked as the accountant for FOPRIDEH. The staff also includes five agronomists who live and work in the communities where the projects are located. They train local volunteers (*auxiliares*) from the community and work with them to implement the projects. They also work with many volunteer teachers from the communities.

The executive director appears highly motivated and enthusiastic. He is well regarded by others in the NGO community. His track record indicates that he will be able to effectively lead and coordinate FUNBANHCAFE's activities.

### **B3a(3). Staffing**

FUNBANHCAFE will likely need additional staff as it adds more projects. It will be able to keep the organization streamlined by continuing to identify and train local community volunteers, and to promote the participation of the community in all phases of project identification, planning, implementation, and evaluation.

### **B3b. Projected Technical Assistance Requirements**

The executive director and administrator feel that they have adequate management and financial systems and the ability to prepare project proposals. However, they presently have only one computer, and all accounting functions are still done by hand. At their present size, this is adequate, but should they take on additional projects with VIDA funding, it is likely that they will need to move to at least rudimentary computerization.

Other areas in which they will likely need technical assistance include specific technical areas such as sustainable agricultural practices, development of baseline data, ecology, and forest management. They presently do not collect any baseline data, so much of their project evaluation is based on empirical information. For example, they believe that they work with more women than men, but cannot quantify this. The field staff do carry out general surveys (*encuestas*), but do not tabulate the results, nor do they send the results to Tegucigalpa.

### **B3c. Vision of VIDA**

FUNBANHCAFE is currently a member of VIDA. It believes that CONAMA is not taking an active role in developing environmental policy (it views CONAMA as chiefly advisory), and that VIDA should take a leadership role in promoting policy discussions. VIDA should fund studies which will help identify priorities, help create the policy framework, and fund technical assistance. In addition to funding NGOs to implement environmental projects, VIDA should network with the NGO community, drawing from its

experience and sharing it with other NGOs. In this sense, VIDA should be an umbrella or coordinating organization.

#### **B4. ECO LAGO**

ECO LAGO is a foundation which was established for the purpose of conserving and developing Lake Yojoa and its watershed. Containing over 340 species of birds, and surrounded by two national parks (Cerro Azul Meambar and Santa Bárbara), the area is rich in natural resources. The goal of ECO LAGO is to promote sustainable development while protecting and conserving the ecological balance.

ECO LAGO carries out several activities, including environmental education, financed studies, training of ecotourism guides, and establishment of a patrol to enforce bans on fishing, hunting, and deforestation along the water in the lake region. They have succeeded in having an area of approximately six square kilometers declared a protected area.

##### **B4a. Organization**

The organizational structure of ECO LAGO consists of the general assembly and the board of directors. There is no separate executive staff; the foundation is managed by its board.

##### **B4a(1). Legal and Financial Status**

ECO LAGO received its *personería jurídica* in December 1991, and is financed primarily through contributions and membership fees of 10 lempiras per month. It has also sought and received in-kind assistance from a number of public institutions, including the military. For example, it has received a pledge of 100 soldiers to help patrol the protected forest area although it cannot deploy them until it has acquired funding to cover its transportation and maintenance costs. It prints monthly bulletins which are produced in collaboration with the municipality of Tegucigalpa. Office space at Lago Yojoa is provided by the owner of the Hotel Agua Azul.

##### **B4a(2). Management**

ECO LAGO is managed primarily by its board of directors. The president, Carlos Fiallos S., is an engineer with a longstanding interest in the Lago Yojoa area. He is the principal manager and fund-raiser, and is assisted by a full-time office manager (the only paid staff) with experience in backstopping rural development projects. William Kivett, an architect and city planner, is the chief advisor to ECO LAGO, and oversees the publication of the monthly bulletin.

##### **B4b. Projected Technical Assistance Requirements**

Under the same contract in which Price Waterhouse is preparing financial and administrative procedures for VIDA, it will help ECO LAGO develop administrative and

financial procedures and manuals. ECO LAGO feels that its accounting system is adequate to take on additional projects. With Price Waterhouse's assistance, it can determine how its present system should be refined.

Areas it anticipates requiring technical assistance are mainly related to technical needs. These include training for ecotourism guides, park management, agroforestry, biodiversity support, and sustainable agriculture. There is a strong feeling that much of the needed expertise can be found in Honduras, and that there is little need to seek advisors from other countries. Its general outlook seems to be "we know what we need—just give us the money, and we'll do it."

#### **B4c. Vision of VIDA**

ECO LAGO's believes VIDA should be a strictly private sector foundation, totally independent of any government or international donor control. Its primary function should be as a financial institution to manage the environmental trust fund.

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## ANNEX II ECONOMIC ANALYSIS

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### A. Introduction

Institutional development and strengthening projects such as the proposed support for VIDA do not lend themselves to traditional economic analysis. The products or outputs of such projects tend to be improved management, human resource development, and in some cases research and policy analysis. At the same time, VIDA's mandate to support Honduran environmental organizations also suggests that the direct benefits of this support will also be institutional in nature, while the indirect benefits will hopefully include improved resource management, environmental protection, and sustainable development. Nevertheless, there are economic issues that can be analyzed in order to justify: (1) USAID's investment, (2) the demand for and appropriate levels of domestic environmental investment, and (3) the establishment of financial and economic criteria at the project level. These will be analyzed in the following paragraphs.

### B. Economic Rationale for USAID's Investment Strategy

Investments in organizations such as VIDA are justified on a number of grounds. First, the costs incurred by USAID to support this program will most certainly be less than other institutional options, such as directly funding grassroots NGOs, or establishing its own project grant facility. Second, it will help Honduras respond to the ever worsening crises in natural resource and environmental management. Third, as will be demonstrated in more detail in the following paragraphs, demand for financial support to environmental NGOs is increasing.

VIDA will be responsible for all costs related to the development, financing, management, and evaluation of subproject grants to the Honduran environment community. USAID will not provide any financial support to meet salary and other overhead costs. Other organizations including the GOH will cover these costs. Estimates of annual core management costs including overheads range between US\$200-290,000 for the years 1993-1997.

Costs to USAID to operate a similar small grants program would be substantially higher due to the labor intensive nature of small grants programs and the nonsalary benefits and overheads USAID would be required to pay. The development of a small grants program with VIDA or another Honduran NGO will cost substantially less than using a U.S.-based contractor or a GOH agency. Both these alternatives are likely to be less efficient in the delivery of the product (project grants) and raise implementation costs substantially. Since VIDA will deal directly with the local environmental organizations, most of which will be NGOs and VIDA will eventually do its own subcontracting, transaction costs are also likely to be lower. At the same time consensus is growing that NGOs are the most cost

effective way to deliver these type of programs. Similar experiences in Costa Rica, Guatemala, and the Dominican Republic point to the cost effectiveness of this funding modality.

Finally, the proposed project will be a valuable complement to a number of ongoing USAID/GOH projects which are working to improve commercial forest management (the Forest Development Project); increase the income and standard of living of small farm families utilizing effective resource management practices (the Land Use and Productivity Enhancement Project); and contribute to environmental and natural resource management policy (the Policy Analysis and Implementation Project). For instance, the Mid-Term Evaluation of the Forest Development Project (1991) notes the need to reinforce community integration into the project's goals. "Employment opportunities within the forest need to be increased to improve awareness of the forest's value to the local people." At the same time the evaluation recommends that more education and consciousness-raising concerning the environment is needed nationwide among the population in general and resource professionals and the forest industry in particular.

Government efforts to improve land and forest management have a substantially better chance of being effective when supported by private sector and NGO community-based programs. VIDA staff should acquaint themselves with relevant USAID/GOH project activities and examine the possibilities of supporting NGO environmental projects in these regions and communities.

### **C. Under Investment and Reduced Economic and Environmental Benefits**

Like many developing countries, Honduras has depended on its land, forest, and water resources for much of its economic growth. The agricultural sector alone accounts for 30 percent of the GDP and 55 percent of employment. Forest and mineral resources along with agricultural commodities are the principal exports, contributing needed foreign exchange to one of the poorest economies in this hemisphere. In the last few decades, the quality and quantity of Honduras's renewable resources have deteriorated. The growth in population of about 3 percent and inappropriate land management and forest policies have been the key factors responsible for the clearing of virgin land, destruction of vital watersheds, and loss of biodiversity.

One of the most important constraints to estimating the losses associated with resource degradation is the difficulty in establishing reliable statistical estimates and translating them into both direct and indirect economic effects. Fortunately, some GOH and donor-supported project activities, consulting work, and research are helping to provide better baseline data on land use, deforestation, over fishing, and degradation of the coastal zone. The most notable examples of poor resource management include an annual decline of 64,500 hectares of broadleaf forest; an annual decline of 15,500 hectares of pine forest; and declines in small-scale fisheries production, especially lobster, oysters, scallops, and fish by over 40 percent between 1984 and 1988. The value of the catch has also declined since the mid-1980s. Losses associated with poor agricultural practices resulting in soil erosion and

declining soil fertility are supported by declining crop yields. However, economic losses have not been quantified.

The drawing down of a country's natural capital coupled with insufficient levels of environmental investment will lead to a reduction in both economic and environmental benefits. Policy makers in both developed and developing countries have been slow to respond to the policy challenges of renewable resource management and have failed to adequately comprehend the relationship between inadequate management and a reduction of benefits. Generally speaking, the poorer the country, the more likely it is it has not made sufficient investments in renewable resource management and the greater the probability that it is experiencing a reduction in these benefits. The *Perfil Ambiental de Honduras* (1989) notes that "deterioration of natural resources and the ecological damage caused by their misuse—two closely related problems—have contributed to the low level of socioeconomic welfare of most Hondurans." The Biodiversity Support Program (BSP) has estimated that Honduras has invested considerably less (\$38.00 per hectare) than its neighbors Costa Rica (\$1,212.00 per hectare) and Guatemala (\$114.00 per hectare). Levels of investment in watershed management, reforestation, coastal zone and fisheries management, and sustainable agriculture have been insufficient when compared to the benefits they provide to the society.

The unsustainable exploitation of Honduras's natural capital is also a function of policy failures. For instance, while timber resources have been the property of the government, CODEFOR, the agency most responsible for policy implementation, has focused its activities on assisting sawmill owners with extraction, processing, and marketing without regard to the true scarcity value of the resource. Since CODEFOR has a minimum 51 percent stake in these companies, the obvious incentive is to cut as fast as possible. The system of establishing and implementing forest fees or charges and the selective cutting system for hardwoods also have a negative impact on resource management.

The GOH is designing and implementing policy changes which it is hoped will encourage long-term management of its forest resources. Within the context of policy reform and the establishment of incentives to stimulate investment, similar efforts must be undertaken in water resources and coastal zone management.

#### **D. The Demand for Resources by Honduran Environmental Organizations**

The recent report on Honduran NGO capability (R. Norris, 4 November 1992) analyzes some important issues related to the demand for financial and technical assistance. The conclusions of this study are particularly relevant to the proposed Environmental Protection Fund Project.

The key issues affecting demand and absorptive capacity include existing vs. potential capacity, institution building and establishing environmental agendas, and donor-driven demand.

Currently, Honduras has between 70 and 80 environmental NGOs, about 12 would meet the basic qualifications for support from VIDA. This existing capacity should be able

Analysis of the causes of resource degradation involve both natural science and socioeconomic evaluation. Often the unsustainable use of resources may relate to economic factors at the local level reinforced by inappropriate policies. Efforts to establish better resource management need to achieve a balance between sound ecological principles and the development needs of the communities that exploit the resources. It is expected that a considerable portion of VIDA's support will be directed toward projects that expect to generate both environmental and economic benefits. In the context of VIDA's organizational development, efforts should be undertaken to establish financial and economic criteria for project appraisal. Appropriate experts will need to be hired. In cases where environmental organizations have not included this analysis in their proposal, VIDA can assist them through various training and institutional strengthening mechanisms. Where appropriate, projects should include benefit/cost analysis and demonstrate the financial and/or economic benefits of the investment. Project proposals that do not meet these investment criteria should be redesigned or rejected. In cases where the economic benefits are difficult to measure (such as watershed management and reduced soil erosion), and where there may be substantial off-site benefits, the environmental organization should identify them and incorporate them into the projects results.

VIDA is in the process of establishing its program area focus and criteria for project selection. While it is expected that VIDA will establish project selection criteria based on both technical and management capacity, some of its potential activities will also help NGOs develop capacity in these areas.

**E. Financial and Economic Analysis in Project Selection Criteria**

Finally, demand for financial support for environmental projects is also related to the supply of financing. As donor funding priorities shift toward an emphasis on natural resources and the environment and more financing becomes available, Honduran organizations are likely to adjust their program priorities. In this case, as VIDA's support from donors increases, demand for their funds will also increase. The impact of "donor-driven demand" is difficult to estimate. However, similar institutional development efforts undertaken by The Nature Conservancy suggest that the above estimates for VIDA are "in the ballpark."

At the same time, VIDA will assist the NGOs to absorb USAID funds for project support. Scenarios for funding by VIDA developed by RSP suggest that in Year I, VIDA could support 18 to 22 projects costing from \$630,000 to \$800,000. By Year V, annual support could reach 38 to 74 projects with a cost between \$1.6 million and \$2.7 million. Total financial support to Honduran environmental organizations will depend on organizational development and the further development of a national level environmental policy. At the same time "absorptive capacity will be strongly affected by the degree to which existing organizations are willing to set environmental priorities in their own agendas and work with new environmental NGOs in large integrated projects." (Norton 1992)

VIDA is also planning to take positions on key environmental problems confronting Honduran society. A number of possible working arrangements could be developed to assist VIDA in achieving developing this component of their work program. Modest support could be given to NGOs or universities to support the data gathering and analysis. Working papers could be produced and distributed as a joint effort by the collaborating institutions. Another possible arrangement could be developed with the second phase of the USAID supported Policy Analysis and Implementation Project which is scheduled to begin in 1993. This project will devote substantial resources to policy analysis of the natural resource sector and will produce technical/policy analysis, comment on GOH efforts to respond to inadequate policy design and implementation, and recommend solutions to the appropriate GOH departments. This problem identification and problem-solving approach should be attractive to VIDA and other NGOs who are interested in seeing their efforts at the local and regional level are supported by national policy.

## Documents Reviewed

- USAID Handbook Appendix 1E
  - GOH Environmental Agenda
  - GOH La Gaceta
  - USAID Project Paper Small Farmer Agribusiness
  - USAID PAIP Project Paper Annex D
  - USAID Honduras Environmental Profile
  - USAID Project Paper Land Use and Productivity Enhancement
  - USAID PID Forest Development Project
  - USAID PID Land Use and Productivity
  - USAID Project Paper Small Farmer Coffee Improvement
- 
- RENARM 1992 *Honduras Country Analysis*
  - Biodiversity Support Program 1992. *Technical Assistance to Fundación VIDA (Proposal)*
  - Chemonics. 1992. *Honduras Forest Development. Mid-Term Evaluation*
  - Winrock International 1992. *Energy from Sawmill Wastes in Honduras*
  - Fundación VIDA 1992. *Anotaciones Básicas a Nivel Técnico Sobre Funciones y Áreas Programáticas de Inversión de Fundación VIDA*
  - L. Pendleton and Theo Panayotou. 1992. *The Economic and Environmental Appraisal of the Proposed Projects of Las islas de Bahía: The Natural Resources Component*

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**ANNEX III  
ADMINISTRATIVE ANALYSIS**

**A. Organization**

**A1. Legal Status**

VIDA received its *personería jurídica* (with approval of its bylaws) by Presidential Resolution 35-92 of 10 June 1992. It now has an assembly of more than 160 individual members, 17 private firms, and 26 NGOs. It has a board of directors of nine members and three alternates, which has not yet issued its internal regulations. A resolution from the Ministry of Finance has stated that contributions to VIDA are deductible.

**A2. Financial Status**

NEPF was established by Legislative Decree 69-92 of 6 August 1992, and VIDA was named as its manager. The fund will consist of 30 million lempiras, provided by the GOH in six equal annual installments, to be used as counterpart to external resources. The regulation for the use of these monies has not yet been emitted, but is expected to permit additions to the fund, and authority to use up to 10 percent of its resources for VIDA's operating expenses.

UNDP has signed an agreement with VIDA to provide it with six months' operating expenses (approximately \$100,000) while a longer-term project is being developed. Under this agreement, UNDP receives the GOH contribution, converts it to dollars, and manages it in trust for disbursement at VIDA's sole discretion. It charges an up-front fee of 1 percent for this service, but adds back to the fund its proportionate share of investment earnings, plus the operating expenses noted above. It is anticipated that the longer-term project will continue these same arrangements for from three to five years.

**A3. Pattern of Organization**

VIDA is a very small organization, with only six professionals and two clerical employees at this time. Overall management is the responsibility of the executive director, who is also the chief public spokesperson and direct liaison with the board of directors. The financial director manages financial, administrative, and housekeeping functions. ~~Project identification, appraisal, technical assistance, and monitoring is the responsibility of the~~ technical director. These three directors form a committee for project appraisal and selection. They also review and approve internal and program systems before these are referred to the board for final approval.

## **B. Management**

### **B1. Delegation of Authority**

This is not a constraint in such a small organization. The only concern in this regard, as with all new organizations, is the relationship between the board and the executive director. Here it appears to be one of mutual respect and dedication to the purpose of the foundation.

### **B2. Experience and Capability of Managers**

#### **B2a. The Board of Directors**

Almost all the directors are environmental leaders with close ties to the most successful and active environmental NGOs. They tend to be successful businessmen and/or landholders, capable managers, and community leaders from different parts of Honduras. They are adamant in their wish to avoid political interference in the affairs of the foundation, as well as any appearance of conflict of interest. To date, none has sought any advantage from their position, either personal, for their businesses or their NGOs.

#### **B2b. The Managers**

The senior staff of VIDA appear to be highly qualified. The executive director has a BS in economics, and an MBA from Harvard University. She has extensive experience in both the public and private sectors, including 20 years in CABEI, rising to the position of financial director, with responsibility for project appraisal and management, as well as fund-raising. For the last four years she has served as coordinator of international projects for UNDP, a position providing broad exposure to key international and local organizations.

The technical director is a forestry specialist with 16 years of experience in the public sector. His most recent assignment was as head of COHDEFOR's planning and technical assistance department and the national director of a joint UNDP/FAO forestry project.

The financial director is an economist with more than 30 years of experience, mostly in the banking sector, and particularly with the Central American Bank for Economic Integration. His most recent posting was as financial advisor to UNDP.

## **C. Staffing**

Current staffing consists of five professionals: the executive director, the financial director, the technical director, an accountant, and a biologist. This staff is believed to be sufficient to manage the initial institutional development process. Field officers will be added to monitor projects and provide technical assistance to NGOs, at the rate of one to each 10-15 projects. We believe that VIDA must ensure in-house technical ability in economics, ecology, and sociology or anthropology; technical competence should be a selection criterion, along with experience in managing environmental programs. The

proposed residential technical advisors are also expected to function as technical and management staff of the foundation.

#### **D. Implementation Plan Testing**

Since VIDA is a new institution, the implementation plan has been developed specifically to establish the organization, strengthen its capacity to perform component functions, and develop joint U.S. PVO liaisons with local NGOs. The feasibility of each is discussed below.

##### **D1. Organization Establishment**

Pre-project support has funded a project with Price Waterhouse to prepare, with VIDA collaboration, an internal management plan, complete with all operating manuals needed to manage, report, and control internal operations. This support has also funded assistance from the Biodiversity Support Program to work with VIDA to develop a strategy, priorities, and criteria for developing, appraising, selecting, financing, and monitoring programs to be implemented by local NGOs. Both of these systems should be installed and functional within the first quarter of CY-1993.

VIDA's five-member professional staff has been working with the contractors in developing these systems and should be ready to manage them when installed.

##### **D2. Strengthening of VIDA's Technical and Managerial Capacity to Perform the Following Functions:**

###### **D2a. Generate Additional Supporting Resources**

NEPF is not self-perpetuating, but is to be used to strengthen or implement environmental projects. The GOH commitment to this fund is a 30 million lempira authorization to be allocated in six equal annual installments. To grow and to sustain its operations, VIDA must seek additional contributions to replenish or expand NEPF.

The technical assistance contract includes short-term assistance to inform the directorate and the board of directors about modern fund-raising methods. These advisors will help VIDA prepare a development program for raising funds from international donors, the government, and the private sector. Such a program must rest on: (1) a track record of efficient reliable management, (2) a clear set of rational program priorities packaged to facilitate investment, (3) an evident leadership role in the Honduran environmental community, and (4) a track record of supporting projects that generate both environmental and economic benefits. Achieving these four conditions should be a primary goal for VIDA management.

The prospects of obtaining supplementary funds are good. The GOH's increased preoccupation of with environmental matters may overcome past underinvestment in this area. The decentralization of authority and resources to municipalities where local

environmental issues are severely felt, for example, degradation of watersheds providing potable water, will increase cofinancing of NGOs seeking to resolve those problems. Both multinational and bilateral donors are giving a high priority to environmental programs in their support programs. Several bilateral lenders are undertaking debt forgiveness programs such as the U.S. program which resulted in the GOH establishment of NEPF. VIDA has already held talks with Canada and The Netherlands.

Lesser, but useful, amounts are available to help VIDA defray its direct operating costs. UNDP will cover VIDA's operating costs for six months, and is readying a project to continue that support for several years. Membership dues provide about 50,000 lempiras/per year. Donations and other income will probably double that amount. These are significant levels in an organization whose current operating costs are only \$200,000, and are not expected to exceed \$300,000 during the LOP.

#### **D2b. Manage NEPF by Soliciting, Evaluating, and Selecting Proposals and Financing and Monitoring Environmental Projects**

The BSP is lending its experience to help VIDA work through the process of developing a strategy, program priorities, and project selection criteria. This process includes identifying, selecting, financing, implementing, and monitoring projects. An emphasis should be placed on supporting projects that show promise not only in terms of environmental improvement, but also as generators of economic benefits to the project participants. Projects that can become financially self-sustaining are more likely to achieve positive long-run environmental results. Price Waterhouse manuals will enable VIDA to control the financial operations of NEPF.

Client NGOs must report periodically on progress, and must be visited frequently by VIDA staff and, where appropriate, expatriate advisors. These visits will confirm progress, help correct problems, and evaluate results against established benchmarks (environmental, economic, and social).

#### **D2c. Provide Training to NGOs in Project Design and Implementation**

A major weakness in all USAID-financed projects implemented by NGOs has been a lack of effective accounting and management capacity. The accounting and management capacity of each candidate NGO will be diagnosed, with a view to correcting deficiencies at an early stage. Where weaknesses are encountered, before receiving NEPF financing, the NGO must have its staff undergo training and receive technical assistance to ensure its proper application. The project will earmark funds with which VIDA can contract locally for such diagnostic, training, and technical assistance services.

#### **D2d. Support National Environmental Policy and Legislation**

As a leading private sector actor in environmental matters, VIDA has a signal responsibility to review and comment on policy and legislative proposals. To support this role, VIDA will contract studies on the impact of such proposals, and disseminate its results.

It is expected that most such studies will be funded by NEPF and performed by Honduran private institutions. However, short-term expatriate assistance may be subcontracted under the project's technical assistance facility.

#### **D2e. Provide an Environmental Information Service**

Information on environmental problems, their solutions, and methods, and on individuals involved in creating or solving the problems is sketchy and not broadly available. VIDA will create a repository of environmental information, and will develop a service for its dissemination. The majority of these data will reflect Honduran or Central American conditions and programs. However, access to environmental information in other parts of the world is also needed. The project will provide equipment for information cataloging, processing, storage, and retrieval, including CD-ROM readers, and for desktop publishing of materials.

#### **D3. Finance, Through VIDA, the Joint Efforts of Selected Honduran and U.S. NGOs to Design and Implement Environmental Activities**

The project will provide a fund from which VIDA can subgrant support to U.S. PVOs to enter agreements for working with local NGOs. The latter may receive support from NEPF. VIDA is expected to be certified to make project subgrants within a year of project authorization, based on procedures and manuals developed by Price Waterhouse and procurement experience with local subcontracting.

#### **E. Conclusion**

We believe that the combination of a competent VIDA staff, pre-project assistance, and the support provided by this project will enable VIDA to become an institution fully competent to perform its intended functions.

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**ANNEX IV  
FINANCIAL ANALYSIS**

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**A. Context**

**A1. VIDA**

VIDA is a nonprofit private foundation whose objectives are: "To promote and contribute to the conservation of natural resources and the environment, as well as the ethnic and cultural heritage within a context of sustainable national development...."

To this end, it is responsible for managing NEPF and granting funds to Honduran NGOs to carry out projects to preserve, restore, and maintain the environment. NEPF is not self-financing, so VIDA must raise additional funds (from the GOH, international donors, and the private sector) to replenish it. It is also responsible for improving the capacity of NGOs that it finances, sensitizing and educating Honduran society on environmental matters, providing objective environmental information, and using it to influence environmental policy.

**A2. The Project**

USAID is facilitating VIDA's institutional development through pre-project assistance designed to establish basic internal operating systems and controls, as well as program strategies, program priorities, and project selection and management criteria. This project will continue that assistance by providing short-term international training, residential and short-term technical assistance, and a limited amount of office equipment, over a five-year period.

The USAID project will also provide \$5.0 million in DA funds to be used to support U.S. PVOs entering joint ventures for environmental activities with one or more local NGOs. VIDA will administer this fund, appraising and selecting proposals to finance, and awarding and monitoring subgrants.

GOH counterpart funding in the amount of \$2.5 million in PL-480-generated lempiras will be used for:

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Seminars, workshops, and meetings	\$ 200,000
Contracting local technical assistance	300,000
Contribution to NEPF	2,000,000

A six-month agreement with UNDP covers VIDA operating costs for six months, while a five-year project is being prepared. It is expected that this project and VIDA income from membership fees, fund investments, and other sources will continue to cover VIDA's operating costs.

Other bilateral donors are expected to contribute to the NEPF, primarily from debt swaps, as soon as VIDA demonstrates that it is up and running and performing its functions satisfactorily.

## **B. VIDA Capacity to Manage and Control Resources**

### **B1. Management (see Administrative Analysis)**

VIDA is an incipient organization whose board of directors has significant successful experience in managing funds and operations, mostly in the private sector. The executive director and senior staff have relevant management experience in both public and private sectors. Price Waterhouse is contracted to work with VIDA to develop the internal operating and control systems and manuals required to manage and control both VIDA and NEPF. These systems are expected to be installed by February 1993. A similar set of program operating systems (strategy, priorities, project development, selection, and monitoring) are being developed with assistance from the BSP. These, too, are expected to be installed by February 1993.

### **B2. Audit and Oversight Arrangements**

#### **B2a. The Oversight Committee**

VIDA's oversight committee is elected for a one-year period by the General Assembly, and has unlimited rights to inspect and oversee all VIDA's activities. The committee is totally independent of the board of directors, and is composed of three members who do not necessarily have to be members of the foundation. They may not be employees of the foundation or be part of the board, and must have experience in conducting audits, accounting or financial administration. The oversight committee meets on a trimestral basis, and must reach all decisions by unanimous consent. Once a decision is reached, the board of directors and the executive staff must abide by it. In case of controversy, only the General Assembly can override a decision made by the oversight committee. The oversight committee has not yet been created.

#### ~~**B2b. The Board of Directors**~~

The board of directors includes in its bylaws a financial secretary and a *fiscal* (a director specifically charged with ensuring that laws and regulations are rigorously complied with). The board has not yet issued its internal regulations. We expect that these will establish a financial committee (usually comprised of the president or vice president, the financial secretary, the *fiscal*, and one or more board members) to oversee financial

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Professional staff (24 p/m)	48	96
Clerical staff (24 p/m)	8	17
Capital equipment	22	44
Rent	3	6
All other operating costs	21	42
<b>TOTALS</b>	<b>102</b>	<b>204</b>
6 Months	5000	Annualized
		5000

There is no firm official budget projection for VIDA operations, except for a six-month budget included in the IINDP project development agreement.

**D2. VIDA Operating Budget**

Table A details the content of the DA budget. Table B shows its anticipated use over the LOP, as described in the project description.

**D1. DA Budget**

**D. Project Financial Plan and Analysis**

The clear intent of this project is to delegate to VIDA the maximum responsibility for its management, with a minimum of prior constraint. The project agreement will include such safeguards and oversight procedures as are deemed necessary within this orientation. USAID will procure international training, commodities, and technical assistance, the latter under a direct USAID contract. USAID will name a project officer to monitor VIDA's progress and facilitate the use of this support.

**C. USAID Responsibility**

VIDA is not now certified to administer U.S. dollar procurement. The Price Waterhouse contract is preparing procedural manuals on contracting and other procurement. VIDA is expected to immediately use local currency counterpart funds to finance both the procurement of local technical assistance and seminars and workshops. We expect that the combination of appropriate internal systems and experience will enable VIDA to be certified to issue and monitor subgrants to U.S. PVOs to finance their participation in joint ventures with local NGOs, within a year of project authorization.

**B3. Capacity to Manage Subgrants**

The structure proposed by Price Waterhouse includes an internal auditor who reports to the executive director.

**B2c. Internal Auditor**

operations, review budget preparation and execution, and so forth. This committee not only reviews internal audit reports, but may call for external audits.

TABLE A  
DA BUDGET

CASHFLOW:								
ITEM	YEAR							Total
	I	II	III	IV	V	VI	Cost	
							9000	
TRAINING	:	120	200	200	200	200	80	1000
Short Courses	:							600
Regional Observation	:							150
International Meetings	:							250
TECHNICAL ASSISTANCE	:	60	570	590	610	345	325	2500
Resident Advisors	:		450	450	450	225	225	1800
Short Term Advisors	:	60	120	140	160	120	100	700
COMMODITIES	:	98	0	0	0	17	0	115
7-Station LAN	:	37						37
Accounting Computer	:	3						3
LaserJet Printer	:	3						3
CD-ROM Reader	:	1						1
Laptop Computer	:	6						6
Software	:	2						2
Photocopier	:	8						8
Telefax	:	1						1
Overhead Projector	:	0.4						0.4
Monitor, Camcorder, VCR	:	2.6						2.6
Vehicles	:	34				17		51
GRANTS TO PVOs	:	400	900	1300	1200	1200	0	5000
Large	:	200	100	300	200	200		1000
Medium	:	100	400	500	500	500		2000
Small	:	100	400	500	500	500		2000
PROJ MGMT, EVALUATIONS	:	50	120	200	120	120	190	600
SUBTOTAL	:	728	1790	2290	2130	1882	595	9415
CONTINGENCIES	:							585
TOTAL	:							10000

TABLE B  
ANTICIPATED USE OF DA BUDGET OVER LIFE OF PROJECT

NEPF:		1992	1993	1994	1995	1996	1997	1998	1999
FUNCTION	UNIT	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
GOM Appropriation	empiras	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00
Project Input	empiras		2500.00	2500.00	2500.00	2500.00	2500.00		
Other Inputs	empiras			2500.00	5000.00	7500.00	7500.00	7500.00	7500.00
Available	empiras	5000.00	7500.00	10000.00	12500.00	15000.00	15000.00	12500.00	12500.00
Exchange Rate	L/\$	5.40	6.20	6.75	6.75	6.75	6.75	6.75	6.75
GOM Grant	\$	926	806	741	741	741	741	741	741
Inflat Rate (%)	0.00	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
1992 Value	\$	888.89	776.19	711.11	711.11	711.11	711.11	711.11	711.11
Reconversion Rate	L/\$		6.20	6.75	6.75	6.75	6.75	6.75	6.75
Project Funding	Lempiras		5511.11	5225.81	4800.00	4800.00	4800.00	4800.00	4800.00
Assumptions:									
(1) GOM will maintain same rate of contribution to NEPF after L30 million is contributed.									
(2) VIDA will continue to convert Lempiras received to dollars, and reconvert the following year.									
(3) Fund raising (from other donors, GOM, municipalities, and private sector will be successful).									
(4) Project and other inputs will actually enter the NEPF, as stated.									
In fact, they might be contributed as lump sums, so that excess to needs could earn income.									

IV-5

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In calculating administrative costs, Norris started with an initial annual budget of \$200,000 in Year I, rising by 10 percent/year, to a level of \$293,000 in Year V (Norris, pp. 17-21).

Our understanding is that UNDP will authorize a support project. We believe that this project, membership fees, and other earnings will cover all of VIDA's direct operating costs. VIDA will also seek authorization in the *reglamento* to be issued by the Ministry of Finance to use some of the NEPF for operating expenses, in case of shortfall.

### **D3. Evolution of NEPF**

Table C provides a crude projection of NEPF's evolution, based on heroic assumptions included in the table and its footnotes. The bottom line assumption is that a successful fund-raising effort by VIDA will enable NEPF to provide a continuous flow of funds to NGOs at an annual level near 5 million lempiras. This will hopefully be coupled with continually expanding cofinancing by client NGOs from their own fund-raising efforts and municipal support as the environmental movement in Honduras gathers momentum.

TABLE C

NEPF:									
		1992	1993	1994	1995	1996	1997	1998	1999
FUNCTION	UNIT	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
GOV Appropriation	empiras	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00
Project Input	empiras		7500.00	2500.00	2500.00	2500.00	2500.00		
Other Inputs	empiras			2500.00	5000.00	7500.00	7500.00	7500.00	7500.00
Available	empiras	5000.00	7500.00	10000.00	12500.00	15000.00	15000.00	12500.00	12500.00
Exchange Rate	L/\$	5.40	6.20	6.75	6.75	6.75	6.75	6.75	6.75
GOV Grant	\$	926	806	741	741	741	741	741	741
Inflat Rate (%)		0.00	0.04	0.04	0.04	0.04	0.04	0.04	0.04
1992 Value	\$	888.89	774.19	711.11	711.11	711.11	711.11	711.11	711.11
Reconversion Rate	L/\$		6.20	6.75	6.75	6.75	6.75	6.75	6.75
Project Funding	Lempiras		9511.11	5225.81	4800.00	4800.00	4800.00	4800.00	4800.00
Assumptions:									
(1) GOV will maintain same rate of contribution to NEPF after L30 million is contributed.									
(2) VIDA will continue to convert Lempiras received to dollars, and reconvert the following year.									
(3) Fund raising (from other donors, GOV, municipalities, and private sector will be successful).									
(4) Project and other inputs will actually enter the NEPF, as stated.									
In fact, they might be contributed as lump sums, so that excess to needs could earn income.									

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## ANNEX V SOCIAL SOUNDNESS ANALYSIS

### A. Introduction

Attacking the environmental problems of Honduras means involving people—if people are part of the problem, they are also part of the solution. And people are male and female, Spanish-speaking and Misquito-speaking, rich and poor, rural and urban. An increasingly popular mechanism for involving local men and women in natural resource projects has been to use NGOs to design and carry out projects. This project will reach those NGOs—and their beneficiary populations—through the strengthening of a nonprofit, private, environmental foundation, VIDA.

The Social Soundness Analysis examines five levels of Honduran institutions that are key to the foundation's objective of promoting and contributing "to the conservation of natural resources and the environment...."

- Local men and women
- Local community leaders, local NGOs, and municipalities
- Regional and national NGOs
- Umbrella institutions
- VIDA

For each level, the following questions are examined:

- Who are the people represented by the institution? What kind of participation to VIDA can they offer?
- What can they offer in solving environmental problems? What stands in their way?

In addition, for each level, the cross-cutting issues of participation and gender are also addressed.

Finally, in accord with the growing recognition in the development community that "~~social soundness~~" must be an integral part of the design of any project, not restricted to a few pages at the end of a document,<sup>1</sup> the social scientist has worked with fellow team members from the Development Strategies for Fragile Lands (DESFIL) project, members of the BSP team, VIDA, and USAID personnel to integrate social-cultural issues into the project as a whole.

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<sup>1</sup> U.S. Congress, Office of Technology Assessment. *Enhancing Agriculture in Africa: A Role for U.S. Development Assistance (OTA-F-356)*. Washington, DC: U.S. Government Printing Office, 1988.

## **B. Methodology and Information**

The foundation is an incipient organization which is still defining its roles and functions. Consequently, an examination of it as an institution is based more on projections existing information than on actual data. In addition, there is a shortage of information about the environmental roles (positive and negative) of local populations and their leaders and about the capabilities of NGOs that might work in the area on natural resource projects. As a result, this report is based primarily on interview material and personal knowledge.

### **Recommendations**

- Because of the gaps in the information base about local populations, their interactions with the natural resource base, and the NGOs that work with them, it is strongly recommended that USAID fund a "Special Study on Socioeconomic Issues of Natural Resources in Honduras" to address this.

Furthermore, because the success of VIDA's work will be determined in large part by the changed attitudes and activities of local people, it is essential to identify these men and women and to learn about their environmental roles in order to have a basis for planning projects. It is crucial to plan projects around human needs as well as environmental needs so that local residents see projects as being in their best interests.

The study would address such areas as:

a. A socioeconomic profile of potential male and female beneficiaries in pine forests, and, particularly, in lowland forest and coastal wetlands ecosystems.

- Who are the local men and women who are potential grassroots beneficiaries of VIDA projects? What is the intra-household division of responsibilities and knowledge about the natural resource base?
- How can projects best address the division of labor in households vis-a-vis the natural resource base, and what are the opportunities, constraints, and strategies that projects need to consider?

b. A listing of local, regional, and/or national NGOs that have worked with these populations and an analysis of lessons learned.

- ~~Who are the NGOs that should be included in the foundation's network as potential beneficiaries?~~
- Are there NGOs working with specific populations (for instance, based on gender or ethnicity) that should be included?

- What are the lessons learned (positive and negative) from NGOs working in the area and how can these be used in developing more successful projects? (Special attention should be given to participatory planning and implementation.)

c. **Recommendations to VIDA** for successfully incorporating grassroots concerns into project selection, implementation, and evaluation procedures.

- An appropriate researcher is Celina Kavas, a Honduran sociologist who has done considerable work with socioeconomic, NGO, and gender issues for USAID, The World Bank, and the Canadian International Development Agency (CIDA). Her resume is attached to this annex.

## C. Summary of Recommendations

### C1. Special Study

- A socioeconomic examination of the rural populations that are potential beneficiaries of foundation funding; an examination of NGOs working with these populations; and recommendations to the foundation about successfully incorporating these populations and NGOs in project selection, implementation, and evaluation procedures.

### C2. Project Selection, Implementation, and Evaluation Criteria

- An essential criterion for project review and selection, as well as project evaluation, should be the NGO's plans for participatory planning and implementation.
- An essential criterion for project review and selection, as well as project evaluation, should be NGO's plans for including women's natural resource activities, as well as men's, in project planning and implementation.
- An essential criterion for project review and selection, as well as project evaluation, should be a social analysis of the beneficiary population, including disaggregation by gender and ethnicity, if appropriate.
- All human resource data, from the local level up through the foundation, should be disaggregated by gender and, if appropriate, by ethnicity.
- Projects should be planned around human needs as well as environmental needs, so that projects are in the best interests of local men and women as well as the natural resource base. These plans should be based on socioeconomic knowledge about the area.
- Project goals must include creating additional or alternative income sources for local residents, both women and men.

- Addressing these criteria should be a task of the staff social scientist.

### **C3. Technical Assistance and Training**

- Technical assistance and training on participatory planning and implementation should be given to client NGOs.
- Technical assistance and training on gender analysis should be given to client NGOs.
- Gender issues should be integrated into other technical assistance or training—for example, workshops on social forestry or sustainable agriculture.
- Staff of VIDA should be included in all training in order to improve their understanding of technical issues.
- If the NGO does not have the technical capability to carry out a simple, but appropriate, social analysis for project design and evaluation, short-term technical assistance should be provided.
- Coordinating this technical assistance and training should be a task of the staff social scientist.

### **C4. Outreach and Networking**

- Carry out networking and marketing activities which establish VIDA as a leader in environmental issues.
- Include local level NGOs, municipalities, and community leaders in the network as an additional way to reach local communities. Consider ways to offer them technical and/or financial assistance.
- Begin immediate outreach to possible participant Honduran NGOs, through meetings, workshops, and the several meetings proposed for January.
- Continue that type of outreach throughout the project and consider adding a newsletter.
- Quickly develop a roster of national, regional, and local NGOs and bilateral PVOs, beginning with the BirdConsort database and adding to it NGOs with natural resource possibilities and NGOs working in the WID sector.
- Board members should participate in education, outreach, and networking about the foundation in order to increase public awareness about VIDA and environmental issues.

- Board members should be used to help raise funds for the foundation.
- Outreach and networking should be designated as the responsibility of a specific staff member.

### **C5. Structural Issues: Board of Directors**

- Clarification of procedures for nominating and electing board members
- Clarification of maximum tenure for board members and procedures for rotating membership.
- Clarification of avoiding the appearance of conflict of interest after members leave the board.
- Inclusion on board of representatives of business interests which play a key role in environmental degradation.

### **C6. Technical Capacity Within the Foundation**

- Core staff should participate in technical training in such areas as social forestry, participatory planning, and gender to broaden their knowledge about natural resource projects.
- A sociologist or anthropologist should be included as a long-term advisor. Selection criteria should include experience with natural resource issues such as participatory planning and gender issues and the ability to impart this knowledge to other staff. Duties would include helping to determine socioeconomic criteria for project selection, reviewing projects, coordinating technical assistance and training on social issues, and organizing socioeconomic information for baseline data and project evaluation.
- Consider establishing a roster of experts to assist with such tasks as project review and other technical assistance.

## **D. Cross-cutting Issues: Beneficiary Participation and Gender**

Two issues cut across all activities of the foundation: (1) the participation of beneficiary populations—NGO and local—in planning and implementation, and (2) the ~~participation of women, as well as men, in these activities.~~

### **D1. Participatory Planning and Implementation**

VIDA has two categories of beneficiaries that need to participate in project development: (1) NGOs, and (2) their project populations. The issues related to NGO participation are addressed in section J, VIDA.<sup>2</sup> Those related to local residents follow.

A primary objective of current USAID projects is sustainability. In other words, can a project wean itself from the original donor organization and survive independently? This entails project capability in leaders, community support, management and planning, and finances. Experience has shown that these capacities need to be built from the bottom-up, which means including local women and men in planning and implementation. Information also indicates that unless local residents see a project as in their best interests, participation is not forthcoming. In turn, it is local residents who—with appropriate assistance—can best identify their needs. (See section F. Local Men and Women.)

As a Honduran NGO summarizes:

The failure of many development programs has been induced by the lack of adequately trained local leadership. We have often seen that without proper training [and inclusion] of the community and its leaders, programs tend to deteriorate and disintegrate once the agency has left the area.

... it has become exceedingly clear that development is truly a long term commitment where tangible change in people's lives and their living environment comes slowly, and endures only when the process is owned, understood and managed by local people.

(We) believe that development efforts need to be carried out ... where people can develop and participate in programs, making use of their own talent and resources to meet their expressed needs and improve their well being.<sup>2</sup>

Many NGOs give lip service to participation but fewer put it into practice. However, there are good local models on which to build. In interviews, the names of both Aldea Global and World Neighbors were frequently mentioned as NGOs with excellent reputations for participation by local populations. Both were also mentioned as local sources of technical assistance for training in participatory planning and implementation to NGOs.

### Recommendations

- Client NGOs should receive technical assistance and training in how to integrate local women and men into project design and implementation, through workshops and/or individual technical assistance when appropriate.
- Foundation staff should also receive this training in order to strengthen their awareness about participatory planning.
- An essential criteria for project review and selection should be the NGO's plans for the participatory planning and implementation of local women and men.

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<sup>2</sup> Proyecto Aldea Global. Reporte Anual, 1990-1991. Tegucigalpa, Honduras: Project Global Village, 1991, p. 1.

- Coordinating participatory project criteria and training should be a task of the staff social scientist.

## **D2. Gender Differences, Gender Analysis, and Data Disaggregation**

Taking gender differences into account is another aspect of participatory planning. It ensures that both women and men in the community benefit from a project and that the natural resource responsibilities and knowledge bases of both sexes are given equal consideration in project design, implementation, and follow-up.

Project planners are generally more familiar with men's lives than women's and, in turn, subconsciously model the project on men's roles. Local women are seldom consulted or invited to participate in project planning, implementation, or follow-up. However, the success of people-oriented projects depends upon the involvement of both women and men.

Professional-class urban residents in Honduras stereotype rural women as passive and nonparticipatory. Ethnographic data suggest otherwise.<sup>3</sup> In fact, USAID/Honduras experience indicates that in many cases women have been more active participants than men. For example, in a micro-credit project, women had a higher repayment rate than men. In a land titling project, women received title to less land than men (one hectare maximum for women); but, after two years, women were successful enough to be making production loans to the men who had received more land. MOPAWI also reports that in their FITH project with the Tawahkas, success was achieved only after replacing the local male director with a woman.

In most agriculture and natural resource projects, "the household" is taken as the basic unit of analysis; males are assumed to be heads-of-households and, thus, the principal decision makers and sources of information. The roles of other household members are frequently ignored—to the detriment of the project and to those it is meant to serve. Yet, in every society, women and men have different roles, access to different resources and benefits, and different responsibilities.<sup>4</sup>

Gender analysis—looking at the roles of both men and women and determining where they overlap, where they are separate, and how to plan a project around these difference—is a tool which gives us a better understanding of socioeconomic and technical factors. Gender is a socioeconomic variable that distinguishes roles, responsibilities, constraints, and opportunities of the people involved in the development effort. It considers both women and men, and thus should not be misconstrued as an equity issue.

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<sup>3</sup> See, for example, Estes 1991, Flora 1987, Kwas 1991, Melendez, et al. 1991, Paolisso and Yudelman 1991, and Russo, et al. 1989.

<sup>4</sup> In addition, in many rural areas the number of female-headed households is increasing. Some estimates are as high as 25 percent. Households, which are generally poorer than those of their neighbors, must be taken into account.

In the past, development activities for women have focused on women's reproductive, health care, and nurturing roles. While women will always have these roles, they are concurrent with their roles as agricultural producers and natural resource managers. Project activities must take into account the multiple responsibilities of women, their farming and forestry roles as well as their "domestic" roles.<sup>5</sup>

A caveat: Having a woman as the head of an institution or project does not necessarily mean that gender issues will be automatically included. Consequently, gender must be built into the criteria.

### **D3. Carrot vs. Stick: USAID, CIDA, Dutch, and German Gender Guidelines**

The first reason for considering gender as an essential variable in project development is that projects are more successful when the roles of women, as well as those of men, are included.

The second reason is that VIDA will receive funds from major donors only if gender analysis is an essential part of the project design. This is true not only for USAID but also for Canadian, Dutch, and German donors. In fact, the Canadian, Dutch, and German guidelines are stricter than USAID's.<sup>6</sup>

Consequently, it is in VIDA's best interest to develop gender criteria for project planning, implementation, and evaluation at the beginning in order to have more success with funding proposals to international donors, as well as more successful projects and positive evaluations down the road.

An essential part of that planning is to disaggregate by gender all human resource information from the beginning, including personnel in local, regional, and national NGOs, as well as in VIDA.

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<sup>5</sup> Women's agricultural and natural resource roles are also ignored because they generally represent unpaid labor. For example, in national census statistics, the data show the majority of rural men as "farmers," while the majority of rural women are "housewives." Yet, on the ground data show that women's labor is directed as much to agricultural activities as to domestic activities.

A new study by USAID/Bolivia is one of the first rural surveys to collect information on occupation and economic activity of all male and female household members and to break down activities by primary and secondary activities. For example, women represent 75 percent of people engaged in animal husbandry as their primary activity and 60 percent of people engaged in agriculture as their secondary activity (Caro, et al. 1992).

<sup>6</sup> CIDA guidelines are attached, as well as 1991 U.S. legislation regarding USAID gender guidelines. Also attached is a draft of the 1992 AID/LAC Senior Management Workshop on "Strengthening the Integration of Gender in Latin America and the Caribbean Programs."

This is suggested not just to fulfill USAID and CIDA requirements but also because it is one of few ways to tell how projects may be differentially affecting men and women.

### Recommendations

- An essential criteria for project review and selection should be the NGO's plans for including women's natural resource activities, as well as men's, in project planning and implementation.
- All human resource data, from the local level up through the foundation, should be gender disaggregated.
- Technical assistance on gender analysis should be given to client NGOs.
- Gender issues should be integrated into other technical training; for example, workshops on social forestry or sustainable agriculture.
- Foundation staff should be included in this training in order to increase their technical knowledge.
- Coordinating these activities should be a task of the staff social scientist.

### Gender Supplement

If time permits, a supplement will be added to this report which spells out in more detail gender and natural resource issues and includes more policy and bibliographic information. Its purpose is to summarize for USAID/Honduras and AID/W, particularly AID/WID, information assembled as part of this report which may be useful to others.

### E. Socioeconomic Background of Environmental Projects in Honduras

The current socioeconomic and political milieu surrounding environmental activities in Honduras is fluid and in transition.

For example, major changes in laws and policies concerning the environment and natural resources have been carried out or are in the planning stages. For instance, GOH policy regarding public forests has moved from timber mining to forest management.<sup>7</sup> With the new awareness of the environment—and the dollars that come with environmental development projects and ecotourism—forgotten regions, such as La Mosquitia, are now on the front pages

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<sup>7</sup> Harritt, Margaret. Memorandum: Background on the Environment in Honduras. Tegucigalpa, Honduras: USAID, November 1992.

However, in this transition period, there is considerable overlap and lack of clarity about responsible institutions. For example, in several areas, CONAMA, the Ministry of Natural Resources, the Ministry of Defense, COHDEFOR, and Municipalities are all charged with—and vying for—responsibility.

At the same time, in this vacuum—or window of opportunity—several NGOs focusing on environmental issues have been organized.<sup>8</sup> In addition, NGOs which have traditionally worked in the agricultural sector, such as Aldea Global, are including natural resource issues in their portfolios. (One interviewee described the situation by saying, "These days if you don't have a job, you create an NGO.")<sup>9</sup>

The government is becoming increasingly interested in NGOs and the environment, partly because of the amount of funds that is being channeled through NGOs outside of direct GOH control. One response has been to create a GOH-NGO liaison office, currently headed by Cecilia Callejas, who is, coincidentally, the president's sister.

Another response has been the creation of NEPF and of VIDA as its manager. As a private, nonprofit, and nonpolitical institution, VIDA can play the important environmental leadership role of supporting Honduran NGO environmental activities, creating and strengthening links among Honduran NGOs and between national and international NGOs, and providing a buffer between NGOs and the GOH.

#### **F. Local Men and Women**

As described in Section D, even with excellent administrative capacity on the part of the beneficiary NGO, there can be no environmental solution in Honduras that doesn't give key considerations to the participation of the men and women living in the project areas.

Because the success of VIDA's work will be determined in large part by the changed attitudes and activities of local people, it is essential to identify these men and women and to learn about their environmental roles in order to have a basis for planning projects. It is also crucial to plan projects around human needs as well as environmental needs so that projects

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<sup>8</sup> The data about functioning NGOs are also fluid. Probably the best source on environmental NGOs will be the database created by BioConsult, available December 1992 for public distribution from Darren Schemmer at the Canadian Consulate. However, this list has two significant gaps: (1) NGOs with potential for working in the environment and (2) NGOs whose work has been primarily with women. See section H, Regional and National NGOs, for recommendations about this database.

Other sources of potential NGOs include:

- The Natural Resources Office of Peace Corps
- The supplement to this appendix regarding gender issues

<sup>9</sup> C. Kawan and R. Puerta have written three thoughtful analyses about the role of OPDs and ONGs in Honduras: "El nuevo orden y los OPDs (organizaciones privadas de desarrollo)," "Estado-ONGs (non-governmental organizations (French)): ¿Trabazon o empalme?," and "Los OPDs en Honduras." Available in ms. from Kawan. Tel: (504) 32.54.97. Fax: (504) 31.57.17.

are seen by local residents as being in their best interests. Goals must include the creation of additional or alternative income sources for both men and women.

### **F1. NGO Examples of Integrating Human Resource Needs and Environmental Needs**

The Belén Gualcho Development Project of Project Global Village is an example of an NGO project that integrates human needs and environmental needs. The soil conservation activities have resulted in a change from slash-and-burn techniques to sustainable cultivation, with increased yields; the planting of fruit and multiple-use trees has increased family income, as well as reforestation of the land.

The Agricultural Program of MOPAWI in La Mosquitia is similar in its goals. Sustainable cultivation of cacao and development of market links for the product has given local households an important source of income as well as training in the conservation and protection of environmental resources.

### **F2. Local Households**

Although VIDA has not yet determined its geographical and sector selection criteria, we can predict some of the important beneficiary populations: (a) residents of pine forests; (b) residents of tropical forests; and (c) residents of coastal wetlands.

Data on pine and lowland forest residents are scarce, particularly information on the roles of men and women as users and managers of the natural resource base.<sup>10</sup>

#### **F2a. Households in Pine Forest Ecosystems**

Studies in the La Unión area—where COHDEFOR has centered many of its activities—indicate that in pine forest areas, the rural economy is based primarily on subsistence agriculture and small-scale coffee production. Very little income is derived directly from the forest, although the forest is an important source of fuel and land for new production. Much agricultural production uses slash-and-burn techniques, with plots sustained for approximately two to three years. Households have primary products and secondary products, and all must have more than one income source in order to survive.

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<sup>10</sup> Information on pine forest residents includes studies done for COHDEFOR by Estes 1991, Galvez 1991, Leiva 1991, and the USAID/Honduras Forestry Development Project Paper 1984. Also see the study done for the Canadian broad-leaf forest project, Giasson 1990.

MOPAWI is an important source for materials on populations in the Mosquitia tropical forests, as is Cultural Survival in Arlington, Virginia, which has done a series of papers on indigenous populations in Central America.

Principal agricultural products are basic grains (corn and beans) with small plots of rice, sugarcane, and plantains. Most families also have a few head of cattle and keep pigs and chickens. The sale of basic agricultural products is limited, since approximately 50 percent of production is used for household consumption. Those products which are marketed are sold primarily to local intermediaries. Coffee is sold primarily to local marketers or truckers.

Several strategies are used to develop more than one income stream. The first is to have income from both male and female household members. Another is to exploit several economic possibilities, for example, coffee as well as basic grains. A concurrent strategy, particularly for poorer households, is for household members to work as day laborers (*jornalero*), either locally or as temporary migrants.

In the summer agricultural season (December and January), much of the population is without work. A principal source of temporary income during this time is working as day laborers in coffee fields (the entire family migrates). In other cases of temporary migration, women migrate to work as domestic employees and men cut sugarcane or bananas. In addition to temporary migration, one study showed more than 44 percent of children permanently migrate to urban centers.

The family is the most important institution for all community members. It not only provides informal education and emotional support for its members, it also is the primary unit of production and consumption, in which each family member has a role. Within the family, each member is involved in a variety of enterprises. Although men and women have separate spheres of labor, they are complementary and not rigidly divided, and both are essential economic contributors.

Generally, rural men have responsibility for the primary grains and large animals, using the assistance of women's labor. Women have responsibility for secondary agricultural products and smaller animals, in addition to the domestic tasks of cooking, washing clothes, and caring for children, using the assistance of children's labor. Both work in coffee production.

Families handle money using a joint model, not an individual one. Economic decision making is shared between wives and husbands. Neither one has total control over resources. In general, men make economic decisions which relate directly to their productive activities, and women make economic decisions which relate directly to their income and household responsibilities. In cases of major expenditures or areas in which they share responsibility, the two talk it over. And in most cases residents say that it is the wife who manages (*muneja*) the money. (This is an interesting contrast to the *machista* reputation of these areas.) Consequently, both should be included in any financial or administrative activities organized by a project.

At present, most development activities for women in these areas focus on household improvement, such as improved poultry production, improved stoves, and home gardens. Very few women have been included in forestry activities. Furthermore, many activities

follow the old-fashioned model of including women only in their domestic roles or as a supplements to "real" project activities. This is in contrast to projects which integrate women as equal beneficiaries.

#### **F2b. Households in Lowland Forest Ecosystems**

Socioeconomic information on lowland forest areas is very sparse. However, available material on La Mosquitia, the region with the most significant remaining broad leafed tree stands in the country, shows the area with a population of over 40,000, at least 35,000 of whom identify ethnically as Miskito. The Miskito are of Chibcha, European, and African descent and speak Misquito and Spanish. Most households have an economic base of slash-and-burn subsistence agriculture with a heavy dependence on the forest as a supplement to this base.

MOPAWI has been working in the area on projects which conserve the natural resource base, while at the same time bring in needed cash income. A current project works with over 34 communities to develop cacao production. Another income-generating project works primarily with women who use nontimber forest resources to produce saleable products.

#### **F2c. Households in Coastal Wetland Ecosystems**

Materials on coastal wetland residents are almost nonexistent. However, Billy de Walt, a social scientist, will be a part of the USAID-funded study of the Gulf of Fonseca, to be carried out in early 1993 by Tropical Research and Development. It is recommended that this information be considered in the final Social Soundness Analysis of the project paper.

#### **F2d. Opportunities, Constraints, and Strategies**

These populations may be a part of the problem, but they are also an essential part of the solution. Only with their full participation can a project succeed. And because rural residents do not have the luxury to save forests as an avocation, environmental projects must also be designed as economic development projects. A project must be seen by local residents, both female and male, as being in their best economic interest.

##### **F2d(1). Opportunities**

- Involving local residents means involving the people who actually use and manage the land.
- Residents have considerable knowledge about the resource base.
- Their participation is a relatively cheap input.
- Project success in providing alternative forms of income can reduce current inroads on forest areas, such as expansion of small-scale coffee production.

- Project success in sustainable agriculture can reduce the impact on forests by eliminating the need to cut down trees for new agricultural land
- Residents are accustomed to organizing small-scale, flexible, production units on the basis of family and, in some cases, tying these units to producers associations
- The population is more sophisticated about a variety of economic and cultural systems than it might seem at first glance because of migration experiences
- Project success can reduce outmigration rates. This can benefit both the project area (keeping brains and youth at home) and the cities, which are suffering from the impacts of high rural migration. It can also reduce the migration of colonists to fragile land areas in search of more land for slash and-burn agriculture

#### **F2d(2). Constraints**

- Local residents have few resources to give projects. Even labor is limited because of other demands on time. (In project design, it is essential to include the labor cycle differences between men and women, daily and seasonally, and the amount of time they can contribute to a project.)
- The participant population has little formal education and training.
- Most do not possess land title. This raises a number of questions, including who, with new forestry policies, owns the trees that local see as "theirs."
- Because fall-back systems of local households are almost nonexistent, most subsistence agriculturalists are very leery of risk-taking. This will affect commitment to project activities. Their participation is questionable if the project is not seen as being in their best interest.

#### **Strategies to Overcome Constraints**

- Projects should be planned around human needs as well as around environmental needs. Projects must be seen by local residents as being in their best interests, as well as in the interest of outsiders who are concerned about the environment.
- Goals of environmental projects must include additional or alternative income sources for local residents, both women and men. Economic objectives for women must include agricultural and forestry activities in addition to domestic ones.
- Projects should be based on socioeconomic knowledge of local residents and their needs, information gained from such sources as experience, studies, and focus groups.

- \* The socio-economic findings from the USAID/Honduras Gulf of Fonseca Study should be incorporated as part of VIDA's project paper data

#### G. Local Institutions: Community Leaders, Local NGOs, and Municipalities

Local institutions such as community leaders, local NGOs, and municipalities (which have a new and substantial role in natural resource management) have local knowledge, organizational capacities, and the ability to act as communication channels between grassroots and national level institutions. As Norris writes, with good leadership, local groups have had good results. ("It's the new groups that are doing the most in Honduras.")<sup>11</sup> However, these groups lack the capacities for managing projects of any size, for example, project preparation, financial management, biological monitoring, or infrastructure development. They are also confronted by environmental problems that may exceed their technical capacities and their financial resources.

In its educational and networking roles, the foundation can play a part in linking this level of institution with others that may be able to offer them the technical and financial abilities that they lack. These institutions should be included in the outreach plans of the foundation.

An additional way to reach local communities is through the regional-level networks of NGOs that are being developed, for example, by the Peace Corps.

#### H. Regional and National NGOs

The NGOs, at the national, regional, and local levels, will carry out most of VIDA's work and make the links between the foundation and the people who actually live in project areas. The Institutional Analysis (Annex I) gives an overview of the NGO/PVO community in Honduras, presents data on a sample of NGOs interviewed as a part of this study, and outlines administrative issues. Also see the NGO Demand Study done by the BSP for further information on the Honduran NGO community (Norris 1992).

In this section, the first emphasis is on the further criteria for NGO project selection and technical assistance that address social issues. Second, the need for VIDA to develop, maintain, expand, and strengthen its ties with the NGO community is addressed.

#### H1. Criteria for NGO Project Selection

Interviewees report that in Honduras a project proposal is sometimes evaluated first on its budget and administrative capacity and only second on its technical section. Projects

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<sup>11</sup> Norris, Ruth. Analysis of Honduran NGO Capacity to Absorb Financing from the National Environmental Fund. Prepared for USAID/Honduras. Washington, DC: Biodiversity Support Program, November 1992.

need to be evaluated first on the technical section and then on budget. budgets can be adjusted To carry this out

- The selection committee should include technical experts with expertise in social analysis
- An essential criterion for project review and selection, as well as project evaluation, should be a social analysis of the beneficiary population, including disaggregation by gender and ethnicity, if appropriate
- In addition to the cross-cutting issues of participatory planning and gender differences, proposals should include a social analysis of the beneficiary population. This would address such people-level impact questions as "Who are the beneficiaries (socioeconomic status, ethnicity, gender)? How will the project include and affect them?"
- If the NGO does not have the technical capability to do the analysis, simple but appropriate technical assistance should be provided by short-term local technical assistance or by the staff social scientist

This process also addresses the reality that sometimes in environmental projects, people are left out of the picture. Social analysis puts people back in and nudges the institution into considering participation of and impact on resident populations, if that has not been done.

## **H2. Identifying the NGO Community**

To date, VIDA information about NGOs has been based on anecdotal information. The database being developed by BioConsult will be very useful for the future. (See footnote 8.) However, it has two important gaps:

**H2a.** It includes only NGOs currently working in natural resources or the environment. It does not include those with the potential to work with environmental issues. (The data were summarized from lists from UNDP, FedAmbiente, and the now-defunct Honduran Environmental Association (AHE).

**H2b.** It does not include any NGOs whose primary beneficiary population is women and who have the potential for carrying out natural resource projects, either singly or in collaboration with others, for example, Asociación Andar or Unidad de Servicios de Apoyo para Fomentar la Participación de la Mujer Hondureña (UNISA).

- Therefore, it is recommended that both these categories of organization be included in any list of announcements or invitations sent out by VIDA in order to ensure that the participation net has been cast widely and fairly.

- As quickly as possible, VIDA should create a database of current and potential NGOs. These organizations should be included in the announcement for the January organizing meeting.
- A member of the VIDA staff should be given the specific responsibility for keeping this list current and adding to it when appropriate.

## I. Umbrella Institutions

A necessary link for NGO environmental projects in Honduras is an umbrella institution that will connect the myriad of NGOs that work in this sector, or that have the potential to work in natural resources. This organization is required because of the lack of communication among national, regional, and local NGOs, which results in faulty information; weak infrastructure; and socioeconomic, cultural, and political differences. This need was exemplified by the requests made of AHE. Although AHE eventually suffered from poor management, during its heyday it responded to the requests of many local and regional groups for information or assistance with activities such as training events, proposal writing, organizational and financial issues, and working with volunteers.

Since the demise of the AHE, no one organization fulfills this function, although there are possibilities, including FedAmbiente, Federación de Organizaciones Privadas de Desarrollo de Honduras (FOPRIDEH), the Peace Corps, and VIDA itself.<sup>12</sup>

## II. FEDAMBIENTE

FedAmbiente is a young federation of some 40 organizations, many of which are also small-scale and new. Although it does not yet have *personería jurídica*, it has actively reached out to environmental groups with strong emphasis on including grassroots organizations. Some see the federation as "too political" because of its current president, who has been a proactive environmentalist. Others see it as having great potential as a linking organization for the foundation and with potential for a more moderate public image.

## 12. FOPRIDEH

FOPRIDEH's membership consists of private development organizations (OPDs), many of which work in agriculture and about 50 of which are active.<sup>13</sup> Its membership is

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<sup>12</sup> See Norris (1992) for a fuller discussion of this issue.

<sup>13</sup> For an analysis of FOPRIDEH and a list and brief description of these members, see Kaimowitz, David, David Erazo, Moisés Mejía, and Aminta Navarro. *Las organizaciones privadas de desarrollo y la transferencia de tecnología en el agro Hondureño*. Tegucigalpa, Honduras: Federación de Organizaciones Privadas de Desarrollo de Honduras (FOPRIDEH) and Instituto Interamericano de Cooperación para la Agricultura (IICA), March 1992. Funded by USAID and IICA.

broad and it has a solid institutional capacity. Some feel that it has a weakness as an environmental umbrella organization because its links to the grassroots are not strong.

### **I3. Peace Corps**

The Natural Resource Office of the Peace Corps has been a leader in environmental issues in the country. It has volunteers working on many environmental projects (such as Parque Muralla), and it has been active in organizing local NGOs into regional federations or associations, such as GRAPLA on the Atlantic coast. The Peace Corps itself cannot be contracted for training or technical assistance, but it can offer the foundation support regarding national networking and can help coordinate training. As a somewhat neutral player, it can play an important role as intermediary and guide.

### **I4. VIDA**

It is possible for the foundation itself to become the umbrella organization. However, this has several drawbacks: it would put another layer of responsibility on VIDA, with attendant demands on staff, and it would further centralize the environmental network, rather than open it up.

It is suggested that, for the present, VIDA examine both FedAmbiente and FOPRIDEH and the possibility of either or both serving umbrella functions.

### **J. VIDA**

This nascent foundation has a number of tasks in front of it. As a USAID evaluation of NGO-development programs states, organizations can grow and increase capacity provided they have: (1) the ability to attract and retain skilled people; (2) a strong community base of support; (3) effective networking with other NGOs, governmental agencies, and international organizations; (4) effective systems and strategies for management and planning; and (5) financial resources.<sup>14</sup>

The Technical/Institutional Analysis and Financial Analysis of this document, as well as the reports of the Biodiversity Support Group, deal with many of these issues. In this section, emphasis is placed on Issues 2 and 3: developing a strong community base of support and effectively networking with NGOs. As Norris wrote, "VIDA has a need to build its own credibility and create momentum for the national fund in order to stimulate both demand and absorptive capacity" (1992, p. 22).

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<sup>14</sup> USAID. Accelerating Institutional Development. PVO Institutional Development Evaluation Series. Washington, D.C.: USAID, Food and Voluntary Assistance/Office of Private and Voluntary Cooperation, 1989. Cited by Norris, 1992.

## **J1. The Community of VIDA**

The immediate community of VIDA is composed of urban professionals and elites, government agencies, and international, national, and regional NGOs. A secondary community is the rural populations living in project areas. In its current stage of institutional development, the foundation has done an excellent job of developing support among prestigious members of the private sector, as represented by its board of directors. The base of support in the urban professional community needs to be expanded and strengthened. Current relations with the GOH appear to be good. The weaknesses in regard to NGOs are discussed below.

## **J2. Board of Directors**

The board of directors of the foundation is composed of successful men and women from the Honduran business sector. This group has shown strong support for both VIDA in particular and the environment in general. They are also determined to keep VIDA from being commandeered by political interests and from the possible appearance of conflict of interests, such as a board member applying for project funding. They have worked hard with no pay to form and maintain the foundation.

However, these resourceful people can be of assistance in other important ways:

- Using their socioeconomic ties to raise funds for the foundation.
- Using their socioeconomic ties for education, outreach, and networking about the foundation to increase public awareness about VIDA and environmental issues, for example, giving talks to rotary clubs and other social-cultural institutions.

In addition, some structural issues regarding the board need to be resolved in the near future, including:

- Clarification of procedures for nominating and electing board members.
- Clarification of maximum tenure for members and procedures for turning over membership.
- Clarification of potential conflict of interest after leaving board (in other words, time period before becoming eligible to submit project proposal).
- Inclusion on the board of representatives of those business interests that play a key role in environmental degradation (for example, representatives of the lumber and cattle industries).

### **J3. Government Agencies**

Information about these links is very thin, except about the GOH-NGO Liaison Office headed by Cecilia Callejas. Norris (1992) reports that the office is using a questionnaire to solicit information about NGO activities, although it has not done systematic follow-up and has few responses to date. An interviewee stated that a weakness of the office is that the outreach consists only of mailed questionnaires, a data-gathering technique to which local NGOs do not respond (as opposed to interviews).

### **J4. NGOs**

Currently, the weakest link in VIDA's outreach is with NGOs. At present, VIDA does not have a visible presence in the NGO community. Several interviewees who are active in the NGO and environmental communities said, "We don't know anything about VIDA. We heard something a few months ago. And since then, nothing."

It is essential that VIDA reach out and market itself to NGOs, establishing itself as a leader in the environmental community, as more than a source of funding. It should inform NGOs what VIDA can do for them and what requests it has of them.

### **J5. Technical Capacity Inside VIDA**

The foundation has done an excellent job in selecting its current professional staff. However, this staff does not have the technical expertise to evaluate the complex interactions of environmental projects, including socioeconomic issues, and there is no other in-house expertise to do so. Consequently, it is recommended that:

- A sociologist or anthropologist should be included on the staff as a long-term advisor. Selection criteria for the position should include experience with the socioeconomic aspects of natural resource issues, including participatory planning and gender issues, and the ability to impart this knowledge to managerial staff.

Duties of the advisor would include helping to determine socioeconomic criteria for project selection, reviewing projects, coordinating technical assistance and training on social issues, and organizing socioeconomic data for monitoring and evaluation.

- Foundation staff should participate in technical training on such issues as social forestry, participatory planning, and gender in order to broaden their perspectives about natural resource projects.
- It may also be useful for the foundation to establish a roster of technical experts, Honduran, Central American, and international, for short-term assistance with such tasks as project review and other technical assistance.

## K. Conclusion

Taking into account the recommendations of this and other sections, VIDA has great potential for being a viable, useful, and sustainable project that will help Honduras in its struggle to conserve and improve its rich natural resource base.

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**ATTACHMENT I  
RESUME OF CELINA KAWAS**

P. O. BOX 1286  
Tegucigalpa, Honduras, C.A.  
Phone 32-54-97  
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**EDUCATION**

- 1978 Master of Arts. University of Texas at Austin. Sociology of Development.
- 1972 Bachelor of Arts. Holy Names College, Oakland, California. Sociology.

**PROFESSIONAL EXPERIENCE**

- 1982 to present Independent Consultant.
- 1985 to 1988 Consultant. Federación de Desarrollo Juvenil Comunitario de Honduras (FEDEJCOH). (Save the Children-Honduras).
- September 1983-  
July 1984 Technical Representative for Central America. OEF International. Washington, D.C., U.S.A. responsible for Program Development.
- 1980 - 1982 Principal Researcher. Project funded by US/AID, through Asesores para el Desarrollo (ASEPADE), Tegucigalpa, Honduras. "Ingreso, Gasto y Familia: Estrategias de los Pobladores de Barrios de Ingresos Bajos en Tegucigalpa." (Family Income and Expenditure: Strategies of Low-Income Urban Families). Work coordinated with Sociologist Melba Zúniga And Professor Michael E. Conroy.
- 1978 - 1980 Technical Director. ASEPADE, Tegucigalpa, Honduras.
- 1973 - 1975 Project Coordinator. Research Unit, Instituto de Investigaciones Socio-Económicas (IISE), Tegucigalpa, Honduras. Evaluation of the Housewives Clubs Projects funded by the Inter-American Foundation.

ORGANIZATIONS ASSISTED FROM 1987 to 1992

August-September 1992 Evaluator. Canadian International Development Agency (CIDA). Mid-Term Operational and Financial Evaluation of the Honduras: Cortés Agricultural Development Project. Responsible for the community development and WID components. Cortés and Santa Bárbara, Honduras.

June-July 1992 Evaluator. (CIDA). Mid-Term Evaluation of the CATIE Project in the dry tropics of Central America. Responsible for the WID component. Honduras, Guatemala, El Salvador and Nicaragua.

December 1991 to February 1992 Research Consultant. World Bank, Washington, D.C., USA. Study: Perception of Users and Providers of Quality and Use of Primary Health Care Services. Tegucigalpa, Honduras.

November 1991 Evaluator. HIVOS, Holland. Evaluation of the UNISA Program. Tegucigalpa, D.C. Honduras.

May-October 1991 Consultant. Restructuring Committee of the Housing and Human Settlement Sector (Comité de Reestructuración del Sector Vivienda y Asentamientos Humanos (CER/VIVIEND/AH)). Contract with the Presidency of Honduras as a member of the Technical Transition Team. Analysis of rural housing programs implemented by the Housing Institute. Tegucigalpa, D.C. Honduras.

April- 1991 Consultant. Canadian International Development Agency (CIDA). Study Women in Honduras a Profile 1991. Tegucigalpa, D.C., Honduras, april, 1991. Co-author with sociologist Melba Zúniga.

August 1990-March 1991 Evaluation Coordinator. CARE-International in Honduras, Tegucigalpa. Mid-Cycle Evaluation of the Agro-Forestry Project.

July-August 1990	<u>Consultant. Regional Housing and Urban Development Office (RHUDO/AID). Estudy The Accommodation Process of Two Informal Sector Settlements into the Formal Structure of the City. Tegucigalpa D.C., Honduras.</u>
Nov.1989 - June 1990	<u>Research Consultant. Cooperative Housing Foundation (CHF). Tegucigalpa, Honduras. Study, Pobladores Residentes en Asentamientos Urbanos de Origen Informal: El Caso de la Colonia 30 de Noviembre - Tegucigalpa, Honduras.</u>
January to April 1990	<u>Evaluation Coordinator. Institute for Development Anthropology (IDA). Binghamton, New York. Evaluation of the Federación de Organizaciones Privadas de Desarrollo (FOPRIDEH) (Federation of Private Development Organizations), Tegucigalpa, Honduras.</u>
April 1988 to Nov.1989 Intermittent	<u>Research Consultant. Cooperative Housing Foundation-Honduras (CHF). Tegucigalpa, Honduras. Development of research instruments, instruction manuals and codes; field team training for two baseline Data Studies of CHF Supported Housing Cooperatives.</u>
November, 1989	<u>Consultant. Escuela Agricola Panamericana (EAP). Possible Contributions of the EAP to the Development of Honduras. Tegucigalpa, D.C., Honduras.</u>
September, 1989	<u>Evaluation Associate. W. K. Kellogg Foundation. Evaluation of the Rural Development Program of the Escuela Agricola Panamericana. El Zamorano, Francisco Morazán, Honduras.</u>
Nov.1988 - July 1989 Intermittent	<u>Trainer and Advisor on impact evaluation. FOPRIDEH, Tegucigalpa, Honduras.</u>
Jan.- May 1989	<u>Research Consultant. Institute for Development Anthropology. Rural Roads II: Social Soundness Analysis. Submitted to USAID/Honduras.</u>

Nov. - Dec. 1988 Trainer in the use of participatory methodology. Federación de Desarrollo Comunitario de Honduras (FEDECOH). Tegucigalpa, Honduras.

August - Sept. 1988 Research Consultant. CHF. Sector Informal en Vivienda: El Caso de Tegucigalpa. November 1988.

July 1988 Evaluation Consultant. UNICEF, Tegucigalpa, Honduras. Evaluation Design: Urban Basic Services.

June - July 1988 Evaluation Associate. HIVOS, Holland. Evaluación del Programa de UNISA. Tegucigalpa, Honduras.

Nov. 1987 - Jan. 1988 Evaluation Coordinator. Horizon Development Agency, Canada. Evaluation of the Rural Housing Project, FEDECOH. Tegucigalpa, Honduras.

Sept. - Oct. 1987 Trainer. School of Journalism, Norway. Workshop on Journalism and Development. Provided support in the planning and organization of the Workshop in Honduras.

June - August 1987 Professor. Latin America Master Program on Social Work, National University of Honduras (UNAH). Course on Project Design and Evaluation.

March - July 1987 Research Consultant. Applied Communication Technology (ACT). Menlo Park, California. Contributed in the development of research instruments, instruction manuals and codes; field team training and supervision of field work for a Health Communications Study in 6 areas of Honduras.

January - February 1987 Consultant. USAID/Honduras. Support to the team of consultants from Robert Nathan and Associates in the development of the strategy for the sub-sector of the small enterprise in Honduras.

## SEMINARS AND INTERNATIONAL EVENTS

- April, 1980 Speaker. "La Problemática Habitacional en Honduras: La participación del Sector Informal en su Solución". (The Housing Situation in Honduras and the participation of the Informal Sector). Sponsored by the Instituto Centroamericano de Administración de Empresas (INCAE). Tegucigalpa, D.C., Honduras.
- September, 1989 Participant. Workshop "Children and Informal Labor in Latin America". Sponsored by UNICEF and The Esquel Group Foundation, Washington, D.C.. Quito, Ecuador, September 28-30, 1989.
- June - July 1985 Participant. Six-week "Multinational Marketing Program" at Boston College, Massachusetts. International Marketing Institute, Cambridge, Massachusetts. Scholarships granted by the Office of Women in Development. AID/ Washington.
- May 1984 Speaker. Conference on Women's Action for Progress Caribbean/Central America. "Women as Breadwinners: Current Productivity and Potential Income Generating Capabilities." Sponsored by Partnership for Productivity International. Miami, Florida, May 20 - 23.
- March 1984 Participant. Planning workshops for the 1985 Kenya Conference on the end of the Women's Decade. "Women, Law and Development." Sponsored for Society for International Development, Rome, Italy.
- September 1980 Organizer. Communications Work for development Projects. Tegucigalpa, Honduras. Sponsored by ASEPADE and funded by Appropriate Technology International.

## PRINCIPAL PUBLICATIONS

- April, 1992 et. al., "Los OPD's en Honduras"  
et. al., "El Nuevo Orden y las OPD's"  
et. al., "Estado-ONG's Trabazón o  
E m p a l m e ?

April, 1991

et. al., Women in Honduras a Profile: 1991. Canadian International Development Agency (CIDA). April, 1991, Tegucigalpa, Honduras.

June, 1990

Pobladores Residentes en Asentamientos Urbanos de Origen Informal: El Caso de la Colonia 30 de Noviembre - Tegucigalpa, Honduras. (Urban Residents in Informal Settlements: The Case of La Colonia 30 de Noviembre - Tegucigalpa). CHF, June 1990, Tegucigalpa, D.C., Honduras.

November, 1988

Sector Informal en Vivienda: El Caso de Tegucigalpa. (Informal Sector in Housing: The Case of Tegucigalpa) CHF, November, 1988, Tegucigalpa, D.C., Honduras.

June, 1982

et.al., Ingreso, Gasto y Familia: Estrategias de los Pobladores de Barrios de Ingresos Bajos en Tegucigalpa. (Family Income and Expenditure: Strategies of Low-Income Urban Families). ASEPARE, Tegucigalpa, Honduras. In collaboration with The Population Research Center of the University of Texas in Austin, USA..

1978

et.al., "La Empírica de Salud en Honduras y su Comportamiento hacia las Prácticas Sanitarias." Revista Centroamericana de Ciencias de la Salud. No 4, Vol. 10. May-August, 1978. San José. Costa Rica.

LANGUAGES

Speak, read and write Spanish and English fluently.

**ATTACHMENT II**  
**CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)**  
**GUIDELINES FOR INTEGRATING WID**  
**INTO PROJECT DESIGN AND EVALUATION <sup>15</sup>**

The policy Framework of November 1984 outlines certain goals and objectives of WID within CIDA. Guidelines to consider in project design, implementation and evaluation include the following:

- . Appreciate women as both agents and beneficiaries of the development process.
- . Recognize the multiple roles of lesser developed countries' (LDC's) women (as agents of both production and reproduction).
- . Include women explicitly in target group identification.
- . Collaborate with, and encourage, recipient government's WID initiatives.
- . Emphasize income generation and maintenance among LDC women.
- . Alleviate workload of LDC women.
- . Increase representation of women in training and scholarship programs.

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<sup>15</sup> Canadian International Development Agency. Guidelines for Integrating WID into Project Design and Evaluation. Hull, Quebec: Canadian International Development Agency, Program Evaluation Division, Policy Branch, May 1986, p. 2.

## ATTACHMENT III.

### UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

#### MAIN FEATURES OF CURRENT [WID] LEGISLATION

- **EARMARKS \$5 MILLION FOR PROMOTING THE INTEGRATION OF WOMEN IN TO THE DEVELOPMENT PROCESS**
- **OF WHICH, NOT LESS THAN \$3 MILLION IS TO BE USED AS MATCHING FUNDS TO SUPPORT ACTIVITIES DEVELOPED BY A.I.D.'S FIELD MISSIONS**

Both FY 90 and FY 91 legislation require the following from A.I.D.:

1. Incorporate women as beneficiaries of and contributors to its development activities at the level proportionate to their participation in the sector or to their representation in the total population, whichever proportion is higher.
2. Ensure that A.I.D.'s country strategy, program, project, non-project assistance, and reporting documents explicitly describe strategies to involve women, identify benefits and impediments to women's participation in development, and establish benchmarks to measure women's participation in and benefits from development activities. When such efforts are difficult to achieve, Bureaus and USAIDs will ensure that there is substantive analysis of the obstacles preventing completion of such efforts and will include an explanation of how these obstacles will be overcome.
3. Collect sex-disaggregated data in all its research and data-gathering activities.
4. Develop WTD Action Plans for all Bureaus and USAIDs.
5. Develop and implement a WTD training program for A.I.D. staff, and train all A.I.D. staff.
6. Increase training opportunities for women from all regions and to make necessary provision in its training programs for addressing the specific needs of women.
7. Increase levels of girls' access to and participation in primary and secondary education.
8. The Administrator of A.I.D. should take steps to ensure that junior-level staff from each of the regional and technical bureaus who are in decision-making positions are actively involved in, and committed to:
  - (1) overseeing implementation of this provision;
  - (2) assessing Agency missions in the development process;
  - (3) designing means for ensuring that staff at all levels of the Agency are similarly involved in and committed to achieving the goals of incorporating women; and
  - (4) establishing specific criteria for measuring and evaluating the Agency's performance in incorporating women in development activities, and developing ways to institutionalize learning within the Agency on WTD activities.
9. Include in project and program evaluations an assessment of the extent to which women are being integrated into the development process and the impact of such project or program on enhancing the self-reliance of women and improving their incomes.
10. Incorporate to the maximum extent possible the active participation of local women and local women's organizations in all programs, projects, and activities carried out by AID or its contractors.
11. Provide guidance on strategies for encouraging universities participating in programs under title XII, other agencies of the U.S. government, and contractors involved in carrying out programs administered by the Agency to develop and implement WTD training programs for their professional staff.

**ATTACHMENT IV.**

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
LATIN AMERICA/CARIBBEAN BUREAU**

**Revised Draft**

**September 19, 1992**

**STRENGTHENING THE INTEGRATION OF GENDER  
IN LATIN AMERICA AND THE CARIBBEAN PROGRAMS**

**A Workshop for LAC Bureau Senior Managers**

**Washington, D.C.**

**June 26, 1992**

**Prepared by: Management Systems International  
Prepared for: AID/LAC**

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## **I. Executive Summary**

On June 25, the Latin America and Caribbean Bureau became the first regional bureau in A.I.D. to conduct a workshop for senior management on integrating gender at the program strategic objective level. This workshop, undertaken with the strong support of AA/LAC James M. Michel and the assistance of R&D/WiD, marks an important step in implementing the Bureau's Women in Development (WID) mandate.

Overall, the workshop addressed how LAC/W can work with Missions to fully integrate gender issues into the process of determining and implementing strategic objectives, outputs and indicators for Bureau programs. The following recommendations summarize the deliberations of the workshop:

**Better information on LAC Region successes and lessons learned in integrating gender is needed.**

**Gender should be considered throughout the strategic planning process.**

**Guidance on integrating gender in Program Objectives Documents (PODs), Actions Plans (APs) and New Project Descriptions (NPDs) should be improved.**

**Semi-Annual Review (SAR) guidance should be revised to elicit more information on the gender impact of projects.**

**Training should be provided to help Missions link SAR reporting to project design and program as well as project impact assessment and reporting.**

**Systems are necessary to promote assessment of people-level impact, including gender issues, for contractors and technical staff.**

**A training module on people-level impact and gender issues for technical contract teams is required.**

**An overall gender training plan for the Bureau, keyed to programming demand, should be developed.**

**Participants agreed that the workshop was only a first step toward implementation of the WID Plan, and that the workshop's participants should continue beyond the workshop as implementation agents for the plan.**

## **WHY GENDER DISAGGREGATE DATA?**

Understanding the division of labor and resources between women and men is a basic part of understanding the economic and social conditions of a country. Misunderstanding of gender differences leads to inadequate planning, designing, and evaluation of programs and diminished development results.

Gender disaggregated data provide the following:

- A more accurate picture of the baseline situation; program planning and policy-making must be based on accurate data.
- A means to monitor male and female participation in A.I.D. activities and to identify potential gender-based barriers that need to be addressed to achieve program objectives.
- A necessary basis for anticipating and measuring the impacts of A.I.D. program activities on women and men in a country.
- A way to identify critical gaps in data and to collect, tabulate, and analyze data to fill those gaps.
- Greater awareness on the part of A.I.D. staff of gender differentials when planning beneficiaries' access to and benefits from Mission programs.
- Convincing data to report to Congress to demonstrate the progress that A.I.D. is making toward fully integrating women into all development efforts.

## **Gender Considerations: Project Paper (PP)**

### **Project Rationale and Description**

**Problem:** Consider how gender affects the problem to be addressed.

How do men and women participate in the activities the project will affect, directly or indirectly? How is the problem different for men and women? Have both men and women participated in defining the problem and identifying solutions?

### **Project Elements**

- **Develop strategies to incorporate women and men in project, as indicated from technical, financial, economic, social soundness, and administrative analyses.**

Where women play a major role in project-related activities, how do proposed strategies utilize and expand women's economic productivity and/or productive capacity?

What strategies address the constraints to participation that result from gender differences in roles and responsibilities? For example, are gender differences in mobility, education, access to resources taken into account? Will outreach strategies, timing and location, scope and scale of project elements (e.g., size of loans, kind of training, type of equipment) enable the participation of both men and women?

- **How could policy dialogue on gender issues important to this project and program's implementation be encouraged?**
- **Assess the consistency between project elements, goal and purpose, inputs and outputs, and analyses.**
  - **Are gender issues incorporated throughout, and are they consistent with gender-based roles and responsibilities in the baseline situation?**
- **Indicate strategies to collect sex disaggregated baseline data where data are unavailable.**

**Cost Estimates:** Include in cost estimates funds needed for collection of sex-disaggregated data for project refinement, monitoring and evaluation; also funds to enable the participation of both men and women (e.g., for training, materials development, project personnel).

## **Implementation Plan**

- **Identify male and female training participants; consider gender differences in the design of eligibility criteria for training and recruitment strategies.**
- **Include appropriate project/program personnel to enable matching project activities with gender-based roles and responsibilities**

## **Summaries of Analyses**

**Technical Assessment:** Include gender as a variable in technology needs assessment, analysis of cultural suitability, and potential impacts.

### ■ **Needs Assessment**

- **What provisions are made for local men's and women's participation in selecting technical approach and technologies?**

### ■ **Access**

- **Does the technical approach (technology, information, credit, etc.) take into account gender and class differences in access to cash, land, labor, or other resources that might affect access to the technology?**

### ■ **Suitability**

- **Where women play a major role in project-related activities, how will the project determine whether proposed technical innovations or assistance are appropriate and acceptable to them?**

### ■ **Impact**

- **Given allocation of tasks by gender:**

**Will the technical approach or package increase labor differentially for men and women?**

**Will it affect male versus female access to resources?**

- **How will changes from the technology affect both men's and women's domestic responsibilities and their ability to provide income or food for their families?**

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**ANNEX VI  
IMPORTANT DOCUMENTS**

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- **Presidential Resolution 35-92 (La Gaceta 10 June 92). Recognizes the *personería jurídica* of the Honduran Foundation for Environment and Development (VIDA) and approves its statutes.**
- **Legislative Decree 69-92 (La Gaceta, 6 August 92). Establishes the 30 million lempira Fund for Protection of the Environment, makes VIDA responsible for its management, and authorizes transfer to VIDA of a first tranche of 5 million lempiras.**
- **SECFIN Resolution DGT-628-II-SG-92 of 12 August 92. Makes contributions to VIDA tax deductible.**
- **Basic Technical Level Notes on the Functions and Programmatic Areas for VIDA's Investments. 11 September 92. Planning document prepared by VIDA's executive director.**
- **Institutional Strengthening of the Honduran Foundation for Environment and Development. UNDP Project Document signed 13 August 92. Provides VIDA with operating costs over six months. Includes a six-month budget.**
- **Analysis of Honduran NGO Capability to Absorb Financing from the National Environmental Protection Fund (submitted to Biodiversity Support Program by Ruth Norris, 4 November 92).**
- **Strategic Objective 3 and Program Outputs**

## CERTIFICACION

El infrascrito, Oficial Mayor de la Secretaría de Estado en los Despachos de Gobernación y Justicia CERTIFICA la Resolución que literalmente dice:

**"RESOLUCION No. 35-92.—EL PRESIDENTE CONSTITUCIONAL DE LA REPUBLICA.** Tegucigalpa, Municipio del Distrito Central, dos de abril de mil novecientos noventa y dos.

**VISTA:** Para resolver la solicitud presentada al Poder Ejecutivo, por medio de la Secretaría de Estado en los Despachos de Gobernación y Justicia, con fecha 28 de noviembre de 1991, por el Licenciado Jorge Bográn Rivera, en su carácter de Apoderado Legal de la FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA", con domicilio en la ciudad de Tegucigalpa, Municipio del Distrito Central, contraída a pedir el otorgamiento de la Personalidad Jurídica y aprobación de sus Estatutos.

**RESULTA:** Que el peticionario acompañó a su solicitud los documentos correspondientes.

**RESULTA:** Que a la solicitud se le dio el trámite de ley habiéndose mandado oír a la Procuraduría General de la República y al Departamento Legal de esta Secretaría de Estado, quienes emitieron dictamen favorable.

**CONSIDERANDO:** Que es atribución del Presidente de la República a través de la Secretaría de Estado en los Despachos de Gobernación y Justicia, conceder Personalidad Jurídica a las asociaciones civiles de conformidad con la Ley.

**CONSIDERANDO:** Que la "FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA" se crea como asociación civil de beneficio mutuo, cuyas disposiciones estatutarias no contrarían las leyes del país, el orden público, la moral y las buenas costumbres, por lo que es procedente acceder a lo solicitado.

**POR TANTO:** EL PRESIDENTE CONSTITUCIONAL DE LA REPUBLICA, en uso de las facultades que le confiere la Constitución de la República y en aplicación de los Artículos 245 numeral 40 y 120 de la Ley General de Administración Pública,

### RESUELVE:

Reconocer como Persona Jurídica a la "FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA" del domicilio de Tegucigalpa, M. D. C., y aprobar sus Estatutos en la forma siguiente:

### ESTATUTOS DE LA FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA"

#### TITULO I

NOMBRE, DURACION, DOMICILIO, OBJETIVOS, MIEMBROS

#### CAPITULO I

NOMBRE, DURACION, DOMICILIO

Artículo 1.—Con el nombre de "FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA" constituyese una organización de carácter privado, sin fines de lucro, de duración indefinida, patrimonio propio y con domicilio en la ciudad de Tegucigalpa, Municipio del Distrito Central, con cobertura en toda la República de Honduras.

Artículo 2.—La "FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA", podrá ser conocida y usar la denominación de "FUNDACION VIDA".

Artículo 3.—La FUNDACION VIDA, se registrará por los presentes Estatutos, los Reglamentos y demás resoluciones que emanen de sus respectivos órganos, en concordancia con la Constitución de la República y demás leyes del Estado de Honduras.

## CAPITULO II

### DE LOS OBJETIVOS

Artículo 4.—La Fundación "VIDA" tendrá como objetivos el promover y contribuir a la conservación de los recursos naturales y del ambiente, así como del patrimonio étnico y cultural, en el contexto del desarrollo sostenible del país, canalizando en forma eficiente y efectiva los recursos puestos a su disposición. En este sentido propiciará que sus acciones se encaminen en forma coordinada a los esfuerzos del Gobierno central, y las demás instituciones públicas o privadas con que establezca nexos en el cumplimiento de sus objetivos.

Artículo 5.—La Fundación "VIDA" podrá de acuerdo con sus objetivos y bajo el marco de la Ley: a) Obtener y otorgar financiamiento de o a personas naturales o jurídicas e internacionales. b) Obtener y otorgar asesoramiento técnico de o a personas naturales o jurídicas, nacionales e internacionales. c) Celebrar con personas naturales o jurídicas nacionales e internacionales los contratos que se estimaren convenientes suscribiendo los documentos públicos o privados que al efecto fuesen necesarios. d) Coordinar sus esfuerzos con otras personas e instituciones públicas o privadas en todo el territorio nacional. e) Cualquier otra actividad que tienda al cumplimiento de sus objetivos. La Fundación "VIDA" no podrá ejecutar proyectos en forma directa.

## CAPITULO III

### DE SUS MIEMBROS

Artículo 6.—La Fundación "VIDA" tendrá como miembros a personas naturales o personas jurídicas del sector privado o instituciones científicas y técnicas. La Fundación "VIDA" tendrá cuatro clases de miembros: a) Fundadores. b) Generales. c) Contribuyentes. d) Miembros Honorarios. Son Miembros Fundadores, las personas firmantes del acta constitutiva de la Fundación, que efectúen el aporte fundacional que establezca y firme el Acta Constitutiva de la Fundación; son Miembros Generales, todos los que no siendo socios fundadores y que teniendo la capacidad y calidad para serlo sean admitidos como tales previa solicitud y cancelación de la cuota de ingreso; son Miembros Contribuyentes las personas que sin ser socios fundadores o generales paguen las cuotas o contribuciones que señalen los Reglamentos o resoluciones que se emitan; son Miembros Honorarios, los que no siendo socios fundadores, generales ni contribuyentes, se identifiquen con los objetivos de la Fundación de una manera relevante y desinteresada, mereciendo por ello tal distinción a juicio de la Fundación.

Artículo 7.—La calidad de miembros, sus derechos, limitaciones y obligaciones se registrarán por estos Estatutos y por los reglamentos que se emitan en legal forma.

## TITULO II

### DEL GOBIERNO DE LA FUNDACION

#### CAPITULO I

#### DE LOS ORGANOS

Artículo 8.—La estructura de gobierno de la Fundación "VIDA" estará formada por los siguientes órganos: a) Asamblea General. b) La Junta Directiva. c) La Dirección Ejecutiva.

Artículo 9.—La Asamblea o la Junta Directiva organizará o nombrará como auxiliar de los órganos antes mencionados, las comisiones y filiales que estime convenientes para el logro de los objetivos de la Fundación, las que se regularán por los reglamentos o resoluciones que al efecto se emitan.

#### CAPITULO II

#### DE LA ASAMBLEA GENERAL

Artículo 10.—La Asamblea General, legalmente convocada y reunida, es el órgano supremo de la Fundación y sus resoluciones expresarán la voluntad colectiva. La Asamblea General podrá sesionar en forma ordinaria o extraordinaria. Su composición será la suma de todos fundadores y generales.

Artículo 11.—La Asamblea General tendrá las siguientes atribuciones: a) Elegir los miembros de la Junta Directiva, así como conocer y resolver sobre renunciaciones o revocación de los mismos. b) Aprobar e improbar los estados financieros e informes presentados por la Junta Directiva. c) Autorizar el Plan de Trabajo y Presupuesto Anual de la Fundación. d) Decidir sobre la reforma de los Estatutos o la disolución de la Fundación y la ratificación de los reglamentos y manuales de procedimiento que elabore la Junta Directiva. e) Acordar la declaratoria de pérdida de la calidad de miembros de la Fundación. g) Cualquier otro asunto relacionado con el cumplimiento de los objetivos y funciones de la Fundación que no sea atribuido a otro órgano.

Artículo 12.—La Asamblea General Ordinaria se llevará a cabo por lo menos una vez al año, dentro de los tres primeros meses del año en el lugar y fecha que establezca la Junta Directiva.

Artículo 13.—Las Asambleas serán presididas por el Presidente de la Junta Directiva, o quien lo sustituya legalmente. La convocatoria se hará a través del Secretario de Actas y Correspondencia o quien lo sustituya legalmente, con la indicación de la agenda, por los medios que garanticen el conocimiento de ésta a todos los miembros y de acuerdo con el reglamento o resoluciones que se emitan. Entre la convocatoria y asamblea debe existir por lo menos un plazo de 15 días calendario.

Artículo 14.—Un número de miembros fundadores y/o activos no inferior al veinticinco por ciento (25%) podrá pedir por escrito a la Junta Directiva la convocatoria a Asamblea General Extraordinaria para resolver los asuntos que indiquen en su petición. La Junta Directiva deberá ejecutar la convocatoria.

Artículo 15.—Los quórum de integración de la Asamblea y de toma de resoluciones serán los siguientes: 1) ASAMBLEA ORDINARIA: a) En primer convocatoria la mitad más uno de sus miembros. b) En segunda convocatoria, con los miembros que asistan. 2) ASAMBLEAS EXTRAORDINARIAS: a) En primera convocatoria, las tres cuartas partes de sus miembros. b) En segunda convocatoria, con los miembros que asistan. En todos los casos, las resoluciones se tomarán por simple mayoría entendiéndose como tal la suma de la mitad más uno de los miembros presentes al momento de la votación. En caso de segundo empate, el Presidente decidirá con voto de calidad.

### CAPITULO III

#### DE LA JUNTA DIRECTIVA

Artículo 16.—La Junta Directiva tendrá poder general de administración, para resolver los asuntos de su competencia, con amplias facultades para realizar todos aquellos actos propios de sus atribuciones de acuerdo con los objetivos de la Fundación, se reunirá en sesión por lo menos una vez al mes.

Artículo 17.—La representación judicial, extrajudicial y uso de la firma social de la Fundación corresponde a la Junta Directiva, la que actuará por medio de su Presidente o de quien legalmente lo sustituya. La Junta Directiva podrá delegar parcialmente sus facultades de administración y representación en el Director Ejecutivo o ejecutores de acuerdos que nombre.

Artículo 18.—La Junta Directiva estará integrada por un Presidente, un Vice-Presidente, un Secretario de Actas y Correspondencia, un Secretario de Finanzas, un Fiscal, 4 Vocales Propietarios y 4 Vocales Suplentes. Su nombramiento será ad-honorem.

Artículo 19.—Los miembros de la Junta Directiva fungirán por un periodo de dos años pudiendo ser reelectos por un periodo adicional en el mismo cargo. Anualmente la Asamblea General Ordinaria elegirá la mitad de los miembros de la Junta Directiva para lo cual se dividen por el orden de su nombramiento en pares e impares. El primer año se sustituirán los impares, el siguiente los pares, y así sucesivamente.

Artículo 20.—Para ser Directivo se requiere: a) Ser hondureño. b) Ser socio Fundador o Activo. c) Estar al día con las cuotas ordinarias y extraordinarias. d) Estar presente en el acto de elección. y. f) Gozar de reconocida solvencia moral.

Artículo 21.—La pérdida de la calidad de miembro activo de la Fundación hace automáticamente perder la calidad de di-

rectivo al que funja como tal, debiendo ser sustituido de acuerdo a lo establecido en el Reglamento.

Artículo 22.—La convocatoria para sesiones de la Junta Directiva la hará el Presidente por medio del Secretario, indicando el día, lugar y fecha, hora en que se llevará a cabo para las sesiones de la Junta Directiva el quórum se establece en seis miembros, y sus resoluciones serán por mayoría de votos, esto es, mitad más uno, en caso de empate decidirá el Presidente con voto de calidad.

Artículo 23.—Todas las deliberaciones y acuerdos de la Junta Directiva deberán constar en un Libro de Actas, debidamente autorizado. Cada acta deberá ser firmada por el Presidente y Secretario, y en su defecto por quienes lo sustituyan.

Artículo 24.—Son atribuciones de la Junta Directiva: a) Cumplir y velar porque se cumplan los presentes Estatutos, reglamentos, las resoluciones de la Asamblea General. h) Nombrar o separar de su cargo al Director Ejecutivo y señalarle la fianza que deba rendir. c) Emitir las disposiciones que se consideren convenientes para la buena marcha de la Fundación. d) Otorgar poderes y revocarlos. e) Presentar al final del ejercicio social ante la Asamblea General Ordinaria, los estados financieros e informes completos de actividades. f) Proponer a la Asamblea General la admisión de nuevos miembros o la suspensión de los actuales. g) Decidir sobre el ejercicio de sus acciones. h) Autorizar la celebración de contratos con personas naturales o jurídicas, nacionales o internacionales, constituyendo las garantías que fuesen necesarias. i) Llevar un Libro de Actas para asentar sus resoluciones. j) Señalar la fianza que deban rendir las personas que administren fondos. k) Preparar los proyectos de reglamento y someterla a aprobación de la Asamblea.

Artículo 25.—Son atribuciones del Presidente de la Junta Directiva: a) Convocar y presidir las sesiones de Asamblea General y Junta Directiva. b) Autorizar con el Secretario de Actas y Correspondencia, las actas de las sesiones de Asamblea General y Junta Directiva. c) Suscribir los informes que la Junta Directiva someta a la Asamblea General. d) Cualquier otra propia de la naturaleza de su cargo.

Artículo 26.—Son atribuciones del Vicepresidente: a) Sustituir al Presidente en su ausencia. b) Los demás que le delegue la Junta Directiva.

Artículo 27.—Son atribuciones del Secretario de Actas y Correspondencia: a) Llevar los libros de actas. b) Manejar la correspondencia y dar cuenta a la Junta Directiva. c) Librar las convocatorias que ordene el Presidente, o quien haga sus veces. d) Expedir las certificaciones que corresponda. e) Cualquier otra propia de la naturaleza del cargo.

Artículo 28.—Son atribuciones del Secretario de Finanzas: a) Responsabilizarse por los ingresos y egresos de la Fundación ejerciendo el control adecuado del uso de los fondos. b) Cualquier otra función propia de la naturaleza de su cargo.

Artículo 29.—Son atribuciones del Fiscal: a) Llevar el control de las operaciones efectuadas y velar por el cumplimiento de las leyes, reglamentos y resoluciones de la Fundación. b) Cualquier otra propia de la naturaleza del cargo.

Artículo 30.—Son atribuciones de los Vocales: a) Sustituir por su orden a cualquiera de los otros miembros de la Junta Directiva. b) Cualquier otra función que le asigne la Junta Directiva.

### CAPITULO IV

#### DEL DIRECTOR EJECUTIVO

Artículo 31.—Son atribuciones del Director Ejecutivo: a) Organizar y dirigir la administración de la Fundación de acuerdo a las normas dictadas por la Asamblea General y Junta Directiva. b) Velar por que la planificación, programación y presupuesto de la organización sean ejecutados oportunamente. c) Cumplir y hacer cumplir las leyes, reglamentos y disposiciones de la Fundación. d) Custodiar y responder por los bienes de la Fundación. e) Preparar y presentar a la Junta Directiva los estados financieros e informes que se le soliciten.

Artículo 32.—El Director Ejecutivo será nombrado por la Junta Directiva y actuará de acuerdo a las disposiciones emanadas

das de dicha junta, el presente Estatuto, los reglamentos y disposiciones de la Fundación, en general, de las leyes de la República. Deberá asistir a las sesiones de la Junta Directiva y Asamblea General con derecho a voz pero sin voto.

**CAPITULO V**

**DEL PATRIMONIO**

Artículo 33.—El patrimonio de la Fundación estará integrado por: a) Los aportes obligatorios y voluntarios de sus miembros b) Las donaciones, herencias y legados que reciba. c) Los préstamos, créditos, derechos y privilegios que se le concedan. d) Cualquier otro bien que adquiera la Fundación para el desarrollo de sus actividades.

Artículo 34.—Los recursos económicos que obtenga la Fundación se destinarán exclusivamente al cumplimiento de los objetivos señalados en estos Estatutos.

**TITULO III**

**DE LA DISOLUCION Y LIQUIDACION**

Artículo 35.—La Fundación se disolverá: a) Por acuerdo de tres cuartas partes de los miembros de la Asamblea General en sesión extraordinaria convocada para ese efecto. b) Por insolvencia en el cumplimiento de sus obligaciones. c) Por cualquier otra causa que hiciere completamente imposible el cumplimiento de sus objetivos o fines para los cuales fue constituida.

Artículo 36.—En caso de liquidación, los haberes de la Fundación se distribuirán de acuerdo con el Código Civil, o se transmitirán a otra institución privada sin fines de lucro que señale la Asamblea General de miembros. En ningún caso dichos haberes se distribuirán entre los miembros de la Fundación o sus Directivos y Ejecutivos.

Artículo 37.—La Junta Directiva tendrá la responsabilidad de preparar los Reglamentos que se requieran, proponiéndolos a la Asamblea para su discusión y aprobación.

**DISPOSICIONES TRANSITORIAS**

Artículo 38.—La Junta Directiva provisional que se elija en la Asamblea Constitutiva, fungirá por el periodo comprendido entre la Asamblea Constitutiva y la primera asamblea ordinaria que deberá realizarse en el término establecido en estos estatutos.

Artículo 39.—No obstante que los cargos asignados en la Junta Directiva tienen una duración de dos años, en la primera Junta Directiva en propiedad los cargos impares se sustituirán al año de su elección, a efecto de darle cumplimiento a lo establecido en la parte segunda del Artículo 19 de los presentes Estatutos.

**REFORMAS DE LOS ESTATUTOS**

Artículo 40.—Los presentes Estatutos podrán ser modificados por resoluciones de la Asamblea General Extraordinaria, convocada para tal efecto. Tales reformas surtirán efecto a partir de la fecha en que sean aprobados por la Secretaría de Estado en los Despachos de Gobernación y Justicia.

Artículo 41.—Los presentes Estatutos de la FUNDACION ONDURERA DE AMBIENTE Y DESARROLLO "VIDA" del domicilio de Tegucigalpa, Municipio del Distrito Central, entrarán en vigencia al ser aprobados por el Poder Ejecutivo y publicados en el Diario Oficial LA GACETA, con las limitaciones establecidas en la Constitución de la República y demás leyes y sus reformas, enmiendas o modificaciones se someterán al mismo procedimiento. — NOTIFIQUESE. — RAFAEL LEONARDO CAJALAS ROMERO, PRESIDENTE EL SECRETARIO DE ESTADO EN LOS DESPACHOS DE GOBERNACION Y JUSTICIA, JOSE FRANCISCO CARDONA ARGUELLES".

Extendido en la ciudad de Tegucigalpa, Municipio del Distrito Central, a los tres días del mes de abril de mil novecientos noventa y dos.

Abog: MARCIO ALEJANDRO COELLO VALLADARES  
Oficial Mayor

U. J. 52

**CERTIFICACION**

El Presidente del Poder Ejecutivo en los Despachos de Gobernación y Justicia. CERTIFICA: La Resolución que dice:

"RESOLUCION N° 5-87.—El Presidente Constitucional de la República.—Tegucigalpa, Municipio del Distrito Central, veintinueve de enero de mil novecientos ochenta y siete.

VISTA: Para resolver la solicitud presentada al Poder Ejecutivo, por medio de la Secretaría de Estado en los Despachos de Gobernación y Justicia, con fecha siete de mayo de mil novecientos ochenta y seis, por el señor José Antonio Mejía y Mejía, hondureño, mayor de edad, casado, Abogado y de este vecindario, actuando en su condición de Apoderado Legal, del Patronato Pro-Mejoramiento y Desarrollo Comunal Residencial Guaymuras" de Tegucigalpa, Distrito Central, contraída a pedir que se reconozca a su representoría como Persona Jurídica y se aprueben sus Estatutos.

RESULTA: Que el peticionario acompañó a su solicitud, los documentos que exige la ley.

RESULTA: Que a la solicitud se le dio el trámite de ley correspondiente, habiéndose mandado oír a la Procuraduría General de la República, y al Departamento Legal de esta Secretaría de Estado quienes al devolver el traslado, emitieron dictamen favorable.

CONSIDERANDO: Que los Estatutos del "PATRONATO PRO-MEJORAMIENTO Y DESARROLLO COMUNAL RESIDENCIAL GUAYMURAS DE TEGUCIGALPA, DISTRITO CENTRAL", no contraria las leyes del país, el orden público, la moral y las buenas costumbres, por lo que es procedente acceder a lo solicitado.

CONSIDERANDO: Que es atribución del Poder Ejecutivo, a través de la Secretaría de Estado en los Despachos de Gobernación y Justicia, otorgar la Personalidad Jurídica, y aprobar los Estatutos de las Asociaciones Civiles y Fundaciones de interés público.

POR TANTO: El Presidente Constitucional de la República, en uso de las facultades que le confiere el Artículo 245, Numeral 18, del Artículo 2, reformado del Código de Procedimientos Administrativos.

**RESUELVE:**

Reconocer como Persona Jurídica al PATRONATO PRO-MEJORAMIENTO Y DESARROLLO COMUNAL RESIDENCIAL GUAYMURAS DE LA CIUDAD DE TEGUCIGALPA, FRANCISCO MORAZAN, y aprobar sus Estatutos en la forma siguiente:

**ESTATUTOS PATRONATO PRO-MEJORAMIENTO DE RESIDENCIAL GUAYMURAS DE TEGUCIGALPA, D. C.**

**CAPITULO I**

**CONSTITUCION DEL PATRONATO**

Art. 1.—Se constituye el Patronato Pro-Mejoramiento de la Residencial Guaymuras, por convocatoria a Asamblea General de los adjudicatarios del proyecto de Viviendas del Instituto de Jubilaciones y Pensiones de los Empleados del Poder Ejecutivo y demás residentes de la Residencial Guaymuras, los cuales constan según acta de fundación.

**CAPITULO II**

**FINALIDADES DEL PATRONATO**

Art. 2.—La finalidad del Patronato Pro-Mejoramiento de la Residencial Guaymuras, es la de lograr el mejoramiento de la misma, teniendo entre otras metas específicas: a) Crear las infraestructuraciones necesarias para el mejoramiento de los servicios básicos de la comunidad. b) Resolver los problemas que afectan su desarrollo. c) Defender los derechos de sus miembros y hacerse representar por ellos ante los Organismo de Gobierno y de los que tengan que ver con los asuntos comunitarios, y; d) Promover la integración de los miembros a la vida activa de la comunidad tales como: Centros Comunales, Club de Amas de Casa, Clubs Deportivos, Campaña de Saneamiento Ambiental, activar el ambiente de confraternidad y superación comunal, etc.

1992. SIGMO INSTALA  
 01 EN TEGUCIGALPA,  
 EN EL CUARTEL SAN  
 FRANCISCO. LA PRIMA  
 DE QUE SE IMPRIMA  
 POR UNA PRODUCCION  
 DEL GENERAL MONS.  
 S.M. CON FECHA A 01  
 DE ABRIL DE 1992.

# LA GACETA

EL PRIMER PERIODICO  
 OFICIAL DEL GOBIERNO  
 CON FECHA 1900  
 MAYO DE 1900  
 MUNDO DE 1900  
 DIARIO DE 1900  
 GACETA...

Diario Oficial de la República de Honduras

DECANO DE LA PRENSA HONDUREÑA

Nº 001825

Director: Periodista Olman Ernesto Serrano

AÑO CXVI

TEGUCIGALPA, D. C. HONDURAS,

JUEVES 6 DE AGOSTO DE 1992

NUM. 26.813

## PODER LEGISLATIVO

### DECRETO NUMERO 69-92

EL CONGRESO NACIONAL.

**CONSIDERANDO:** Que de conformidad al Artículo 145 de la Constitución de la República, el Estado tiene el deber de conservar el medio ambiente para proteger la salud de las personas.

**CONSIDERANDO:** Que para la consecución del mandato constitucional expuesto, es conveniente utilizar las estructuras orgánicas existentes en el país, particularmente las de las Organizaciones Privadas Voluntarias de Desarrollo que tienen como objetivo estatutario la conservación del medio ambiente.

**CONSIDERANDO:** Que el Estado está facultado para concertar convenios de concesión de servicio público de protección del medio ambiente y que para tal fin será necesario afectar disponibilidades financieras provenientes del servicio de deuda, entre otros recursos, para el cumplimiento de su misión.

**CONSIDERANDO:** Que debido al interés mundial en proteger el ecosistema y mejorar la calidad de vida, es indispensable que el país aporte un capital semilla, que permita la captación de recursos internacionales cuya condición sea su canalización a través de Organizaciones Privadas de Desarrollo sin fines de lucro y destinados a la ejecución de proyectos y acciones de protección del medio ambiente.

POR TANTO,

DECRETA:

**Artículo 1.**—Créase el Fondo de Protección del Medio Ambiente, destinado a contribuir en la ejecución de proyectos y acciones de gestión ambiental, que minimicen el deterioro y agotamiento de los recursos naturales.

**Artículo 2.**—El Fondo de Protección del Medio Ambiente estará constituido por un monto de TREINTA MILLONES DE LEMPIRAS (Lps. 30.000.000.00), estableciéndose a partir de 1992 en el Presupuesto General de Ingresos y Egresos de la República una transferencia anual de CINCO MILLONES DE LEMPIRAS (Lps. 5.000.000.00), hasta completar el monto total indicado.

**Artículo 3.**—La administración del Fondo de Protección del Medio Ambiente será responsabilidad de la Organización "Fundación Hondureña de Ambiente y Desarrollo VIDA (Fundación VIDA)", la cual utilizará las transferencias anuales del Presupuesto General de Ingresos y Egresos de la República como complemento a los recursos financieros externos que obtenga para la ejecución de proyectos de protección. Dichos proyectos serán ejecutados por otros Organismos Privados de Desarrollo sin fines de lucro que designe el ente administrador.

**Artículo 4.**—Para atender aspectos administrativos y técnicos relacionados con el Fondo de Protección del Medio

## CONTENIDO

DECRETO NUMERO 69-92

Mayo de 1992

### ECONOMIA

Resolución Número 207-92 — Julio de 1992

INSTITUTO HONDUREÑO DEL CAFE

Acuerdo J. D. S/E Número 008/92 — Agosto de 1992

## AVISOS

Ambiente, se designará un Oficial de Enlace ante la Fundación VIDA, correspondiéndole a la Secretaría de Hacienda y Crédito Público su nombramiento y asignación de las atribuciones respectivas.

**Artículo 5.**—Para efectos de la transferencia correspondiente a 1992, se creará en el Presupuesto General de Ingresos y Egresos de la República vigente, la asignación presupuestaria siguiente:

Título 4-16

SERVICIOS CENTRALIZADOS DEL PODER EJECUTIVO

Programa 2-02

TRANSFERENCIAS CORRIENTES A ORGANISMOS

NACIONALES E INTERNACIONALES

UNIDAD EJECUTORA: Secretaría de Hacienda y Crédito Público

7 TRANSFERENCIA

01 746

Transferencia a Fundación

VIDA para protección del

Medio Ambiente

L. 5.000.000.00

TOTAL

L. 5.000.000.00

Los fondos para financiar la asignación presupuestaria anterior se transferirán de la estructura presupuestaria siguiente:

Título 4-18

DEUDA PUBLICA

Programa 3-01

SERVICIO DE LA DEUDA PUBLICA

UNIDAD EJECUTORA: Dirección General de Crédito Público

2 SERVICIOS NO PERSONALES

01 075

265 24660 Intereses Préstamo.

AID-522-K-046

L. 5.000.000.00

**Artículo 6.**—El presente Decreto entrará en vigencia a partir del día de su publicación en el Diario Oficial "La Gaceta", debiendo ser reglamentado por la Secretaría de Hacienda y Crédito Público.

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to Central, en el Salón de Sesiones del Congreso Nacional, a los veintinueve días del mes de mayo de mil novecientos noventa y dos.

**RODOLFO IRIAS NAVAS**  
Presidente

**NAHUM E. VALLADARES VALLADARES**  
Secretario

**ANDRES TORRES RODRIGUEZ**  
Secretario

Al Poder Ejecutivo.

Por Tanto: Publíquese.

Tegucigalpa, M.D.C., 29 de mayo de 1992

**RAFAEL LEONARDO CALLEJAS ROMERO**  
Presidente

El Secretario de Estado en los Despachos de Hacienda y Crédito Público.

Benjamin Villanueva

## PRESIDENCIA DE LA REPUBLICA

# ECONOMIA

### RESOLUCION NUMERO 207-92

Tegucigalpa, M. D. C., 23 de julio de 1992

**VISTA:** Para resolver la solicitud No. 055-92, presentada con fecha veintidós de abril de mil novecientos noventa y dos, por el Licenciado Domingo Heliodoro Saavedra Discua, de generales conocidas y del domicilio de Tegucigalpa, Francisco Morazán, en su carácter de Apoderado Legal de la empresa "ALIMENTOS CONCENTRADOS NACIONALES, S. A." (ALCON), del domicilio de San Pedro Sula, Cortés, y contraída a pedir autorización para operar bajo el Régimen de Importación Temporal, de conformidad con las disposiciones del Decreto No. 37, de fecha 20 de diciembre de 1984, y Decreto No. 190-86, del 31 de octubre de 1986, y en consecuencia se le otorguen los beneficios y derechos correspondientes.

**CONSIDERANDO:** Que el Decreto No. 37, del 20 de diciembre de 1984 y Decreto No. 190-86, del 31 de octubre de 1986, autoriza a las empresas y comerciantes individuales dedicados a la actividad industrial o agroindustrial para acogerse al Régimen de Importación Temporal que se establecen en el país con maquinaria, equipo, herramientas y otros insumos para producir artículos que en su totalidad sean exportados a países no centroamericanos.

**CONSIDERANDO:** Que los beneficiarios del Régimen de Importación Temporal, podrán vender sus productos o servicios a otras empresas dentro del territorio nacional, cuando éstas los incorporen físicamente o los necesiten para complementar o modificar otros productos que sean exportados en su totalidad a países no centroamericanos.

**CONSIDERANDO:** Que "ALIMENTOS CONCENTRADOS NACIONALES, S. A." (ALCON), es una empresa industrial que proporciona menos de 25 empleos directos, incumpliendo así el requisito establecido en el literal b), del Artículo No. 5, del Decreto No. 190-86, del 31 de octubre de 1986.

**CONSIDERANDO:** Que en base al análisis, evaluación y dictamen realizado por la Dirección General de Producción y Consumo, se recomienda la autorización a la empresa para operar bajo el Régimen de Importación Temporal, conforme a las disposiciones legales que regulan la materia.

**CONSIDERANDO:** Que es preciso señalar las condiciones en las cuales el Estado otorga beneficios a las empresas industriales o agroindustriales para garantizar los objetivos de la política de fomento a las exportaciones.

**CONSIDERANDO:** Que por lo anteriormente expuesto, es procedente acceder parcialmente a lo solicitado.

DESPACHOS DE ECONOMIA Y COMERCIO, en aplicación del Artículo No. 3 del Decreto No. 37 del 20 de diciembre de 1984 y los Artículos 1, 2, 4, 5, 6 y 9 del Decreto No. 190-86 del 31 de octubre de 1986 y Artículos Nos. 3, 8, 9, 18, 19, 25 y 26 de su Reglamento,

### RESUELVE:

1.—Autorizar a la empresa "ALIMENTOS CONCENTRADOS NACIONALES, S. A." (ALCON) del domicilio de San Pedro Sula, Cortés, para que pueda operar haciendo uso de la modalidad de complementación a que se refiere el Artículo No. 2 del Decreto No. 190-86 del 31 de octubre de 1986 con la actividad de elaboración de alimento balanceado para camarón.

2.—Autorizar a la citada empresa para que pueda hacer uso de la modalidad de complementación dentro del territorio nacional, al amparo de las disposiciones del Régimen de Importación Temporal, suscribiendo él o los contratos que corresponda en cumplimiento a lo establecido en el Artículo 2 del Reglamento al Régimen, Acuerdo No. 545-87, del 6 de mayo de 1987.

3.—La empresa "ALIMENTOS CONCENTRADOS NACIONALES, S. A." (ALCON), para poder realizar la actividad descrita en el numeral anterior, gozará de los beneficios fiscales siguientes: Suspensión del pago de derechos aduaneros, derechos consulares, la tasa del 5% de servicio administrativo aduanero establecido mediante Decreto No. 85-84, del 24 de mayo de 1984 y cualesquiera otros impuestos y recargos, incluyendo el impuesto general de ventas que cause la importación de materia prima que figuran en el Dictamen DGPC-IT/129-92 del 10 de julio de mil novecientos noventa y dos, emitido por la Dirección General de Producción y Consumo a favor de la empresa en mención y que sirvió de base para emitir la presente Resolución de autorización el cual podrá ser suspendido, o cancelado por la Secretaría de Economía y Comercio, de oficio o a petición de la parte interesada, de conformidad a lo dispuesto en el Artículo 25 del Acuerdo No. 545-87 del 6 de mayo de 1987 (Reglamento al Régimen de Importación Temporal).

4.—Denegar a la empresa "ALIMENTOS CONCENTRADOS NACIONALES, S. A." (ALCON), la exoneración en el pago del impuesto sobre la renta debido a que no cumple con lo establecido en el Artículo No. 5, del Decreto No. 190-86, del 31 de octubre de 1986, o sea proporcionar ocupación a un número no menor de 25 empleos directos.

5.—La empresa en mención deberá cumplir con las siguientes obligaciones: a) Proporcionar a la Secretaría de Hacienda y Crédito Público y la Secretaría de Economía y Comercio, una declaración jurada, en la cual hará constar el uso que haya hecho de todos los bienes importados durante cada semestre, lo mismo que la información relativa al valor, cantidad, clase o tipo y destino de los bienes exportados, esta declaración deberá ser presentada en los meses de enero y julio de cada año. b) Mantener un registro adecuado que permita el control de los bienes importados y exportados. c) Iniciar su producción exportable dentro de seis meses siguientes a la fecha en que se haya autorizado el inicio de operaciones bajo este mecanismo o de la prórroga en su caso. d) Realizar su proyecto de exportación de conformidad con lo estipulado en la presente Resolución de Autorización. e) Cumplir con los plazos de exportación. f) Obtener la autorización de la Secretaría de Economía y Comercio para cualquier modificación en sus planes iniciales que sirvieron de base para acogerse al Régimen. g) Proporcionar a las autoridades competentes cuantos datos e información se soliciten para ejercer la vigilancia y control de sus operaciones. h) Las demás que establezcan las autoridades competentes. i) Los bienes importados al amparo del Régimen deberán ser utilizados única y exclusivamente en la producción exportable de la empresa a países no centroamericanos.

6.—La empresa "ALIMENTOS CONCENTRADOS NACIONALES, S. A." (ALCON), está obligada al cumplimiento de todas las obligaciones que estipula el Decreto No. 37 del 20 de diciembre de 1984; Decreto No. 190-86 del 31 de octubre de 1986 y su Reglamento, así como de las estipuladas en el numeral 5 de esta Resolución. La Secretaría de Economía y Comercio suspenderá o declarará la caducidad de los beneficios y derechos otorgados al beneficiario del Régimen, sin perjuicio de las sanciones

DIRECCION GENERAL DE TRIBUTACION  
TEGUCIGALPA, D. C. HONDURAS, C. A.



No. DGT-628-II-SG-92

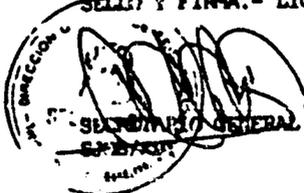
Tegucigalpa, M.D.C., 12 de Agosto de 1992

SEÑORA  
VICTORIA A. DE DIAZ  
DIRECTORA EJECUTIVA DE LA FUNDACION HONDUREÑA  
DE AMBIENTE Y DESARROLLO ( FUNDACION VIDA )  
P R E S E N T E

Para su conocimiento y demás fines legales consiguientes transcribo a usted, la Resolución que literalmente dice:

DIRECCION GENERAL DE TRIBUTACION.- Tegucigalpa, Municipio del Distrito Central, doce de Agosto de mil novecientos noventa y dos.- VISTA: Para Dictamen el expediente No. 4746-S presentado por la Señora Victoria A. de Díaz en su carácter de Directora Ejecutiva de la Fundación Hondureña de Ambiente y Desarrollo (FUNDACION VIDA), en el que solicita se le extienda constancia explicando que las contribuciones de personas naturales y jurídicas a esa Institución, están exentas del pago del Impuesto sobre la Renta.- CONSIDERANDO: Que la "Fundación Hondureña de Ambiente y Desarrollo Vida", fué reconocida mediante resolución No. 35-92, de fecha 2 de Abril de 1992 aprobada por el Presidente Constitucional de la República; se constituyó como una organización de Carácter privado, sin fines de lucro, patrimonio propio y tendrá como objetivos: Promover y contribuir a la conservación de los recursos naturales y del ambiente, así como el patrimonio étnico y cultural, en el contexto del desarrollo sostenible del país, canalizando en forma eficiente y efectiva los recursos puestos a su disposición, según establecen los Artículos 10. y 40 de los estatutos de Constitución.- CONSIDERANDO: Que según lo establecido en la Ley del Impuesto Sobre la Renta; en una empresa mercantil, la renta neta gravable será determinada, deduciendo de su renta bruta el importe de los gastos ordinarios que hayan sido pagados o incurridos en la producción de la renta, tales como: las donaciones y legados en beneficio del Estado, del Distrito Central, de las Municipalidades, de las Instituciones educativas, de fomento educativo o similar, de beneficencia (Sic), deportivas o fomento deportivo legalmente reconocidas. En el caso de las personas naturales se aceptará esta misma deducción, hasta por un monto que no exceda al diez por ciento (10%) de la renta neta gravable, artículos 11, letra l) y 13 letra d) de la Ley.- CONSIDERANDO: Que la Fundación Hondureña de Ambiente y Desarrollo (Fundación Vida) se erige por sus estatutos, con objetivos claros que persiguen el beneficio común por tener un alto contenido social; la conservación de los recursos naturales y del ambiente, así como del patrimonio étnico y cultural, no solo es potestativo del Estado, por ello; nuestra legislación permite la creación de Asociaciones Civiles sin fines de lucro, sostenida por contribución voluntaria tanto de instituciones públicas o privadas y en el presente caso; la Ley del Impuesto Sobre la Renta considera como un gasto deducible las donaciones hechas a estas agrupaciones entre las que se puede incluir la Fundación Vida; que para alcanzar sus fines requiere de la contribución de sus miembros.- POR TANTO: Esta Dirección General de Tributación en uso de las facultades de que esta investida en base al Dictamen emitido por Asesoría Legal y en aplicación a los Artículos 11 letra l) y 13 letra d) de la Ley del Impuesto Sobre la Renta.- RESUELVE: Que las contribuciones hechas a la FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO VIDA, cuando procedan de una persona Jurídica se debe considerar como gasto deducible de su

renta bruta, y si procede de una persona natural es aceptada dicha deducción hasta por un monto que no exceda del 10% de la renta neta.- NOTIFIQUESE.- SELLO Y FIRMA.- LIC. WILLIAM CHING WING, DIRECTOR GENERAL.- SELLO Y FIRMA.- LIC. SANDRA J. OCITA BARAHONA, SECRETARIO GENERAL.



11-9-92

PRELIMINAR

ANOTACIONES BASICAS A NIVEL TECNICO  
SOBRE FUNCIONES Y AREAS PROGRAMATICAS DE  
INVERSION DE FUNDACION VIDA

I. OBJETIVO GENERAL

La Fundación Hondureña de Ambiente y Desarrollo VIDA es una institución privada sin fines de lucro. Obtuvo su Personería Jurídica el 2 de Abril de 1992. Sus estatutos establecen que tendrá como objetivos: "El promover y contribuir a la conservación de los recursos naturales y del ambiente, así como del patrimonio étnico y cultural en el contexto del desarrollo sostenible del país, canalizando en forma eficiente y efectiva los recursos puestos a su disposición. En ese sentido propiciará que sus acciones se encaminen en forma coordinada a los esfuerzos del Gobierno Central, y las demás instituciones públicas o privadas con que establezcan nexos en el cumplimiento de sus objetivos."

II. FUNCIONES PRINCIPALES

Las principales funciones identificadas actualmente son:

1. IDENTIFICACION Y OBTENCION DE FUENTES POSIBLES DE RECURSOS.

a, Efectuar gestiones y negociaciones tendientes a la obtención de recursos para apoyo administrativo, financiamiento de proyectos, realización de estudios, capacitación, etc..

b, Identificar y negociar la obtención de asistencia técnica, asesoría a bre legislación, políticas, identificación, formulación de proyectos, evaluación de impactos ambientales, etc..

2. EVALUACION DE PROGRAMAS FINANCIADOS POR FONDO DE ASISTENCIA

a) Análisis Económico

- Presentados a la Fundación VIDA, ONG's y otras entidades públicas y privadas.

b) Análisis de Factibilidad

- Negociación, aprobación y programación técnica y administrativa.

c) Supervisar y evaluar los proyectos en ejecución

- Control de desembolsos y avance del proyecto, conforme a programa.

d) Evaluación de Impacto

- Análisis del rendimiento social y ambiental del proyecto posterior a su finalización.

3. CAPACITACION PARA FUNDACION VIDA, ONG'S Y OTRAS ENTIDADES, A TRAVES DE CONTRATISTAS Y/O INTERMEDIARIOS:

Para el mejor desarrollo de sus funciones, Fundación VIDA requiere de capacitación interna en las áreas financiera, administrativa, control, obtención de recursos, formulación y supervisión de proyectos, políticas, etc.

Adicionalmente, estima que debe apoyar a otras instituciones, así:

a) Capacitación de personal administrativo

Análisis del sistema contable y administrativa para la mejor ejecución de sus actividades, así como la obtención de recursos, formulación y supervisión de proyectos, políticas, etc.

c) Para ONG'S Gobierno Central y Local, públicas en general.

- Concientización sobre asuntos prioritarios en materia ambiental.

4. POLITICAS Y LEGISLACION AMBIENTAL

a) Promoción y apoyo

- Proponer, promover y apoyar iniciativas de política y legislación sobre temas de interés nacional.

b) Seguimiento

- Apoyar, proponer y promover la suscripción y cumplimiento de convenios nacionales e internacionales para la protección ambiental. Esta labor es paralela a la que debe efectuar la correspondiente entidad del sector público.

Los dos campos anteriores requieren que tanto los miembros de la Junta Directiva como de la Administración, cuenten con una excelente base informativa y relaciones a nivel nacional e internacional, lo cual puede lograrse a través de:

- Participación continua en comités nacionales públicos o privados.
- Participación continua en foros nacionales e internacionales.

5. INFORMACION AMBIENTAL  
ESTABLECIMIENTO DE UNA BASE DE INFORMATICA Y DIVULGATIVA.

- a) Para los sistemas de Información TISA relativo al panorama nacional y perspectivas, tendencias internacionales sobre la materia. Fuentes financieras para:

- Establecer prioridades de financiamiento.
  - Apoyar y tomar posición con sustento técnico sobre temas ambientalistas de interés nacional.
  - Fortalecer financieramente a FIV.
- b) Para divulgación general o particular sobre noticias de interés particular a determinadas organizaciones y apoyar entidades que de otra manera no tendrían limitado acceso a fuentes de información.
- c) Para la preparación de material informativo y promocional.

### III. ESTRATEGIA DE OPERACION:

1. La labor se realizará a través de entidades privadas y públicas que puedan y deban jugar un papel en el cumplimiento de los objetivos y el desarrollo de proyectos.

Se considera que la participación comunitaria es imprescindible para el éxito de cualquier acción que se desarrolle.

2. Para poder atender mas efectivamente la demanda y reforzar la capacidad de ejecución racional se podrá utilizar como entidades ejecutoras a organizaciones privadas que no sean ambientalistas pero que tengan experiencia exitosa en manejo de proyectos, programas de capacitación, etc..
3. Para ser eficientes operativamente, Fundación VITA mantendrá un personal básico y contratara personal permanente y/o contratara temporalmente la prestación de servicios, según se vayan generando actividades.

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IV. **AREAS PROGRAMATICAS DE INVERSION QUE PRELIMINARMENTE SE HAN CONSIDERADO:**

1. Educación Ambiental y Etnico-Cultural:

Incluye acciones de capacitación, divulgación, preservación cultural y otras que conlleven un cambio positivo de actitud hacia la conservación ambiental y étnico-cultural.

2. Conservación de Ecosistemas y Protección de la Diversidad biológica:

Incluye acciones de investigación aplicada, protección y manejo de áreas silvestres protegidas, conservación y recuperación de especies de flora y fauna, así como otras acciones que promuevan la conservación de la biodiversidad a nivel genético, de especies y de ecosistemas.

3. Conservación y Manejo sostenido de Recursos en Cuencas Hidrográficas:

Incluye acciones de recuperación, desarrollo sustentable en áreas intervenidas, manejo de zonas de amortiguamiento, desarrollo y transferencia de tecnologías productivas y energéticas apropiadas, aprovechamiento sostenido de recursos naturales renovables y otros.

4. Manejo y Control de Contaminantes:

Tales como agroquímicos, basuras, desechos tóxicos, desarrollo de alternativas para el manejo de desechos, reciclamiento, producción de elementos alternativos no contaminantes y otros similares.

Las prioridades específicas de financiamiento se establecerán inicialmente tomando en consideración, entre otras cosas: El Plan de Acción Ambiental emitido por el Gobierno, los cambios en la realidad ambiental y, la capacidad real de absorción, en las distintas regiones y campos de acción.

Posteriormente, en base a la experiencia que se vaya adquiriendo y los recursos que se logren obtener, se podrá definir con mayor autoridad y propiedad, prioridades más específicas de financiamiento.

**PROGRAMA DE LAS NACIONES UNIDAS PARA EL DESARROLLO  
PROYECTO DEL GOBIERNO DE HONDURAS**

**DOCUMENTO DEL PROYECTO  
ASISTENCIA PREPARATORIA**

**TITULO:** FORTALECIMIENTO INSTITUCIONAL DE LA FUNDACION HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA"  
**NUMERO:** HOM/92/021/A/01/99  
**DURACION:** 6 MESES  
**SECTOR Y SUBSECTOR:** ACC/PNUD MEDIO AMBIENTE

**SECTOR Y SUBSECTOR DEL GOBIERNO:** AGRICULTURA

**ORGANISMO DE EJECUCION DEL GOBIERNO:**  
Fundación Hondureña de Ambiente y Desarrollo "VIDA"

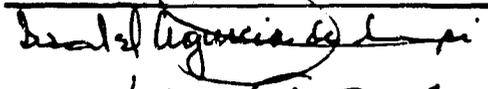
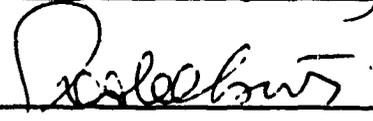
**ORGANISMO DE COOPERACION:**

<b>Financiamiento PNUD y Costos compartidos PNUD</b>	
IPF	\$ 98,995.00
<b>Costos compartidos</b>	
Gobierno	\$370,370.00
Tercera parte	
<b>Total PNUD/Costos compartidos</b>	<b>\$469,365.00</b>
<b>Servicios Administrativos/operativos PNUD</b>	
IPF (sublinea)	\$ 3,667.00

**FECHA PREVISTA DE INICIO:** 1 AGOSTO, 1992

**APORTE DEL GOBIERNO:**  
En Especie: \$176,000.00

~~BREVE DESCRIPCION: Con el proyecto se apoyará al Gobierno de Honduras en la reorganización de la Dirección General de Aduanas y sus órganos dependientes mejorando la eficacia total del sistema, el nivel profesional de su personal y los instrumentos materiales e informáticos necesarios para realizar sus funciones adecuadamente.~~

En nombre de:	Firma:	Fecha:	Cargo:
Gobierno:		12/08/92	MINISTRO
Organismo de Ejecución:		13/08/92	Presidente J.D.
		13/08/92	Director Ejecutor
PNUD:		13.08.92	Repr. Resid.

Tipo de Cambio Oficial imperante en las Naciones Unidas en la fecha del firma del documento del Proyecto: US\$ 1.00 = Lps. 5.40

## SOLICITUD DE ASISTENCIA PREPARATORIA

### 1. RESUMEN DEL PROYECTO

#### 1.1 Introducción

El presente proyecto ha sido preparado de común acuerdo entre el gobierno y el PNUD. Tiene el objetivo de apoyar institucionalmente a la Fundación Hondureña de Ambiente y Desarrollo VIDA en su etapa inicial de formación y consolidación de su organización.

La Fundación VIDA es una institución de reciente creación que tiene como objetivo fundamental promocionar y contribuir a la conservación de los recursos naturales y del ambiente, así como el patrimonio étnico y cultural en el contexto del desarrollo sostenible del país, canalizando en forma efectiva y eficiente los recursos financieros puestos a su disposición.

En tal sentido, en la ejecutoria de sus acciones apoyará al gobierno y a la sociedad en general en la búsqueda de un mejoramiento del nivel de vida y un desarrollo sustentable para el bienestar de las presentes y futuras generaciones.

Con la asistencia preparatoria se desarrollarán sistemas y procedimientos administrativos, técnicos y financieros que garanticen a las instituciones donantes un manejo eficiente de los recursos puestos a la disposición de la Fundación Hondureña de Ambiente y Desarrollo VIDA. Asimismo, en el período del proyecto se desarrollarán los primeros desembolsos de proyectos que sean compatibles con los fines de la Fundación.

#### 1.2 Características del Medio Ambiente en Honduras

En Honduras habitan 5 millones de habitantes en 112,088 Km<sup>2</sup> de territorio. La vocación de esta población es predominantemente agrícola, no obstante su topografía y geología de su suelo es en un 75% de vocación forestal.

Bajo estas características sumado a un sistema de tenencia de la tierra agrícola muy desequilibrado y a políticas no compatibles con la realidad de su entorno biofísico y social han hecho que día a día se agudicen los problemas ambientales originados por un lado, en altas concentraciones en las ciudades de "mayor" infraestructura y por otra en destrucción de recursos naturales de parte del sector agroexportador y por sobreutilización de parte del sector de subsistencia.

Las grandes dificultades que presentan los centros urbanos, van desde la imposibilidad de resolver la creciente demanda de servicios básicos (agua potable, drenaje de aguas servidas, recolección de basuras, electricidad, infraestructura vial) la creciente especulación y altos costos de la tierra hasta la ocupación de tierras agrícolas de alto grado de fertilidad en la periferia como San Pedro Sula y la eliminación de "cordones verdes" (Tegucigalpa) que mantienen el equilibrio entre el campo y la ciudad, eliminando la escasa vida silvestre y de recursos naturales del medio ambiente urbano.

En el área rural la destrucción directa e indirecta en los ecosistemas es masivo y la sustentabilidad se subordina a objetivos inmediatos de ganancia o de sobrevivencia.

En los últimos 25 años se han destruido cerca del 31% de la cobertura boscosa existente en 1964, afectándose con mayor intensidad el bosque tropical húmedo a un ritmo de ~~65,000~~ has./año y el bosque de coníferas con 15,000 has./año. En ambos casos cerca del 76% del área deforestada fue destinada para cultivos anuales de subsistencia con efectos casi irreversibles del soporte edáfico, pérdida de biodiversidad, pérdida de caudal e

inundaciones, disminución de calidad de aguas y enormes riesgos de difusión de plagas y enfermedades transmitidas desde el ecosistema natural o desde el monocultivo introducido.

Otro factor de presión y de deforestación lo constituye la leña que aporta el 64% del balance energético nacional con un consumo de 7 millones de M3/año y un aprovechamiento de 7% del potencial energético de este recurso. Esto último debido a tecnologías inadecuadas.

Por su parte la industria forestal aunque muy inferior en consumo de materia prima (2 millones de M3/año en volumen bruto) que el sector energético, por su deficiente tecnología y escaso manejo silvicultural provoca daños al ecosistema forestal e invita a través de la infraestructura vial a colonizar tierras de aptitud forestal con la consiguiente pérdida de áreas boscosas.

En cuanto a recursos marinos existen evidencias que la ~~sobreexplotación de langosta en el Atlántico puede~~ colapsar la industria que se dedica a esta actividad. Lo mismo ocurre con mariscos principalmente en la zona Sur cuya población y tamaño ha disminuido, arriesgando con extinguirse en el corto plazo. En contraste ha

surgido en esta zona un crecimiento espectacular de la camaricultura destinada a mercados externos aunque con enormes riesgos al ecosistema estuarino del Golfo de Fonseca, afectándose no solo la diversidad biológica de especies marinas sino también una actividad económica de suma importancia para esta región como lo es la pesca artesanal.

Aun cuando los problemas aludidos anteriormente son notorios, la percepción de la población sobre los mismos no es muy sentida, quizá algunos desastres concurrentes provocados por fenómenos naturales, la pérdida de calidad de vida por sobreexplotación de recursos naturales y, la contaminación y hacinamiento de algunas ciudades están creando una mayor conciencia sobre el tema ambiental, tanto de los gobiernos como de la población en general.

### 1.3 Marco Institucional

La Fundación VIDA es una institución apolítica y sin fines de lucro que tiene como meta captar recursos financieros y transferirlos a instituciones privadas y del gobierno para invertirlos en proyectos de manejo de recursos naturales y del ambiente.

La estructura interna de la Fundación está integrada por diferentes niveles de decisión, empezando por la Asamblea General de Miembros que es la máxima autoridad; la Junta Directiva que da seguimiento a las políticas y mandatos de la Asamblea y; la Dirección Ejecutiva quien organiza, ejecuta y dirige la administración de la Fundación de acuerdo a la normativa que dicte la Asamblea y la Junta Directiva.

El presente proyecto estará bajo la dirección de la Directora Ejecutiva de la Fundación quien, bajo los lineamientos que reciba de su Junta Directiva y de acuerdo a sus funciones buscará mantener la debida información y coordinación con todas las organizaciones participantes dentro del Sistema de Gestión Ambiental (CONAMA, FEDAMBIENTE, COPECO, AHPAAF), y otras organizaciones ambientalistas, públicas o privadas a fin de identificar las prioridades y posibilidades de inversión y de acción en la materia.

#### 1.4 Viabilidad del Proyecto

No cabe duda de la preocupación de la población hondureña acerca de los problemas ambientales surgida en los últimos años. así como de una actitud positiva principalmente del actual gobierno en contribuir a una

solución concertada y participativa en los mismos. Lo anterior está motivando a la población a organizarse para atender problemas que el Estado, por sí mismo, es incapaz de resolver y también buscar alternativas tanto de financiamiento como de movilización de recursos locales que anteriormente eran conocidos pero desafortunadamente medianamente utilizados. Bajo esta perspectiva la Fundación dispone de un camino amplio para cumplir con sus objetivos.

## 1.5 Justificación del Proyecto

### 1.5.1 Situación anterior al Proyecto

En Honduras el tratamiento de los problemas ambientales ha estado siempre en manos del Gobierno. La participación ciudadana en protección ambiental y de los recursos naturales se ha producido en situaciones límites (crisis o catástrofes) y se reduce la mayor parte de las veces, a la denuncia; el involucramiento en la acción ha sido mínimo. Por su parte el Gobierno con intrincados esquemas institucionales y la escasez de recursos financieros ha sido poco efectivo en atender las crecientes demandas generadas por el deterioro ambiental.

Igualmente la legislación existente, principalmente en lo que se refiere al manejo de parques nacionales y vida silvestre es vasta, pero sin asidero económico, por lo que se corre mucho riesgo de perder estos ecosistemas únicos de gran importancia para la humanidad.

El actual gobierno está aceptando la situación de conflicto en que se encuentra el medio ambiente nacional, al reconocer la importancia que éste juega en el desarrollo nacional. De esta forma se ha preocupado de examinar y rectificar el actual estado de cosas, por lo que ya ha propuesto iniciativas de ley (Ley Marco del Medio Ambiente, Ley de Aguas, Ley de Pesca) al Soberano Congreso Nacional que se espera sean aprobadas en el presente año. Igualmente fue aprobada la Ley de Modernización del Sector Agrícola de Honduras, misma que dió un vuelco completo a la administración de los recursos naturales, al conceder una mayor participación del sector privado tanto en su gestión como en la toma de decisiones.

Este incentivo, entre otros, ha motivado a grupos ambientalistas a organizarse para dar atención, a la problemática ambiental.

En esta dinámica entra la Fundación VIDA como una institución gestora, administradora y canalizadora del financiamiento interno y externo para la inversión en proyectos que demande el voluntariado nacional y el Gobierno. La Fundación VIDA, a través de su organización consolidada con sistemas contables, financieros, de control y operativos, estará llenando un vacío existente para la canalización de recursos para el medio ambiente, facilitando así el acceso al financiamiento externo para muchas entidades ejecutoras de proyectos y el necesario involucramiento de los sectores público y privado.

#### 1.5.2 Situación prevista al final del Proyecto

La Asistencia Preparatoria se constituye como una primera fase de un proyecto más amplio y de más largo plazo, por lo que sus objetivos también tienen una perspectiva de más largo alcance. En tal sentido el proyecto es un mecanismo que contribuirá a hacer viable las iniciativas ambientales que surjan del sector público y privado y que sean compatibles con el accionar de la Fundación.

Se espera que al final de esta primera fase, se tenga una organización lo suficientemente consolidada y con la credibilidad necesaria para que muchas organizaciones vean en la Fundación VIDA una institución nacional capaz de canalizar el financiamiento que esté disponible para el logro de un manejo eficaz y eficiente de los recursos naturales y del ambiente. Para tal propósito al final de esta fase se habrán concluido:

- a) Los manuales contables y establecido el sistema de contabilidad
- b) Manual de personal
- c) Manual de procedimientos administrativos
- d) Manual financiero
- e) Sistemas de control
- f) Presupuesto de operación
- g) El mecanismo de operación del convenio que permitirá que se canalice a través del PNUD los L30 millones que transferirá el Gobierno de Honduras a la Fundación.
- h) Se habrán iniciado proyectos con financiamiento de la Fundación por un monto no menor a L2 millones.

### 1.5.3 Beneficios y beneficiarios previstos

La Fundación pondrá su sólida organización para que gobiernos y organizaciones ambientales internacionales

canalicen sus recursos técnicos y económicos. Algunos de estos recursos no han llegado porque no han existido interlocutores locales con la suficiente capacidad técnico-administrativa, congruente con las políticas y sistemas de operación y control.

Igualmente se ayudará al gobierno en su política de descentralización y desconcentración, al ejecutarse y darle seguimiento a aquellas actividades que se ha decidido sean manejadas por organizaciones privadas, tal es el caso, de la administración de reservas naturales, reforestación, desarrollo de sistemas de manejo del bosque natural, conservación de biodiversidad etc.).

Los beneficiarios directos serán las comunidades que participen en los proyectos que se promuevan y financien. Los beneficiarios indirectos serán los ciudadanos de todo el país al mejorarse el ambiente. No obstante, por ser la educación ambiental, la silvicultura y la conservación de ecosistemas naturales temas de mayor relevancia y prioridad, tendrán mayores beneficios, la mujer, la población infantil y la rural que circunda estos ecosistemas a través de un mejoramiento y comprensión de su entorno y sus consecuentes beneficios.

## 2. ASISTENCIA ANTERIOR DEL PNUD

El Programa de las Naciones Unidas para el Desarrollo viene cooperando con el gobierno en la solución de problemas ambientales desde hace muchos años, tanto en el fortalecimiento de instituciones como en la atención de problemas ambientales específicos. Los campos de mayor prioridad en relación a los problemas ambientales han sido el sector forestal y agropecuario, destacándose la cooperación en la preparación y seguimiento del Plan de Acción Tropical para Honduras.

Desde 1990 y dadas las prioridades establecidas por el gobierno, surgen nuevas iniciativas encaminadas a dinamizar las estructuras institucionales responsables del manejo de los recursos naturales y del ambiente, y a motivar al sector privado a participar más activamente en este proceso. De esta manera y con la cooperación sustantiva del PNUD, nacen nuevos mecanismos e instituciones tales como el CONAMA, FEDAMBIENTE, APAAFH y la Fundación Hondureña de Ambiente y Desarrollo VIDA.

## 3. JUSTIFICACION A LA ASISTENCIA DEL PNUD:

Hace 2 años, a solicitud del Gobierno de Honduras, el PNUD realizó una una revisión y un análisis del esquema de

gestión ambiental del país. Como resultado de este análisis y en el marco del Módulo V (HON/89/005), el PNUD está apoyando actualmente la formulación del Sistema de Gestión Ambiental de Honduras (SGAH), el cual pretende articular acciones de conservación entre el Gobierno y el Sector No Gubernamental. Para instrumentalizar dicha estrategia se ha formulado la Ley marco de Medio Ambiente, una Agenda Ambiental y un Plan de Acción.

En el esquema de ejecución del SGAH, la Fundación Vida tiene un papel protagónico en la financiación de acciones y canalización de recursos económicos externos e internos. El PNUD ha venido apoyando la Fundación desde su estructuración y hasta el momento actual.

#### 4. RELACION ENTRE LA ASISTENCIA TECNICA Y EL QUINTO PROGRAMA

En base a los antecedentes que se han planteado, el proyecto encuentra su justificación en las necesidades y prioridades identificadas en el Quinto Programa de Cooperación, específicamente en lo relativo al fortalecimiento institu- cional de las organizaciones tanto públicas como privadas vinculadas al manejo ambiental y de los recursos naturales del país. En este caso particular se apoyará a la Fundación

VIDA para que movilice recursos internos y externos para la ejecución de proyectos ambientales dentro del marco programático del Plan de Acción Ambiental.

## 5. ESTRATEGIA DEL PROYECTO

El proyecto será ejecutado por la Fundación Hondureña de Ambiente y Desarrollo VIDA a través de la estructura organizativa definida para tal fin, y que con el esfuerzo de sus socios ya dispone del equipo mínimo necesario para operar.

Parte importante del trabajo será difundir sus objetivos, captar financiamiento, brindar cooperación técnica a ONG's en administración de proyectos, evaluación de proyectos y el financiamiento o canalización de recursos.

Los fondos transferidos por el Gobierno a la Fundación VIDA, por el Decreto 69-92, serán canalizados a través de la representación del PNUD para financiar proyectos según ~~solicitud de desembolso efectuada por la Fundación.~~ Por este concepto se retribuirá a Naciones Unidas el 1% del total de los fondos que se transfieran.

La coordinación con instituciones privadas y del gobierno serán básicas para actuar en armonía con los intereses ambientales.

#### 5.1 Objetivos de Desarrollo

Contribuir al financiamiento y desarrollo de proyectos que permitan a la comunidad mejorar la capacidad de la sociedad hondureña para resolver sus problemas activando sus potencialidades en función de su habitat y de los recursos que le rodean. Dentro de este ámbito deberá promoverse una mayor participación de la población en la gestión de satisfacer las necesidades vitales y aun más importante, participar en las decisiones que compatibilicen en el corto y largo plazo, los intereses privados, del Estado y los de las colectividades, en el uso racional de la base de recursos naturales y del ambiente.

#### 6. OBJETIVO INMEDIATO

Fortalecer la capacidad técnica y administrativa de la  
Fundación VIDA para la gestión de financiamiento de  
proyectos de manejo de recursos naturales y del ambiente.

## 6.1 Resultados

- Haber organizado las oficinas de la Fundación VIDA.
- Contar con los Manuales Contables y tener en operación el sistema de contabilidad.
- Contar con el Manual de Procedimientos Administrativos
- Contar con los manuales financieros
- Contar con los Sistemas de Control de Operaciones
- Haber elaborado el Presupuesto de Operación
- Haber establecido metodologías y criterios de evaluación de proyectos ambientales.
- Contar con manuales de procedimiento de trámite y aprobación de proyectos.
- Haber gestionado recursos financieros ante posibles fuentes privadas e internacionales.
- Haber identificado proyectos ambientales
- Contar con uno o dos proyectos financiados, evaluados y en ejecución.
- ONG's y otras entidades fortalecidas institucionalmente y capacitadas en gestión de proyectos.
- Haber efectuado algunas actividades de comunicación y divulgación.
- Haber establecido canales de comunicación y coordinación con instituciones públicas y privadas.
- Haber elaborado un proyecto de fortalecimiento institucional para la Fundación VIDA.

7. CONTRIBUCION DEL PROGRAMA DE LAS NACIONES UNIDAS PARA EL DESARROLLO (PNUD) A LA ASISTENCIA PREPARATORIA DEL PROYECTO Y COSTOS COMPARTIDOS.

- Se asignan fondos para el pago de personal en el área administrativa por un monto de US\$8,400.
- Se asignan fondos para los honorarios del personal nacional técnico en el área de dirección y evaluación de proyectos por un total de US\$48,000.
- Se incluyen fondos para viáticos y gastos de viaje por US\$1,734.
- Se consignan fondos por US\$2,700 para divulgación de las actividades de la Fundación a nivel nacional, regional e internacional.
- Se asignan US\$7,900 para capacitación del personal nacional en temas específicos vinculados a los objetivos de la Fundación.
- Se asignan fondos para material de oficina variado por una cantidad de US\$1,720.
- Se consignan fondos por US\$21,955 para dotación de equipo de oficina y compra de un vehículo automotriz; además de US\$1,186 para operación y mantenimiento del mismo.
- Se asignan US\$3,100 para alquiler de las oficinas del proyecto.

- Se asignan US\$1,100 para publicar material sobre temas ambientales, estudios e informes técnicos de interés general o específico.
- Se asigna \$1,200 para gastos varios que incluye pago de electricidad y servicio de aire acondicionado, etc..
- Se incluyen US\$370,370 como costos compartidos nacionales, que serán utilizados para el financiamiento de proyectos ambientales.
- El PNUD cobrará el 1% sobre el monto de Costos Compartidos para cubrir los gastos de administración, cuyo valor es de \$3,667.00.

## 8. CONTRIBUCION NACIONAL

Fundación VIDA, en su carácter de administradora del Fondo de Protección del Medio Ambiente, ha concebido como parte de su estrategia financiera a corto y mediano plazo, asignar como costos compartidos a la asistencia preparatoria del PNUD, la primera transferencia del Gobierno que se estima en L2.0 millones (US\$370.370.00). Dicha suma se transferirá al PNUD cuando sea recibida por Fundación VIDA, siempre y cuando se haya firmado esta asistencia preparatoria.

Este desembolso es parte de los 30 millones que el Gobierno de Honduras transferirá a la Fundación para la constitución de dicho Fondo, cumpliendo así con el mandato de complementar estos recursos con los que obtenga del exterior como también logrando con la participación de este organismo internacional un mayor apoyo institucional que constituye un menor costo operativo y asegurando una clara utilización de los mismos.

Se entiende que estos fondos serán transferidos al PNUD en moneda nacional y se hará a cambio a dólares de acuerdo a la tasa vigente al momento de la transferencia. Los intereses que generen los fondos transferidos al PNUD deben ser recanalizados dentro del proyecto.

Adicionalmente, la Fundación estará aportando el tiempo que los miembros de la Directiva dedican a atender las operaciones de VIDA, ya sea a través de su participación en las sesiones de Junta Directiva como en la representación en seminarios y reuniones a nivel público y privado y en la asesoría que prestan a la Administración. Igualmente, se incluye el tiempo del Oficial de Enlace del Ministerio de Hacienda con la Fundación VIDA. Tales labores son dadas estrictamente ad-honorem pero para efectos del documento se asigna un valor de L100 mil, que refleja el alto nivel técnico y ejecutivo de tales miembros.

#### 9. EVALUACION E INFORMES

Fundación VIDA preparará el proyecto de Apoyo Institucional de largo plazo que deberá presentar al PNUD como máximo en el primer trimestre de esta asistencia. Los objetivos, metas y actividades específicas serán suficientemente detalladas en dicho documento de proyecto. Asimismo al finalizar esta asistencia preparatoria se presentará un informe final.

#### 10. CALENDARIO DE PAGOS

El valor de \$366,703.00 que corresponde a los costos compartidos serán transferidos en un solo pago al PNUD, de acuerdo con sus normas y procedimientos.

PRESUPUESTO DE LA ASISTENCIA PREPARATORIA  
CORRESPONDIENTE A LA CONTRIBUCION DEL P.N.U.D.  
Y COSTOS COMPARTIDOS  
(En US Dólares)

	TOTAL m/h	TOTAL US\$
13-01 Asistencia Administrativa	24	8.400
17-00 Consultores nacionales	24	48.000
15-00 Gastos de Viaje		1.734
20-00 Subcontratos		
21-00 Producción de Materiales Pro- mocionales.		2.700
30-00 Capacitación		7.900
41-00 Equipo fungible		1.720
42-00 Equipo no fungible		21.955
43-00 Alquileres		3.100
50-00 Varios		1.200
51-00 Operaciones y Mantenimiento de Vehiculos.		1.186
52-00 Publicaciones e Informes		1.100
54-00 Fondos Proyectos Ambientales		370.370
99 TOTAL DEL PROYECTO		469.365
109 Costos compartidos nacionales		366.703
158 Costos Administración		3.667
999 TOTAL PNUD		102.662

PRESUPUESTO DE CONTRAPARTE NACIONAL DE LA  
ASISTENCIA PREPARATORIA

(En Especie Lps.)

10.00	Asistencia Administrativa y de Dirección.	100,000.00
41.00	Material y equipo de oficina	56,000.00
51.00	Varios	20,000.00
	<b>TOTAL CONTRAPARTE NACIONAL</b>	<b>176,000.00</b>

PROJECT NUMBER RON/92/021/A/01/99 | LAST REV: 12/00/92 |  
 PROJECT TITLE FORTALECIMIENTO INSTITUCIONAL PARA LA FUNDACION  
 RANGORRUA DE AMBIENTE Y DESARROLLO "VIDA"

PROJECT BUDGET COVERING COST-SHARING CONTRIBUTION (in U.S. Dollars)

PROJECT COMPONENTS	TOTAL AMT	1992 AMT
	M/M	M/M
000 COST SHARING		
001 100 COSTOS COMPARTIDOS	366.703	366.703
009 COMPONENT TOTAL (**)	366.703	366.703
100 COST SHARING OVERHEAD		
100 001 COSTOS ADMINISTRACION	3.667	3.667
109 COMPONENT TOTAL (**)	3.667	3.667
199 BUDGET TYPE TOTAL (***)	370.370	370.370

PROJECT TITLE : FORTALECIMIENTO INSTITUCIONAL PARA LA FUNDACION  
HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA"

PROJECT BUDGET COVERING UNEP CONTRIBUTION (in U.S. dollars)

PROJECT COMPONENTS	TOTAL AMT	1992 AMT
	M/M	M/M
642 000 EQUIPO NO FUNCIONA	21,955	21,955
643 000 ALQUILERES	3,100	3,100
649 COMPONENT TOTAL (**)	26,055	26,055
*650 MISCELLANEOUS		
651 000 OPERACION/MANTEN VEHICULOS	1,186	1,186
652 000 PUBLICACIONES/INFORMES	1,100	1,100
653 000 VIAJES	1,200	1,200
654 000 FONDOS PROYECTOS AMBIENTALES	370,370	370,370
659 COMPONENT TOTAL (**)	373,856	373,856
699 BUDGET TYPE TOTAL (***)	469,365	469,365
	24.0	24.0
101 000 COSTOS COMPARTIDOS	-366,703	-366,703
109 COMPONENT TOTAL (**)	-366,703	-366,703
009 UNDP TOTAL (***)	102,662	102,662
	24.0	24.0

PROJECT TITLE FORTALECIMIENTO INSTITUCIONAL PARA LA FUNDACION  
HONDUREÑA DE AMBIENTE Y DESARROLLO "VIDA"

PROJECT BUDGET COVERING UNDP CONTRIBUTION (in U.S. dollars)

PROJECT COMPONENTS	TOTAL AMT	1992 AMT
	M/M	M/M
*010 PROJECT PERSONNEL		
*13 Admin support personnel		
013 001 ASISTENCIA ADMINISTRATIVA	8,400	8,400
13 99 Subtotal (*)	8,400	8,400
*15 Official travel		
015 000 GASTOS DE VIAJE	1,734	1,734
15 99 Subtotal (*)	1,734	1,734
*17 National Professionals		
017 000 CONSULTORES NACIONALES	48,000	48,000
	24.0	24.0
17 99 Subtotal (*)	48,000	48,000
	24.0	24.0
019 COMPONENT TOTAL (**)	98,134	98,134
	24.0	24.0
*020 SUBCONTRACTS		
020 000 PRODUCTO MATERIAL PROMOCIONAL	2,700	2,700
029 COMPONENT TOTAL (**)	2,700	2,700
*030 TRAINING		
030 000 CAPACITACION	7,900	7,900
9 COMPONENT TOTAL (**)	7,900	7,900
*040 EQUIPMENT		
040 000 EQUIPO PUNTOLE	1,700	1,700

SCHEDULE OF PAYMENT

12 AUG 92

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( PROJECT ID: HON/92/021/01/99 )

COST SHARING CONTRIBUTION

	US DOLLAR	DATE
	-----	-----
	370,370	AUGUST 92
TOTAL:	----- 370,370	

Cost-Sharing is payable in US Dollars to be deposited into the UNDP Contribution Account no 015-002284, Chemical Bank, New York, N.Y.

**Analysis of Honduran NGO Capability  
To Absorb Financing from the National Environmental Fund**

Submitted to  
**The Biodiversity Support Program**

by

Ruth Norris  
3360 18th Street NW  
Washington DC 20010

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**04 November 1992**

## List of Acronyms

<b>AHE</b>	Asociación Hondureña de Ecología (Honduran Ecological Association)	<b>COHDEFOR</b>	Corporación Hondureña de Desarrollo Forestal (Honduran Forestry Development Corporation, the principal governmental forestry agency)
<b>AID or USAID</b>	U.S. Agency for International Development	<b>CONAMA</b>	Comisión Nacional del Medio Ambiente y Desarrollo (National Environment and Development Commission)
<b>APRODIB</b>	Asociación para el Desarrollo de las Islas de la Bahía (Bay Islands Development Association)	<b>FOPRIDEH</b>	Federación de Organizaciones Privadas de Desarrollo de Honduras (Federation of Honduran Private Development Organizations)
<b>BICA</b>	Bay Islands Conservation Association	<b>FUCSA</b>	Fundación Cuero y Salado
<b>BSP</b>	Biodiversity Support Program	<b>GEF</b>	Global Environment Facility, a project of the World Bank, United Nations Environment Program, and United Nations Development Program
<b>CATIE</b>	Centro Agronómico Tropical de Investigación y Enseñanza (Tropical Agronomy Research Center)	<b>GEO</b>	Grupo Ecológico de Olancho (Olancho Ecological Group)
<b>CEDARENA</b>	Centro de Derecho Ambiental y de los Recursos Naturales (Environmental Law Center, San José, Costa Rica)	<b>GOH</b>	Government of Honduras
<b>CIDA</b>	Canadian International Development Agency	<b>IDB OR BID</b>	Inter-American Development Bank (Banco Interamericano de Desarrollo)
<b>CODDEFFAGOLF</b>	Comité para la Defensa y Desarrollo de la Flora y Fauna del Golfo de Fonseca (Committee for the Protection and Development of Gulf of Fonseca Wildlife)	<b>IIT</b>	Instituto Hondureño de Turismo (Honduran Tourist Institute)

**IUCN**

International Union for Conservation of Nature and Natural Resources, also known as the World Conservation Union

**LUPE**

Proyecto de Mejoramiento, Uso y Productividad de la Tierra (Land Use Productivity Enhancement Project, a major USAID initiative in Honduras)

**MOPAWI**

Mosquitia Pawisa (Agency for the Development of Mosquitia)

**NGO**

Non-Governmental Organization

**OPD**

Organización Privado de Desarrollo, a general term for private development organizations.

**PACA**

Proyecto Ambiental para Centroamerica (Central American Environmental Project, a regional project financed by AID's Regional office for Central American Programs.

**PACT**

Private Agencies Collaborating Together

**ROCAP**

AID's Regional office for Central American Programs

**TNC**

The Nature Conservancy

**UNDP**

United Nations Development Program

**WWF**

World Wildlife Fund

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## Introduction

This study was conducted to determine how much funding Honduran and international NGOs will be able to use effectively in Honduras over the next five to ten years for projects to enhance sustained use of ecosystems, maintain biodiversity, and prevent further degradation of tropical forest habitat. The study focuses on funding that could be provided through Fundación Vida, a Honduran NGO recently established to manage a national environmental fund.

The Government of Honduras (GOH), as part of a debt reduction agreement with the Government of the United States, has committed 30 million lempiras (US \$5.2 million at today's exchange rate) to the fund over the next five years. The first installment, about \$1.03 million, has already been paid into an account which is currently managed under an agreement between Fundación Vida and UNDP.

This study provides information that will help USAID design a project of investment in Fundación Vida. Other donors may also invest in Fundación Vida or similar conservation finance mechanisms. For example, the Government of Canada has stated its intention to forgive Honduran bilateral debt amounting to US \$26.4 million under an agreement that would support sustainable development programs. Fundación Vida also intends to seek funding from other bilateral and private donors.

The study was limited to 20 days (8 in Honduras, 12 in Washington), and thus presents a general rather than comprehensive examination of NGO activities and capabilities. Data gathering began with a review of published reports on similar national conservation funds in other countries. Then, in a series of interviews, U.S.-based staff of environment and sustainable development organizations provided information about their programs and plans in Honduras. They indicated which Honduran organizations they

felt would be most able and likely to participate in projects with Fundación Vida, and answered questions about the Honduran NGO community in general.

The study also included interviews in Honduras with representatives of key NGOs (identified via U.S. interviews or AID/Honduras staff). Each was asked about the organization's projects, budget, and plans, its current sources of income, whether the organization was aware of Fundación Vida and might consider it a potential source of future funds. Many of the respondents also offered information about other organizations and the Honduran NGO community in general. Thus, while the data in this study pertaining to NGOs' actual financial situations and capabilities is not precise, it has been cross-checked with various sources and represents a reliable "ballpark" estimation.

Contacts made during the study included two full days with the staff and board of Fundación Vida, interviews with donors, potential providers of technical assistance, and heads of relevant government agencies, and a visit to one potential project site. Staff of AID/Honduras and Fundación Vida participated in reviews of preliminary findings. The study concluded with additional literature review and interviews of U.S.-based organization staff.

Additional data will become available to AID as the project design proceeds. Notably, a directory of organizations implementing environmental projects is due out at the end of November 1992. BioConsult, the Honduran firm contracted with Canadian funding to research the directory, has identified about 50 such organizations through a questionnaire, which includes information about the scope and budgets of current projects. The firm is now ~~verifying data in the field.~~

The Government of Honduras' NGO Liaison Office also is using a questionnaire to solicit information about NGO activities, although it has not done systematic followup and has few responses to date. CONAMA, the

National Environmental Commission, has ambitions to create a registry of NGOs working in the environmental field in Honduras, and would have authority to do so under the proposed new environmental law (which is expected to pass the legislature by early December at the latest).

Therefore, this report should be considered a starting point, and updated as new information becomes available during project design. Special attention should be paid to verification of information that to date has remained largely anecdotal.

### I. Issues Affecting Demand and Absorptive Capacity

"Demand" and "absorptive capacity" are concepts easily defined but difficult to measure. Theoretically it should be possible to survey organizations about their perception of needs, and their ambitions for programs (and funding) to serve those needs. The organizations' ability to carry out programs can be analyzed in terms of their history and track record, and the experience of organizations implementing projects similar to those proposed. However, this type of straightforward analysis rarely presents a true picture. This section presents several issues affecting any predictions of NGO participation in environmental projects.

**Existing vs. Potential Capacity.** An organization's capacity to use financial resources effectively comprises a range of abilities that change over time. These changes can occur quite rapidly. Given adequate vision, leadership, and technical support, an organization that did not exist three years ago can manage a six- or even seven-figure project today. Capacity can plummet even more rapidly when an organization loses key supporters or staff. ~~Thus it is important to look not only at present capacity, but also at organizational aspects that predict successful development of capacity.~~

A recent USAID evaluation of NGO-development programs supported by its

worldwide PVO Matching Grant Program concluded that organizations can grow and increase capacity rapidly given (1) the ability to attract and retain skilled people; (2) a strong community base of support; (3) effective networking with other NGOs, governmental agencies, and international organizations; (4) effective systems and strategies for management and planning; and (5) financial resources (USAID, 1989). Over the short term, organizations can increase capacity even though they lack one or more of the key characteristics, but these tend to be "boom and bust" cycles unless progress is made in all areas.

Most of the organizations profiled for this study need to develop at least two of these characteristics, typically (4) and (5) but also (2). People interviewed voiced an almost unanimous opinion that AID's Honduras environmental project should be designed to create and enhance NGOs' abilities, rather than relying on existing capacity. So the study analyzes Honduran NGO capacity not so much in present terms, as in terms of the investments and program activities necessary to achieve capacity-building goals.

**Focus on Building Environmental Organizations; Focus on Developing Environmental Agendas of Existing NGO community.** By all accounts, Honduras has dozens, perhaps more than a hundred, incipient local environmental organizations. Promoting the proliferation and growth of organizations such as these is crucial to building a grassroots national environmental movement. A small-grants program to provide them with training in conservation issues and practices, planning and project preparation, and small amounts of money for materials, transportation, etc., could conceivably distribute several hundred thousand dollars per year without "swamping" any one organization, except perhaps the one charged with administering and monitoring the multiple small grants.

At the other end of the spectrum, few environmental NGOs are prepared to take over management of large protected areas and implement sustainable management schemes in

extensive rural zones, even if funding were available. The number of these types of large, integrated projects that could be funded over the next five to ten years will depend in large part on parallel funding for project coordination, training, technical assistance, and evaluation.

Thus, in order to get started, and to assure that environmental protection and *sustainable* development projects will proliferate in Honduras, both Fundación Vida and AID's environmental project will have to find a balance between building up the community of environmental organizations and supporting other types of NGOs in developing environmental agendas. Organizations primarily interested in development, education, and health have project-implementing capacity well ahead of the strictly environmental groups. Indeed, some of the development-oriented NGOs are already promoting technologies for organic agriculture, soil conservation, and watershed management. One is taking on management of a new national park.

Absorptive capacity for environmental projects in Honduras will be strongly affected by the degree to which existing organizations are willing to set environmental priorities in their own agendas, and work with the new environmental NGOs in large, integrated projects. In this regard, too, it will be important for AID and Fundación Vida to address capacity for environmental projects as a goal, not as an external factor to react to.

**Donor-Driven Demand.** Finally, before making predictions about demand and absorptive capacity, it is important to acknowledge the influence that Fundación Vida itself will have. The Fundación's policies, priorities, and systems all will affect both the volume and type of projects to be created.

We often envision demand as something that exists, and to which donors respond. In reality, the process often works in reverse. Funding becomes available, and organizations adjust their priorities, or new organizations are created, to serve purposes articulated by the donor. (One particularly successful example of the latter process is The Nature Conservancy's

Parks in Peril program, which actively recruited and in a few cases helped create organizations that would enter into NGO-GO agreements for creating and managing national parks. The promise of long term collaboration, training, and technical and financial support specifically for parks often was the deciding factor in an organization's decision to commit to parks and protected areas as their top priority.)

NGOs' ability to use money effectively is also at times a function of careful oversight by donors. Funders may participate in extensive pre-implementation project reviews, help recipients network with other NGOs whose experience may be useful, conduct mid-course evaluations and adjustments, and oversee the preparation of reports. Donors who do not have the capacity to carry out these functions themselves often finance intermediary recipients (CARE, World Wildlife Fund, etc.) who will exercise oversight, at the same time training the ultimate recipients in management practices.

Fundación Vida at this point has not yet made decisions about whether to operate more actively or more reactively, whether to accept all proposals that meet certain basic criteria or to concentrate activities in carefully selected areas. Knowing more about the general areas to be supported will make it easier to predict what the capacity will be in those areas. For example, there are a good number of organizations already quite far along in planning environmental education

programs, implementing watershed management projects, promoting reforestation with fruit trees, and developing community leadership. But in other areas the base to build on is more limited. Fundación Vida will have to strike a balance between using existing capacity to get off to a strong start, and investing in capacity building to develop new types of programs.

## II. Current Situation

### Role of Honduran NGOs in Environmental Projects

Compared to other Central American countries, Honduran institutions have to date received relatively little U.S. financial support for conservation projects. The most recent BSP-supported study of funding for biodiversity conservation from U.S. sources shows Honduras receiving \$420,000 in 1989 for some 19 projects, averaging \$22,000 per project or \$38 per hectare of total land area. By comparison, Costa Rica, far and away the largest recipient of U.S. assistance for biodiversity conservation, received \$6.2 million or \$1,212 per hectare. Guatemala \$1.2 million, or \$114 per hectare (Abramovitz, 1991).

Although Honduras' share of international funding has been low, the challenge confronting institutions seeking to conserve natural resources in Honduras may be greater than in other countries because of the emphasis on decentralization and divestment of central government. President Callejas is firmly committed to reducing the government, transferring responsibilities to communities, and strengthening private sector groups (PACT, 1991).



~~During the 1980s, the majority of~~  
international conservation funding to Honduras went either to government agencies (particularly the forestry agency, COHDEFOR) or to the Honduran Ecological Association (AHE), the only national-level environmental organization.

Since AHE's collapse in 1991, other NGOs have had more access and prominence in the national/international arena, but most remain dedicated to a regional or local rather than national area.

Several agencies, including CONAMA, the GOH NGO liaison office, and Fundación Vida, have expressed an interest in creating and maintaining a data bank on environmental activities and projects. Such information at present is not compiled and is hard to come by.

Most Honduran NGOs are development-oriented OPDs (private development organizations). FOPRIDEH, a national consortium of OPDs, lists 164 of these in its current directory; an interview with FOPRIDEH staff revealed that 52 are active members of the consortium and provide regular information about their activities. These active members' environmental projects typically are components of integrated rural development work - soil and water conservation, organic agriculture, reduction of pesticide use in combination with health, education, and community leadership.

Some of these projects are quite successful and far-reaching. Save the Children, for example, works with some 56,000 residents in four Honduran departments (states), in projects of economic development, health, education, and agriculture (stressing soil and water conservation and sustainable resource management). Aldea Global (Project Global Village) is ready to take on management of Cerro Azul National Park, having developed sustainable use and community leadership programs in much of the surrounding territory. MOPAWI combines economic development and leadership with training in sustainable agriculture technology in the Mosquitia region. Partners of the Americas Honduras-Vermont has developed an ambitious plan for ~~environmental education in the Tegucigalpa area~~ and in 10 schools in other parts of the country; building on its existing school programs and extensive volunteer network, the organization would like to organize seminars for primary teachers and exchanges with environmental

education programs in Vermont schools. CARE has plans for a national environmental campaign focused on forest fire prevention.

Rafael Calderón of BioConsult, the firm working on a directory of NGOs, has estimated that the total number of organizations managing environmental projects in Honduras is somewhere in the neighborhood of 50. As he analyzes these projects and verifies data in the field, a clearer picture of the true scope of environmental project activity should emerge.

NGOs with a mandate focusing specifically on the environment in Honduras are a relatively new phenomenon. Estimates of how many there may be vary a bit, the number generally cited is 70 to 80, of which no more than a dozen or so would meet minimal standards for absorptive capacity — *personería jurídica* (legal status as an organization granted by the national assembly), two years or more of existence, a budget of \$5,000 or more, contacts with outside sources of financing and technical assistance.

As a rule, the environmentally driven organizations focus on a particular site (Bay Islands Conservation Association and APRODIB on the Bay Islands; Fundación Cuero y Salado on the Cuero y Salado reserve on the north coast; Fundación Hector Rodrigo Pastor Fasquelle on Cusuco National Park and the area around San Pedro Sula; Eco Lago on Lake Yojoa and its watershed; Corazón Verde in Santa Barbara, Prolansate in Tela, AmiTigra on La Tigra National Park, and so forth). Their current work includes activities such as studies of the resources of their chosen areas, marking boundaries, environmental education outreach, hiring and training guards and/or organizing patrols. Their long-term plans may include expanding to nearby reserves or diversification of activities within their chosen area (environmental education, wildlife studies and management, ecotourism development, community outreach).

A few groups are organizing as federations and associations of grassroots and community-based groups. These include CODDEFFAGOLF on the Gulf of Fonseca;

GEO (Grupo Ecológico de Olancha), GRAPIA on the Atlantic coast, and FOLATI in the western part of the country. CODDEFFAGOLF in fact could more accurately be classed with the development oriented NGOs. It works with various campesino federations in economic alternatives, including solar powered salt production alternating by seasons with artisanal shrimp production.

Peace Corps has expressed a particular interest in working with these regional groups and thereby extending its reach to a greater number of local groups, one or more of them may prove to be a good "intermediary" recipient of Fundación Vida support, providing sub-grants and technical assistance to member organizations.

At the national level, FedAmbiente is a federation of some 40 organizations. (Average existence - 2 years; main activities are conferences, lectures, seminars, small reforestation projects, radio programs, etc.; budgets in the hundreds rather than thousands of dollars.) This organization has ambitions to organize groups of NGOs working on similar projects. They would like to offer training and technical support, and perhaps collaborate with Fundación Vida on nationwide training programs. At the moment FedAmbiente presents a political dilemma. Given the current political situation in Honduras (strong Conservative Party government, near-invisibility of the Liberal Party), campesino federations have become in some ways a *de facto* opposition. FedAmbiente's work with these federations gives it the reputation of a somewhat radical organization. Its political agenda and current leadership are both issues to be considered, and may keep it for the time being from being a true national "umbrella" organization. However, as its membership grows and its leadership evolves, it may well be a good candidate to put together multi-organizational participation in a regional project. It is particularly strong in the south.

Two AID-financed projects currently under way in Honduras will have an impact on environmental project possibilities and growth

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of the implementing NGOs. (One is PACA, the Central American Environmental Project of AIT's Regional Office for Central American Programs (ROCAP) implemented by CARR and The Nature Conservancy (TNC), the project focuses on the Cusco-Merendon region. TNC oversees biological inventories, information management, and protected area management (CARR implements the buffer-zone rural development component, and environmental education. The second project is Wildlife Conservation International's *Paseo Paterna*. It encompasses conservation, environmental education, and ecotourism, built on the theme of the jaguar and its range. This project, and an upcoming Inter American Development Bank loan, support development of NGOs working with environmentally oriented tourism. Like the PACA project, it presents opportunities for add-ons of complementary project activities, taking advantage of the institutional support systems already in place. Under a separate agreement, WCI is also working with COHDEFOR, the agency responsible for national parks and protected areas, to develop protection policies.

One characteristic common to those organizations currently perceived as capable of rapid growth to manage large, diverse projects is their greater access to outside sources of technical and financial support. For example, the Fundacion Hector Rodrigo Pasquel began with a \$4,000 annual budget in 1990 and by 1992 was implementing the Cusco-Merendon conservation project funded by PACA - an \$85,000-per-year investment. Technical backup provided to the organization by The Nature Conservancy over the past twelve months has included two consultants who analyzed the organization's structure and training needs, and assisted with strategic planning and budgeting. one or more staff visits from TNC's country

Availability of Technical and Institutional Development Support

Of the two general sets of skills (management and organizational development; biology and resource management) NGOs tend to start out stronger in one and needing help in the other. Honduran environmental NGOs, more than environmental NGOs in other countries, tend to have a grounding in the business community and access to solid financial management skills. However, few of them are managed as businesses in their own right. Those whose operating systems were analyzed during this study operate in a "mom and pop" fashion. As projects come on line, the organization's leaders cobble together financing program director, training director, and conservation finance director, and participation by two Fundacion staff in week long training workshops. In addition, the Fundacion has had the assistance of two Peace Corps Volunteers. Its projects director has been awarded, by TNC, a two year, \$20,000 ROCAP funded training fellowship which will support travel to the United States and other countries for training at courses and project sites. This is not to say that the Fundacion is dependent on its international supporters, it has solid support from the Pasquell family and would carry out its mission regardless of international participation. But that assistance has been crucial to the current rapid growth.

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It is possible for an organization to start up quite strongly on its own, given good local leadership (one comment frequently heard during the study was, "It's the new groups that are doing the most in Honduras"). However, it is rare for any organization in its formative years to be able to call from its own leaders all the skills necessary for gearing up and managing a very large project — skills ranging from strategic planning, project preparation, financial management, public outreach and human resource development to biological monitoring, natural resource management, and infrastructure development.

and services (transportation, printing, materials, long distance telephone) from their business patrons, rather than from a regular operating or project budget

In addition to helping NGOs formalize project management, outside technical assistance (facilitation, mediation) may also be key to developing multi-NGO and NGO-GO agreements for collaboration on large and complex projects

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A fair amount of technical assistance and training already is available to Honduran NGOs who might present projects to Fundación Vida. The OPD-type organizations have existing support networks, and there are various possibilities for the emerging environmental NGOs. A quick review:

◆ **FOPRIDEH** has presented seminars on project planning and proposal writing, including three recently funded by CARE. The organization is willing to serve as a liaison to Fundación Vida, keeping its members informed of opportunities, but is not ready at this point to say definitely that it would provide training and technical backup for specifically environmental projects. A good prospect for negotiation.

◆ **Peace Corps** expects to keep 15 to 20 environmental Volunteers in the field over the current five-year planning period. Peace Corps Volunteers have assisted with the formation of several of the up-and-coming environmental organizations, with skills ranging from wildlife and land management to environmental education, publicity, and fundraising. Peace Corps training emphasizes participation of Volunteers together with their counterparts; any one organization typically gets 3-4 years of assistance (two Volunteers).

◆ **CARE** generally hires people directly to work in the field, rather than working through local NGOs, but the PACA project presents some opportunities for add-ons. That is, the environmental education component will be run through NGOs, and the micro-watershed management component might involve some participation and strengthening of

local NGOs. CARE is negotiating with AID the possibility of helping to develop nine NGOs in the southern part of the country for extension work associated with AID's Land Use Productivity Enhancement (LUPE) project

◆ **World Wildlife Fund** has provided in-country technical assistance to FUCSA, MOPAWI, and FedAmbiente, and will give some support to the newly forming Fundación Río Plátano. Generally WWF considers Honduras a second level priority in Central America (Guatemala and Nicaragua are first level) but the Mosquito Coast area connecting to Nicaragua falls into the higher priority. Formal training has involved invitations to regional workshops (one was held in Costa Rica earlier this year). WWF has good "off the shelf" training materials and courses in strategic planning, project management, proposal writing, etc. It is quite possible that WWF would be interested in being contracted by AID or VIDA to provide a series of courses for Honduran NGOs. WWF recently accepted Canadian funding to put on a series of workshops in Brazil for purposes similar to those put forth in this project.

◆ **The Nature Conservancy** will focus its efforts on the PACA project, the Fundación Hector Rodrigo Pastor Fasquelle, and government participants in the Cusuco-Merendón project.

◆ **Conservation International** has no plans to become involved in Honduras but would if an exceptional opportunity arose. Funding would have to support CI in hiring new staff to direct the program. "Exceptional opportunity" might include Rio Coco binational park or comprehensive program for protection for Honduras' cloud forest reserves (a system of 22 reserves created a few years ago by a decree protecting all lands above a certain elevation).

◆ **World Resources Institute's** primary interest, as in other Central American countries is strengthening CONAMA, which most likely will work closely with Fundación Vida in the policy arena.

Several other organizations are possible providers of training and technical assistance,

either as partners of individual NGOs that may implement projects, or brought in as part of Vida's plans for contracted assistance. These include PACT (discussed in the next section), INCAE (Costa Rica), CEDARENA (a regional environmental law foundation based in Costa Rica, which has involved North American and Central American lawyers and interns in studies of legal issues affecting conservation, particularly land tenure), ACESO (also in Costa Rica, a Ford Foundation-financed NGO support group) and possibly the U.S. university community. The study did not investigate this last in detail, but the University of Michigan, for example, has an international master's program in resource and NGO management, with scholarships for international participants. Yale and Case Western have NGO development curricula. Many universities have excellent natural resource management programs.



In sum, the availability of technical support and institutional development assistance does not appear to be a limiting factor so long as it is planned and budgeted for from the start of the project. Budgeting \$3 out of every \$10 for training and institutional development would be a reasonable figure. (See discussion of TNC investments in Fundación Pastor above; WWF's \$5.4 million Central America program allocates 11 percent to protected area management training, 21 percent to organizational development, 26 percent to protected area management, 9 percent to sustainable use of resources, 7 percent to research and policy, and 15 percent to land purchase.)

### III. Lessons from Other Countries

Most of the environmental trust funds established through debt swaps and other mechanisms in Latin America have histories too short to provide many lessons to learn from, or to provide the basis for long-term predictions.

They do, however, provide a good idea of what can be accomplished in the early years. Also, many of the social investment funds established in Central America in the past decade had structural goals similar to Fundación Vida's, even though the project activity area was somewhat different. These funds also provide some insights into the process of investing in capacity building while at the same time acting as a foundation, funding projects.

The U.S. organization PACT (Private Agencies Collaborating Together) worked with NGOs, USAID, and other donors to establish ACORDE in Costa Rica and ASINDES in Guatemala. Both are "umbrella" organizations that give project grants for development, and also are service organizations for member NGOs, offering programs of training and technical assistance, and in the case of ASINDES, representing

member organizations to government, donors, and others.

ACORDE's funding grew from about \$1 million in 1987 to \$3 million in 1990 (largely USAID and matching local currency), and then embarked on exponential growth by going after large multilateral and private donations. In its first two and one-half years, it grew from 10 employees to 18. It selected and funded 40 projects proposed by local and international NGOs, and presented another 43 project proposals to other international funding sources.

ACORDE is a nonmembership organization, organized more like a foundation than a consortium. The balance between its role as funder and its role as supporter of NGOs is a delicate one. Initially it funded an existing NGO consortium to provide training after analyzing NGO needs. Later it contracted with INCAE for development of a two-year training program that involves a one-week-per-month commitment by 75 staff of the 30 participating NGOs.

The experience in Guatemala is probably more relevant to Honduras. Unlike Costa Rica, which had more than 2,000 NGOs existing when ACORDE was created, Guatemala probably had fewer than 200 at the initiation of ASINDES (Association of Service and Development Institutions). In 1986, when PACT began its AFD-funded assistance, ASINDES was seven years old and had evolved into an umbrella organization of 20 Guatemalan and international development organizations. It was torn by internal conflict based on the participating parties' involvement with various factions of Guatemala's civil conflicts. U.S. Government funding was also a source of controversy.

ASINDES obligated \$467,000 in funding during the first year of the project, \$860,000 in the second year, \$1.2 million in the third, and \$3 million in the fourth. Importantly, the process of clarifying goals, objectives, policy, and strategy was seen not as a precondition for beginning funding, but an ongoing part of the institutional development

work. An external "project selection committee" was formed to avoid the pitfall of interested parties making decisions on project funding. This committee, made up of national and international specialists who are neither board nor staff of interested NGOs, has the last word on the technical viability of projects under consideration. Thus, despite the rejection of nearly as many projects as were funded in the early years, ASINDES avoided charges of bias or member animosity.

In its first two and a half years, ASINDES funded 36 large and medium-sized projects and made 30 "mini-donations" for feasibility and market studies of proposed projects, and for strengthening recipients' accounting and administrative systems. Its staff, which grew from 8 to 14, assisted with projects and conducted workshops on functional themes, such as project supervision. Like ACORDE, ASINDES after four years was negotiating multi-million-dollar agreements with multilateral funders.



In the Dominican Republic, a \$12 million PVO co-financing program was launched by USAID in 1989. About \$2.5 million of the fund was allocated for technical assistance, and a sub-fund of \$200,000 set aside for hiring technical consultants to provide institutional development assistance. Some of this project's criteria for participation and financing will be useful to Fundación Vida as it sets guidelines.

More recently, and specific to the environmental theme, the Dominican Republic's "Fondo Pro Naturaleza" (Pronatura, an NGO somewhat like Fundación Vida) signed agreements with the Central Bank and The Nature Conservancy to initiate a national environmental trust fund with a group of four pilot projects. The projects total about \$1.5 million. 40 percent will be supplied by Pronatura and 60 percent by the implementing agencies. (Although this percentage is probably high compared to what could be achieved in

*1st year*

Honduras, it bears noting that ability to provide a match, in cash or in kind, is a good indicator of absorptive capacity.)

Pronatura elected to finance a first tranche of projects as a way of "getting its feet wet" even as long term policies and priorities were being developed. It chose four distinctly different types of projects and recipients - the national park agency for management of Isla Cabritos National Park, two community groups working in rural development, one focusing on micro-watershed management and one on environmental education and reforestation, and an NGO contracted to manage a government-owned scientific reserve. The funds will be disbursed over five years, with annual audits and evaluations. In this first portfolio are no major capital acquisitions (land, vehicles); the projects are programmed for slow, steady, sustainable growth.

El Salvador's new environmental trust fund is following a similar model, starting with 9 small projects and adding 11 more in a second tranche.

#### IV. Demand Projection

##### Honduran NGOs' estimates of demand

Fundación Vida's priorities, while not yet definitely established, will focus generally on protected areas and biodiversity conservation, watershed management, and environmental education (on its own and as an integral part of other projects). Honduran organizations participating in this study were asked for information about their plans and anticipated funding needs in these areas.

Most of the replies reinforced the notion that nonprofit organizations, particularly in their early years, adhere to broad mission statements

and tend to be opportunity-driven in defining their specific roles for carrying out the mission. Of the Honduran organizations analyzed, those with a portfolio of project plans and budgets generally have attached a donor name to each project, and see Fundación Vida as a potential

funding source "if the IUCN proposal falls through." They are waiting to see what Fundación Vida will offer.

Not surprisingly, the development-oriented NGOs are better prepared to identify specific activities and amounts of funding. Several of these organizations have already drafted proposals for Vida's review. CARE, Partners of the Americas, COOMICORHUL, and UPNFM are all interested in large (five- and six-figure) environmental education programs. Proposals for community forestry programs, nurseries, and reforestation also present the possibility of large project investments.

Organizations interested in biological research, managing protected areas, and urban issues (other than environmental education) are less able to predict needs at this point. Only a few environmental organizations (five or six) are capable of managing \$45,000 to \$100,000-per-year projects now. More will gain this capability as they mature and gain experience.

This study looked in some depth at organizations already counted among the "top ten" environmental organizations and OPDs most involved in environmental projects. With the exception of the Bay Islands Conservation Association (BICA), which has already submitted projects totaling \$20,000 to Fundación Vida, most respondents, when pressed to indicate how much they might request from Vida, mentioned annual sums in the neighborhood of \$30,000 to \$50,000. (BICA's projects, if extended over several years and funded partially from other sources, would fall into the same category.) Others emphasized the enormity of Honduras' environmental problems and gave multimillion-dollar estimates of how much would be needed, but did not have estimates for year-by-year needs for priority activities.

One promising sign: Virtually all of the organization personnel interviewed who had considered Fundación Vida as a funding source clearly saw it as a source to diversify an existing funding base and build institutional stability, rather than "taking over" projects as

existing funding runs out.

A quick review of specific comments:

◆ Fundación Hector Pastor's project needs are approximately \$110,000 per year, mostly covered from existing sources at this point.

◆ CODDEFFAGOLF, whose current budget is in the \$100,000 per year range, says it needs a minimum of \$250,000 per year to realize its plans long term. The organization will need new donors to meet this goal, and looks to Fundación Vida as an important new source.

◆ Wildlife Conservation International's Paseo Pantera project ends in February 1993, but has opened several new possibilities for projects. A national ecotourism council has been established. Fundación Vida is a member; FedAmbiente represents environmental organizations on the council. Vida might well use some of its funding for "buy-ins" to environmental tourism projects with the council and the national tourism institute. NGOs currently part of Paseo Pantera with ability to develop conservation and tourism projects are AFRODIB and BICA in the Bay Islands, FUCAWA in Trujillo, GRAPLA for Pico Bonito.

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As another indicator of demand, Vida has already received proposals totaling \$3.5 million for 16 projects - even in the absence of publicity or requests for proposals. Most of the organizations submitting these projects appear capable of carrying them out, but the list cannot be viewed as a true indicator of capacity because several of the projects are overlapping or duplicative, and many request 100 percent funding from Vida. These might not be feasible if the proposing organization were required to bring cash or in-kind resources to the project - a condition that Vida is likely to add to its sorting mechanisms.

#### Estimates based on other interviews

The Nature Conservancy, as a rule of thumb in its Parks in Peril program, estimates that a large park (100,000 hectares or larger) requires approximately \$125,000 per year in a one- to three-year startup phase, including investment in infrastructure and capital equipment such as vehicles. Thereafter, the need is \$40,000 to \$50,000 per year in ongoing maintenance costs (TNC, 1990). Other wildlands management experts cited higher costs, ranging to \$2 and more per hectare. The Government of Honduras' stated intention is to have NGOs contribute substantially and in some cases the entire amount of these costs, with an NGO in charge of each protected area. Thus it makes sense to calculate the resources needed to accomplish protection of the system, and then develop projections based on different scenarios of how fast the individual projects can be brought on line.

According to IUCN, the World Conservation Union, of Honduras' 65+ protected areas, 32 qualify as national parks or equivalent reserves. Two-thirds of these comprise 3,000 hectares or less. Their total area is 879,924 hectares. Assuming a \$25,000 cost for developing a management plan (needed by all but two or three), the total needed to get plans in place is \$800,000. A "ballpark" management figure of \$1- \$2 per hectare per year comes out to \$0.9 to \$1.75 million per year, just for those reserves of national park or equivalent status. Some additional amount would be necessary for the 30+ cloud forest reserves, wildlife refuges, etc.

Whether the capacity can be created to absorb this level of funding, and how soon, is subject to differing assumptions about how many park projects can be initiated per year, and how long it will take the implementing organization to reach full capacity.

In fact, even with its well developed technical assistance programs, TNC finds that its partner organizations, particularly the newer, less well established organizations, often have difficulty programming and using the level of funding described above. The organization wisely programs the flow of funds according to

the achievement of programmatic benchmarks ranging from development of working partnerships with government agencies to institutional development and ability to raise local support and completion of on-the-ground program objectives.

If the need for protected area management funding runs somewhere in the range of two to three million dollars a year, this type of activity could conceivably consume the majority of funds available to Fundación Vida, if capacity could be built, but this does not take account of the Fundación's sustainable development mission. Funding needs and demand in this area are even more difficult to predict. It would be reasonable to assume, based on the data garnered from interviews and preliminary projects presented to Fundación Vida, that the need is at least as large on the development side as on the conservation side, although presently NGOs working in rural development, sustainable agriculture, watershed management, and the like appear to have more access to funding than those involved in "pure" conservation.

How does Fundación Vida allocate funds in light of these conditions? Several organizations with large assistance programs have established general rules of thumb that can help inform Fundación Vida's projections.

World Wildlife Fund and The Nature Conservancy generally define project grants in the \$40,000 to \$80,000-per-year range, and institutional development grants in the \$5,000 to \$20,000 range. The majority of projects fall in the lower ranges.

The InterAmerican Foundation, which invested some \$800,000 in Honduras in FY 1992 and plans to invest some \$1.3 million in FY 1993, generally funds grassroots organizations for three- to five-year projects at \$60,000 to \$70,000 per year. The Foundation makes grants with the expectation of multi-year followup, but the recipient organizations must reapply and requalify on an annual basis. There is a strong preference for supporting expansion of projects under way over funding of startups, with the rationale that an organization that has

managed to pull together the resources (human and financial) necessary to initiate and test a project is likely to have the ability to effectively invest increased funding in project results, while organizations just starting out are more likely to be focused on the institutional survival of the organization.

IAF staff are working on a co-funding project with FUNDA BANHCAFE (a coffee-industry foundation) in which each organization contributes \$50,000 to a fund, to be managed by IAF, for projects in the coffee-growing region. Given the difficulty of starting and managing a portfolio while at the same time developing operating procedures and management capability, Vida might consider some similar co-management agreements for certain sectors of projects in its early years. This would be especially useful if the co-managing organization also had the capability to develop and train implementing organizations.

The Global Environment Facility (GEF) has established, on a global level, a mechanism for small grants to NGOs and community groups. These range from \$1,000 to \$50,000 per group. AID's PVO evaluation series makes the general assumption that international support should not exceed 80 percent of an organization's budget (AID, 1989). Virtually all of those interviewed for this study about Honduran organizations' absorptive capacity warned that investments should start small and be as widely distributed as possible, to build collaboration and enthusiasm for Vida's programs, minimize destructive competition, and establish precedents for good management before scaling up.

## V. Absorptive Capacity

The key elements of absorptive capacity are an organization's ability to perform the following functions, on its own or with outside assistance:

- ◆ analyze environmental conditions and develop clear priorities for strategies to maintain functioning ecosystems;
- ◆ articulate objectives and prepare programs

of activities to achieve them;

- ◆ budget human and financial resources,
- ◆ develop relationships with people and organizations who are part of the problem and/or part of the solution;
- ◆ recruit and keep people qualified to implement those programs and activities;
- ◆ manage funds adequately and meet accounting and reporting requirements;
- ◆ monitor and evaluate the environmental results of its activities, adjusting programs as necessary to achieve planned outcomes;
- ◆ maintain itself as an organization sufficient to manage and promote its programs.

This study indicates that the necessary elements exist for Honduran NGOs to effectively use several hundred thousand dollars in the near term to implement environmental projects, and to develop substantial additional capacity. The level of funding that Fundación Vida can realistically expect to disburse in the near to medium term will depend in part on how enthusiastically the OPD community adopts environmental programs and objectives. It will depend on investments at home and from abroad in the nascent environmental-NGO community. There is a special need for leadership within this community to build credibility and public acceptance, with measures ranging from participatory and transparent decision-making processes to wise management of scarce resources and a general solidarity among organizations, even those that may be competing with each other for financial resources.

Fundación Vida can exercise some leadership in both of these areas. It should be careful above all not to let its funding get ahead of the development of a solid base. This base of experience and success should be seen as a moving target, and not some arbitrary level that can be defined at the start. Finally, Fundación Vida itself will have to invest in building its own capacity to manage a portfolio of projects, to select wisely and fairly, to bring appropriate technical help to bear, and to channel its investments in such a way as to increase both Honduran organizations' ability to design and

manage projects, and the international community's willingness to invest.

#### A. Minimum scenario

This scenario is based on the examples from the Dominican Republic and El Salvador. It envisions a go-slow approach beginning with a few carefully selected projects. New projects would be added to meet specific goals for expansion. In general, Vida would seek out "leading-edge" projects to test and demonstrate methods for intra-NGO or NGO-governmental collaboration; to develop models for NGO leadership in conservation and management of protected areas, and so forth. It would develop a strategy for NGO institutional strengthening. The focus would be on supporting local capacities for training and implementation. In general, this scenario emphasizes a diverse portfolio of small to medium-size projects, geographically extensive, with Fundación Vida's oversight extending to participation in evaluation and networking of results.

*Please see spreadsheet "Funding Scenario No. 1 (Conservative Projection)." The categories of hypothetical grants are for illustrative purposes only, and do not reflect Fundación Vida's policy.*

Funding Scenario No. 1 (Conservative Projection)

Amounts in \$US 000's

Type of Funding	Total Year 1	No. of Grants	Total Year 2	No. of Grants	Total Year 3	No. of Grants	Total Year 4	No. of Grants	Total Year 5	No. of Grants
<b>PROJECT GRANTS</b>										
Protected areas management	50	2	90	4	170	6	270	8	400	10
Sustainable agriculture watersheds, fisheries, etc.	135	4	140	5	170	6	180	7	200	7
<b>Sustainable Forestry</b>										
Policy/legal projects			10	1	20	1	20	1	20	1
Environmental education	100	4	135	6	160	7	160	7	160	7
Ecotourism										
<b>ORGANIZATIONAL DEVELOPMENT</b>										
Annual NGO workshop	20		20		20		20		20	
Contracted tech. asst.	50		75		100		125		150	
OD grants (multi-instt.) and consortia	40	1	100	2	100	2	120	2	120	2
Indiv. OD grants (< 10,000)	25	5	30	6	35	7	40	8	45	9
<b>RESEARCH AND INFORMATION MANAGEMENT</b>										
Biological inventories and research grants	10	2	10	2	10	2	10	2	10	2
Information centers and data systems			50		75		100		100	
Training										
<b>ADMINISTRATION</b>										
Publications, Web site, news	200		220		242		266		293	
Project screening			20		20		30		30	
Project evaluation			40		40		50		50	
<b>TOTALS</b>	<b>670</b>	<b>18</b>	<b>920</b>	<b>26</b>	<b>1,162</b>	<b>31</b>	<b>1,391</b>	<b>35</b>	<b>1,590</b>	<b>38</b>
<b>FIVE YEAR TOTAL</b>	<b>3,721</b>									
<b>PROJECTED TEN YEAR TOTAL</b>	<b>14,303</b>									

◆ The conservative projection envisions two funding "eyeles" of four or five projects each during the first year. The focus would be on sustainable agriculture and forestry, an area where existing capacity is greatest, although the portfolio would include one or two protected area management projects. Like the other scenarios, this one is based on an assumption that most projects continue for several years, although the level of funding may vary from year to year. Thus the number of projects indicated in years 2-5 includes both previously initiated and new efforts.

Each conservation project would have an associated institutional development grant. In one project area, project grants will cluster in a thematic or geographical area, and the associated institutional support will go to a group of NGOs or a consortium. One or more small grants for research and biological inventories may be included among the projects.

◆ Expansion and growth: This scenario adds two protected area projects (\$25,000 to \$40,000 annual funding) per year. It allocates \$20,000 per year after year two for policy and legal projects and studies. The total number of environmental education projects grows from four to seven, but in reality there will be more new projects and a shift over time from materials development to teacher training and followup. In years two through five, there is a projected investment in the creation of some type of environmental information or data center.

◆ Workshops and training: This scenario, like the others, assumes a \$20,000 annual investment in one or more workshops designed to give implementing organizations information about programs and priorities, training in preparation of projects, and an opportunity to network with each other and give feedback and suggestions to Fundación Vida. We assume that Fundación Vida contracts local and international technical advisors to assist with bringing approved projects to readiness for implementation, to advise and train implementing organizations, and to evaluate ongoing projects (beginning in year one with

200 person days averaging \$150/\$100 fees/expenses per day, and increasing year by year). Each year, Vida supports one or more NGO consortia or umbrella groups that will provide training and technical assistance to its members.

◆ Administrative costs are figured in the spreadsheets, although at present they are covered under an agreement between Fundación Vida and UNDP.

◆ ◆ ◆

The spreadsheet ends at year five, with a projection of 38 grants and total funding of \$1.6 million. After five years of deliberate, measured growth, significant expansion and scaling-up should be possible in years six to ten; the ten-year funding projection is calculated at two and a half times the five-year total.

#### B. Moderate scenario

This scenario differs from the first in that it casts Fundación Vida more in the role of a foundation. It envisions a wider range of activities from the beginning, and is more open to "routine" funding for continuation and expansion of ongoing projects, so long as they have a beneficial environmental effect.

◆ This scenario envisions more larger projects (\$70,000 range) in the early years, assuming that international organizations (CARE, WWF) can be relied upon to initiate more ambitious new projects, and/or that the more well developed OPDs will be interested in large-scale investments in conservation. About half the conservation projects will have associated institutional development grants (the others will go to already well established organizations).

The scenario starts with ten to fifteen conservation and one to three research projects in the first year, and increases the portfolio by ten projects per year over years

**Funding Scenario No. 2 (Moderate Projection)**  
**Amounts in \$US (000)'s**

Type of Funding	Total Year 1	No. of Grants	Total Year 2	No. of Grant	Total Year 3	No. of Grants	Total Year 4	No. of Grants	Total Year 5	No. of Grants
<b>PROJECT GRANTS</b>										
Protected areas management	200	3	215	5	260	7	360	9	400	11
Sustainable agriculture, watersheds, fisheries, etc.	300	4	300	4	340	6	400	10	400	10
Sustainable Forestry	50	1	120	4	250	8	260	10	300	12
Policy/legal projects	50	1	60	2	70	2	70	2	70	2
Environmental education	200	4	235	7	260	8	260	10	300	12
Ecotourism			40	1	50	1	80	2	80	2
<b>ORGANIZATIONAL DEVE</b>										
Annual NGO workshop	20		20		20		20		20	
Contracted tech. assistance	100		150		200		250		300	
OD grants (multi-instit. and consortia)	140	2	180	3	240	4	280	5	320	6
Indiv. OD grants (<10,000)	25	5	30	6	35	7	40	8	45	9
<b>RESEARCH AND INFORMATION MANAGE</b>										
Biological inventories, research grants	10	2	20	4	30	6	40	8	50	10
Information centers, data systems			50		75		100		100	
Training			10		10		10		10	
<b>ADMINISTRATION</b>										
Fundacion Vida core costs	200		220		242		266		293	
Project screening			20		20		30		30	
Project evaluation			40		40		50		50	
<b>TOTALS</b>	<b>1,295</b>	<b>22</b>	<b>1,710</b>	<b>36</b>	<b>2,142</b>	<b>49</b>	<b>2,516</b>	<b>64</b>	<b>2,768</b>	<b>74</b>
<b>FIVE YEAR TOTAL</b>	<b>10,431</b>									
<b>PROJECTED TEN YEAR T</b>	<b>20,862</b>									

**Funding Scenario No. 3 (Ambitious Projection)**  
Amounts in \$US 000's

Type of Funding	Total Year 1	No. of Grants	Total Year 2	No. of Grants	Total Year 3	No. of Grants	Total Year 4	No. of Grant	Total Year 5	No. of Grants
<b>PROJECT GRANTS</b>										
Protected Areas Management	200	3	215	5	370	8	500	10	600	12
Agriculture, watershed mgmt., fisheries, etc.	300	4	300	4	340	6	400	10	400	10
Sustainable Forestry	50	1	120	4	250	8	300	10	350	12
Policy/legal projects	50	1	60	2	70	2	70	2	70	2
Environmental education	200	4	235	7	260	8	260	10	300	12
Ecotourism			40	1	50	1	80	2	80	2
<b>ORGANIZATIONAL DEVELOPMENT</b>										
Annual NGO workshop	20		20		20		20		20	
Contracted tech. assist.	100		150		200		250		300	
Multi-inst. OD grants	140	2	240	4	280	5	320	6	360	6
Indiv. OD grants (<10,000)	25	5	35	7	45	9	50	10	60	12
<b>RESEARCH - INFO. MGMNT.</b>										
Biological inventories and research grants	10	2	20	4	40	6	60	8	100	10
Information centers and data systems			50		75		100		100	
Training			10		10		10		10	
<b>ADMINISTRATION</b>										
Fundacion Vida core costs	200		220		242		266		293	
Project screening			20		20		30		30	
Project evaluation			40		40		50		50	
<b>TOTALS</b>	<b>1,295</b>	<b>22</b>	<b>1,775</b>	<b>38</b>	<b>2,312</b>	<b>53</b>	<b>2,766</b>	<b>68</b>	<b>3,123</b>	<b>78</b>
<b>FIVE YEAR TOTAL</b>	<b>11,271</b>									
<b>PROJECTED TEN YEAR T</b>	<b>22,542</b>									

two and three, then shows a dramatic increase in year four. The assumption is that with three years of experience, Vida will have successful projects to replicate on a larger scale, and some of the consortia or umbrella groups will have developed sufficiently to manage larger portfolios themselves.

◆ Expansion and growth This scenario envisions adding two to four new park projects and five or six new sustainable agriculture and forestry projects to the portfolio every year (some might start out as small grants for feasibility studies and preparation). It starts with four environmental education projects and adds one to three per year. It grows from two to ten research grants per year.

◆ Workshops and training In order to add larger projects at a somewhat accelerated pace, this projection includes a bigger investment in contracted technical assistance. Investment in organizational development via "umbrella" organizations (which could be Honduran regional groups, or training consortia such as PACT) grows from two \$70,000 grants in year one to six \$45,000 to \$60,000 grants by year five. A \$10,000-per-year budget line is added for training related to biological inventories, research, and information management (this might be a project with a university or training center).



This scenario builds from a first-year portfolio of \$1.3 million to \$2.7 million in the fifth year. With significant scaling-up already under way, years six through seven or eight should show a moderate growth, with perhaps another rapid increase in years nine or ten. The ten-year projection is calculated at two times the five-year projection.

### C. Ambitious scenario

This scenario is basically a revision of the "moderate" outlook, but assumes a greater protected-areas focus and major international technical help for even faster growth in the

protected areas line. The portfolio grows from \$1.3 million in year one to just over \$3 million in year five. Other assumptions are basically as above.

## VI. Recommendations

Although it is quite easy to envision an existing or readily created capacity for environmental projects in Honduras at levels of a half-million to a million dollars per year, and even increasing to two million or more annually as the program matures, the thrust of this program should not necessarily focus on maximizing investments. Rather, the focus should be on investing carefully to maximize results. Investing in the development of the private sector to manage natural resources is an efficient way to do this over the short to medium term, but over the long term, we should expect the pendulum to swing toward a middle ground of public/private collaboration - and indeed, we should encourage that to happen and design programs to support it.

The national environmental fund presents an opportunity for Honduras to develop innovative approaches to sustainable management of natural resources. It can design programs to address some of the problems that plague private organizations throughout the developing world — the chronic shortage of operational funds, the short-term nature of donor funding that encourages "boom-and-bust" project cycles, the need for agility in developing innovative and opportunity-driven strategies. A national fund can be a focal point for innovative funding campaigns that would be too costly for individual organizations to invest in - including, but not limited to, programs requesting contributions from individual ecotourists, "one percent for conservation" campaigns focused on businesses that benefit from national parks and tourism, tourist taxes, and so forth. These are long-term, non-donor-dependent sources that can be relied upon to provide stable funding for projects and organizations.

The existence of the national fund may also in some ways pose a threat — that

environmental projects and funding become neglected by public agencies, under the assumption that the special fund will pick up the slack. It is Fundación Vida's challenge to design strategies for funding that will actually increase the amount of national and international resources available to conservation and development, by promoting experimentation and scaling-up, new initiatives by existing organizations, and new kinds of organizations and consortia

Fundación Vida has a need to build its own credibility and create some momentum for the national fund in order to stimulate both demand and absorptive capacity. Both the scenarios outlined above emphasize the need to get under way with some successful projects, strategically selected to take advantage of existing capacity, as soon as possible. This will require not merely selecting from applications received but actively soliciting participation from organizations that will be a credit to the portfolio.

At this time, policies and priorities for future funding should remain provisional, and Vida should give its potential collaborators and fundees a chance to offer input and participate in the policy process. This is essential to good donor-implementer relations later on.

Even though the particular circumstances of Honduras call for strict and thorough performance and accounting standards, it would be wise to remember that innovative and creative approaches to environmental problems often emerge through a normal process of trial and error. It is not so important to avoid mistakes as to set up to learn from them (and avoid repeating them). An experimental approach, application of seed money, and extensive investment in networking and sharing of project results, are all advisable. At the same time, to assure accountability and avoid conflicts of interest, the funding processes should be very transparent, the systems clear, objectives clear and measurable.

Fundación Vida would be well advised to start with modest training, technical

assistance, and financial support, disbursing funds in several tranches, grouping projects for similar training and technical interventions. With few exceptions, the individual grants should be within the range of other grants the organization has already received and managed adequately. Annual increases can be programmed, dependent on successful management of prior installments. The grant system should be set up to favor those organizations that build a solid community base, as these have been shown to have the greatest capacity for long-term continuation and development. Fundación Vida needs to invest in planning, bringing governmental, nongovernmental, and donor agencies into the process.

Individual projects should also carry a solid investment in planning, avoiding investments of capital in equipment or infrastructure until adequate site plans have been prepared, environmental education strategies developed, participatory diagnostic studies conducted for buffer-zone projects.

The funding program should build in checks and balances, emphasizing public/private partnerships wherever possible. There should be a long-term strategy for developing balanced governmental and private investments in the national natural heritage, but over the short term, a particular emphasis on developing grassroots oversight in areas where government presence and capability is weak.

## List of Interviews

### Washington, 5-9 October 1992

Brad Ack, Wildlands and Human Needs Program, WWF  
Aaron Zazueta, NGO Liaison, WRI  
Jim Nations, VP for Latin America, Conservation International  
Pamela Hathaway, Greater Caribbean Program, WWF  
\*Archie Carr III, Latin America regional program, Wildlife Conservation International  
Richard Devine, Kathleen Moser, Gina Green, Randy Curtis, Latin America Division, The Nature Conservancy  
\*Jim Barborak, Caribbean Conservation Corps, San José, Costa Rica

(contacts for information)  
Ann Lingham, USAID/CDIE  
PACT

### Tegucigalpa, 12-20 October 1992

Margaret Harritt, Environmental Officer, USAID  
Tom Johnson, PVO Officer, USAID  
Vicky Diaz and Rene Gamero, Fundación Vida  
Dr. Carlos Medina, director, CONAMA  
Beto [ ] and Andrew Lee, MOPAWI  
Instituto Hondureño de Turismo: Marfa Antonieta de Bográn, Directora General; Tatiana de Pierson, Asesor Técnico, Erasmo Sosa L., Asesor de Ecoturismo  
Gladys Fasquelle de Pastor, President, Fundación Hector Pastor Fasquelle  
Jorge Guevarra, Director, United Nations Development Program  
Edas Muñoz, Director, Protected Areas Division, COHDEFOR  
[...] Compañeros de las Americas Honduras-Vermont  
Cecilia Callejas de Wilson, director, NGO liaison office  
Suyapa C. Mejia, Departamento de Analisis y Seguimiento de Proyectos, FOPRIDEH  
Jorge Varela, CODDEFFAGOLF and Fed Ambiente  
Bonifacio Sánchez, CODDEFFAGOLF  
Darren Schemmer, Second Secretary and Vice-Consul, Canadian Consulate  
Juan Mariano Planells F., Gerente de Programas y Proyectos, Asociación Save the Children de Honduras  
Chet Thomas, Executive Director, Aldea Global  
Vince Murphy, technical consultant  
Pepe Herrero, director, Fundación Cuero y Salado  
~~Mimi Dager, World Neighbors~~  
Mike Godfrey, CARE  
Jorge Betancourt, associate director, Peace Corps

(meetings and events attended)

- ◆ consultation by Price Waterhouse at Fundación Vida offices, with Vicky Diaz and Mario Maradiaga
- ◆ Fundación Vida board of directors meeting: Isabel de Sampé, Carlos Fiallos S., Oscar Lanza R., Gladys Fasquelle de Pastor, Bonifacio Sánchez

Washington, 21-29 October 1992

Walter Arensberg, World Resources Institute  
Bruce Moffatt, World Wildlife Fund  
Pat Breslin, InterAmerican Foundation  
Richard Devine, The Nature Conservancy

\* contacts and interviews via telephone

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- PACT. *Trends in PVO Partnership: The Umbrella Project Experience in Central America*. c 1989.
- The Nature Conservancy. *Compendio de Trabajos y Exposiciones, Talleres Sobre el Programa de Parques en Peligro*. Antigua, Guatemala, and Caracas, Venezuela, April 1990.
- USAID. *Accelerating Institutional Development*. PVO Institutional Development Evaluation Series. Food and Voluntary Assistance/Office of Private and Voluntary Cooperation, 1989.
- Wood, Diane W. *Assessment of Bolivia's Non-governmental Non-profit Environmental Organizations and Recommendations for a Plan of Action*. Submitted to USAID/Bolivia by the International Institute for Environment and Development, June 1985.

### Potential Sources of Additional Information and Technical Support (not contacted during this study)

Program on Nonprofit Organizations  
Yale University  
Institute for Social and Policy Studies

Independent Sector  
Management Division

International Council of Voluntary Agencies  
NGO Management Network

Centro Asesor para el Desarrollo de Honduras (CADERH)

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**D. Strategic Objective 3: Improved Management--Toward Long-term Sustainability--of Selected Natural Resources**

**1. Overview of the Strategy: The Strategic Objective, Program Outputs, Project and Non-Project Assistance**

The objective tree on the next page presents the natural resource management strategic program, as revised as a result of the TDY effort. The chart includes the SO, the POs, and the indicators for each objective. A description of the strategic thinking underlying the program was presented in the report of the first PPAS TDY, "A Program Performance Assessment System, USAID/Honduras, Stage 1: Mission Goals, Strategic Objectives, Program Outputs, and Indicators," dated January 31, 1992. While the basic strategy has not changed since that report was written, there have been changes in the way the strategy is represented and the indicators that will be used to assess results.

Some changes were made during the preparation of the FY 1993-94 POD/Action Plan (March 16, 1992), and additional changes were made during this TDY. Here, we will focus on only those changes made during the TDY.

- o The wording of the SO has been revised slightly from "More efficient management and sustainable use of selected natural resources" to "Improved management--aimed at long-term sustainability--of selected natural resources."

This change was prompted by LAC Bureau concern over the implication in the original SO of two objectives: "more efficient management" and "sustainable use." The second part is particularly troublesome to some people, in that it can be read to imply that the mission is trying to achieve sustainability, which is really a long-term proposition, in the time span of an SO, about five to seven years. The mission is trying to improve management, so that sustainability over the long term is more likely, but not to establish sustainability in the short-term. The new language eliminates this ambiguity.

As well, the new language eliminates the ambiguity that lay in the term "efficient" management. It appeared from the early discussions in the TDY that the mission is looking for better management that many include more efficiency but is not restricted to more efficiency. As well, it was not clear whether ~~the mission was aiming for more efficient management or more efficient use.~~ Therefore, the term "improved management" is more apt here.

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**STRATEGIC OBJECTIVE 3  
IMPROVED MANAGEMENT -- TOWARD  
LONG-TERM SUSTAINABILITY  
OF SELECTED NATURAL RESOURCES**

**MISSION GOAL 1  
EQUITABLE AND SUSTAINABLE  
ECONOMIC GROWTH AND  
DEVELOPMENT**

**STRATEGIC OBJECTIVE 3  
IMPROVED MANAGEMENT--  
TOWARD LONG-TERM SUSTAIN-  
ABILITY--OF SELECTED  
NATURAL RESOURCES**

**PROGRAM OUTPUT 3.1  
IMPROVED POLICY FRAMEWORK**

**PROGRAM OUTPUT 3.2  
INCREASED ENVIRONMENTAL  
AWARENESS AND TECHNOLOGY  
TRANSFER**

**PROGRAM OUTPUT 3.3  
INCREASED PRIVATE SECTOR  
ACTIVITY IN IMPROVING  
NATURAL RESOURCES  
MANAGEMENT**

**PERFORMANCE INDICATORS**

- Increased area of forests (in cumulative hectares) managed for sustainability in forest mgmt. units (La Union & Salazar)
- Increased area of pine forest (in cumulative hectares) managed according to ecologically acceptable forest practices nationally
- Increased number of households (cumulative) practicing one or more environmentally sound cultivation practices

- Implementing regulations for improved forest mgmt. legislation issued
- Improved environmental legislation passed
- Implementing regulations for improved environmental law issued

- Increased no. of households (cum.) receiving technical assistance on environmentally sound cultivation & animal husbandry practices
- Increased pctge. of total wood processed that is processed by hand sawmills
- Increased amt. of training (cum. person-mos.) received by personnel responsible for effective forest mgmt.
- Increased positive attitudes, among children & adults, toward environmentally sound practices with respect to pine & hardwood forests
- Increased no. (cum.) of studies to evaluate ecosystems for potential environmental activities

- Number of NGOs (cumulative) working on natural resource management activities

**PROGRAM INDICATORS:**

VI-72

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- o The three performance indicators at the SO level are basically as they were, but there was a fourth indicator listed in the POD/AP that has now been dropped to the PO level, under PO 3.2. This indicator, "Increased number of studies to evaluate ecosystems for potential environmental activities," is more appropriately a lower level indicator of progress, and it does relate in a way to increased governmental and private sector environmental awareness (PO 3.2).
- o A Program Output was deleted from the program description. This is the original PO that called for "Reoriented GOH institutions responsible for natural resources." The sole focus of this PO was the divesting of COHDEFOR, which is essentially complete. Therefore, there is nothing new to be accomplished here.
- o In PO 3.1, two indicators dealing with agricultural water use legislation have been dropped. The results that would be measured by these indicators are results being sought under SO 1, the agricultural development SO, not SO 3.
- o Under PO 3.2, the second indicator in the objective tree presented here is a new indicator. It replaces an earlier indicator that would have measured amount of training received by sawmillers. This new indicator aims more at measuring the results of that training, namely, the changes in the wood is being sawed.
- o The fourth indicator under PO 3.2 replaces two indicators that were going to measure the amounts of materials and activities to promote increased awareness and more positive attitudes. This new indicator, which will require some special research design and data collection effort, aims at measuring the impact of those materials, namely, changes in attitudes among children and adults.

These last two indicators reflect a real effort on the part of the Rural Development staff to reach for and measure impact rather than settle for measuring outputs, such as training and dissemination of materials. This change has important management implications, in that, it will provide information on the effectiveness of the mission's strategy and tactics (e.g., information on whether their attitude-change approach is working) and lead to more attention to focusing and improving those strategies.

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**2. Major Information Users, Key Manager Questions, Assumptions, Intended Uses of Monitoring and Evaluation Information, and Plans for Information Dissemination**

The chart on the next page presents six major "managers' questions" that the SO workgroup believes should be answered if the M&E plan is to be responsive at both policy making and management levels. Briefly, Congress and AID/W are expected to be particularly interested in the program's impact on Honduran policy, the actual condition of Honduras's natural resources, and on Honduras's poor. While program and project managers are also particularly interested in the condition of Honduras's natural resources, particularly the watersheds targeted by the program, they are also interested in the intermediate impacts on natural resource management and farming practices. This is not to suggest that there are not other questions of interest to Congress, AID/W, and program/project management. Undoubtedly there are, but these have been singled out as especially important.

The M&E plan, as currently outlined indicates that there will be monitoring information to answer Questions 1, 3, and 6 in the chart. Questions 2, 3, and 4 will be more difficult to address, however. Questions 2 and 4 deal with the actual condition of Honduran natural resources as a result of the improved management at the SO level and the new policies, technology transfer and NGO activity achieved at the PO level. Staff in the Office of Rural Development believe that it is currently too difficult and costly to measure changes in the status of natural resources--such as forests, agricultural land, and so on--and that the best that can be done is to track whether improved management of those resources is occurring. If this is an accurate observation, then the mission must rely on the assumption that good management means less degradation of natural resources, and that the most efficacious elements of good management are being promoted and tracked by the program.

If the condition of Honduras's natural resources is of high interest to those who have great influence over the mission's program's direction and resource levels, then it may be well worth the costs and difficulty to measure impact at this level. We understand that there is work being done in Honduras to develop the geographical information survey (GIS) as a means of assessing changes in key natural resources, such as the forest cover. If it is possible to relate changes as measured through the GIS to the mission's program, we strongly recommend that the M&E plan include the collection and analysis of data at this level.

Question 3 is another difficult area for measurement. Even though the natural resources program is just that--a program to improve the management and, ultimately, condition of Honduras's natural resources, including forests and farmland--one of the ultimate "so what?" questions can be stated in terms of the impact of these improvements on the lot of Honduras's poor, including poor farmers. Much of what the program is trying to do with forests is expected to have an impact on the entire population of Honduras, poor and non-poor alike. The Rural Development staff believe that these impacts should be included when describing the impact of the program on the poor. And if hillside subsistence farmers are being encouraged to adopt new, environmentally sound, agricultural practices--with the

Key Manager/ Policy Maker	Question	How to Answer the Question
Congress & AID/Washington	1. Has Honduras put in place the appropriate policies for natural resource mgmt. (forests, water, land ten.)?	The issuance of regulations for the new Agricultural Modernization Law and the passage of improved environmental legislation and regulations are being tracked with indicators for SO3/PO1.
Congress & AID/Washington	2. Has environmental degradation--particularly in the area of deforestation--been slowed down?	Changes in the actual condition of the natural resources is not being tracked (because measurement would be difficult and costly), but changes in mgmt. of natural resources are being tracked with the three Performance Indicators at SO level.
Congress & AID/Washington	3. Has there been an increase in poor farmers' productivity and income?	Our SO is a natural resources SO, not an income/productivity SO. Nevertheless, we may explore some possibilities for measuring changes in income or proxies for changes in income (e.g., nutrition status, market basket expenditures, etc.), perhaps through a small-scale case study or survey approach.
Program & Project Management	4. What is happening to the watershed in the areas targeted by our program?	See response to Question 2.
Program & Project Management	5. Are improved natural resource management practices being adopted, in the areas of fire control, timber sales, allowable cut, and environmentally sound design and implementation of infrastructure improvements?	This question is being answered with the data being collected on the first two Performance Indicators at the SO level.
<del>Program &amp; Project Management</del>	<del>6. Are hillside farmers adopting improved practices for soil and water conservation? If not, why not? If so, it is because of our strategy?</del>	<del>This question is being answered with the data being collected on the third Performance Indicator at the SO level.</del>

promise of increased productivity and income--then it is legitimate to ask if their productivity and income do indeed increase as a result of adoption.

It is very difficult to relate improvements in forest management to the poor, however. And it is almost as difficult to measure the productivity and income changes among small farming households. In the LUPE project, the aim is to help farmers become, at a minimum, self-sufficient with respect to food, and, if possible, able to market some of their production. We should be able to assess impact here by looking at two key sets of data: (1) data from extension agents' production records, which will be corroborated with (2) data from an area sample frame on the number of farmers affected by LUPE, the amounts of crops they produce, and so on. The measurement of productivity and income among small farmers is fraught with complications and difficulties, but even if direct measures are found not to work, there are proxies to be explored, such as changes in family nutritional levels. We recommend looking at both direct and proxy measures.

We understand that the technical assistance team for the LUPE project are moving in the direction of measuring impact on small farmers, through contracting mechanisms in the project. This, we think, is a move in the right direction. When plans are established, they should be incorporated into the M&E plan.

A considerable amount of the two-week TDY was devoted to clarifying the SO, POs and indicators, and exploring possible approaches to measuring results. As a consequence, not enough time was available to pursue the details of intended uses of M&E information or plans for information dissemination. Given the forthright nature of the indicators and data to be collected, however, there are likely to be no surprises in these areas. That is not to say, however, that staff should not make explicit plans for sharing and using the information that is generated through implementation of monitoring and evaluation.

### 3. Monitoring and Evaluation Performance

#### a. Performance Indicators

Three performance indicators will be used to provide evidence of progress in achieving the SO. These indicators and information specifying targets, baseline data, and means of collecting and analyzing performance data are provided in the table on the next page. Note that two of the indicators deal with government and private industry's management of Honduras's forests (one of the selected natural resources of interest) and one deals with hillside farmers' management of agricultural land (another important natural resource).

The table provides the bulk of the M&E planning information developed to date for the three performance indicators. In the following sections, additional information is presented, without repeating what is already provided in the table.

- 1) Performance Indicator 1: Increased area of forests (in cumulative hectares)

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STRATEGIC OBJECTIVE/ PROGRAM OUTPUTS	INDICATOR	UNIT OF MEASUREMENT	TARGETS			BASELINE INFORMATION	DATA SOURCES	METHOD/ APPROACH	MONITORING, EVALUATION, OR STUDIES	HOW OFTEN OR WHEN?	RESPONSIBLE STAFF
			DATE	PLANNED	ACTUAL						
<b>Strategic Objective</b> <b>3. IMPROVED MANAGEMENT</b> <b>—TOWARD LONG-TERM</b> <b>SUSTAINABILITY— OF</b> <b>SELECTED NATURAL</b> <b>RESOURCES</b>	<b>(Performance)</b> 1) Increased area of forests (in cumulative hectares) managed for sustainability in model management units (La Unión and Solano)	1) Cumulative hectares of forest	1992	102,000		1987: 0 1991: 45,000	Forestry Dept Project report. FDP gets data from PIU unit in CONDEFOR.	30M hectares report to CONDEFOR's PIU unit. This area is being managed acc. to specified site. CONDEFOR also has quality control component monitoring forest management.	CONDEFOR monitoring  Cost: minimal Source: 322-0248	Annually	322-0248 Project Manager
			1993	?							
			1994	114,000							
	2) Increased area of pine forest (in cumulative hectares) harvested according to acceptable forest management practices nationwide	2) Cumulative hectares of forest	1992	77,000		1988: 0 1991: 47,000	Forestry Dept Project report. FDP gets data from PIU unit in CONDEFOR.	Same as above.	Same as above.	Annually	322-0248 Project Manager
1993	?										
1994	142,000										
	3) Increased number of households (small, medium, farmer, cooperative) practicing one or more environmentally sound cultivation practices	3) Cumulative number of farm families living on steep-slope hillside (steep, water- headed, terraced, terraced)	1992	T: 16,470 (2) M: 16,000 P: 1,400		1989: T: 11,000 M: 10,120 P: 800 1991: T: 17,000 M: 16,320 P: 1,400  See (2) below.	LUPE project reports of quarterly data received from the project's 2 regional offices	Extension agents complete standardized report on a monthly basis. The report includes data on households and the adoption of practices.	Monitoring  Cost: minimal Source: 322-0292	Reported monthly, aggregated quarterly at the project central office.	322-0292 Project Manager
1993	?										
1994	?										
1995	?										
1996	T: 30,000 M: 28,000 P: 3,120										
1997											

(1) A no-cost extension of the FDP is in process as of 9/92. Once that extension is approved and grant resources are assured, targets beyond 1994 will be developed.  
 (2) These targets will be revised based on a field survey to be completed in Feb. 1992. It is believed that the numbers will be lower than presented here. It is also believed that the AG effort will reach about 35-40% of total population that could be targeted.  
 (3) Project staff report that terraced farms are about 5% of the total farms targeted.

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Evidence that forest area is being "managed for sustainability" will include evidence that a management plan has been prepared, that timber sales are being conducted according to certain technical procedures, and so on. There is a unit in the GOH's COHDEFOR that will be monitoring compliance with these practices.

The assumption being made here is that, if the area has come under COHDEFOR-supervised management, it will, by definition, be under improved management. The key to this assumption's validity is that COHDEFOR exercises reliable compliance monitoring and quality control.

The targets for this indicator have only a two-year horizon because the Forestry Development Project will end in 1994. There is likely to be a no-cost extension to the project, so additional post-1994 targets will be set when that occurs.

- 2) Performance Indicator 2: Increased area of pine forest (in cumulative hectares) harvested according to acceptable forest management practices nationwide.

"Acceptable forest management practices" with respect to harvesting include identifying and leaving standing valuable seed trees, carefully locating the roads used for timber removal, marking the trees that are to be cut, taking inventories of the trees, and so on. Here, as with the indicator above, the mission is assuming that COHDEFOR foresters (who are being trained through the program) will ensure that forest areas that come under this management program will indeed be harvested appropriately.

This indicator's targets also have a two-year horizon, and they will be adjusted when the project is extended.

- 3) Performance Indicator 3: Increased number of households (small, hillside farmer households, cumulative) practicing one or more environmentally sound cultivation practices.

As a result of discussions, the phrase "one or more" was inserted in the language of this indicator. Without this phrase it was not clear as to what exactly constituted "~~practicing environmentally sound cultivation practices.~~" Even with this clarification,

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however, we are concerned about viewing the adoption of any one of a number of cultivation practices as sufficient evidence of performance at the SO level.

During our discussions with the Rural Development staff, several practices were mentioned as among those being promoted by the LUPE extension agents: using terraces, using a lorena stove, planting family gardens, raising chickens, and digging a latrine. Some of these very obviously would contribute to improving natural resource conditions, like terrace farming and use of latrines. But some do not, like raising chickens and planting family gardens. Furthermore, even those that do relate to the environment relate to different aspects of the environment: a lorena stove (we believe) conserves firewood, terrace farming prevents soil erosion, and so on.

Rural Development staff defend this indicator as specified here with the argument that, in the long run, much of everything a rural farmer does is related to the environment, so, if we can get any of these practices adopted, we are making progress. As well, farmers are likely to adopt more than one practice, so the likelihood of impact is actually higher than it appears. We still are not convinced that that is good enough reason to accept this loosely defined indicator as a measure of improved natural resource management.

This looseness is partly a function of the fact that actual changes in environmental conditions are not being targeted at the SO level, only natural resources "management" is. If actual conditions were being targeted--e.g., the level or rate of soil erosion, or the quality of the watershed--then certain farmers' practices might more easily be targeted as direct means of achieving impact.

This is not to say that getting farmers to plant family gardens or raise chickens is not important. These practices are simply not convincing to the "skeptic" that improved natural resources management, in the way we generally define it, is occurring.

The target numbers presented in the table are likely to be revised, based on the results of a survey of farm households currently underway. It is not clear just how large the targeted number of hillside farmers is in relation to the total population of hillside farmers who might be targeted if resources allowed.

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one estimate, the program will reach about one-third to two-fifths of the total population of hillside farmers in Honduras. This fact gets lost when only the absolute numbers of farmers targeted for adoption and actually adopting are reported. Perhaps the indicator should be expressed in terms of both absolute number and percentage of total population.

#### b. Program Indicators

##### Program Output 3.1: Improved Policy Framework

There are now three indicators to monitor progress in establishing an improved policy framework. The indicators and their specifications are provided in the table on the next page.

All three indicators for PO 1 are basically "toggle-switch" indicators. e.g., one day there is no law, and then the next, there is, and the passage of the law is taken to represent progress toward improving the policy framework. In addition, if all goes well, PO 3.1 will be completely achieved by the end of 1994, only two years from now. As such, while the indicators may provide significant evidence for reporting, on a one-time basis, achievement of the PO objective, they offer little value for managing performance on the natural resources strategic objective.

The assumption underlying these indicators is that the generation of laws and regulations will provide sufficient indication that the policy framework for better natural resource management has been accomplished. As with any legal and regulatory changes, however, there is always the question of whether those laws and regulations, upon passage, will actually be enforced in the manner needed to accomplish the higher order objective--in this case, improved management of selected natural resources. In our view, a more useful set of indicators might be those that track not only, perhaps, passage of laws and issuance of regulations, but also actual enforcement.

It appears that the staff in the Rural Development Office believe, however, that enforcement of the regulations for that part of the Agricultural Modernization Law that deals with forests will be reflected in performance on the indicators at the SO level, i.e., improved management of the forests. In other words, there are no significant intermediate outcomes to be tracked between issuance of the regulations and improved management of the forests. Similarly, passage of improved environmental legislation and issuance of implementing regulations is the most significant accomplishment between completion of the mission's project and non-project activities in the policy reform area and improved management of other natural resources at the SO level.

We suggest that management in the Rural Development Office might want to think a little more about the possibility of tracking ~~at the PO level~~, progress beyond the ~~establishment~~ of laws and regulations.

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STRATEGIC OBJECTIVE PROGRAM OUTPUTS	INDICATOR	UNIT OF MEASUREMENT	TARGETS			BASELINE INFORMATION	DATA SOURCES	METHOD/ APPROACH	MONITORING, EVALUATION, OR STUDIES	HOW OFTEN OR WHEN?	RESPONSIBLE STAFF
			DATE	PLANNED	ACTUAL						
OB2A.3.1 IMPROVED POLICY FRAMEWORK	1) Implementing regulations by Agricultural Modernization Law issued	1) Set of regulations	1988	Regulations are on the books		Law has passed in ABE. Regulations are due in ABE.	COM Gazette	Review COM Gazette for official evidence of issuance of regulations	Monitoring by JBAAD Staff  Costs: none and Source: JE	Once	122-0025 Policy Analysts and Implementation Project Manager
	2) improved environmental regulation issued	2) Law	1988	Law is on the books		In absence of law and regulations, there is a lack of environ- mental planning.	COM Gazette	Review COM Gazette for official evidence of issuance of law	Monitoring by JBAAD Staff  Costs: minimal Source: JE	Once	122-0025 Policy Analysts and Implementation Project Manager
	3) Implementing regulations to improve environmental law issued	3) Set of regulations	1988	Regulations are on the books		Same as above.	COM Gazette	Review of COM Gazette for official evidence of issuance of regulations	Monitoring by JBAAD Staff  Cost: minimal Source: JE	Once	122-0025 Policy Analysts and Implementation Project Manager

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12/11/88

... could also be, in addition to monitoring the achievement of significant milestones that lead up to the passage of the law or issuance of regulations in the GOH Gazette, some monitoring the achievement of significant milestones that lead up to the passage of the issuance of the regulations. In this way, management would be alerted when the legislative regulatory process is going off track and corrective action, if any is possible, should be taken. This level of monitoring would occur at the project level.

We asked if the Rural Development Office is managing against any intermediate milestones that link their activities and those of the Policy Analysis and Implementation Project, on the one hand, with establishment of the laws and regulations, on the other. The answer appears to be that they are not. We suggest that, if passage of the laws and regulations are crucial and if there is any uncertainty about passage, then some consideration should be given to tracking progress through milestones between now and expected passage.

### **Program Output 1.2: Increased Environmental Awareness and Technology Transfer**

Five indicators have been developed to monitor progress in achieving this output of the natural resources strategic program. They and their specifications are listed in the table on the next page. A few additional thoughts about these indicators and data collection plans are offered here.

- 1) **Program Indicator 3.2.1: Increased number of households (cumulative) receiving technical assistance on environmentally sound cultivation and animal husbandry practices.**

The numbers being targeted and reported for this indicator are identical to those for the third indicator at the SO level. Rural Development staff explain that this is so because every farm household that receives technical assistance actually adopts one or more practices.

If this is the case, we wonder about the need to report both sets of numbers.

- 2) **Program Indicator 3.2.2: Increased percentage of total wood processed that is processed by band sawmills.**

This strikes us as a solid indicator at the results level--it gets at changed practices--at true technology transfer. It is straightforward and is backed by annual data collected by COHDEFOR.

~~The assumption underlying this indicator is that, as more~~

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STRATEGIC OBJECTIVE/ PROGRAM OUTPUTS	INDICATOR	UNIT OF MEASUREMENT	TARGETS			BASELINE INFORMATION	DATA SOURCES	METHOD APPROACH	CONTINUING EVALUATION IN STUDIES	HOW OFTEN OR FREQUENCY	RESPONSIBLE STAFF
			DATE	PLANNED	ACTUAL						
Goal 12 INCREASED ENVIRONMENTAL AWARENESS AND TECHNOLOGY TRANSFER	1) Increased number of households (cumulative) receiving technical assistance or environmental education and control technology services (1)	1) Cumulative number of loans received along an eight-step process (total loans needed) (total loans received)	1988 1989 1990 1991 1992 1993 1994	7,18,470 (2) M 18,000 P 1,400 ? ? ? ? 7,30,000 M 25,000 P 3,120		1988: 1,000 M 0,100 P 300 1991: 7,000 M 15,000 P 1,400	LUPE project reports & quarterly job reports from the projects & regional office	Site visits conducted monthly throughout the project period in accordance with the work plan	Monitoring Data: Annual Source: 22-0299	Quarterly Reports monthly, aggregated quarterly & bi-annual reports	22-0299 Project Manager
	2) Increased percentage of total road projects that is processed by road teams	2) Percentage of total road projects	1988 1989 1990 1991 1992 1993 1994	? ? 7% ? ? ? ?		1988: 11% 1989: 20% 1990: 22% 1991: 24% 1992: 26%	COMDEFOR records	Records kept on all road projects in COMDEFOR COMDEFOR has aggregate data on all road projects and road team (SAD) staff coverage percentages	Monitoring Data: Annual Source: COMDEFOR	Quarterly Reports Manager	22-0246 Project Manager
	3) Increased amount of training (cumulative days/months) received by personnel responsible for effective forest management	3) Person-months of training (1988, 1989, 1990)	1988 1989 1990 1991 1992 1993 1994	? ? 26,711 ? ? ? ?		1988: 211 1989: 21 1990: 457 1991: 611	TEF project reports 212-0248		Monitoring Data: Source: 22-0246	Quarterly Reports Manager	22-0246 Project Manager
	4) Increased positive attitudes among children and adults toward environmentally sound practices with respect to pine and hardwood forests	4) Average change in score on attitude interviews (1), percent percentage of interviewees expressing a minimum level of positive attitudes (2)	1988 1989 1990 1991 1992 1993 1994	? ? ? ? ? ? ?		1988: 2.1	Primary, Secondary, and (sample) interviews by field staff, secondary, POP 22-0248	Field visit interviews & representative samples of the public targeted in the field work plans	Special surveys Data: Source: 22-0246	Quarterly Reports Manager	22-0246 Project Manager
	5) Increased number of studies to evaluate ecosystems for potential environmental activities	5) Cumulative number of ecosystem studies	1988 1989 1990 1991 1992 1993 1994	3 ? ? ? ? ? 3		1988: 3 1989: 1	POP 22-0248 records	Steps out of studies completed	Monitoring Data: Annual Source: E	Quarterly Reports Manager	22-0246 Project Manager

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(1) According to project staff, the indicator and actual figures for this indicator will always be the same as those for Performance Indicator 1 (Increased number of households receiving technical assistance or environmental education and control technology services). Therefore, there should be no need to collect and report these data; they will be reported through the reporting system. (2) A re-evaluation of the POP 22-0246 is in progress as of 8/72. Once the information is approved and project resources are set, large a beyond 1994 will be developed. (3) The indicator is a new one, and has yet to be developed. It is believed that there are project resources available and technical assistance to develop means of measurement.

sawmillers are provided with bandsaw technology, more will start using it and more a higher proportion of annual wood production will be done with bandsaws rather than the more wasteful circular saws. As the baseline data show, the trend is not necessarily consistent over time (i.e., more and more bandsaw production from one year to the next), but the reduction in 1991 is apparently explainable by looking at fluctuations in major sawmills' production levels for that year, not by any sawmillers' returning to circular saw production.

The 1991 baseline figure does suggest that this indicator warrants some refinement so that the numbers do reflect changes in technology transfer, not changes in sawmillers' production levels.

- 3) Program Indicator 3.2.3: Increased amount of training (cumulative person-months) received by personnel responsible for effective forest management.

This is a very low-level indicator, not really indicative of technology having been transferred. That said, it should be pointed out that the training provided is so diverse and so varied in amount that it would be very difficult and costly to measure at an aggregate level the impacts of the training on performance.

This indicator, and some of the others, demonstrates the difficulty encountered when two once-discrete projects (here, FDP and LUPE) are now being integrated into a "program." It will likely take several years of program thinking before POs will stop hovering at the project output level.

- 4) Program Indicator 3.2.4: Increased positive attitudes, among children and adults, toward environmentally sound practices with respect to pine and hardwood forests.

This indicator was adopted very late in the TDY, so there is little development to report here. It is a significant indicator in two senses. First, it represents an attempt by the Rural Development staff to measure the results of their public awareness activities, not just the activities themselves. While one could ask "so what?" even beyond changes in attitudes (e.g., at the level of actual behaviors or, even higher, at the level of the impact of changed behavior on the environment), this indicator is certainly a level above that of the indicators it replaced (namely,

counts of materials distributed and promotion activities carried out).

It is a significant indicator in a second sense in that it will require some special research to develop the means of measuring attitudes on a periodic basis. The Rural Development staff need to think carefully about how this will be done, either by piggybacking onto some other surveys---if any are amenable, given the target populations involved---or by creating a special survey just to measure changes in attitudes targeted by the program.

- 5) **Program Indicator 3.2.5: Increased number (cumulative) of studies to evaluate ecosystems for potential environmental activities.**

This indicator is far from being an indicator of impact, but it tracks the achievement of a set of activities that are considered very important by the Rural Development staff. The studies being counted here have the potential of sparking significant environmental activities on the part of the GOH or private sector.

Whether those activities will relate directly to the forest and agricultural natural resources targeted by the natural resource SO is uncertain. As a consequence, it is not clear whether this indicator should be considered a key measure of the current program's contribution to the current SO. Therefore, in spite of the importance of the activity it tracks we still recommend that it be dropped from the PO indicator set. As a general principle, the M&E design for the SO need not include everything of importance being managed by the Rural Development Office---it should include everything of importance with respect to achieving the SO as currently defined.

### **Program Output 3.3.: Increased Private Sector Activity in Improving Natural Resources Management**

There is only one indicator for this PO, namely, the number of NGOs working on natural resources management activities. These activities will be activities funded through the GOH's newly created Environmental Trust Fund. USAID/Honduras's role will lie in providing managerial technical assistance to the ETF and to NGOs funded by the ETF. This indicator relates to the one described immediately above in that some of the NGOs being counted here may very well be engaged in activities identified by the studies being conducted.

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STRATEGIC OBJECTIVE/ PROGRAM OUTPUTS	INDICATOR	UNIT OF MEASUREMENT	TARGETS			BASELINE INFORMATION	DATA SOURCES	METHOD/ APPROACH	MONITORING/ EVALUATION/ OR STUDIES	HOW OFTEN OR WHEN?
			DATE	PLANNED	ACTUAL					
DRAFT INCREASED PRIVATE SECTOR ACTIVITY IN IMPROVING NATURAL RESOURCE MANAGEMENT	1) Number of NGOs (cumulative) working on natural resources management activities (1)	NGO with project support from new Environmental Trust Fund	1992	2		1991: 0	ETF records	Simple reporting of NGOs that are involved in ETF- sponsored activities	Monitoring  Cost: Minimal Source: GON's ETF	Annually
			1993	7						
			1994	7						
			1995	7						
			1996	7						
			1997	10						

(1) Upon startup of a new mission effort, the mission will be providing TA to the GON's new Environmental Trust Fund and to local NGOs, to help them get started in environmental projects. The mission has no control over the kinds of activities the ETF or specific NGOs that will receive support. Therefore the indicator is at a very gross level.

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As with the last indicator for PO 3.2, we are concerned about the relevance of the outcome being tracked here to the accomplishment of the SO. NGOs may or may not become involved in activities that add to improved management of the forests or agricultural land. If they become involved in other types of environmental management interventions, there may be a desire to revise the SO to include additional "selected natural resources," such as biodiverse ecosystems, ecotourist sites, air, water, etc.

As for now, it is a very uncertain measure of intermediate achievement (at the PO level) toward accomplishment of the SO, as currently defined.

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