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KATALYSIS
North/South Development Partnership

Third Annual Report

to the

Agency for International Development

A Collaborative Strategy
for
Sustainable Development

Cooperative Agreement
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MATCHING GRANT REPORT

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SUMMARY

Founded in 1984, Katalysis North/South Development Partnership consists of a network of organizations working to provide skills, training, and technical assistance to low-income people from developing countries. Katalysis has pioneered a new, two-tiered approach to development assistance which derives from a fundamental belief that participation is the key to sustainable change. On the first level, Katalysis has formed development partnerships with several non-governmental organizations in Central America, thereby creating a vehicle for equal exchange, decision-making, and shared learning. The second level is the direct field assistance provided by the indigenous organizations which employ a participatory model of service delivery to low-income people to assist in the social and economic development of the poor.

What is unique about this approach is that it capitalizes on the strengths of both northern and southern organizations, and, as such, allows for maximum learning and impact. The northern Partner provides technical assistance, institutional development services, long-term strategic planning, and financial support. The southern Partners serve as the implementing organizations, providing hands-on knowledge of the needs of low-income constituents, direct program experience, familiarity with cultural and societal norms, and access to local resources and expertise. Since its inception Katalysis has assisted more than 33,700 low-income small farmers, youth, artisans,and entrepreneurs through its programs in microenterprise development, natural resource management, and women's community banking. Forty-one percent of all participants are women.

The A.I.D. Matching Grant, covering a three year period from FY 1990 through FY 1993, supports both tiers of the Katalysis approach. On the first level, the Grant provides assistance for each Partner agency to build strong ***institutions*** through sustainability strategies development, planning and management systems implementation, and network strengthening. Direct ***field service*** support allows the southern Partners to improve and expand credit, training, and technical assistance for their low-income participants.

The third year of the Matching Grant proved an eventful one for Katalysis. Our Guatemalan Partner agencies graduated from joint venture status to become full Partners: they are CDRO (Cooperative Association for Western Rural Development) and MUDE (Women in Development). CDRO is our formal Partner under the Matching Grant. In addition, our two long-standing Partners, BEST (Belize Enterprise for Sustained Technology) in Belize and ODEF (Organization for Women's Enterprise Development) in Honduras, underwent leadership transitions bringing these two agencies to a new stage in their own development. Support from the Matching Grant, and the Partnership itself, has allowed us to manage these institutional changes effectively while continuing to expand and enhance our services.

Over the life of the Matching Grant, significant ***institutional*** improvements have been achieved. All three Partners under the Matching Grant have designed and implemented sustainability strategies addressing financial stability, institutional strength, and programmatic effectiveness. Each Partner has also benefitted from the development of a training and technical assistance plan which allows them to meet identified skills needs of their staff members, thereby improving long-term efficiency and effectiveness of service delivery. In addition, all member organizations have improved their management information systems, particularly in terms of documentation and computerization. Katalysis carried out relevant training for the Southern Partners such as: participatory evaluation techniques, report-writing, fundraising strategies, and participatory management. Finally, all Partners have profited from increased exchange with agencies within the Partnership and in the wider development community. Throughout the Matching Grant, a total of 55 internal and 100 external exchanges occurred, allowing the Partners to increase their visibility, share their expertise and expanded their knowledge of specific techniques and practices.

In terms of ***field services***, the Matching Grant has allowed the Katalysis Partners to streamline and improve service delivery while expanding the number of participants reached. The number of participants in the network grew from 13,198 before the Matching Grant to 33,734 at the close of the Grant. The community banking program continues to be a hallmark of the Partnership; the program began with ten banks in Honduras and has expanded to 47 banks in all three Partner countries. In addition, the Partners have successfully introduced natural resource and sustainable agriculture programs.

I. BACKGROUND TO THE GRANT

Mission

Katalysis: North/South Development Partnership was founded in 1984 to help low-income people in developing countries become self-sufficient. To do this, Katalysis pioneered a new, two-tiered approach to development assistance which derives from a fundamental belief that **participation** is the key to sustainable change. On the first level, Katalysis formed a development Partnership with several non-governmental organizations (NGOs) in Central America, thereby creating a vehicle for equal exchange, decision-making, and shared learning among Partners. The second level is the direct assistance provided by the Southern Partners who employ a participatory model of service delivery to assist in the social and economic development of the poor in their countries.

What is unique about this experimental approach is that it capitalizes on the strengths of both northern and southern organizations and, as such, allows for maximum learning and impact. The northern Partner provides the technical assistance, institutional development services, strategic planning, and financial support so urgently needed by young, limited-resource development organizations. The southern Partners, in turn, serve as the implementing organizations, providing hands-on knowledge of the needs of low-income constituents, direct program experience, familiarity with cultural and societal norms, and access to local resources and expertise.

The partnership model deserves attention, for despite forty years of development assistance through both governmental and private voluntary agencies, severe economic and social problems persist throughout the developing world. This new model allows for the transfer of northern technological expertise and resources while ensuring the development process is owned by those it is intended to benefit. This new model recognizes that total reliance on free market forces is an inadequate basis for meeting the needs of the poor; in order to effect meaningful change and to attain their fair place in society, poor people must organize, learn business and management skills, obtain appropriate technologies, and gain a sense of self-reliance. Our Partner organizations are positioned to provide just such assistance.

Programs

At the time of embarking on the A.I.D. Matching Grant, Katalysis had three southern Partners: Belize Enterprise for Sustained Technology (BEST) in Belize, Caribbean Advisory and Professional Services (CAPS) in the Eastern Caribbean, and Organización de Desarrollo Empresarial Femenino (ODEF, Organization for Women's Enterprise Development) in Honduras.

In 1990 CAPS left the Partnership (described fully in the first annual report to A.I.D.) and in 1991 two new Guatemalan Partners joined, Cooperación para el Desarrollo Rural de Occidente (CDRO, Cooperative Association for Western Rural Development) and Mujeres en Desarrollo (MUDE, Women in Development). MUDE, our junior Partner, is a new organization, fully funded through private sources; CDRO is our formal Partner replacing CAPS under the Matching Grant. Although MUDE receives no A.I.D. funding, it does participate in Partnership-wide activities.

All Katalysis Partner organizations are incorporated as non-profit, non-governmental agencies within their respective countries. These organizations work with low-income participants, including small farmers, women, youth, and microentrepreneurs. All Partners share a commitment to legitimizing the role of women in development; ODEF and MUDE focus exclusively on women. Women now comprise 41% of the beneficiaries within the Partnership. The programs supported by these organizations can be separated into three broad categories:

- Microenterprise development
- Natural resource management
- Women's community banking

These programs were chosen based on the needs in the countries where the Partner agencies work and on our commitment to promoting self -reliance for low-income people. **Microenterprise development** remains the largest component; it provides credit, management, marketing,

administrative and technical assistance to individual entrepreneurs and small cooperative groups. Each of the countries where we work suffer from persistent unemployment and underemployment. Microenterprise development provides an alternative to low-paying jobs and an option for those unable to find work in the conventional workplace. It also allows participants to manage their own businesses, helping combat a sense of disempowerment.

Each of the Partners is working predominantly with the rural poor. In Belize, Honduras, and Guatemala an average of 75% of the population live and work in rural areas. **Natural resource management** then, becomes an important vehicle for improving economic conditions while preserving the natural resource base. Each of the Partners are developing programs in sustainable farming, agro-forestry, organic family gardens, livestock production, and small farm management. Aside from generating higher incomes for their families, small farmers are now improving their diets while reducing the negative environmental impact of their farming practices.

Finally, the Partnership helped to pioneer the **community banking** concept in Central America. This model was first employed in Bangladesh in 1976 by the Grameen Bank as a means to get credit to the poorest of the poor. To the surprise of many, the poor proved credit-worthy with an average repayment rate of 98% and a growing membership roster of close to one million people. ODEF, BEST and MUDE are now promoting this concept; each have tailored the model to meet the varied economic and social needs of their clients. ODEF now has thirty seven operational banks, BEST has six banks, and MUDE, which initiated its program in mid-1992, now has four active banks. Katalysis has made a significant institutional commitment to this program and it continues to grow in importance and impact.

The Purpose of the A.I.D. Matching Grant

The A.I.D. Matching Grant (MG) is intended to support both tiers of the Katalysis approach. On the first level, the MG provides assistance for each member of the Partnership to build strong, sustainable institutions. On the second level, the grant provides funding for direct field services in microenterprise development, natural resource management and community banking for the Partners' low-income participants.

In terms of institution-building, the MG provides three types of assistance: Sustainability Strategy Development, Planning and Management Systems Implementation, and Network Strengthening. The Partnership provides a particularly appropriate structure for this institutional support. As an objective, but committed Partner, Katalysis is uniquely positioned to facilitate the planning and implementation of organizational systems for its southern Partners. As described in the remainder of the report, since the inception of the grant, this assistance has led to transformative and lasting institutional changes for our southern Partners.

Direct field service support is also accorded to each Southern Partner. Such MG support allows the organizations to extend locally-initiated field programs to higher numbers of beneficiaries and to improve and expand the types of services provided. In the case of ODEF, the MG also makes a special provision to provide credit for community banking.

Each of the Partners holds a successful record of seeking multiple sources of funding, rather than depending on a single donor. Katalysis has found MG funds to be singularly effective in leveraging private monies. Over the life of the grant, Katalysis has generated two and half times the private funds required to meet the match. In addition, the Matching Grant has provided critical support for institution-building activities, support that is traditionally more difficult to attract from private sources.

In the past two years, the Katalysis Partnership has been through significant changes and has faced major challenges. During the second year of the grant, two new Guatemalan Partners came on board and two new leaders replaced the Executive Directors of our long-term Partners BEST and ODEF. The support from the MG has allowed us to manage these institutional changes effectively and to continue to expand and improve our services.

II. PROGRAM METHODOLOGY

Program Purpose

The purpose of the Matching Grant and the Katalysis' mission is to help low-income people in developing countries become more self-sufficient and to improve their standard of living. To Katalysis, development does not mean giving people hand-outs but providing them with necessary training and skills so that they can help themselves. To achieve its purpose, Katalysis employs a participatory methodology, both in its organizational structure, which promotes partnership with indigenous organizations, and in the way these Partner agencies provide services to their beneficiaries.

Program Goal

The goal is to strengthen the financial and institutional sustainability of organizations within the Katalysis network and to assist the southern Partners in extending and improving their services to low-income women, small farmers, youth, and microentrepreneurs.

Program Objectives

The first three objectives of the MG are intended to strengthen the institutions of Katalysis southern Partners: BEST, ODEF and CDRO.

- *Sustainability.* Design and implement Sustainability Strategies addressing each organization's financial, institutional and programmatic goals. Produce Training and Technical Assistance Plans to meet the needs identified in these Strategies. Research and design income-generating projects through the support of Sustainability Venture Funds.

- *Planning and Management.* Assess, design, and install improved information systems to accommodate organizational growth, accounting, and documentation needs.

- *Network Strengthening.* Promote and facilitate educational interaction among the members of the Partnership as well as the Partners' participation in other regional and international forums. Specifically, at least nine Shared Internal Technical Assistance (SITA) activities will take place between Partners each year. A total of three large Private Voluntary Organization-Community Participation (PVO-CP) conferences should be attended by the Partners.

The fourth objective of the Matching Grant is to improve and expand program services offered by each southern Partner.

- *Field Services.* The number of participants will grow each year; increased impact should be demonstrated. Each Partner will undertake a Development Pilot Project to promote new methodologies. ODEF will organize, train, and make operational nine community banks each year.

Methodology

Participation is the foundation of the Katalysis methodology, based on three basic convictions: 1) development is a process of learning, 2) people who suffer from inequality are best placed to define their problems and solutions, and 3) participation leads to commitment and ownership -- two elements necessary for sustainable social and economic change.

At the Partnership level, this participatory methodology involves:

- Representation on the Katalysis Board of Directors by each of the southern Partners and Katalysis representation on their Boards.
- Semi-annual Partnership meetings for which all members prepare a joint agenda.
- A Memorandum of Understanding, revised this year, which designates roles and responsibilities within the Partnership.
- Collective decision-making on distribution of Katalysis general appeal monies.
- Shared quarterly financial statements.
- Joint field projects, such as solar box cooking and community banking.
- Joint fundraising efforts.
- Financial and in-kind contributions by each Partner to the Partnership.
- Constant communication, sharing of ideas, joint problem-solving, and on-going mutual support through North/South, South/North, and South/South exchange.
- Partnership Directors' Board, established in

1993, comprised of the Directors of each Partner and oversees Partnership policy.

- Principles of Partnership, designed by the Partner Directors in 1993, now serve as fundamental guidelines for Partnership programs, management, and interaction.

At the field level, this methodology involves:

- Personnel of each organization comprised entirely of local nationals.
- Staff participation in decision-making through staff meetings, staff retreats.
- Staff representation on Boards.(BEST, ODEF)
- Fees charged for client services (usually only a small percentage, based on client's ability to pay) to ensure clients value the services they receive. (BEST, ODEF)
- Thorough community needs assessments
- Participatory evaluation procedures employed in review of field projects.
- Annual General Meetings attended by clients, staff, and Board. (BEST, CDRO)

Beneficiaries

The benefits of the Katalysis Partnership accrue at two levels: 1) to the members agencies of the Partnership, and 2) to low-income clients receiving assistance from southern Partners. Katalysis as the northern Partner is able to promote development in the way it finds most effective, through southern agencies. Through these Partners, Katalysis is able to learn about what methodologies work in different social and economic contexts. The southern Partners, in turn, benefit through organizational support, technical assistance, access to information and financial resources, and a supportive network of southern agencies.

The true beneficiaries and the *raison d' etre* of the Partnership are the rural low-income small farmers, microentrepreneurs, women, and youth served by the southern Partners. These are people, traditionally excluded from the development process, who have joined together to solve their own problems and are willing to invest their meager resources to do so. At fiscal year end 1993, the total number of participants served by the Partnership is 33,734.

Of this group, women are particularly vulnerable and are targeted specifically for inclusion in programs, not only as beneficiaries but as planners, managers, and implementors. ODEF devotes 100% of its services to women and youth. In 1991, BEST introduced women in development as one of its three sectors. It was for the strengthening of its women's program that CDRO joined the Katalysis Partnership.

Inputs - 1993

Activities	Person/ Months *Planned*	Person/ Months *Actual*
Sustain. Strategies	7	6
Plan/Mgmt Systms.	4	4
Netwk. Strengthng.	5	6
Field Support	6	6
Community Banks	4	5
Mgmt./Administrn.	21	20
Finance/Accounting	9	9
Total	56	56

Outputs - 1993

Activities	*Planned*	*Actual*
Sustain. Strategies	3	3
Train. & Tech. Plans	3	3
Netwk-Wide Wkshps.	1	2
Sust. Vent. Fund Pjts.	3	3
Info. Syst. Improved	3	3
Shared Internal TA	9	27
PVO Comm. Particip.	3	43
Prg. Svc. (# new ben)	2,100	19,192*
Dev't Pilot Projects	3	3
Community Banks	9	11**

* Reflects growth as well as improved documentation.
** ODEF started 8 banks; BEST started 3 banks.

III. MONITORING AND EVALUATION

Monitoring and evaluation are critical to the development process as tools for learning and improved decision-making. Katalysis, through the Matching Grant, has played an essential role in developing and helping to implement appropriate monitoring and evaluation systems for the Partners. In addition, we conducted an internal mid-term evaluation of the Matching Grant and participated in an end-of-grant evaluation facilitated by A.I.D.

Refinements/Changes/Additions to Monitoring and Evaluation Information

As reported in the first and second annual reports, several changes were made in critical indicators. These primarily included adjustments in definitions of key indicators to reflect the Partners' particular programs and tracking capabilities. The indicator that has continually proved difficult to track is that of income changes for participants.

Several targets were adjusted due primarily to the replacement of CAPS (Caribbean Advisory and Professional Services, an original Partner under the Matching Grant) with CDRO. In addition, in the first year, we modified the requirements for Sustainability Venture Fund (SVF) and Development Pilot Projects (DPP). Originally, it was proposed that each Southern Partner research and begin to implement one SVF and one DPP during each year of the Matching Grant. Based on the large scale of several of the selected projects in the first year, the southern Partners preferred to have the option of continuing with selected projects -- especially those showing some promise -- rather than starting new ones each year.

These changes in critical indicators and targets are reflected in the input and output charts that follow as well as in the indicator status charts included in the Partner country sections.

Monitoring

Quarterly narrative and financial reports on the status of the Matching Grant are submitted by each Partner as well as by key staff members of Katalysis. These reports are structured to reflect major components of the grant; they compare accomplishments to objectives, explain any problems encountered, and define possible solutions. These reports are translated and then distributed throughout the Partnership so that each member is kept informed of the others' activities. They form the basis for joint assessment of program progress and timely communication among Partners.

During the second year of the grant, the quarterly reporting process improved markedly. Each member of the Partnership began to use the reports as a tracking and evaluation mechanism for certain activities. For example, Katalysis implemented a system for documenting specific contributions by Board members. In addition, all of the southern Partners participated in the design of a format for recording and assessing all exchange activities within and outside of the Partnership. The completed forms are submitted with the quarterly reports and collated for network-wide review.

At the end of the second year of the grant, the Partners identified the need to collect "global indicators" for the Partnership. The Partners and Katalysis together developed a tracking system to measure key aspects of the sustainability strategies based on program impact, institutional strength, and financial stability. In 1993, each of the Partners began monitoring these global indicators. They have now become a central part of the Partnership-wide program monitoring system.

During the third year of the grant, Katalysis was fortunate to have the opportunity for expanded on-site monitoring of Partner activities. Under the MG, the Director of Programs was scheduled to spend three weeks with each southern Partner, or a total of nine weeks. With the growth in Katalysis staff and because of additional support from private foundations, Katalysis was able to spend additional time in the field. In 1993, 16 visits to CDRO, BEST, and ODEF were made. The President spent three and a half weeks in the field, providing advice and support to Partner Directors and assisting with institutional issues. The Director and Associate Director of Programs spent a total of nine weeks in the field conducting evaluations and providing requisite training and technical

assistance for institutional and program development. The Director of Finance and Administration spent five weeks with the Partners conducting trainings and providing assistance on financial and administrative systems.

Evaluation

In January 1992 an internal mid-term review was carried out by the Executive Directors of BEST, ODEF and Katalysis. This evaluation assessed progress towards achieving the goals set out in the Matching Grant. It reviewed organization-specific as well as Partnership-wide strengths and weakness identified as a result of the Matching Grant.

In November 1992, FHA/PVC facilitated the end-of-grant evaluation of the Matching Grant. Two external consultants and Katalysis' Director of Programs conducted the evaluation. The evaluation began with a three-day team planning meeting in Washington, followed by three weeks spent at Katalysis' headquarters and in a formal evaluation of ODEF and an informal visit to BEST. A final meeting between the evaluators was held in Washington to review results and consolidate the evaluation document. The evaluation team conducted 37 interviews with staff and Board members of Katalysis and the Partners. In addition, the team met with three other organizations and conducted interviews with 26 program participants. The team visited two USAID missions, three Partner headquarters and nine field sites.

The evaluation team first reviewed the four components of the logical framework to determine compliance, verify indicators and assess progress toward the purpose and goals of the Matching Grant. This review showed that the cooperative plan agreement had been largely implemented with certain agreed upon revisions which did not diminish overall impact and that Katalysis had made sufficient progress toward achieving its purpose and goals.

The case study of ODEF and review of Katalysis were conducted based on: efficiency, effectiveness, sustainability, and replicability.

Efficiency. The evaluation concludes that ODEF has improved its efficiency of operations with Katalysis support, but that Katalysis needs to play a more active management role to help ODEF focus on sustainability and to streamline programs. The evaluation found Katalysis to have a lean operation with adequate accounting, financial, and administrative systems. Management and staff were found to be of high quality and the Board of Directors to be supportive and active in policy and organizational direction. Of concern was that the staff was overextended in terms of number and diversity of responsibilities.

Effectiveness. ODEF's program was shown to have expanded significantly and to have achieved high impact. Participants were found to have improved their standards of living, sense of self-reliance and commitment to community. Katalysis has demonstrated its ability to follow through on commitments, to effectively transfer technology to the Partners and to provide requisite institutional support and training. Katalysis' sustainability strategy methodology was found to be particularly sound. Katalysis needs to improve its relations with other donors and international agencies to reflect its growth and reputation.

Sustainability. The Partners have made significant progress toward sustainability, but need to continue work to adhere to their sustainability strategies in terms of coherence among program, institutional strength, and financial stability. Katalysis needs to be more proactive in this process with the Partners. ODEF's community banking program does contribute positively to financial sustainability; ODEF should streamline other activities. In terms of Katalysis, the high commitment to the model by all members of the Partnership bodes well for Katalysis' sustainability. Ability to attract grant funds has been solid. Katalysis should consider streamlining its assistance to focus on institutional development rather than technical assistance for the Partners.

Replication. This element was evaluated only at the Katalysis level. It was recommended that the Katalysis model should be replicated. First, Katalysis should expand, but only in a limited fashion and with a commensurate increase in staff. In addition, other PVOs were encouraged to learn from Katalysis and to adopt its model, either in-part or in-full.

IV. REVIEW AND ANALYSIS OF COUNTRY PROGRAMS

BELIZE

Belize Enterprise for Sustained Technology - BEST

HONDURAS

Organización de Desarrollo Empresarial Femenino - ODEF

GUATEMALA

Cooperación para el Desarrollo Rural de Occidente - CDRO

The Belize Enterprise for Sustained Technology (BEST) was established in 1985 as one of the few non-governmental organizations in Belize. BEST provides training and technical assistance to low-income people in business management and enterprise development, natural resource management, and women's programs. Over the years, the organization has expanded its outreach; BEST is now working in all six districts of Belize with 28 client groups and a total of 13,647 beneficiaries. A capable staff of nine oversees BEST's activities. (See Appendix A-1.)

The Matching Grant is intended to strengthen BEST as an institution and to enable the organization to achieve maximum impact with its target groups of cooperatives, small farmers, microentrepreneurs, and women. Specifically, BEST's four objectives under the MG are to: develop a sustainability strategy, improve planning and management systems, strengthen networking abilities, and enhance field support.

Sustainability

After seven years of leadership by BEST's founder, a new Director joined the organization in mid-1992. In just over a year, the new Director has made significant progress in streamlining staff and management, redefining program strategies according to national needs, seeking new donor support, and improving BEST's status as a national and international NGO leader.

In 1993, under the new Director's leadership, BEST continued to focus on sustainability by: improving cost-effectiveness, designing a credit program, updating its sustainability strategy, diversifying its funding and further developing its sustainability venture fund project.

Cost-Effectiveness. By increasing outreach to new community groups and keeping a lean staff, the Director has sought increased cost-effectiveness. The number of clients grew from 18 in 1992 to 28 in 1993. Most of these groups are newly-formed and from the lowest income areas of Belize. This expansion has been accomplished with improved systems and higher staff efforts. BEST's primary indicator of cost-effectiveness, cost per person/day, has dropped from a base of $223 per day to $150 per day at the end of 1993.

Credit. In 1993, BEST evaluated the benefits and costs of an expanded credit program. The annual general meeting in April was devoted to the subject of credit as a means of sustainable development. This forum served to test BEST's assessment of the need for small-scale credit in Belize and to determine the receptivity to such a program by the Belizean development community. The concept and BEST's plans were received favorably and the document produced for the meeting has been widely circulated.

Recognizing BEST's increased stature in Belize and increasing role in credit, BEST was chosen in 1993 to administer the InterAmerican Foundation (IAF) In-Country Fund. Through this Fund, BEST will disburse approximately $100,000 annually in grants and loans to selected Belizean NGOs. Of particular relevance to BEST's sustainability is the fact that loans repaid by participating NGOs to the Fund will accrue to BEST to finance its training and technical assistance services.

In addition, BEST has been accepted as private enterprise under the InterAmerican Development Bank (IDB) Small Projects Program. BEST was evaluated and invited to submit a revised proposal to IDB. Financial support through a soft loan/grant from IDB would allow BEST to develop an expanded credit program and a technical information center. It would also provide institutional support over three years.

Sustainability Strategy. In September, BEST held its second annual Board/Staff Retreat to review the sustainability strategy -- to assess progress toward institutional, programmatic, and financial strength. (For original sustainability strategy, see Supplement to 1991 Annual Report.) The retreat also presented an opportunity to seek solutions to identified organizational problems and determine new means for financial stability.

Diversification of Funding Portfolio. One of BEST's goals under the sustainability strategy was to achieve a diverse funding mix to foster greater financial stability. As a result, BEST has focussed on cultivating multilateral agencies and international foundations, local donors, and contracts. In the long term, BEST plans to meet a significant portion of its budget through income generating activities. As mentioned

above, BEST has made progress in negotiating grants and loans from IAF and IDB. It has also been invited by UNICEF to submit a proposal for an expanded community banking concept. In addition, BEST received a three year grant from the MacArthur Foundation to develop its Natural Resource Management program. In all, a total of 15 proposals were submitted in 1993 to international agencies and foundations and six new grants were approved.

For its local fundraising campaign, BEST has made limited progress this year. It has made inroads into the Belizean business community, especially through in-kind support from its Board members. Through its new leadership, BEST has also improved relations with the Government of Belize (GOB). BEST has become a national leader among NGOs in fostering collaboration with the new Government. For example, BEST worked with the Ministry of Foreign Affairs, Economic Development, and Education to plan a national youth program. BEST is hopeful that in the long run funds will be channelled through a new Youth Ministry to NGOs providing services to youth.

BEST has also continued to attract contracts through USAID and international agencies, particularly in natural resource management. This year, 10% percent of its funds came through contracts. For example, in April BEST began to administer the UNDP/Global Environment Facility (GEF) Small Grants Program. Through this contract BEST receives a management fee and requisite staff and institutional support.

Sustainability Venture Fund (SVF). The MG provides funds for SVF projects, to allow southern Partners to research and develop income-generating activities complementary to their development missions. In 1991, BEST's chosen SVF was a shredder/chipper project. This project, through research supported by the MG, proved to be only marginally profitable. In 1992, BEST selected an Agricultural Learning and Training Center, called CENTINEL. With MG funds, BEST designed a survey of small Belizean farmers. The survey was designed with assistance from a Katalysis volunteer. The survey provides information on national agricultural and climatic conditions. It also assesses client interest and evaluates farmers' willingness and ability to pay for such services.

In 1993, BEST evaluated the results of the survey field test and revised the questionnaires accordingly. It coordinated with local teachers to conduct the survey. The survey process is now being completed; two thirds of 690 small farmer participants have been interviewed.

BEST devoted a great deal of time and effort this year to locating the appropriate site for the Center. An ideal location was found, researched and negotiated, but then abruptly lost when the land was sold to a high price bidder. As a result, BEST has scaled down its plans. With assistance from Katalysis, it has submitted a proposal for the development of the Center to a foundation. It is negotiating with GOB for a 500 acre farm site just outside of Belmopan called CARICOM farms. The land is well located, near the Belize river. The site has been abandoned for some time, so will need improvements. It is expected that the survey results, combined with financial support and successful negotiations with the GOB, will allow CENTINEL to be inaugurated in 1993. (See Appendix A-II.)

Planning and Management Systems

The MG calls for improvements in each Partner's planning and management systems. Over the last three years, BEST has made significant advances in these systems. Fundamental to these advances has been BEST's use of computers to manage data. In 1993 BEST has improved its personnel, project management, and accounting systems. In addition, BEST is improving its monitoring and evaluation systems.

Personnel Systems. In 1993, BEST implemented a new personnel appraisal system. This system was designed by BEST's management team with staff input. The system ensures maximum learning and staff participation and compares annual plans to performance. BEST continued to implement the Training and Technical Assistance Plan designed early in the MG. This plan outlines staff training needs in order to enhance organizational efficiency and field service quality. In 1993, BEST met these needs through in-house training in such topics as computer literacy. The Partnership provided training to strengthen BEST's fundraising and report writing skills. Staff members also received technical assistance outside the Partnership on such topics as sustainable agriculture and eco-tourism.

Project Management. Over the last year, BEST has focussed particular effort on improving project management systems. First, it revised its primary reporting document so that project data could be obtained and analyzed more efficiently. BEST also revised its annual workplan so as to better reflect client needs and focus BEST assistance. Finally, BEST implemented a new field time report that tracks time and activities of staff working directly with clients to allow BEST staff to deliver services more efficiently.

Accounting and Financial Systems. In 1992, BEST designed and implemented a computerized accounting system, allowing BEST to move away from its time-intensive manual system. In 1993, BEST began using this system to monitor actual cash flow expenditures against projections. In 1993 BEST also put in place a new donor tracking system that allows the organization to track project expenses against grant funds.

Monitoring and Evaluation Systems. In 1993, Katalysis and the Partners implemented a new system of basic data collection. The system provides basic data on the institutional, programmatic and financial status of each Partner on a quarterly basis. BEST was able to collect the required information and is using the results to analyze and improve its operations. This system will be computerized Partnership-wide under the sequel Matching Grant.

BEST revised its reporting system for monthly project monitoring meetings. The new system allows the staff to monitor progress against annual workplans and to jointly solve problems encountered in a more timely fashion. BEST also underwent two external evaluations in 1993; one by USAID at the close of its second three-year OPG, and one by IDB in preparation for BEST's proposed participation in the Small Grants Program. An evaluation of BEST's community banking program is planned for the Fall.

Network Strengthening

From the outset of the Katalysis Partnership, its innovative approach to development emphasized the mutual exchange of information from North to South, South to South, and South to North. The MG is designed to further strengthen the interaction between southern Partners and encourage participation in other PVO forums.

Over the course of the grant, BEST has become increasingly active in networking activities. In 1993, BEST was elected as secretary of the Association of National Development Agencies (ANDA), an umbrella agency for Belizean NGOs. BEST has been instrumental in rejuvenating this association; ANDA is now recognized as the voice of Belizean NGOs. Additionally, BEST was recently elected as ANDA's representative to CNIRD (Caribbean Network for Integrated Rural Development). BEST was subsequently chosen to serve on the Management Board of this Network. BEST, through ANDA, is also active in CONCERTACION (Coordination of Central American Development Organization Networks), where BEST serves on the issues committee.

In terms of those activities specifically supported through the MG, in 1993 BEST participated in eight Shared Internal Technical Assistance (SITA) activities and 21 Private Voluntary Organization Community Participation (PVO-CP) forums as compared with six and seven such activities, respectively, in the first year. (See Appendix A-III.) These forums contributed to BEST's knowledge of specific issues, allowed it to share its expertise, and increased BEST's visibility locally, regionally, and internationally.

Perhaps the highlight of BEST's Shared Internal Technical Assistance activities took place in the February, when BEST hosted a planning meeting for a regional conference on solar cooking. The conference took place in June and was sponsored by BEST, ODEF, Katalysis, and Solar Box Cookers International. The four principals met in Belize for two days to plan the agenda, determine and allocate responsibilities, and produce a participant list. BEST and ODEF reported that they learned more about each others' programs from this meeting, than from all the reports they had read previously.

BEST was quite active in terms of participation in other PVO forums. For example, BEST, with NGOs from six countries, was invited to a IAF conference in Guatemala on Organic Farming. The purpose was to form a regional network for certifying organic producers for local and foreign markets. BEST was selected as the lead agency in Belize. With joint certification standards and guidelines, local organic farmers should be better able to gain market acceptance. This meeting clearly illustrates the value of collaboration.

Field Services

Since BEST began operations, it has provided training and technical assistance to low-income sectors in Belize. In fiscal year 1993, with funding from the MG, BEST enhanced its field support by increasing the number of its clients from 18 to 28, or by 56%. Due to the termination of contracts with several of BEST's larger clients, the number of participants in its client groups increased to 13,647 in 1993 from 11,242 in 1992. This represents seven percent of the Belizean population. Of direct clients, 20% are women. (It should be noted that BEST is currently evaluating its definition of beneficiaries, which may result in changes in the reported figures.)

During the Sustainability workshop in 1991, BEST formalized its field services into three program areas: Business Management, Natural Resource Management, and Women's Programs.

Business Management/Enterprise Development remains the largest branch, with 42% of the clients. Services offered include training in: record keeping, marketing, proposal writing, business management, project development, accounting, business and feasibility studies, and micro-enterprise development. Through its services, BEST hopes to create more independent cooperatives with enhanced management capabilities. Increasing clients profits is also a primary objective in this sector. On average, in 1993, clients incomes increased by 8%.

Perhaps BEST's greatest achievement in 1992 and 1993 has been the conception, design and initiation of a Natural Resource Management (NARESMA) Program. In 1992, BEST produced a NARESMA concept paper, outlining strategies in conventional agriculture, sustainable agriculture, environmental education, alternative energy sources, and special projects. In 1993, BEST began promoting the program; NARESMA clients now represent 33% of BEST's portfolio. For example, it is working with Monkey River Preservation Association to teach residents in the buffer zone sustainable agriculture techniques and natural forest harvesting.

In 1993 BEST continued to promote the solar cooking technology. There are now over 100 cookers in Belize. Such solar cooking activities were made possible largely due to BEST's cost-effective paratechnician program. In 1993, BEST had two active paratechnicians promoting solar cooking and follow-up with interested people. BEST has experienced some difficulties in overseeing the work of these field personnel, but, clearly, the paratechnicians have invigorated the project through their ability to meet frequently with users and to organize workshops.

The MG provides funds for Development Pilot Projects (DPP) to allow southern Partners to experiment with new technologies. BEST selected a NARESMA project, the promotion of the biogas technology, as its 1993 DPP. In Belize, 25 biogas plants have been built which digest farm waste, thereby killing bacteria and producing methane gas which can be used in place of fossil fuels. BEST chose this DPP in order to research the potential of human biogas plants in eco-tourist hotel facilities. Funds from the MG have allowed BEST to visit existing biogas sites, research appropriate models, and investigate interest in this project with BEST's two eco-tourist clients. (See Appendix A-IV.)

BEST's third sector is Women's Programs. While several women's groups exist in Belize, women continue to experience higher unemployment, lower wages and social discrimination. The centerpiece of BEST's program is community banking. The first bank was opened in late 1991; BEST now has six operational banks. In general the model has been successful, especially because few small credit programs exist in Belize. The primary problems that BEST has experienced in the older banks relate to group dynamics and withdrawal of savings. BEST is working closely with each bank to overcome these obstacles.

BEST has also encountered some difficulty in promoting the model. While many women are interested, few have been able to form groups of sufficient size to merit opening a bank. As a result, BEST decided in 1993 to modify the model. BEST opened its first cooperative bank in June, with an existing client group. The group is using its loan to improve its cooperative tourist hotel. In two other communities, BEST has permitted a few men to join the groups at the women's request. BEST is also working with several well-organized youth groups. BEST will observe and evaluate the effectiveness of these modifications, and with Katalysis, will share them with the wider development community.

BEST

INDICATOR	BASELINE	STATUS-END OF GRANT
Greater Impact # of Beneficiaries (annual)	•8,658	•13,647
Groups Served (annual)	•14 Groups	•28 Groups
Income Levels	•Avg. pci: $00-$2,500; BEST client avg. pci: $300-$600	•Avg. Per Family: $2,800 per/yr
Jobs Created (annual)	•5 new jobs in client groups	•61 new jobs in client groups
New Memberships (annual)	•Will begin tracking 1991	•228 new members
New/Expnd Enterprises (annual)	•15 new enterprises created	•40 new enterprises created; 17 expanded
Planning/Mgmt. Quality of Accounting	•Accounting quality is strong •Prim. need: comput acct. syst	•Computerized accounting system in place •Monthly cash flow monitoring system •Donor funds tracking system
Management Information Systems	•MIS satisfactory •Goals: consolidate/computerize	•Personnel appr. system; computerization of accts and reporting; need for Partnership-wide database
Ability to Plan and Adapt	•Planning: satisfactory •Monthly project/staff mtgs, 4 board mtgs per yr, 1 AGM	•Planning improved; annual workplan/quarterly projects operations report revised for better tracking; annual joint staff/board retreats
Stable Income Base # of Grants	•12 Donors	•20 donors; including private int'l and regional foundations, int'l dev. agencies, project sponsors
Client Fees	•Contract Fees:24% of budgt (goal) •Comm Based Enter: 3.5% (goal)	•Contract Fees: 10% of budgt •Comm. Based Enter: 2.8%
Income Generating Projects	•None	•CENTINEL investigated; project on line in 1994
Donor Base	•Donor base needs diversity; majority funders are U.S.; only 1 domestic funder.	•Initiated Local Fund. Drive, with Board and GOB •Increased # of proposals and contacts •Increased # of contracts •Improved relat. with multilateral/large donors
Donor Continuity	•Satisfactory	•Satisfactory
Cost Effectiveness Unit Cost	•Currently does not measure	•US $15.33 per beneficiary/yr
Cost per Person/Day	•US $223 per day	•US $149.80 per person/day
Paraprofessionals	•None	•2 for solar box cooker technology
Short-Term Staff	•None	•3 short-term volunteers
Relevant Services Broad Coverage	Provided:Business/farm mgmt., enter. dev't, pjt. dev't., tech assist. mgmt. train., human res. dev't. Possible Services: Community banking	Provided: same, plus survey methods, women's programs, community banking, NARESMA, solar box cooking
S/S Network Training	•Solar box cooking	•Same, plus community banking, organic agricultural practices, computerization of accounts
TA Capabilities	•Prop writing, project design, farm mgmt.	•Same, environ. training, coop. bus. dev't integr. pest mgmt., eco-tourism, solar cooking, bio-gas
Communication	•Mail, Fax, Telephone, Direct contact	•Same, plus research on modem use
Mech. for Staff/Board Consult.	•Staff rep. to Board, staff/Board field visits	•Same, plus annual staff/Board Retreat
TA and Training Materials	•Farm costing Doc., Citrus Mgt. Guide, Org. Farm Guide	•Same, plus SBC constr./recipes, comm. bank man., sewing pjt., eco-tourism, integr. pest mgmt.

Organización de Desarrollo Empresarial Femenino (ODEF - Organization for Women's Enterprise Development) was founded in 1985 to help incorporate women and their families into the processes of economic, social, cultural, educational, and political change in Honduras. ODEF joined Katalysis Partnership in 1989.

ODEF's programs emphasize microenterprise development as a means to combat low paying jobs and persistent unemployment for women. ODEF's two primary programs in this sector are women in business, providing credit and technical assistance to individual low-income women, and community banking, providing the same to solidarity groups of extremely poor women. Given the interconnectedness of the problems facing women in rural Honduras, ODEF also provides support for food production, nutrition, small-scale agriculture, handicrafts, and alternative energy sources.

Between 1989 and 1992, ODEF achieved a remarkable level of growth. When ODEF joined Katalysis, it had a staff of ten; by 1992 the staff had grown to 56. In 1990 ODEF was working in 28 communities; its outreach had expanded to 66 communities by 1992. In contrast to these years of rapid expansion, 1993 has been a year of reflection and restructuring for ODEF. Personnel has been reduced to 43 and several of ODEF's services have been terminated. Such changes have been undertaken due to an identified need for improved efficiency and cost-effectiveness. The self-analysis leading to these changes was precipitated by the unexpected death of the dynamic founder of the organization in the Summer of 1992. Her death and subsequent organizational changes have come at some cost to the organization, but, fortunately, ODEF is now emerging from this time of transition as a leaner, more focussed agency.

Throughout ODEF's expansion and over the last year of realignment, the A.I.D. MG has been of critical importance; the sustainability strategy, improved planning and management systems, and network strengthening have been essential to ODEF's ability to manage organizational changes. The MG's direct support for field services has allowed ODEF to both expand and improve its services for low-income women.

Sustainability

During the third year of the grant, institutional sustainability was a primary focus of ODEF's restructuring efforts. Some of the highlights of ODEF's sustainability activities include: successful transition of leadership, organizational restructuring in order to achieve improved efficiency, training in participatory management, and renewed efforts in fundraising and income-generating endeavors.

Leadership Transition. When the founder and director of ODEF suddenly died, ODEF was left with a large leadership gap. Many organizations in similar circumstances would not have survived. It is due to the strong commitment of the staff, the willingness of the Board to step into day to day management activities, and the support of sister organizations like Katalysis that ODEF was able to successfully negotiate this difficult leadership transition. Initially, a two-person Board team took over management, focussing on a review of current operations and systems. One of these two Board members was subsequently elected to the position of Director. It is under her leadership that the restructuring and streamlining of operations took place.

Restructuring. During the sustainability workshops in 1992, we found improvements in ODEF's administrative procedures were needed. This led to an internal evaluation of the Administrative Department in early 1992, and a reassignment of administrative tasks to foster more responsibility among staff. Later in the year, the new Director contracted with PYME (Small and Medium Enterprise Project, funded by the USAID Mission in Honduras) to conduct a full-scale administrative audit to locate inefficiencies and provide recommendations. Based on the results of this audit, and those of another external personnel evaluation, ODEF decided to down-size and to restructure.

The number of staff was decreased by one third; the division of technical staff into geographic zones was eliminated. ODEF was restructured into three departments: administration and finance, credit management, and community development projects. Previously credit and community projects had been managed by the

same technical staff. The division into two departments was made to encourage greater efficiency. It ensures that credit staff focus exclusively on the careful disbursement and collection of loans, and leaves community development and participant training to the community projects department. The new structure and downsizing has required flexibility and a high level of commitment by remaining staff; it is working increasingly effectively. As a result, ODEF has been able to recuperate a high percentage of outstanding loans in its women in business program. Coordination between the two departments is essential for the new structure to function; this will need to be monitored.

Participatory Management Training. Leadership transitions in small organizations are always challenging, especially for staff members who are accustomed to one style of management and then must adapt to a new one. To meet this challenge, members of ODEF's management and staff asked Katalysis to facilitate a workshop on participatory management, which took place in February 1993. The workshop included members of all levels of the three new departments. Participants received information about the new structure and its purpose, learned different styles of management, and then jointly designed a decision-making and communications structure. An adapted workshop was later conducted by the participants for the entire ODEF staff. Many staff members reported that these workshops provided a turning point for the organization, allowing ODEF to move forward effectively under the new structure.

Strategies for Income-Generation and Fundraising. The Sustainability Strategy shows that for improved financial stability ODEF needs to diversify its funding away from international private donors to include local donors and to generate increased income through operations and special projects. In 1993, ODEF enhanced its relations with Honduran funding agencies. ODEF extended its contract with PYME and expanded relations with FHIS (Honduran Fund for Social Investment). FHIS is now providing increased levels of credit to ODEF and has contracted with ODEF to administer another project. In addition, ODEF has successfully negotiated a $500,000 Small Projects Loan from InterAmercian Development Bank, which also provides $148,000 for institution building. This will significantly expand ODEF's credit portfolio, improve credit systems, and help meet the high demand for micro-credit in Northern Honduras.

ODEF also improved its self-financing capacity through credit and training operations and special income generating projects. Under its new structure, ODEF plans to finance all credit operations through interest and fees received on its loan portfolio. The A.I.D. evaluation conducted in Fall 1992 showed ODEF was meeting 47% of administrative and credit costs of community banking through fees and interest on this portfolio. ODEF has also improved and is now selling its training manuals.

Sustainability Venture Fund. In 1991, ODEF decided to construct an office building to provide financial security for the organization. Because of the scale of this project, ODEF continued with its exploration and design in 1992. In 1993, ODEF decided to use its SVF funds to complete the project. This year, after extensive negotiations, ODEF successfully petitioned the municipality of San Pedro Sula for the donation of land and solicited other in-kind donations. Funds were raised through an international campaign and through local events organized by the staff. ODEF contracted with a pro-bono architect, designed the building, and managed the construction process. As a result, the first phase of the office building was inaugurated in June 1993. (See Appendix B-II.)

Planning and Management

The MG is intended to help the Partners evaluate and improve management information systems, which has been particularly critical for ODEF to allow its systems to keep pace with programs. Over the course of the MG, ODEF has advanced its information systems, but additional work is needed. For 1993, critical advancements include: computerized credit and financial systems, workshops on report writing and fundraising, and continued implementation of the Training and Technical Assistance Plan.

Computerized Credit and Financial Systems. ODEF, due to its large credit program and multiple donors, has complicated financial systems. In 1993, ODEF worked extensively with PYME to further develop and implement a computerized credit and financial management system. In

addition, Katalysis has provided intensive technical assistance on ODEF's systems. The Katalysis Director of Finance and Administration (DFA) made three visits to ODEF to provide technical assistance. In addition, with CDRO's Accounting Director, the DFA facilitated a training on budgeting and internal controls. The training was hosted by ODEF, but representatives from MUDE and CDRO participated as well. It helped the Partnership to streamline and coordinate internal control systems. At the close of this MG, significant improvements to ODEF's systems have been made, but further work will be required to make these systems efficient and problem-free.

Report Writing and Fundraising. In 1992, the Katalysis Director of Programs (DP) and Associate Program Director guided a training on report-writing for key program staff. This training assisted participants in understanding donors' needs and reporting requirements. In addition, Katalysis prepared a reporting calendar to facilitate the collection of data and management of reporting deadlines. At ODEF's request, in 1993 we conducted a follow-up training based on the reports received. In general, reporting has improved substantially.

At the April Partnership meeting, Katalysis conducted a fundraising training for all the Partners. The workshop focussed on how to design proper systems to assess program needs, research and develop relations with donors, and produce quality proposals. A follow-up training will be conducted in country by Katalysis' new Director of Development in October.

Training and Technical Assistance Plan. As part of the MG, ODEF was required to design a plan to help meet staff training needs to improve efficiency and field service quality. ODEF's Plan, for 1992-1994, lists types of training needed, for which staff members, and by which agencies. Over the last two years, ODEF staff members have received 90% of the training identified in the Plan, which has proven important during ODEF's period of restructuring as staff members were asked to perform tasks new to them.

Network Strengthening

During 1993, ODEF participated in 11 Shared Internal Technical Assistance (SITA) and 12 Private Voluntary Organization - Community Participation (PVO-CP) forums, compared to six and nine respectively in the first year of the grant. These interactions contributed to ODEF's knowledge of specific techniques and practices, allowed ODEF to share some of its expertise, and increased its visibility. (See Appendix B-III.)

Of all ODEF's SITA activities, perhaps the most memorable occurred in February when ODEF's technical assistant coordinated an evaluation of MUDE's community banking program with the Katalysis DP. The joint facilitation proved extremely successful because it capitalized on both northern and southern perspectives. ODEF's technical assistant was able to bring a practical perspective and offer solutions based on experience at ODEF. She was able to learn from MUDE's experience and bring these lessons back to Honduras. MUDE has requested a North/South evaluation be conducted annually.

ODEF has also participated in many wider PVO forums and has taken a lead role in organizing several of these. In particular, ODEF hosted a regional conference on solar cooking for practitioners from 14 Latin American and Caribbean nations. A total of 95 people participated in this workshop, whose purpose to assess technological innovations, review promotional methodologies, and discuss common problems and solutions.

Field Services

ODEF was founded to assist low-income women in Northern Honduras earn better incomes, improve household conditions, and become active community participants. Over the life of the grant, ODEF has made significant progress in reaching these goals. Since the beginning of the MG, the number of ODEF's beneficiaries has increased from 646 to 2,463 and participating communities from 28 to 65. In 1993, more than 1,000 small businesses were created or expanded. Family living conditions have been improved and new community initiatives undertaken.

As explained, 1993 was a year of restructuring for ODEF. The housing program was suspended and ODEF decided to phase out the integrated rural development project over the course of the year. Remaining programs have been strengthened. In April 1993, the Katalysis DP

and CDRO's Program Director facilitated an evaluation of ODEF's continuing community projects, namely: general training for community banking and microenterprise, pig raising, solar box cookers, organic agriculture, environmental awareness and gender. Sixty nine beneficiaries from 16 communities were interviewed. The evaluation showed the general training program to be highly beneficial and other projects to be of significant impact. The solar cooking project was found to be least cost-effective. In general, follow-up needs to be strengthened.

Embroidery. ODEF initiated this project in 1991 in four communities in Northern Honduras. The project began with training on group dynamics and basic accounting. The women have received training in business skills, production techniques, bulk purchasing, and marketing. In 1993, members participated in a series of gender seminars to help build their self-confidence. With assistance from ODEF and a Katalysis volunteer, the women have translated higher confidence into improved marketing. For the first time they have been willing to make direct sales locally and in large cities rather than relying on a middleman, resulting in a significant increase in sales and profits.

Solar Box Cooking. The highlight of this project in 1993 was the regional solar cooking conference hosted by ODEF. This conference reinvigorated the ODEF staff involved in the project. The staff needed this boost because solar cooking has required much more promotion and follow-up than originally expected. Introducing any new technology is time consuming and requires patience; encouraging women to change their cooking habits--so central to daily routines--is even more difficult. Still, during the year, ODEF hosted 40 demonstration and construction workshops attended by 635 people. Twenty new cookers were constructed. ODEF is currently evaluating the costs and benefits of this program.

Community Banking. Over the last three years, with support from the MG, the community banking project has continued to grow. At the outset of the MG, ODEF had ten banks. ODEF now has successfully opened 37 banks with $141,131 outstanding in credit to more than 900 members. The banks have accumulated $33,530 in savings. The evaluations of the community banking program by Katalysis in February 1993 and A.I.D. in November 1992 show members have increased their incomes by an average of 48%. They also show that women are investing their earnings into home improvements, nutrition, children's education and medical care.

The rapid growth in this program has been achieved with little cost to repayment rates which remain close to 100%. The primary exceptions to this are ODEF's two urban banks. These two large membership banks were formal unions prior to joining ODEF's program. They are experiencing internal union problems and are currently negotiating with ODEF regarding the repayment of their loans.

Other key issues faced by some older banks are: attrition of members and withdrawal of savings. For banks in these situations, ODEF has suspended lending and is working closely with the leaders. In general, these problems are normal in an expanding program, but must be dealt with assertively and with vigilance. Katalysis and ODEF must learn from problems encountered, make necessary adaptations to the model, and share our findings with the wider development community.

Development Pilot Project. In 1993, ODEF made significant progress with regard to its first DPP, a sustainable agriculture training center called Herencia Verde. A detailed proposal, including responsibilities and timelines, was produced by ODEF and Katalysis. It was conditionally approved under a special partnership project of the Honduras USAID mission and a new NGO. Pending an environmental and social impact study, the project should be initiated next year.

In 1993, ODEF applied its DPP funds to a new endeavor--a desk project for low-income schools in Northern Honduras. This school project is a nationwide effort sponsored by FHIS, that it manages through contracts with local agencies. ODEF used DPP funds to evaluate the costs of such a contract and the need for the project in the communities it serves. In addition, an action plan was devised. ODEF was approved as a FHIS contractor in March. To date, ODEF has constructed desks for 2,524 children in 209 communities. Through the contract, ODEF has received institutional support as well as funds to cover all operational costs and the salary of a project coordinator. (See Appendix B-IV.)

ODEF

INDICATOR	BASELINE	STATUS END OF YEAR 2
Greater Impact Beneficiaries	•646 members	•2,463 members; 5,857 participants; 8,320 total
Groups Served	•4 zones; 28 communities	•4 zones; 65 communities
Income Levels	•US $650 per family	•US $1,000 per family
Jobs Created	•50	•484
New/Expanded Enterprises	•447	•1,046
Planning/Management Quality of Accounting	•Accounting systems: manual; credit systems: need to be improved; need to computerize systems	•New credit and finance system implemented; 2 new computers; all staff trained in use of computers
Management Information Systems	•Program reports informative but complicated; need to simplify and computerize systems	•Computerization completed; report writing improved; need for Partnership-wide data base
Ability to Plan and Adapt	•4 Board meetings per year; staff meetings monthly; annual staff retreat	•Same, plus Training and TA Plan and Sustainability Strategy implemented; staff member now sits on Board
Stable Income Base # of Grants	•11 donors (2 community bank sponsors)	•14 donors (15 community bank sponsors)
Client Fees	•2.5%	•10% (approx; measuring system in process)
Income Generating Projects	•No income generating projects.	•First phase of office building complete; contract with FHIS in place; Herencia Verde on line in 1994
Donor Base	•Relatively diversified; one dom. donor, government support, US foundations	•Same, plus increased local and governmental support
Donor Continuity	•High, most donors multi-year grants	•High, most donors multi-year grants
Cost Effectiveness Unit Cost	•90% (estimate)	•71% (estimate)
Paraprofessionals	•10 paratechnicians	•5 paratechnicians
Short-term Staff	•Does not yet use short-term staff	•3 short-term staff; 2 volunteers
Relevant Services Broad Coverage	Provided: •Credit: housing improvements, women in business, and community banks •T.A.: pig raising, food production, solar cooking, business admin., accounting, marketing, human res. dev't., credit admin. Possible Services: •Organic gardens, urban programs, handicrafts	Provided: •Credit: Women in Business, Community Banking; Housing Improvements discontinued •TA: pig raising, food production, solar cooking, business admin., accounting, marketing, human resource dev't., credit administration, organic gardens, urban programs (currently under evaluation), handicrafts, gender training, sustainable agriculture center researched and to be opened in 1994
S/S Network Training	•Community Banking	•Same plus orgar. development, business modules
TA Capabilities	•Managing credit	•Same, plus gender, org. gardens and food production
Communications	•Mail, fax, telephone, direct contact	Same plus extensive visits, plus two volunteers
Mechanisms for Staff/Board Consultation	•Primarily through Executive Director	•Board increasingly involved, with specific projects and in leadership transition; staff member sits on the Board
TA and Training Materials	•Manuals: Community Banking, Paratechnicians, Food Production	•Manuals: Additional food production manuals, Solar Box Cooking Manual and Recipe Book

Cooperación para el Desarrollo Rural de Occidente (CDRO), or the Cooperative Association for Western Rural Development was selected by Katalysis in early 1991 as our new Guatemalan Partner under the Matching Grant. Established in 1981 as a volunteer effort by local Mayan leaders, CDRO assists indigenous people in meeting basic needs in Western Guatemala. CDRO is now a democratic association, recognized by the Guatemalan Government, working with 21 communities and over 40,000 low-income people from Totonicapan and other nearby states.

CDRO's participatory methodology, based in Mayan tradition, builds consensus and develops community based problem-solving skills through the establishment of 'consejo comunales' (community councils). The community councils bring together base groups, organized according to village's needs such as small farmers and artisans, to arbitrate their needs for the betterment of their community.

Since joining the Katalysis Partnership in April 1992, CDRO increased its base groups from 280 to 300 and coordinates 21 community councils. Its staff has increased from 30 to 55, with support provided through more than 65 volunteers and part-time assistants. (See Appendix C-I.) Through technical assistance, group organizing, and credit and grants, CDRO assists in the development of projects selected by base groups and approved by their community councils. CDRO's programs now include: Handicrafts, Infrastructure, Agriculture and Environment, Health and Natural Medicine, Education, Food Consumption and Nutrition and Social Services.

Initiated in 1988 CDRO's Women's Program (WP) was designed a promotional service in 1988 to help accelerate the participation and integration of indigenous women into CDRO's programs and community base groups. It is the further development of the WP for which CDRO joined Katalysis. CDRO WP has a membership 36 women's groups. These groups design, manage, and implement projects such as income-generating enterprises, home improvement activities, animal raising, and artisan activities.

Through assistance from Katalysis and support from the MG, the WP has been able to strengthen and expand its activities: the sustainability strategy, improved planning and management systems, network strengthening, and enhanced field support have been fundamental for the successful growth of the Program.

In April 1993 CDRO graduated from Joint Venture status to become a full Katalysis Partner. Although the WP remains the focus of the MG, Katalysis has extended its institutional and programmatic support to other CDRO programs.

Sustainability

In 1993 the WP made significant progress in developing its institutional, programmatic and financial sustainability. Some highlights include: completing a Sustainability Strategy, organizational restructuring, establishing a new office, developing a project fund, and implementing new income-generating strategies, including a Sustainability Venture Fund project.

Sustainability Strategy. With assistance from Katalysis Program Department, the WP staff and Board of Directors designed a three-year sustainability strategy to assure institutional development, program expansion and integrity, and financial stability. Institutional and program issues were discussed during a two-day workshop, facilitated by Katalysis. The staff and Board developed action plans to improve program and personnel evaluation systems, staff and project management, and communications.

During the workshop a reoccurring structural problem was identified. The WP was incorporated in CDRO to be promotional in nature -- because Mayan women have traditionally been oppressed, few actively participate in CDRO's programs. The WP's purpose therefore was to encourage women's participation, help organize groups, provide education, assist in project development, and then, once established, facilitate the transfer of groups to the appropriate technical program of CDRO. For example, if a women's group wanted to start a chicken raising project, the WP would provide organizational support, gender

and leadership training, and then give assistance in the development and implementation of the project. Finally the WP would transfer the project to the Agricultural Program.

The unintended result of this structure is that projects were never fully transferred to CDRO programs and the WP had responsibility for the projects but no commensurate authority or ownership. Also the technical abilities of the staff were never fully developed to provide the necessary assistance. Therefore, during the sustainable strategy workshop coordination between programs was discussed and an improved system was developed. In addition, it was decided that the WP would develop one or two projects of its own designed to meet the special needs of women. These projects will be maintained in the WP throughout the life of the project, allowing the staff to develop requisite technical expertise and program ownership.

Beginning in 1991, the WP became responsible for its own financial management and fundraising. To ensure its financial stability, the Program designed a financial strategy during a two-day workshop in August 1993. The staff first analyzed current funding sources and then developed an action plan for fundraising activities and other income-generating ventures. Complementary to this strategy was a training and technical assistance plan developed to help the women's program staff gain the skills necessary to accomplish their funding strategy.

As part of this strategy the WP started a Program Project Fund to provide groups loans for community projects. The fund was initially capitalized with monies provided by the MG and Katalysis. Through the new financial strategic plan, the WP plans to increase the fund with other grants and the interest earned from loans.

Human Resources. When CDRO joined the Katalysis Partnership, the WP staff was comprised of two full-time coordinators and three part-time field promoters. The staff now has a coordinator, four full-time promoters, two technical advisors, a secretary, and an accountant. The Program's technical advisors assist the staff in administrative and management systems and training development. The WP has an active Board with five members elected by the WP membership. The Board meets twice monthly to discuss activities, problems and future plans.

Organizational Restructuring. An internal evaluation of the WP was conducted in January 1992 which recommended strengthening of administrative systems and staff technical abilities. Based on the evaluation, the staff decided to restructure its responsibilities. In addition to project activities, each staff member is responsible for a specific Program area: administration, training and outreach, production and marketing.

New Program Office Building. In February 1992 the WP moved from a small office in CDRO's headquarters to a separate building. The new space, shared with the Organization for Social Services and Justice, SERJUS, provides the WP with improved prospects for sustainability: more work space for increased staff, a telephone line, space for an improved filing system, and room for training workshops for staff and beneficiaries.

Sustainability Venture Fund (SVF). In 1992 CDRO's chosen SVF was a soap production factory. The women conducted a pre-feasibility study for the project and laboratory tests to locate appropriate ingredients. Based on this research, CDRO developed a proposal for an interested donor. The donor then requested a more detailed feasibility and marketing study before considering a full proposal for the establishment of the factory.

For this reason, CDRO decided to continue with the same SVF for 1993. With MG funds, CDRO designed data collection systems and surveys for consumers and distributors in the Totonicapan region. Katlysis hired a consultant who provided training to CDRO personnel and project participants on feasibility and market research techniques, drafted a preliminary survey with staff/beneficiary input, assisted personnel with spreadsheet software, determined appropriate sampling techniques and field tested the survey. The study, to be completed in October 1993, will provide information on demand, growth potential, and competitive environment. It will assess production, distribution, financial, and management needs to determine income-generating potential. (See Appendix C-II.)

Planning and Management Systems

The WP has made important progress in the development of planning and management systems. The hiring of a secretary and accountant exclusively for the WP and the new office building have improved program efficiency. The use of computers to manage financial, reporting, and project data has helped improve organizational systems. The WP has also initiated personnel and project evaluation procedures. Katalysis provided relevant training in: administration, budgeting, the use of computers, and proposal and report writing.

Program Accounting and Organizational Systems. The Program Accountant has worked closely with CDRO's Accounting Department to design and implement manual and computerized financial systems. He is responsible for accounting and financial reports for the WP. The WP now communicates through him for all accounting and financial concerns thereby improving the efficiency of communications. He will continue to work with CDRO's Accounting Department to implement a fully computerized accounting system.

Report Writing. Until joining the Katalysis Partnership, the WP was not responsible for donor reporting. Katalysis APD conducted a report writing seminar in August 1992 for WP staff. In addition, Katalysis prepared reporting formats and calendars to facilitate the collection of data and management of reporting deadlines. Follow-up training was provided by Katalysis based on reports received. CDRO's reports to Katalysis demonstrate the benefits of timely follow-up assistance. To improve efficiency, Katalysis is in the process of securing a computer for the WP. The staff received training on, and has access to, CDRO's central computers.

Monitoring and Evaluation Systems. In 1993, Katalysis and its Partners designed and implemented a data collection system. The system provides basic information on the institutional, programmatic, and financial status of each Partner on a quarterly basis. CDRO's WP was able to collect all required information: for the first time the WP has systemized procedures for tracking the progress and analyzing the Program status. This system will be implemented organization-wide in the Fall of 1993 and will be computerized Partnership-wide under the sequel MG.

The WP also initiated a new personnel and project evaluation system. The system monitors the progress and problems of community projects through assessment forms completed by beneficiaries bimonthly. Coordinators will analyze the evaluations and share results with the WP director during weekly review meetings.

Technical Assistance and Training Plan (TTA Plan). As part of the MG, CDRO's WP designed a plan to help meet staff needs for training and technical assistance. These needs were identified during the Sustainability Strategy. The purpose of the plan is to augment staff skills, enhance organizational efficiency and improve the quality of field services. The Program's TTA Plan lists the types of training needed, for which staff, when, and by whom from 1993 to 1995. (See Appendix C-III.)

Network Strengthening

The MG is designed to further strengthen the interaction between the Partners as well as to encourage participation in other organizational forums. During 1992, CDRO's WP participated in eight Shared Internal Technical Assistance (SITA) and ten Private Voluntary Organization - Community Participation Activities (PVO-CP). (See Appendix C-IV.) These interactions helped the WP learn more about women's rights in Guatemala, allowed the Program to share some of its organizational skills and increase its expertise in women's community development.

In March and April representatives from the WP staff and Board travelled to Belize and Honduras for their first South/South exchange. During their visits the women met with community bank members to learn about bank management and activities. The representatives gained a better sense of the community bank model and how beneficiaries can benefit.

CDRO's WP has also been active in terms of participating in wider PVO activities. In 1992 the WP Director of was asked to coordinate the International Conference for Indigenous Women in December 1993 in Guatemala. This provided an opportunity for CDRO to gain more visibility and accelerate its goal of integrating indigenous

women into cultural, social, and economic processes. In its efforts to organize the Conference, CDRO has contacted many agencies: as a result, five of these have asked for assistance from CDRO for their women's programs.

Field Services

The Women's Program is now working with 29 active women's groups and seven semi-active groups. The WP has thus expanded its services from 20 to 36 groups with 542 direct beneficiaries involved in productive and social projects.

Productive Projects. The Women's Program is currently managing 22 productive activities which provide women's groups with access to group loans for income-generating projects and technical assistance and training in project development. Activities include sewing and weaving projects, animal husbandry, and shoe making. For example, a group from the community of Chuanoj decided to start a traditional fabric weaving project. The members felt there was a strong market for their fabric and sales would bring in much-needed income. The group received a loan from CDRO which was then distributed to each member to purchase materials. The women repay the group monthly, which then makes payments to CDRO.

Social Projects. The WP now has 16 social projects which receive grants for basic needs activities Projects include literacy campaigns, educational activities, health and nutrition, and home improvements. The Program assists in group development, organization, and evaluation of projects. For example, ten women from a group in the community of Chiyax decided on a kitchen improvement project. They received a grant from the WP to buy new iron grills for their wood burning stoves. The grills improve the nutritional quality and taste of the food cooked. Through the development of a social project the women learn how to manage group activities and increase their levels of participation.

Sustained WP Projects. The Women's Program is now researching projects to be developed exclusively for women and managed by the Program. With these projects, the WP can focus technical assistance and training on the technical needs of the women's groups and gain a sense of ownership for its own program activities. The staff will maintain its promotional responsibilities and follow-up services for CDRO programs. In 1993 CDRO received introductory training on community banking and solar cooking technology from the Katalysis APD. The WP is now investigating the promotion of these projects as possibilities for their program.

Development Pilot Project (DPP). In 1992 CDRO chose an apple drying project as its DPP. With DPP funds, the WP was able to conduct a community needs assessment, complete a market study, investigate production processes, and develop a financial plan. To further improve and strengthen the project CDRO decided to continue with this DPP in 1993. This year, CDRO provived assistance in five areas: training and transfer of technology, optimization of equipment used, diversification of production, marketing strategy, and legal status. Production began in August 1993. The facility has two project administrators and 50 women working on a rotating basis. (See Appendix C-V.)

Expanded Katalysis Assistance. As explained earlier, CDRO joined Katalysis as a full Partner in April 1993. To incorporate the participation of all CDRO programs into Partnership activities, Katalysis assisted the Agricultural and Artisan Programs in the development of three projects. Katalysis helped CDRO design two proposals and locate funding: a two-year reforestation project in five communities will be implemented to protect 25 watersheds in the Highlands of Guatemala: and credit and technical assistance and training project for small farmers in eight communities.

Katalysis will continue to expand its development assistance to CDRO's full program and management staff under the sequel Matching Grant.

CDRO

INDICATOR	BASELINE (YEAR END 1991)	STATUS (Sept. 1993)
Greater Impact Beneficiaries	•400 Active beneficiaries •14,000 Indirect beneficiaries	•542 Active beneficiaries •14,000 Indirect beneficiaries
Groups Served	•38 Groups formed; 20 communities •11 Groups active	•35 Groups formed; 19 communities •35 Groups active
Income Levels	•Family Yearly Income: US $336 - $528	•Yearly family income: US $864 - $1,200
Jobs Created	•131	•174
New/Expnded Enterprises	•100	•113
Planning/Management Quality of Accounting	•Accounting systems: manual systems in place; no dedicated personnel for accounting	•Program accountant on line, improved manual accounting systems, computerized financial reporting, full computerization of accounting systems in process.
Management Information Systems	•Limited management informations systems; Required annual reports	•Reporting procedures improved, weekly staff reports and monthly program reports required, improved organization of information req.
Ability to Plan and Adapt	•Annual General Assembly Meeting; Ability to plan and adapt: weak	•Weekly staff meetings, monthly staff trainings, bi-weekly BOD meetings, Annual Gen. Assembly Meeting, Annual Eval. and Planning Meeting, devel. of five yr. plan, reorganization of staff respon., devel of Sustainability Strategy Plan, Technical and Training Plan designed
Stable Income Base # of Grants	•2 donors	•6 donors
Client Fees	•8% annual interest on credit	•12% annual interest on credit.
Income Generating Projects	•Artisan production •Agricultural production •Pottery/Handicrafts	The same plus: •Livestock and poultry•Corn Mill•Soap Production•Dried Apple and Fruit Juice Production•Sandle Making•Small Restaurant
Donor Base	•Limited but ongoing	•Donor base expansion, Estab new Program Project Fund, Received support from European Funders, Increased international support.
Donor Continuity	•Satisfactory	•Satisfactory; several new donors
Cost Effectiveness Cost per Beneficiary	•Currently does not measure	•US $24.40 per beneficiary
Cost per Unit of Credit	•Currently does not measure	•66% per credit
Paraprofessionals	•None	•none
Short-term Staff	•1 short-term staff	•2 short term staff
Relevant Services Broad Coverage	Provided: •Credit •Natural medicine training •Organizational Training	Provided •Credit: Housing Impr., Agric. Proj, Animal Husb., Food Processing •TA: animal rais, soap produc, nat med prep, sm garden cult., credit admin, sewing/weaving, organ/leadership training, literacy training.
Networking Training	•None	•Administration, Budgeting, and Internal controls
TA Cappabilities	•None	•Institut organ, project devel, literacy training, credit management.
Communications	•Mail, Fax, Telephone, Direct contact	•Same plus dir con.; Kat President-5 vsts; Kat Program staff-2 vsts; Kat DFA-1 vsts; New phone line for Women's Program.
Mechanisms for Staff/Bd Consult.	•Bi-monthly Board meetings •All Board members are from CDRO communities	•Board helped with restructuring of Program and in surveys for eval of commun projects; Bi-monthly meetings; All members from commin.
TA and Training Materials	•None	•Apple drying technical manual currently being produced

V. MANAGEMENT: REVIEW OF HEADQUARTERS SUPPORT

Project Planning and Management Activities

For the Partnership as a whole, as well as for the Matching Grant, Katalysis serves as coordinator and facilitator. Rather than dictating what the southern Partners must do, Katalysis employs a participatory methodology: responding to Partners' priorities and needs from the outset of any project and then assisting with implementation and evaluation.

In the first year of the MG, Katalysis worked intensively with each Partner to explain the various aspects of the grant and design tailored plans to carry out required activities. This meant producing a Partnership-wide calendar, conducting orientation sessions, and composing and translating descriptions of activities.

In second year, Katalysis completed its search for a Guatemalan agency to replace our Caribbean Partner. The process entailed research on the Guatemalan NGO sector, the participation of both BEST and ODEF, preliminary interviews of 38 NGOs, and follow-up interviews with four finalists. In January, CDRO was selected as a Partner under the MG and MUDE as a Junior Partner. Training and orientation for these two new members then commenced.

Throughout the year, Katalysis provided increasing support to all Partners, especially at an institutional level. For example, they requested additional technical advice and training to improve the quality of management information systems. Katalysis responded by creating a new position of Director of Finance and Administration and hiring a person experienced in providing such technical assistance to Central American agencies.

In 1993, Katalysis continued to respond to the Partners' increased institutional needs. Perhaps our most critical role was to assist BEST and ODEF through their leadership transitions. This was accomplished through frequent communications as well as several meetings by the Katalysis President with the new Executive Directors. Katalysis Director of Programs and the Director of Finance and Administration also worked intensively with their staff counterparts at ODEF and BEST to assist them through the period. In addition, a training was developed and facilitated on participatory management; this seminar helps key constituents in the agencies jointly devise an appropriate structure for decision-making and communications.

Throughout the year, Katalysis provided other critical institutional assistance particularly in the development of improved administrative and financial systems for the Partners and through training on fundraising and report writing.

Staff Resources

In 1991, Katalysis had a staff of five, consisting of the President, Director of Development (DD), Administrative Coordinator, part-time Accountant, and Director of Programs (DP). In 1992, the staff was expanded to include a part-time Associate Program Director (APD) and a part-time Development Officer. In addition, the part-time Accountant was replaced by a full-time Director of Finance and Administration (DFA).

In 1993, the Katalysis staff was expanded and restructured. The APD's position became full-time in November 1992. A new DD was hired in May to replace her predecessor who resigned in December 1992. Because both the APD and DD are based in the San Francisco Office, a part-time position of Administrative and Research Assistant (ARA) was created. Katalysis activities now fall under three departments: program development, resource development, and finance and administration. (See Appendix D-I.)

Program Development. The program department provides direct training and technical assistance, institutional development services, project formation and facilitation, grant oversight, report-writing assistance including translations, and evaluation and monitoring of programs. This department is also responsible for the implementation of the Matching Grant.

The DP and APD have experience in institution building, designing and conducting trainings, research and analysis, project and grants management, and monitoring and evaluation techniques. The DP is an expert in community banking and microenterprise and the APD specializes in natural resource management.

In 1993, the program department introduced a new fellowship position for a Southern Program Advisor (SPA). We invited a previous staff member from ODEF to become our first fellow. She worked with us for six months in 1993 providing assistance in translations, training design, and in developing the concept of partnership from the southern perspective.

Development and Communications. This department is responsible for fundraising for the Partnership including the design of a funding strategy, research and development of funding options, building relations with donors, individual donor appeals, and production of grant proposals. The department provides training to Partner staff members to improve each agency's fundraising capacity. The long-term goal is for each Partner to fully manage fund development activities, no longer needing Katalysis as an intermediary. The department also produces and distributes all communications materials, such as the newsletter, the annual report and informational brochures.

The new DD has previous experience as the Executive Director of a private foundation, giving her expertise in proposal development, donor relations, and strategic planning.

Finance and Administration. This department, which includes the DFA and two administrative assistants, performs bookkeeping, accounting, budgeting, purchasing, expense control, financial reporting and office management for Katalysis. The DFA also provides training to the southern Partners on financial and administrative systems.

The DFA has ten years of experience in financial management which includes a broad training background. The administrative assistants have experience in human relations, office administration and research.

In addition to these three departments, the Katalysis President is responsible for the institution building of the Partners through consultation on staff and Board issues, strategic planning, and organizational development.

Training

The Katalysis Partnership is designed to be responsive to members' training needs. In 1993 training was provided in such areas as sustainability, management information systems, and Partnership, through such vehicles as network strengthening and volunteer placement.

Sustainability. Due to its late entrance into the MG, CDRO developed its sustainability strategy for the Women's Program in 1993. This process was facilitated by the APD through a two and a half day workshop. The APD also helped CDRO produce a three-year technical assistance and training plan. ODEF and BEST received follow-up from Katalysis on their sustainability strategies and submitted reviews of their effectiveness which will be circulated Partnership-wide to assure maximum learning.

All Partners received training during the year in identified areas of need relating to sustainability. The Katalysis DP, along with our SPA and an outside consultant, designed and conducted trainings on fund development strategies and proposal writing for all Partners. The program department also provided follow-up on the report writing training conducted in 1992 in order to ascertain if lessons had been applied and to foster continued improvements in reports.

Management Information Systems. Training in 1993 consisted primarily of the review and redesign of financial and administrative systems. Particular emphasis was given to project-based grants management. A Partnership-wide training was conducted for budgeting and internal controls for all Partners. While systems have been improved through these trainings, given the growing scale and complexity of Partnership activities, further development is required. This will be a focus of our next Matching Grant.

Partnership Training. Over the life of the MG, the value of the partnership approach has become increasingly apparent. As the affiliation has intensified, ongoing training has been required. This year, the Katalysis President facilitated three partnership sessions with the Partners' Directors. These sessions were devoted to reviewing and revising the Partnership structure; key roles and responsibilities were refined. As a result, the Memorandum of Understanding governing the Partnership was amended. (See Appendix D-II.)

Significant time was also devoted to partnership during the April Board meetings. In particular,

the underlying values of partnership were debated. These discussions led to preliminary "Principles of Partnership" which document the philosophical underpinnings of our approach. They will be reviewed and ratified at the Board meeting in November. (See Appendix D-III.)

Network Strengthening. This occurred through facilitation of 27 South/South exchanges. Increasingly the southern Partners are initiating and managing these trainings without Katalysis assistance. These exchanges give Partners a chance to learn from each other, share expertise, and jointly seek solutions to common problems.

Volunteer Placement. In 1992 Katalysis formalized a volunteer placement program and continued this program in 1993. Four volunteers provided training on such issues as community banking, marketing, survey techniques, and feasibility studies. In addition, Katalysis further developed an intern program in our headquarters office to help meet identified needs for research and training development. (See Appendix D-IV.)

Technical Assistance

Technical assistance was provided primarily through the field visits of the DP and ADP. Specific examples of technical assistance that occurred during the year include the following.

Community Banking. ODEF and BEST Katalysis received assistance on bank development, internal accounting, reporting and evaluation, with particular emphasis devoted to the concept of bank graduation. For CDRO, Katalysis taught basic modules on methods and principles.

Solar Cooking. Technical assistance was provided to BEST and ODEF on construction materials, impact analysis, and promotion. An introductory workshop was conducted for CDRO.

Sustainable Agriculture. BEST and ODEF plan to open sustainable agriculture training centers in 1994. Technical assistance was given on organic farming and agro-forestry as well as feasibility studies for the centers. An internship was created to collect information on methods and curricula employed by other training centers.

(See Appendix D-V for Katalysis training and technical assistance.)

Project Fundraising and Marketing

Katalysis has been successful in garnering support from individuals as well as private foundations. In 1993, Katalysis worked to improve fundraising systems, submit a wider variety of proposals to foundations, and improve the quality of communications. These efforts are important as Katalysis reduces its reliance on the Founder, who previously provided 34% of overhead costs. In 1993, his contribution was reduced to 8.4%. New fundraising efforts are also important given the proclivity of donors to reduce contributions in times of economic difficulty, especially to international causes.

New Fundraising Efforts. Over the life of the MG, Katalysis significantly increased the number of proposals submitted to private foundations: from 13 in 1991 to 22 in 1993. It should be noted that these proposals have been researched intensively and our relationships with donors cultivated carefully. To this end, three fundraising trips were made during the year. It should be noted that these efforts were hampered to some degree by the vacancy in the Director of Development position. This vacancy was partially filled by external grant writers who served as consultants.

Donor Appeals. Katalysis submits two general appeals to its membership each year. Through a concerted effort of the Board, the mailing list was expanded from 1,500 in 1991 to 2,295 in 1993. In addition, Katalysis and the southern Partners are now utilizing a new approach, by writing and sending the appeals from Central America. The Fall mailing was designed by Guatemala and the Spring appeal by Belize. The response to the Guatemala mailing was positive ($26,000) while the response to the Belize appeal was somewhat disappointing ($7,000). The problem is likely due to poor timing.

Joint Proposals. Katalysis is committed to strengthening the fundraising capacity of the Southern Partners by diversifying and enlarging their funding bases. Each Partner has identified the potential for local funding sources and have sought Katalysis' aid in developing in-country fundraising. Katalysis DD assists in the identification of local and international donors, helps establish direct linkages between the Partners and donors, and collaborates closely in the design and development of proposals.

Financial Sustainability Manuscript. This Summer, Katalysis contracted with an intern from the Stanford Business School to research and design a strategy for financial sustainability. The intern produced a 120 page manuscript discussing the costs and benefits of the following funding options: major donors, family foundations, religious organizations, endowment, corporate funding, publishing, alternative trade, cost sharing by southern Partners, and fees for services. The manuscript is now under review; its recommendations will be incorporated into Katalysis' long-term strategic planning process.

Role of the Board of Directors

The Katalysis Board of Directors is a hands-on Board; each member brings specific expertise to the Partnership. The staff and Partners benefit from the skills the Board brings and their willingness to contribute actively.

The composition of the Board changed somewhat in 1993. One member resigned due to a conflict of interest; she is a program officer at the InterAmerican Development Bank where BEST and ODEF are currently being considered for the Small Projects Program. Two new members were invited to join the Board; the director of Loma Linda training center in Honduras, and the Director of Grants for a large California foundation with experience in microenterprise development. In addition, the Directors of CDRO and MUDE were formally appointed to the Board, bringing Board membership to 12.

The Board provides the following assistance:

- Policy formation
- Administrative assistance
- Financial planning
- Long-range strategic planning
- Organizational structure and strengthening
- Fundraising and donor contacts
- Staff recruitment, selection, and orientation
- Partner troubleshooting
- Field visits and project assessments
- New Partner exploration
- Inter-agency networking
- Financial support

(See Appendix D-VI.)

Development Education

Katalysis believes that to produce sustainable change in the developing world, people in the 'developed' world must understand the causes of persistent poverty. As such, through the support we provide for different development projects, we try to educate donors and our membership as a whole.

Nowhere is this more evident than in our Community Partnership Program (CPP) which is designed to connect donors directly to a specific community bank in one of our Partner countries. We believe that through this direct connection, improved understanding can take place on both sides of the globe. To date, we have promoted 36 such linkages in support of the community banking program. As a result, four CPP sponsors recently visited BEST and ODEF and had the opportunity to meet with the members of the banks they sponsored.

Katalysis produces and distributes a semi-annual newsletter to over 2,000 people. The newsletter initially provided updates on Partner activities. Over the last two years we have made the publication more educational. The southern Partners now write 30% of the articles, giving them a direct voice. In addition, a special column on the concept of partnership discusses what we have learned about this new approach.

Throughout 1993, the partnership approach was a primary topic of discussion and analysis. Since this is a new way of doing business between the North and South, we have few models to follow; every day it seems we are learning something new. In addition, many agencies are asking for our counsel to help them employ the model. To better prepare ourselves to educate other organizations, we produced a manuscript on Partnership, called *Choosing Partnership: The Evolution of the Katalysis Model,* which has now been distributed to over 950 individuals and institutions. In addition, with assistance from the Southern Program advisor, we are in the final stages of producing a document on Partnership from the southern perspective.

VI. FINANCIAL REPORT AND TABLES

Financial Overview

- Table 1A: Budgeted *versus* Actual Expenditures
- Table 1B: Sources of Funds
- Table 2: Program Expenditures
- Country Information Sheets for Belize, Eastern Caribbean, Guatemala, Honduras and Stockton, California

Table 1A shows budgeted and actual expenditures over the life of the project, fiscal years 1991 through 1993 for the following line item categories: salaries and benefits, travel and per diem, loan funds, other direct costs, grant disbursements, and indirect costs.

The Matching Grant agreement requires Katalysis to produce a dollar-for-dollar private source funding match over the three-year grant period. The total amount to be raised by Katalysis is $600,000. It should be noted, as reflected in Table 1B, that actual revenue from private sources of funding exceeds that required by the matching grant by over $720,000, excluding in-kind contributions.

Program expenditures (Table 2) include the cost of field support, program management, indirect costs and expenses for the final program evaluation which occurred during year three of the grant.

Letter of Credit Drawdown

Drawdowns customarily occurred at the end of each quarter to cover salaries and other program expenses incurred during the respective period. No changes in the rate of drawdowns, cost overruns, or unusually high expenses have occurred or are anticipated during close-out.

Fundraising Plans and Activities

Fundraising activities have been successful during the grant period, and private funds have matched and complemented program activities funded by the Agency. Funding has been obtained through the following sources:

- Individual Donors
- Board Members
- Corporations
- Foundations and Institutions
- Churches
- Investment Income
- Contract Services
- Government

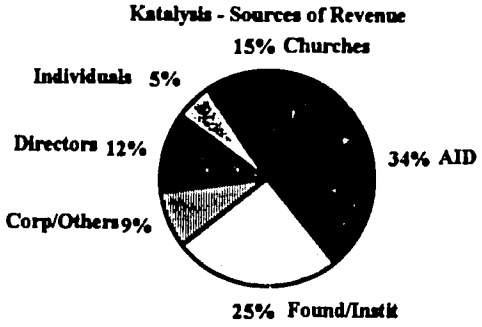
Contributions from individuals are obtained through semi-annual direct mail campaigns and an annual Combined Federal Campaign. Additionally, Katalysis has pioneered a Community Partnership Program in which major donors underwrite the start-up costs of one or more community banks. Corporations, churches, foundations and institutions are approached based on a specific funding strategy developed by the Katalysis Resource Development department, which researches and develops proposals in specific project areas of interest to the Partner organizations. Grants have been secured to fund field program costs and administrative expenses.

The Board of Directors has provided financial support throughout the grant period.

Investment income provides revenue on a continuing basis.

Contract revenue is obtained through participation by staff in activities of relevance to the partnership, such as presentation on

Katalysis activities to community groups and schools, and coordination of groups of international professionals who visit the community under the auspices of the U.S. Information Agency and Academy of Educational Development.



Katalysis Cost Share

No difficulties in meeting cost-sharing requirements were encountered during the grant period.

Table 1A
Katalysis Foundation
Budgeted *versus* Actual Expenditures

	Fiscal Year 1991			
	Budgeted		Actual	
Categories	AID	Katalysis	AID	Katalysis
Salaries and Benefits	85,700	0	78,685	20,667
Travel and Per Diem	24,900	0	3,610	1,293
Loan Funds	33,300	0	13,500	29,250
Other Direct Costs	56,100	32,100	61,575	121,601
Grant Disbursement	0	107,800	0	107,800
Indirect Costs	0	253,500	0	137,853
Total	200,000	393,400	157,370	418,464

	Fiscal Year 1992			
	Budgeted		Actual	
Categories	AID	Katalysis	AID	Katalysis
Salaries and Benefits	47,515	47,514	58,140	115,069
Travel and Per Diem	14,579	14,580	12,298	11,250
Loan Funds	16,650	16,650	16,650	28,000
Other Direct Costs	34,219	34,218	58,516	193,457
Indirect Costs	87,037	87,038	65,963	109,687
Total	200,000	200,000	211,567	457,463

	Fiscal Year 1993 (projected)			
	Budgeted		Actual	
Categories	AID	Katalysis	AID	Katalysis
Salaries and Benefits	35,075	35,075	50,441	188,308
Travel and Per Diem	11,630	11,630	4,317	23,447
Loan Funds	16,700	16,700	16,700	58,000
Other Direct Costs	30,845	30,845	14,008	43,686
Indirect Costs	105,750	105,750	124,769	277,606
Total	200,000	200,000	210,235	591,047

	Fiscal Years 1991-1993			
	Budgeted		Actual	
Categories	AID	Katalysis	AID	Katalysis
Salaries and Benefits	168,290	82,589	187,266	324,044
Travel and Per Diem	51,109	26,210	20,225	35,990
Loan Funds	66,650	33,350	46,850	115,250
Other Direct Costs	121,164	97,163	134,099	358,744
Grant Disbursement	0	107,800	0	107,800
Indirect Costs	192,787	446,288	190,732	525,146
Total	600,000	793,400	579,172	1,466,974

Table 1B
Katalysis Foundation - Sources of Funds

	FY1991	FY1992	Projected FY1993	FY1991-1993
A.I.D. Matching Grant	$157,370	$211,567	$210,235	$579,172
Private				
Cash	417,519	506,322	397,158	1,320,999
In-Kind			15,800	15,800
Total	$574,889	$717,889	$623,193	$1,915,971

Table 2
Katalysis Foundation - Program Expenditures

	FY1991	FY1992	Projected FY1993
Field Support	$376,319	$374,099	$381,458
Program Management	61,662	119,281	211,361
Evaluation	0	0	32,846
Indirect Costs	137,853	175,650	175,617
Total	$575,834	$669,030	$801,282

VII. LESSONS AND RECOMMENDATIONS

Katalysis, as a young and growing network of agencies, continues to learn and be open to change. Perhaps the hallmark of the third year of the Matching Grant was the extent to which all members needed to adapt to new developments within the Partnership. Katalysis' two new Guatemalan Partners moved from Joint Venture status to become full Partners; we solidified and expanded our sectoral emphasis on sustainable agriculture; and, we experienced staff turnover. The Partner organizations also went through major changes: CDRO significantly expanded and restructured its Women's Program; ODEF recovered from the loss of its Founder and went through a major self-analysis and restructuring; BEST took major strides in institutionalizing its natural resource management program and also went through a leadership transition. Through all these changes, the Partnership has been an important source of support and guidance.

The Matching Grant has proven an excellent mechanism for organizational growth and learning. The Katalysis Partnership has grown from a relatively unknown entity with four staff members to become a recognized leader in alternative approaches to development. The lessons garnered from the last three years are many. The A.I.D. evaluation in the Fall of 1992 served to document much of what Katalysis has learned and the challenges it is facing.

The primary lessons relate to: the role of women in development, the need for models to bridge economic development with conservation practices, the long gestation period for the introduction of new technologies, the importance of designing sustainability strategies, the critical role of Boards of Directors, the necessity for adequate management information systems, and lessons about the partnership approach. These learnings are relevant to policy makers and to the wider development community.

Women in Development

More and more, the Katalysis Partners have concentrated on women's programs. ODEF has always been dedicated to women; BEST recently made women in development one of its three program sectors; and, CDRO joined the Katalysis Partnership specifically to enhance and strengthen its women's programs. Women now comprise 41% of all Katalysis participants.

This focus is based on three primary factors: 1) women have traditionally been excluded from the formal economic sector and development programs, and therefore tend to be among the poorest and least represented constituency, 2) women in rural areas are often responsible for managing their household's cash economy despite limited access to monetary earnings, and 3) women have a strong commitment to family, community, and the land, and thus tend to spend increased income wisely and productively.

While the benefits of working with women are clear, both BEST and CDRO have experienced difficulties in implementing their women's programs. This is due largely to the limited roles to which women have traditionally been relegated by society; in many Central American cultures women still are not included in community decision-making nor are they allowed to manage household money. Other less tangible factors, like their own lack of self-confidence, undermine women as they seek to become economically and socially active. This means programs targeted to women are likely to require greater time and resource investments.

The evaluations carried out by A.I.D. in late 1992 and Katalysis in early 1993 of ODEF's community bank program provide relevant data to support a continued focus on women, despite added time and resource costs. The surveys indicate women consistently invest increased income to meet such family needs as: housing improvements, medicine for sick family members, education for children, and healthy family diets. The surveys also show that women are capable of increasing household income (by about 40%) with adequate training and access to financial resources. In addition, the surveys show that as women join together, learn new skills, and earn income, they tend to become more active in community decision-making.

Bridging Economic Development with Environmental Conservation

In both the North and the South, the concept of sustainable development has received increasing

attention. This concept holds that economic development can not be achieved by exploiting the natural resource base that supports our livelihood, or at least not in the long-run. We need to think about progress differently: how to alleviate poverty while preserving our shrinking resource base. Future prosperity depends on preserving natural capital; human activity must be balanced with nature's ability to renew itself.

While people and institutions worldwide are beginning to embrace this concept of sustainable development, few models exist to put it into practice. This has become a primary goal for the Katalysis Partnership--to seek practical models to help address severe poverty while promoting environmental awareness and conservation. BEST's and ODEF's sustainable agriculture training centers are perhaps the best examples of this effort. In addition, the solar cooking project meets both environmental and economic criteria. Katalysis' sequel Matching Grant is designed to explore, develop and document such practical models for sustainable development.

Long Development Process for New Technologies

It is increasingly evident that the introduction period for new technologies and approaches can be a long one. Of the programs recently introduced by the Partners, several are requiring more time and resources than planned to become fully operational and accepted by clients.

A good example comes from the introduction of the solar cooking technology in Belize and Honduras. BEST began promoting the technology in 1989 and ODEF in 1990. Despite intensive education campaigns, widespread usage has not yet occurred. Many people are intrigued by solar cooking, but few are willing to change daily habits to use the cookers. Based on surveys conducted in May 1993 of 240 people in Honduras and Belize, usage trends are just beginning to turn upward. Through research on the dissemination of other technologies we have found that this slow acceptance rate is not unusual. The Partnership, encouraged by the slow upward trend, is continuing to promote this technology and learn from the response.

We have also observed this tendency at a methodological level. For example, ODEF introduced the community banking model to Honduras in 1989; the concept was quickly accepted. Four years later ODEF has 37 banks. Some issues are now emerging as the banks mature, such as membership attrition and the withdrawal of savings. In addition, the concept of graduation is being challenged by ODEF's older banks and, indeed, by organizations involved with the model worldwide. Such issues need to be acknowledged and addressed; resulting modifications need to be shared.

In Belize, the acceptance of the community banking model has been much slower. Belizean women were skeptical of the solidarity approach. It has proven difficult to locate or assist in the development of well-organized groups. The first three banks required intensive promotion. As a result, BEST decided to make several significant changes to the model, namely allowing male membership in two banks and a cooperative enterprise for another bank. It is also promoting the model to previously organized youth groups. These adaptations need to be carefully observed to ensure they do not undermine the effective functioning of the community banking model.

In the future, the members of Katalysis will respect the need for a long process of investigation, introduction, and promotion.

Sustainability

Building sustainable institutions for our Partner agencies has been a major focus of the Matching Grant and the Katalysis Partnership. The design and implementation of sustainability strategies has proven essential to all Partners. These strategies led to the institutional restructuring of the organizations, allowing them to provide their services more efficiently and effectively, and reducing organizational stress. In addition, the strategies set specific action plans for achieving desired institutional, programmatic and financial targets. These plans have provided essential guidelines to follow during the leadership transitions experienced by both BEST and ODEF. The A.I.D. end-of-grant evaluation conducted in November 1992 noted the singular importance of the sustainability strategy approach to the health of NGOs and their effective management of growth. The evaluators felt the key improvement over more traditional strategic planning devices was the sustainability strategy's insistence on

coherence among the three primary elements of an organization: institution, programs and finances. They noted that most NGOs fail when one of these areas is out of balance with another.

Board Development

The leadership transitions at BEST and ODEF revealed the need for and importance of strong, well-informed Boards of Directors. It is the Board which is responsible for guiding an organization through difficult periods. Especially in the case of ODEF, where the loss of the Executive Director was unexpected, the Board's willingness and ability to step in and provide management and direction has proven invaluable to the continuity of the organization.

Most NGOs create a Board of Directors based on fiscal and legal requirements, rather than a recognition of the importance of the role a Board plays. Indeed, Katalysis did not understand the full significance of a healthy Board prior to the leadership transitions of our Partner agencies. Based on what we have learned, Katalysis has moved in 1993 to bring our Partners' Boards of Directors into the Partnership. For example, we have invited a member of the Board of each of our Partners to the Katalysis Board/Partnership meeting in November. In addition, the Katalysis President is currently researching and designing a training to be conducted for all four Partner agencies in 1994 on board development.

Management Information Systems

The design and implementation of suitable management information systems has formed a major part of Matching Grant activities. As the southern Partners continue to grow in terms of staff members and expanded field services, the need for such systems becomes more evident.

Over the last several years, program growth has exceeded systems development for all Katalysis' Partners. This has translated to organizational stress to manage increased workloads without adequate support systems. While some computer systems had been put in place at the outset of the MG, the Partners were still relying on outdated, resource-intensive manual systems for most financial and program data input and analysis. Again, this situation is not atypical for small non-profit agencies.

Through the MG, Katalysis has worked to rectify the imbalance between program growth and systems development. Katalysis has assisted the Partners in conducting documentation reviews for relevance of information, streamlining of reporting activities, and training on computers. A new system for monitoring key financial, programmatic and institutional indicators for all Partners was developed and implemented in 1993. We call this new tracking system "Global Indicators for the Partnership." In addition, in the second half of 1992 and throughout 1993, Katalysis was able to offer improved technical assistance on management information systems through its skilled Director of Finance and Administration. The benefits of improved systems are already evident. The Partners are better able to manage information flows, internal and external communications, and donor requirements. They are also better able to measure the impact of their programs.

Further streamlining is still required and some of the newly computerized systems are not functioning as efficiently as they should. In addition, the data for global partnership indicators proved difficult to gather for the Partners in 1993. As such, there is a need for creating a computerized Partnership-wide monitoring data base and for providing continued and intensive training and follow-up on financial and administrative systems.

To better meet this identified need and for other reasons explained in the next section, Katalysis came to a momentous decision in late fiscal year 1993: we decided, after extensive discussions with our Partners, to create a Katalysis field office in Central America. From this field office Katalysis will manage all financial and administrative systems assistance and follow-up services for the Partners. In addition, all activities currently managed by the Program Department will be housed in this location.

Having a Central American office will allow Katalysis personnel to become more familiar with regional resources and agencies, to be better informed of Partners' strengths and weaknesses, and to provide more timely and relevant training and technical assistance. In particular, we have realized the need for consistent and ongoing follow-up to all trainings we provide; this will be greatly simplified from a regional base.

Partnership

Through the increased communication and interaction afforded by the MG, the value of partnership has become more apparent. In the last three years, the Partnership has moved beyond its original goal of providing technical assistance, training, and resources from a northern to southern Partners. Through our expansion to Guatemala, the two Partnership meetings held annually as well ongoing analysis, we continue to gain insights into the costs and benefits of working in partnership.

Communication. The Katalysis Partnership is characterized by far more consultation and mutual support than conventional North/South relationships. This leads to openness and trust and ensures joint ownership of projects and programs. This year we have learned the merit of extending this communication from a management level to a Board and staff level, thereby creating a truly institutional partnership that should outlast individual relationships.

New Ideas and Innovations. The Partnership provides an ideal mechanism for discovering, generating, and sharing innovations. Networking broadens exposure to new ideas; this type of exchange has been particularly fruitful between southern Partners.

Improved Learning. Development is not a process for which there are simple or standard solutions. The Partnership model can leverage experiences gained by one member organization by sharing them with others. We have found that assistance provided by one Partner to another, based on understanding and a long-term commitment, tends to be accurate, insightful, and feasible.

Institutional Strengthening. While Katalysis can provide access to new technologies and information, the Partner agencies themselves are best positioned to design and implement field programs. We have learned that Katalysis has greatest impact at an institutional level. The A.I.D. evaluation supports this contention; it recommends that Katalysis move away from the provision of direct technical assistance to a contracting relationship with other local agencies for such services. This would allow Katalysis staff members to focus and improve institutional training and support services.

The A.I.D. evaluation found the Katalysis methodology to be effective for providing such institutional support. It is the plague of small non-profit agencies to constantly be dealing with day-to-day issues without sufficient resources or time to address institutional issues or long term planning. Through Partnership, Katalysis can help member agencies overcome this tendency.

Greater Accountability. Unlike more traditional, hierarchical models of development, this approach enhances fiscal accountability between northern and southern organizations. The Partnership also fortifies programmatic accountability between southern Partners and external donors. The close relations that have developed between Katalysis and its Partners has at times led to the opposite tendency. For example, if a Partner owes a report to Katalysis and another donor at the same time, it might choose to delay the Katalysis report based on the expectation of Katalysis' understanding of its time constraints. The A.I.D. evaluation cautions Katalysis to be aware of this possibility; it counsels all members of the Partnership to insist on mutual respect and vigilance in meeting all Partnership requirements.

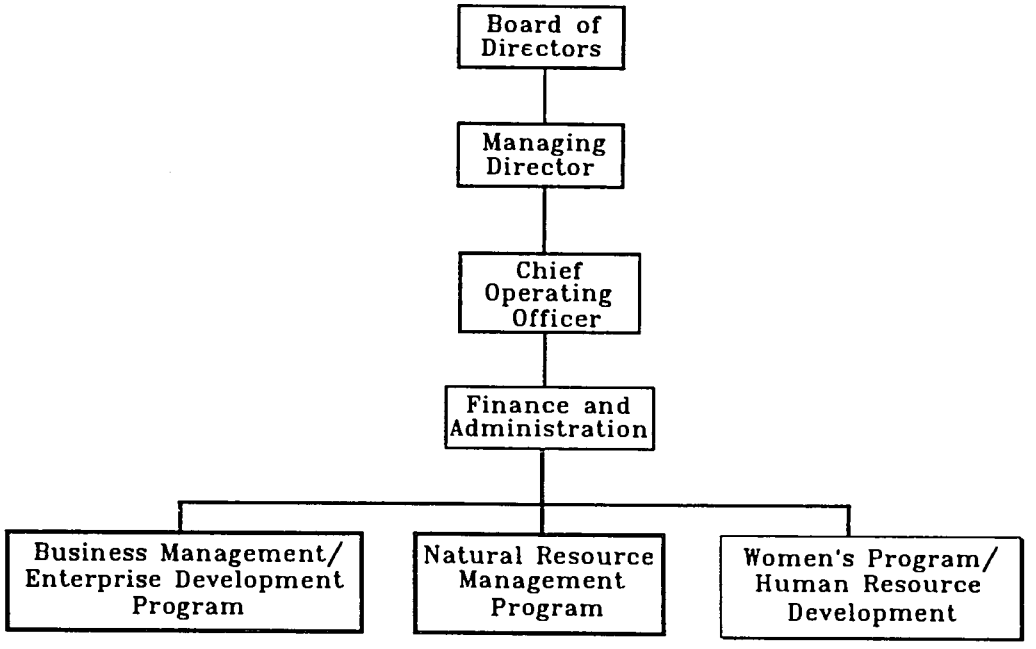
It is for the further enhancement of the Partnership approach and to better meet the challenges and potential issues posed in the model, that Katalysis decided to establish a field office in Central America. This presence will allow Katalysis to better understand its southern Partners and to address any issues that arise in a more timely fashion. It will also ensure that the Partnership model is developed in response to southern needs, not just based on a northern interpretation of those needs.

The A.I.D. evaluation, while recognizing the youth of the Katalysis Partnership, found the partnership methodology to merit further study. It recommends that Katalysis carefully document its experiences and share its findings with other agencies. From the conclusion of the A.I.D. evaluation, "The entire Katalysis package of arrangements, techniques, and behaviors is believed to be unique. While replication and transfer of the Katalysis institutional technology may be difficult, it is potentially of considerable value. The approach is viewed favorably by U.S. PVOs and NGOs familiar with Katalysis."

APPENDIX A - I
Organizational Chart

BEST

BEST



September 1993

APPENDIX A - II
Sustainability Venture Fund

Background

In the interest of fostering BEST's development of realistic local capability to generate its own financial support, in the second year of A.I.D. Matching Grant, the organization decided to initiate research on an environmental and sustainable agriculture center called CENTINEL. Based on its assessed potential for income generation as well as the critical need for this type of center, BEST decided to continue with the review and design of this center as its SVF in 1993.

This center will provide the base for BEST's innovative Natural Resource Management (NARESMA) Program and is intended to be Belize's first working model in environmentally sound agricultural practices. Through CENTINEL, BEST will formulate a holistic training methodology to teach and demonstrate to BEST client groups, the general public, and foreign visitors integrated farming systems that combine organic agriculture, animal husbandry, appropriate technology, and agro-forestry.

Purpose

The training at CENTINEL will be organized into the following five units, based on preliminary assessments of need and interest:

- A model sustainable farm based on the Honduran Loma Linda Demonstration Farm concept.
- An uncultivated forested area to be used for researching and developing sustainable uses of forest regions.
- An educational/eco-tourist facility where visitors can learn about sustainable farming, natural healing practices, ecology, bird-watching, nature trails, etc.
- Commercial land with traditional export crops such as citrus, bananas, pineapple, cacao, papaya, and high value crops such as peanuts, beans, vegetables, and spices for the local market.
- Five smaller model farms in each of the districts of Belize to provide outreach, training and follow-up services to farmers throughout Belize.

BEST selected this project because it has the potential to augment and expand the scope of NARESMA. As an environmental regional training, networking and information center, CENTINEL will provide the substantive base for this program. Additionally, CENTINEL will provide BEST with income. This will be accomplished by charging fees for trainings, selling commercial agricultural products in local and export markets, renting the facilities to other organizations, selling publications such as how-to manuals, and charging fees to tourists. The goal is to become self-financing within five years. Preliminary feasibility studies indicate that the training component alone will be self-financing by the third year of the project.

Research Process

In 1992, BEST developed a concept paper for NARESMA which includes a detailed description of the CENTINEL component and a tentative budget of the training center. The concept paper helped staff and management to analyze BEST's current environmental program and the organization's capability to develop and implement the training and environmental center. In addition, BEST designed a survey of small Belizean farmers. This process was assisted by a volunteer, recruited by Katalysis, who provided training on survey techniques, drafted a preliminary survey with staff/client input, assisted with the data base, determined appropriate sampling techniques and field tested the survey. The survey provides information on national agricultural, technical and climatic conditions. It also assesses client interest in potential services and evaluates farmers' ability and willingness to pay for such services.

In 1993, BEST first analyzed the results from the field test and then made appropriate revisions to the survey instrument and instructions for survey interviewers. The actual carrying out of the survey was prolonged due to the difficulty of locating competent and available volunteers to survey the 690 selected participants. At the close of fiscal 1993, approximately two thirds of the participants had been interviewed from the districts of Cayo and Toledo; interviews in Stann Creek are expected to be completed in October.

BEST invested a great deal of time and energy in 1993 to locating an appropriate site for the center. An ideal location was found, a farm called Parrot Hill, where the owners were supportive of BEST's training and educational mission. After long negotiations, internal and external feasibility studies, and a carefully laid out business plan, the land abruptly was sold to a high price bidder. This setback caused BEST to reflect upon its plans, the net result of which was that BEST scaled them back.

Once the Parrot Hill farm was lost, BEST began to search for alternative sites. BEST has found an appropriate location, called CARICOM Farm, and the Government of Belize has promised to donate the land to BEST. This 500 acre piece of land is well-located next to the Belize river, just outside of Belmopan. Preliminary soil assessments show soil to be fertile. The site has been abandoned for some time, so it will need significant improvements. Its value is estimated to be between $150,000 and $250,000.

BEST also prepared and submitted a proposal, with Katalysis training and technical assistance, to a private foundation in the U.S. which, if approved, would allow BEST to begin work on the actual development of the center.

Plans

BEST first needs to finalize negotiations with the GOB for the land. Once approved, BEST will adapt the feasibility studies and business plan it contracted for the Parrot Hill site to CARICOM Farm. It will also conduct further soil assessments. In addition, BEST needs to conduct an analysis of the survey results once they are complete. If land negotiations are successful, and the foundation proposal approved, then with the substantive studies in hand, BEST can begin improvements on the building structures and to implement its training plans. It is estimated that the center will be opened, if all goes well, by the end of 1994.

APPENDIX A - III
Shared Internal Technical Assistance
and
Private Voluntary Organization--Community Participation

BEST

Shared Internal Technical Assistance

WHAT GROUP	TYPE OF ASSISTANCE	WHEN
1) Introductory South/South Exchange Meeting	BEST and ODEF facilitated this introduction for CDRO and MUDE to the various programs and projects of all the organizations. The 24 participants then determined where mutual enhancement could occur.	December 1992
2) Partnership Issues	Six representatives from all five organizations met in Honduras to discuss Partnership policy, process, product. A new Partnership agreement resulted.	January 1993
3) North/South Solar Box Cooker (SBC) Workshop	A total of seven staff representatives from BEST, ODEF, Katalysis and Solar Box Cookers International (SBCI) attended and planned this workshop examining common problems and plans for the new year. This was the first workshop planned by the implementing southern organizations.	February 1992
4) Solar Box Cooking Planning Meeting for Regional Conference	Seven staff representatives from BEST, ODEF, Katalysis and SBCI met in Belize to plan a regional conference on solar cooking to be held in June in Honduras. The agenda was set, logistics and responsibilities defined, and an invitation list drawn up.	February 1992
5) North/South Financial Workshop	Eight BEST staff members participated in a two day workshop facilitated by a Katalysis staff person in Belmopan on financial and administration systems. Slight improvements were made in the BEST systems.	February 1993
6) Katalysis Partnership Board of Directors Meeting	All s shared in the facilitation and attendance at this three day meeting of board members and personnel hosted by Katalysis, California.	April 1993
7) Organizing for Regional Solar Box Cooker Conference	BEST staff assisted ODEF and Katalysis staff in hosting the conference of 93 participants in Honduras.	June 1993
8) Katalysis' Directors' Meeting	BEST hosted a two-day meeting of the Directors of the five member agencies of Katalysis to review the finalization of the first Matching Grant and discuss plans for the second Matching Grant.	August 1993

Private Voluntary Organization--Community Participation

WHAT GROUP	TYPE OF ASSISTANCE	WHEN
1) CONTACT '92 Forum	Held in Miami, Florida, and sponsored by the Pan American Development Foundation, to provide Latin American and Caribbean NGOs with the opportunity to network and make contact with other agencies and donors.	October 1992
2) Third Central American Conference of Organic Farmers	30 groups representing Mexican and Central American farmers, technicians and consultants attended this conference in El Salvador to share their experiences in the production, commercialization, and certification of organically produced food.	December 1992
3) Belize Youth Development Task Force Forum	Held in Belize City, this forum identified community perspectives on the needs of Belizean youth. Seven public and private organizations attended.	January 1993
4) Community Needs and Forest Protection	25 Belizean organizations involved with sustainable agriculture and economic activities participated in this workshop organized by the Social Planning Unit in the Ministry of Economic Development.	January 1993

WHAT GROUP	TYPE OF ASSISTANCE	WHEN
5) World Wildlife Foundation Board Presentation	BEST executive director and a board member of a Belizean NGO presented the case for inclusion of development as a critical component to conservation and environmental preservation. The BEST participant village of Gales Point was the case study and location for the meeting.	February 1993
6) CONCERTACION Advocacy Issues for Central America	22 regional grassroots NGOs attended this forum in El Salvador to reach a consensus on the issues to be actively addressed by CONCERTACION and the forum participants.	February 1993
7) Rapid Ecological Assessment	15 Belizean private and public organizations participated in this overview of the Rapid Ecological Assessment (REA) 1-2 year process. It was presented by consultants from the Nature Conservancy.	February 1993
8) Small Project Design and Management	This two-day workshop in Belize City for NGO staff taught tools to foster more community involvement in the design, implementation, and evaluation of community projects.	February 1993
9) Youth Career Development in Enterprise	The Managing Director conducted a training for 45 youth on enterprise development	February 1993
10) Role of Women in Development	BEST executive director presented, along with other speakers, on the role of women in development to a public forum of approximately 200 people as part of the Belize Women's Affairs Week of Activities.	February 1993
11) Certification of Organic Producers Network for Central America	10 organic producer organizations active in Central America met in Guatemala City to form a regional network for certification of organic producers for the local and foreign markets. BEST will be the leader organization for Belize.	March 1993
12) Sandy Beach Women's Cooperative Annual General Meeting	Approximately 75-100 people attended a speech by BEST executive director on the "Impact of Sandy Beach Women's Cooperative as a Model for Development Programs in Belize."	March 1993
13) Director of CNIRD Meeting to Belize	The director of the Caribbean Network for Integrated Rural Development (CNIRD) met with member NGOs and government officials in Belmopan to discuss networking of rural development, women's, and youth activities.	April 1993
14) GOB/Ministry of Tourism and the Environment Committee Meeting	75 participants met in Belmopan to establish the National Solid Waste Management Committee and plan for the National Workshop. BEST represented the PVO sector due to experience with the Cayo Bio-gas Management Committee.	April 1993
15) National Training in Conservation Week	Held in the Dominican Republic, 400+ representatives from Latin America and the Caribbean attended; 15 representatives from the Government and NGO community met to review past operations and future strategies.	April 1993
16) The Nature Conservancy (TNC) Skills Training Week	One staff member attended this week-long workshop at the Alexandria, VA offices of TNC on organizational operating philosophy and methodologies.	May 1993
17) Sustainable Agriculture	Sponsored by Altertec/CLADES in Guatemala, this workshop of 30 organization representatives from the Central American countries taught basics of community-based sustainable agricultural development.	June 1993
18) First National Symposium on the Belize State of Environment	BEST staff attended and presented a paper to this conference of over 250 participants in Belize City. This was the first symposium in Belize to address preserving the environment from a grassroots perspective.	June 1993
19) Latin American/Caribbean Conference on solar Box Cookers (SBC) Use and Technologies	BEST staff attended and planned portions of this conference for 95 participants held in Honduras. This regional conference reviewed SBC use and technology transfer status, documentation, and issues.	June 1993
20) Capacity Building Within UNDP-RBLAC	This three day workshop held in Bogota, Colombia for 45 Latin American and Caribbean regional participants built the capacity to implement Agenda 21 and developed a workplan for the region.	July 1993
21) Quality Control/Assurance	This training was held in Guatemala City for 19 participants on the effects of food processing on nutritional values.	August 1993

APPENDIX A - IV
Development Pilot Project

Background

Since 1988, 25 bio-gas plants have been built in Belize. These plants produce methane gas as a low-cost alternative to fossil fuels. Of the 25 plants, 23 are energized by farm animal waste, particularly from pigs and cows. They are small plants that take the excess waste from small farms and digest it. Through this process the majority of the bacteria that cause human disease are killed. Two of these plants are designed to digest human waste, one in a private home and one in a prison.

Because of BEST's interest in alternative energy technologies, the organization became a member of the Cayo Bio-Gas Technology Committee in 1987. Through this association, BEST has studied the technology and has learned that it has been underemployed in the field of human waste consumption. Through its research, BEST ascertained that this technology could be employed in the field of eco-tourism. By placing bio-gas plants in eco-tourist hotel facilities, environmental conservation could be promoted while enabling small-scale economic development.

Technology

Bio-gas plants or digesters are relatively low-technology systems designed to manage animal and human waste. The digestion process harnesses the energy from the waste and produces methane gas. The technology therefore has three primary benefits:

- The anaerobic digestion process upon which the technology is based has been scientifically proven to kill the majority of bacteria which cause human disease.
- The resulting bio-gas or methane can then be used as energy to power cars or kitchen appliances; this reduces global warming as the methane gas will be used rather than rising and contributing to ozone layer destruction.
- The gas produced is relatively low-cost compared to butane and therefore can bring economic as well as environmental benefits.

The size of bio-gas plants depends on the volume of the waste to be managed; this volume depends on the number of animals or human beings using the production facility. In Belize, the volume of the digesters for farm waste range from ten to 66 cubic meters while the two for human waste have a capacity of five and 30 cubic meters respectively. In the sites that BEST is contemplating, the likely digester capacity will be ten cubic meters.

Methodology

Funds from the Matching Grant in 1993 for BEST's DPP were used to support the following activities:

- Participation of the NARESMA staff in the Cayo Bio-Gas Technology Committee. This committee is a GOB and NGO partnership and allows for dissemination of practical information on the bio-gas technology which has only recently been introduced to Belize.
- Visits to existing bio-gas sites and research on appropriate models. Through the contacts BEST has made through the Committee, BEST has been able to visit project sites, discuss the costs and benefits of the technology, and evaluate the appropriateness of different models.
- Investigate interest in the technology with two of BEST's eco-tourism clients, both of whom are operating or building hotel facilities.

Plans

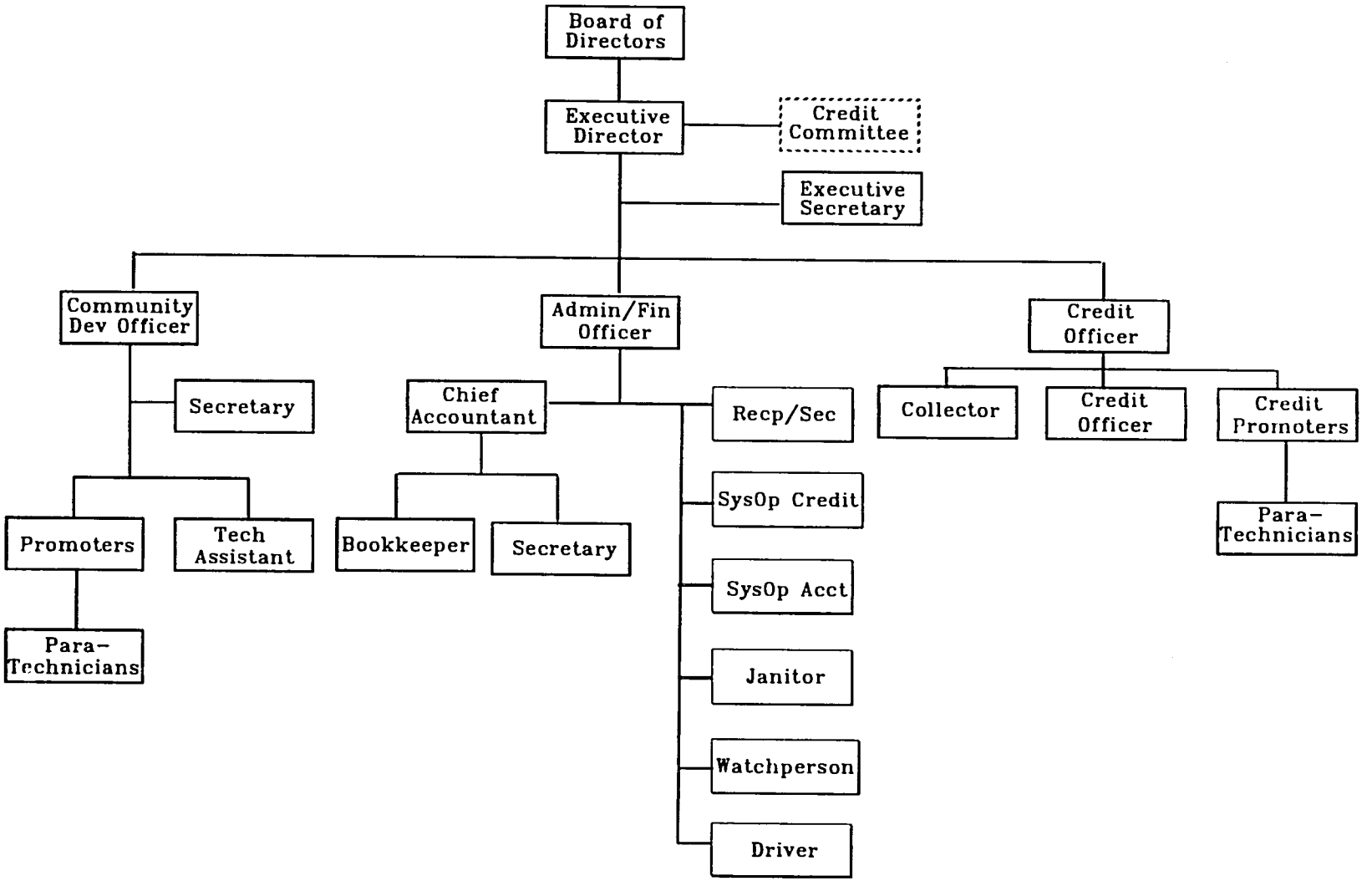
Over the year, BEST worked particularly intensively with Sandy Beach Women's Cooperative, a client which runs an eco-tourist hotel and has an average daily rate of 15 visitors. Educational training regarding the environmental and economic benefits was provided. As the client was coming to a decision, the GOB brought electric service to the village, thereby reducing the overall benefits of the project. Since the group has been somewhat slow to decide, BEST began promoting the technology with the Gales Point Manatee Cooperative Hotel. This hotel is currently 80% complete and will open in early 1984 with an expected capacity of 14 visitors per night.

Once a client decides to undertake the project, BEST will work with them to jointly design the technology structure of the project based on the results of its research. Then, BEST will conduct an environmental assessment and a business feasibility study. Once complete, the plant will be constructed as a joint project. The plant will then be used as a demonstration project to induce other clients to invest in the technology.

APPENDIX B - I
Organizational Chart

ODEF

ODEF



February 1993

APPENDIX B - II
Sustainability Venture Fund

Background

In 1991 ODEF selected the construction of a new office building for its Sustainability Venture Fund project on the basis that it would provide the organization with financial security and potential for income generation. Because of the scale of the project, ODEF decided to continue with its exploration and implementation in 1992 and used the funds to develop the project in 1993.

Rationale

The office building project was initially chosen for the following reasons:

- The space that ODEF previously occupied did not meet the needs of the organization. ODEF's office was overcrowded; staff shared extremely small offices lacking sufficient filing or working space.

- In recent years inflation has risen significantly in Honduras which has negatively impacted ODEF's overhead costs. Because the inflationary trend was expected to continue, ODEF assumed the costs of occupying its current location would also increase. As ODEF's programs continue to expand, staff numbers and administrative demands will also grow, forcing ODEF to once again relocate to a larger office space -- pushing rental costs ever upward. By constructing its own building, ODEF would expand its asset base and reduce overhead costs thereby freeing management to fully concentrate on developing, raising, and monitoring funds for new and on-going programs.

- While the previous office was located in one of the better districts of the city, it was not in the most convenient locale; ODEF preferred to relocate to an area more accessible to its clients.

- The limited working space of the previous office often caused added costs because training sessions and workshops for both staff and beneficiaries had to be held at one of the few high-priced conference rooms in San Pedro Sula, where ODEF is located. With its own meeting facilities, further cost savings would be achieved.

- ODEF not only planned to build an office building for itself, but to construct a larger facility in order to rent office space, equipment, and/or the use of conference rooms. The intention was for these services to be made available to other local non-profit development organizations and small microenterprises. Funds generated were to help cover the costs of running the building and to generate additional income.

Implementation

In 1991, ODEF researched and designed a basic plan for the office building. In 1992, based on the benefits identified in its original study, ODEF decided to continue with the project. ODEF successfully petitioned the city of San Pedro Sula for the donation of .7 hectares of land in a satisfactory location in the city's southeastern zone. A senior municipal urban planner and a private architect provided detailed blueprints for the proposed building pro bono. The designs for the office were completed. ODEF negotiated preliminary building permits from the municipality of San Pedro Sula.

In 1993, ODEF completed the aggressive fundraising campaign for the construction of the building which it started in 1992. As part of this fundraising drive, ODEF produced a general information packet of illustrative materials for potential local and international donors. ODEF's staff and beneficiaries also

raised funds for the new building. The staff organized dances, parties, ODEF T-shirt sales, raffles, used clothing sales, and designed donation certificates to sell to beneficiaries.

Following the fundraising campaign, a revised budget was drawn up, allowing for a phased approach to construction. In January, construction of the first phase was started. This phase consists of one building and a bathroom facility that serves as the primary office space for core staff. Other structures will include a large meeting room and an incubator facility for microenterprises. In early June the first building was inaugurated. It includes five main areas: management, administration and finance, community programs, credit, and computer activities. In addition, there is a conference room and a reception area.

Now that the first phase is complete, ODEF has begun efforts to raise funds for the second and third buildings. It is expected that these buildings will be completed some time in 1994. In the meantime, ODEF has its own office space, no longer has to pay rent, and has the security of a long term home.

APPENDIX B - III
Shared Internal Technical Assistance
and
Private Voluntary Organization--Community Participation

ODEF

Shared Internal Technical Assistance

ACTIVITY	TYPE OF ASSISTANCE	WHEN
1) North/South Community Bank Visits and Evaluation	ODEF, Katalysis, and A.I.D. worked together to design and implement an evaluation of the ODEF community banking program.	November 1992
2) Partnership Issues Meeting	Six executive representatives from the Partner organizations met in Honduras to discuss Partnership policy, process, and product.	January 1993
3) Solar Box Cooker (SBC) Workshop and Meeting	A total of seven staff representatives from ODEF, BEST, Katalysis and SBC International attended and planned this workshop examining common problems and plans for the new year.	February 1993
4) Solar Box Cooker Planning Meeting for Regional Conference	Seven staff representatives from BEST, ODEF, Katalysis and SBC International met in Belize to plan a regional conference to be held in June in Honduras. The agenda was set, logistics and responsibilities defined, and an invitation list drawn up.	February 1993
5) North/South Participatory Management Workshop	Ten key ODEF personnel explored and clarified their organizational structure and management.	February 1993
6) ODEF Program Evaluation	With the assistance of Katalysis and CDRO's Program Directors, the entire ODEF technical program staff designed and implemented community visits, interviews and meetings in order to analyze program problems and accomplishments and formulate recommendations.	March 1993
7) Community Banking Project Evaluation for MUDE	A representative from ODEF assisted Katalysis and MUDE in the design and implementation of community visits, interviews and meetings in order to analyze community bank project problems and accomplishments and formulate recommendations.	March 1993
8) South/South Staff Exchange with CDRO	ODEF visited CDRO in Guatemala in order to meet, exchange ideas and experience regarding programs.	March 1993
9) Partnership Board of Directors Meeting	All five Partner organizations shared in the facilitation of this meeting held in Stockton, California to define and improve the Partnership structure.	April 1993
10) Fundraising and Proposal Writing Workshop	Held in conjunction with the Partnership meeting in Stockton, one representative from each Partner organization attended this introductory session on the steps and priorities for acquiring funding.	April 1993
11) Partnership Board of Directors Meeting	Hosted by BEST in Belize, this meeting discussed upcoming priorities for the Partnership.	August 1993

ODEF

Private Voluntary Organization--Community Participation

ACTIVITY	TYPE OF ASSISTANCE	WHEN
1) Credit Management and Collection Course	ODEF sent one staff member to this course offered by FHIS and PYME in order to strengthen the credit program.	November 1992
2) FHIS and PYME Coordination Visit to ODEF	FHIS and PYME visited ODEF to provide technical assistance and follow-up on financial and administrative systems.	November 1992
3) FHIS and PYME Coordination Visit	FHIS and PYME visited ODEF to provide technical assistance and follow-up on financial and administrative systems.	November 1992
4) Credit Management and Collection Course	ODEF sent one staff member to this course offered by FHIS and PYME in order to strengthen the credit program.	November 1992
5)Lecture: Election Year Impact on PVOs	Many NGOs participated in this discussion on the impact of the election on local NGOs.	December 1992
6) Facilitators Training by FEDEHCO	Eight Honduran nonprofit organizations attended this workshop designed to teach participatory research and training methodologies to organizations involved in environmental preservation.	January 1993
7) Community Bank in Honduras Workshop and Meeting	Nine organizations who work with community banking in Honduras met to discuss formation, design, characteristics, and impact of well functioning banks.	April 1993
8) Regional Latin American and Caribbean Solar Box Cooker (SBC) Use and Technology Conference	ODEF hosted and organized this conference for 95 participants. The conference reviewed SBC use and technology transfer status, documentation, and issues.	June 1993
9) Gender and Development	15 organizations met to discuss and include gender and development issues in current and future projects.	June 1993
10) Regional Seminar on Women in Microenterprise Development	Six NGOs, including ODEF, attended this forum in Ecuador which addressed adaptations to traditional microenterprise activities to women's needs.	July 1993
11) Seminar on Production, Promotion and Marketing of Crafts	Eight groups participated in this seminar on marketing of crafts domestically and internationally.	July 1993
12) Training Course on the Role of Women in Agricultural Production	ODEF was one of 13 agencies that participated in this course on how to promote agricultural training and programs to women.	August 1993

APPENDIX B - IV
Development Pilot Project

Background

In 1993, ODEF applied its Development Pilot Project (DPP) funds to a new endeavor, a desk project for low-income schools. This school project is a nationwide effort sponsored by the Fondo Hondureño para Inversion Social (or FHIS, Honduran Fund for Social Investment). FHIS contracts with local agencies to carry out the project. In 1993, after careful research and the submission of a detailed proposal, ODEF was approved by FHIS to be the contractor for the desk project for the zone of Yoro in the Northern region of Honduras.

Rationale

ODEF decided to undertake this project for the following reasons:

- The project affords a practical means of providing needed assistance in the communities where ODEF works.
- Through the project ODEF can gain increased visibility at two levels--nationally, through its association with FHIS and locally, in the communities where ODEF works, because of this new type of assistance.
- The contract nature of the project means that all administrative and operational costs are covered and that ODEF receives additional institutional financial support.

Implementation

ODEF used DPP funds for several purposes. First, funds were used to assess the need for such a project in the communities where it works. ODEF staff members visited schools to determine their conditions, especially with regard to the adequacy of their desks compared to the student body. Consistently, ODEF found there was a need to replace old desks and that the number of available desks was wholly inadequate. ODEF then conducted a basic feasibility study to determine the costs of undertaking such a project. Finally, based on the information gathered, ODEF submitted a detailed proposal and budget to FHIS.

The proposal was approved and ODEF's first contract began in March 1993. Each contract lasts three months and is then renewed based on satisfactory performance under the prior contract. ODEF is now working under its third contract. These contracts cover the salary costs of the staff involved, all related administrative costs, and provides additional institution building funds.

In March, ODEF hired a Project Coordinator. This Coordinator works with the targeted communities and schools. In each village, he finds local carpenters with adequate skills and in need of work. He then contracts with them for the construction of the number of necessary desks. He supervises the acquisition of needed materials, desk construction, and placement of the desks in the schools. He works together with ODEF staff to supervise and monitor the adequate maintenance of the desks once they are in place.

To date, ODEF has worked in six municipalities on this project: Sulaco, Yorito, Victoria, Olanchito, Jocón, and Arenal. A total of 2,524 students have new desks as a result of ODEF's efforts. As long as ODEF continues to implement the project satisfactorily as it has to date, it should continue to garner ongoing contracts from FHIS. In all, ODEF hopes to assist low-income schools in 209 communities.

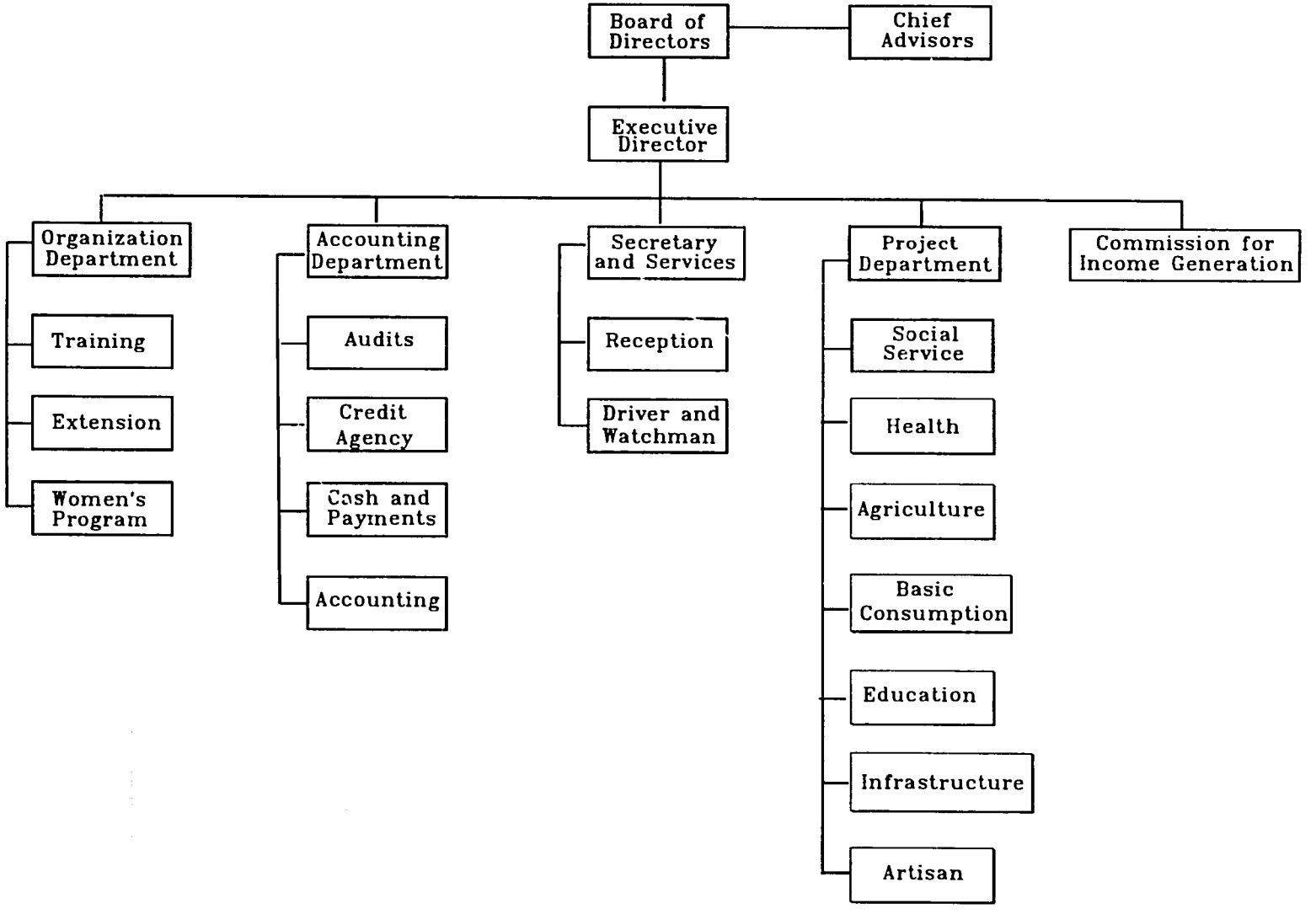
APPENDIX C - I
Organizational Charts

CDRO

Full Organization

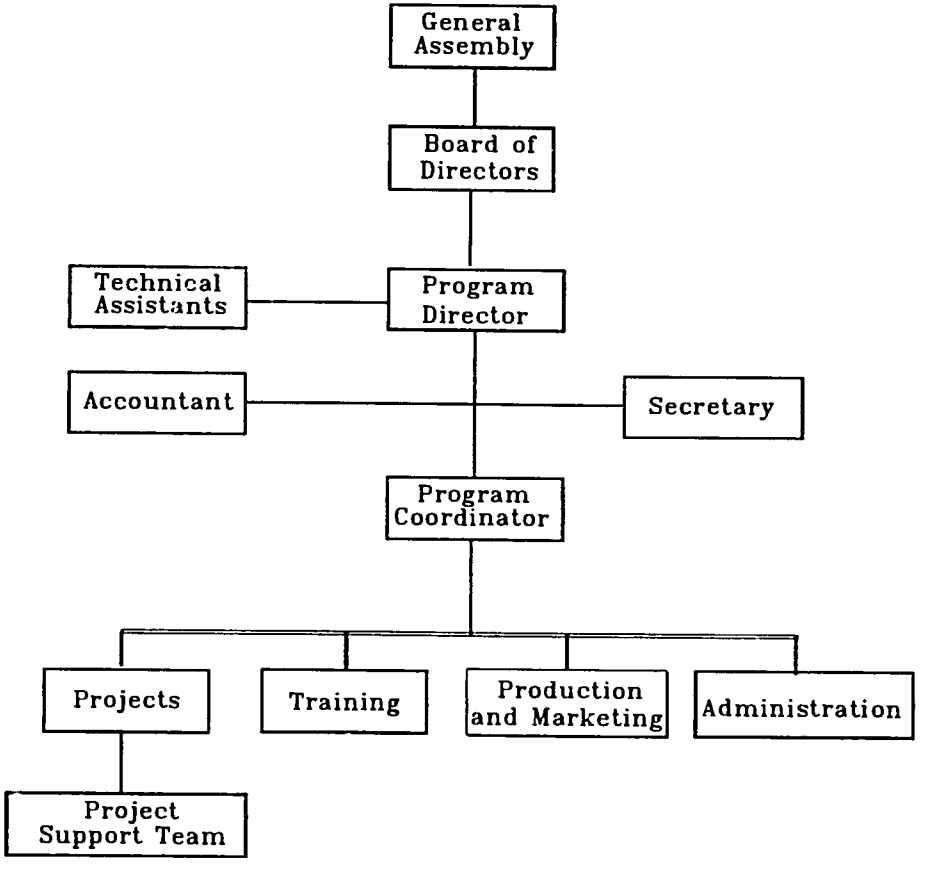
Women's Program

CDRO



September 1993

CDRO Women's Program



September 1993

APPENDIX C - II
Sustainability Venture Fund

Background

To develop a realistic local capability to generate its own financial support, CDRO decided to research the potential of a commercial soap production project with CDRO's Women's Program. CDRO is currently operating several income generation projects such as natural medicine cultivation and preparation, nutritious cracker production, artisan products, fruit juice production, etc. The soap production project will be CDRO's first income generating project managed and operated entirely by women.

The soap production project was originally conceived by one of CDRO's women's groups as a means of saving money by making soap by hand for their own use and eventually producing enough to sell in other communities. As a result of their local success, other groups became interested in the project and received training in manual soap production the members of the first group. The women traditionally produced black body soap but wanted to produce a soap suitable for washing clothes *and* for personal use. With assistance from the Guatemalan Ministry of Development and CDRO technical staff, the women experimented with various measurements, temperatures, and ingredients until they produced the soap they wanted.

After using the new recipe for large scale production, the women learned that the soap produced a bad smell and was expensive to make which made it difficult to sell in the local market. In addition, the women encountered other obstacles related to the manual production of soap such as: cracked dried hands, inability to use their kitchen to prepare food when soap production was in process, possible danger resulting from the chemical gases produced during production, and poor coloration of the final product.

Based on these problems, the women decided to work with CDRO to develop a recipe for yellow soap. CDRO used SVF funds to conduct a preliminary feasibility study and develop a proposal for construction and operation of the soap factory. An interested donor requested a more detailed feasibility study for the project prior to the submission of a full proposal.

Launching a Soap Production Factory offers CDRO's Women's Program a long-term sustainability strategy. It combines revenue derived from the production of an essential product with development of additional programs to strengthen the economic independence of Mayan women.

Research Process

CDRO technical advisors conducted laboratory experiments to determine the proper balance of ingredients for large scale production levels and an analysis of production costs. Data and materials used for the studies were collected from large scale soap factories operating in other regions of Guatemala and from other technical materials. The sales projections were based on the total number of CDRO beneficiaries and information from past market studies conducted for CDRO. However, this information proved to be insufficient to determine long term sustainability.

As a result of the donor's recommendation, CDRO asked Katalysis to assist them in the design and preparation of a business plan. Katalysis hired a consultant to work with CDRO's technical advisor to complete a detailed feasibility and market study and to develop a business plan to ensure the successful operation and sales of the product as well as the sustainability of the project. The donor agreed to assist CDRO in the design and assembly of appropriate equipment and machinery that would be relevant to the scale of operation determined from the studies. They also offered to facilitate a training for two CDRO staff members in the United States on soap manufacturing techniques and distribution and marketing strategies.

The Katalysis consultant spent 10 days in Totonicapan, Guatemala with CDRO to provide hands on technical assistance and consultation on the soap production project. The consultant and CDRO's technical advisor conducted a feasibility/marketing workshop for CDRO staff members on the appropriate techniques and procedures needed to conduct useful studies. They also developed data collection systems to determine costs and sales projections. Community surveys and consumer and distributor questionnaires were designed to complete the market study.

CDRO is currently analyzing marketing factors such as current demand, growth potential, types of markets, and competitive products. The study will help determine likely markets and provide perspective on the type of costumers likely to purchase CDRO-produced soap. To complete the feasibility study, CDRO is examining the information collected to determine production, distribution, finances, and management needs based on product demands. The training and technical assistance from the foundation will yield valuable information about operational procedures, equipment needs and manufacturing.

The objective is to make the factory sustainable within the first three years of production. Results from the feasibility study will show when sustainability can be achieved. This information will then be incorporated into the business and operational plan.

Work Plan

During the month of October, a final business plan will be developed, incorporating the results of the feasibility and marketing studies. The plan will describe the overall goals and objectives of the project and will include specific requirements for the completion of the soap production project. Among the issues to be addressed are: market demand and competitive environment; marketing strategies; manufacturing and distribution schedule; the regulatory environment; financial projections: and a management plan.

To ensure the sustainability of the project the Women's Program has developed the following objectives: conduct a feasibility study of the project; proceed with the project only if it is self-sustaining after the first three years of operation; implement the marketing strategy designed in the business plan; provide constant technical assistance and training to project participants; provide close supervision by project promoter; assure a consistent high quality product; assure efficient planning and production process; and provide constant follow-up assistance for managers on project administration.

The private foundation which provided complementary funding for the studies has requested a full proposal for the construction and operation of the soap production factory based on the results of the feasibility and marketing studies which will be completed in October 1993. Katalysis Director of Resource Development will assist CDRO in the development of the proposal to be submitted in November 1993.

APPENDIX C - III
TRAINING AND TECHNICAL ASSISTANCE PLAN
for USAID Matching Grant

CDRO

1993

TYPE OF TRAINING	WHO WILL RECEIVE	WHEN WILL IT OCCUR	WHO WILL PROVIDE IT
TO STRENGTHEN THE INSTITUTION			
Course on community project development	All staff	September	CDRO's Dept. of Organ & Training
Course on educational and learning techniques	All staff	November	Technical Staff
Training on CDRO's credit regulations	All staff	November	Accounting Dept.
Training on program and personnel management	Program Coordinator	November	Technical Assist.
Workshop on BOD functions and role	Board of Directors	November	Coordinator and Technical Assist.
TO STRENGTHEN PROGRAM SERVICES			
Course on group organization techniques	Two Program Promoters	October	Technical Assist.
Course on project coordination and community outreach	Program Promoter	October	Technical Assist.
Workshop on how to conduct a feasibility study	All staff	September	Katalysis
Course on development, implementation and management of income-generating projects.	Program Promoter	November	Technical Assist.
Course on how to design and facilitate effective trainings	Program Promoter	November	Technical Assist.
Workshop on training and educational methodologies	All staff	November	Technical Assist.

1994

TYPE OF TRAINING	WHO WILL RECEIVE	WHEN WILL IT OCCUR	WHO WILL PROVIDE IT
TO STRENGTHEN THE INSTITUTION			
Training on problem analysis process and decision making skills	All staff	May	Katalysis and Technical Assist.
Workshop on personnel and program evaluation	All staff and Board	June	Katalysis
Course on Quiche language	All staff	June	CDRO Dept of Organ & Training
Workshop on time management	All staff	August	Katalysis and Technical Assist.
Workshop on fundraising and proposal writing	All staff	July	Katalysis
Workshop on report writing	All staff	September	Katalysis
Workshop on planning and facilitation of staff and community meetings	All staff	October	Technical Assist.
Data collection techniques and database development	All staff	November	Katalysis
TO STRENGTHEN PROGRAM SERVICES			
Data collection from community projects	All staff	January	Technical Assist.
Workshop on microenterprise promotion and implementation	All staff	February	Technical Assist.

1995

TYPE OF TRAINING	WHO WILL RECEIVE	WHEN WILL IT OCCUR	WHO WILL PROVIDE IT
TO STRENGTHEN THE INSTITUTION			
Computer training	All staff	January	Katalysis
Participatory methodology training	All staff	February	Katalysis and Technical Assist.
Computerization of all management information systems	All staff	March	Katalysis
TO STRENGTHEN PROGRAM SERVICES			
Production of effective training materials	All staff	February	Katalysis and Technical Assist.

APPENDIX C - IV
Shared Internal Technical Assistance
and
Private Voluntary Organization--Community Participation

CDRO

Shared Internal Technical Assistance

ACTIVITY	TYPE OF ASSISTANCE	WHEN
1) Partnership Issues Meeting	Six executive representatives from the Partner organizations met in Honduras to discuss Partnership policy, process, and product.	January 1993
2) Workshop on Budgeting, Administration and Internal Control	Two staff members from CDRO accounting staff travelled to Honduras to participate in a Partnership-wide workshop on administration and financial systems facilitated by Katalysis Director of Administration and Finance and CDRO Accounting Director.	February 1993
3) ODEF program evaluation	CDRO's Program Director and Katalysis Director of Programs conducted an evaluation of ODEF programs consisting of: community visits, meetings and surveys to analyze program problems and accomplishments and to formulate recommendations.	March 1993
4) Community Banking training	Three women from CDRO's Women's Program and Board of Directors visited their Partner Organization, BEST, to learn about the community banking model implemented in Belize.	March 1993
5) Community Banking training	CDRO's Women's Program sent four representatives, including two women from the Board of Directors, to ODEF in Honduras to learn about their Partner's organizational objectives, the development and implementation process for their community banking program, and their family gardens project.	April 1993
6) Partnership Board of Director Meeting	All five Partner organizations shared in the facilitation of this meeting held in Stockton California to define and improve the Partnership structure.	April 1993
7) Fundraising and Proposal Writing Workshop	Held in Conjunction with the Partnership meeting in Stockton, one representative from each Partner organization attended this introductory session on the steps and priorities for fundraising activities.	April 1993
8) Partnership Board of Director Meeting	Hosted by BEST in Belize, CDRO's Program Director represented the organization to discuss upcoming priorities for the Partnership.	August 1993

Private Voluntary Organization--Community Participation

ACTIVITY	TYPE OF ASSISTANCE	WHEN
1) General Assembly CADISCGUA	Four representatives from CDRO's Women's Program participated in a meeting to share their experiences with women's groups with other Indigenous development associations who are working to strengthen and expand their own women's programs.	November 1992
2) Environmental Protection Seminar	A staff member from the WP attended this four day conference in Quetzaltanengo to discuss how conservation and environmental preservation relates to women's issues and how environmental education can be incorporated into community development activities.	November 1992
3) Women's Rights Workshop	All staff members from the Women's Program attended one of two two-day workshops on women's human rights. Some issues discussed were: women's political rights on the local and national levels, the right to vote in group, local, and national elections, the right to participate in decision making processes, rights to vacation time and maternity leave.	March 1993
4) International Assembly of Indigenous Women	This general meeting was the initial planning session for the International Conference for Indigenous Women, organized by CDRO's WP to be held December 1993.	January 1993
5) Human Rights Documentation Conference	This conference was held to develop a document on Human Rights of Indigenous peoples, specifically of women, presented to the International Human Rights delegation during the International Human Rights Conference in Vienna Austria in June 1993	February 1993
6) Women and Local Influence	Two WP staff members attended this one-day workshop to address women's local participation through group organization and action.	May 1993
7) Food Processing Workshop	One staff representative and two members of the apple drying project participated in a eight-day fruit processing workshop in Honduras held by Friends of the Americas to improve their women's technical skills in food processing.	September 1993
8) Baja Verapaz Women's Organization	CDRO's WP exchanged experiences and information with this emerging women's program to strengthen their administrative abilities and community services .	September 1993
9) Rachuaquel Women's Group	CDRO's WP held a training with this organization to learn about their community projects and to assist the program in organizational and administrative techniques to strengthen their women's program.	September 1993
10) Organización Mixta	This two-day workshop was held in Chimaltanengo to instruct participants on the proper preparation and preservation techniques for jams and canned vegetables.	September 1993

APPENDIX C - V
Development Pilot Project

Background

CDRO decided to establish an apple drying production project as its Development Pilot Project (DPP) under the U.S.A.I.D. Matching Grant. CDRO used its DPP funds to research appropriate fruit drying technologies and to conduct market studies for dried fruits. Additional research was conducted to determine the least cost, most efficient equipment which could be locally produced for the plant. After receiving funding, CDRO purchased the equipment and necessary materials and started production in December 1992. Due to the success of the technology and the need for year-round production, the women began to explore other possibilities such as the de-hydration of other types of local fruits, medicinal plants, herbs and teas. The project constitutes part of CDRO's rural agro-industrial concept, which specifically involves women in projects that combine business management training with credit, providing a vehicle for empowering women economically.

Need for the Project

CDRO Women's Program has organized several projects based on the agro-industrial concept with a focus on post-harvest activities such as the production, storage, transport, and commercialization of agricultural products for income generation and improved nutrition. The apple drying project was selected as the most promising venture since the climatic conditions in the Totonicapan region are ideal for the cultivation of apples. However, each harvest season a large part of the crop goes to waste because the local markets are saturated. By drying the fruit, using safe dehydration methods, the farmers now have an expanded market for their apples, the women have new business opportunities and the community enjoys an improved diet with nutritious dried fruit available year-round.

Research Process

This project was initiated in collaboration with the Nutritional Institute for Central America and Panama (INCAP), an organization dedicated to increase the availability and consumption of nutritional food through the transfer of technology. Based on the results of an initial needs assessment, the apple drying production project was chosen since it utilizes excess seasonal apple harvest and other abundant fruit products of the region for year round consumption.

With DPP funds CDRO completed the second phase of the project which consisted of a market study, a study of the technological production process, an assessment of availability of primary materials available and the development of a financial plan. INCAP then provided CDRO with technical assistance and complimentary funding to identify the market demand for dried products in the Totonicapan region and the neighboring department of Quetzaltenango. Based on these studies CDRO developed a project proposal to support the construction and start up activities of a small apple drying facility.

For the first year of production the women's group received $8,000 half of which was given in the form of a grant while $4,000 is a loan repayable within a three year period. The construction of the facility was completed in the beginning of December 1992 and the first experimental production took place on December 23.

During the initial production phase INCAP and CDRO continued to work with the women's group by providing technical assistance and training in the following areas:

- *Training and Transfer of Technology:* Thirty women participated in extensive training courses in the following areas: processing and drying, technical management of the drying facility, quality control and hygienic practices, product presentation, marketing, personnel management, accounting, production planning and organizational business skills.

- *Optimization of Equipment Use:* A gas dryer constructed of wood was selected as the least costly, most efficient machine available. The dryer was designed by the Intermediate Technology Development Group (ITDG) and constructed by a local carpenter. Other equipment, such as the air blower and electric polythane sealer, was purchased in the local market. To save energy and reduce cost of production, INCAP will continue to train the women's group to optimize the production of the equipment while improving the fuel efficiency of the equipment.

- *Diversification of Production:* INCAP assisted CDRO in experimentation with different types of fruits such as pineapple, papaya, mango, and banana which have different harvest seasons and medicinal plants, herbs and teas. Production cost and market studies are currently under way to determine the most suitable products.

- *Marketing:* The marketing study included 175 representatives from different sectors of the region. Each participant was asked to sample the dried apple product and then respond to short a questionnaire. From the responses to the questionnaires the anticipated monthly demand for dried apples is 900 kg. The estimated production of the product could meet 25 percent of the market demand (approximately 200kg. a month) during the first two years of production. Further results from the study will help determine the packaging, price, and form of distribution for the product. A group of six women from the project have formed a marketing committee and will use the survey information to design and produce packaging labels, establish a clientele, and develop a promotional strategy for their product.

- *Legal Status:* As with CDRO's other income generating projects, the apple drying facility will be incorporated under "single owner" status. This type of legal status is advantageous due to its simplicity and fiscal benefits.

Workplan

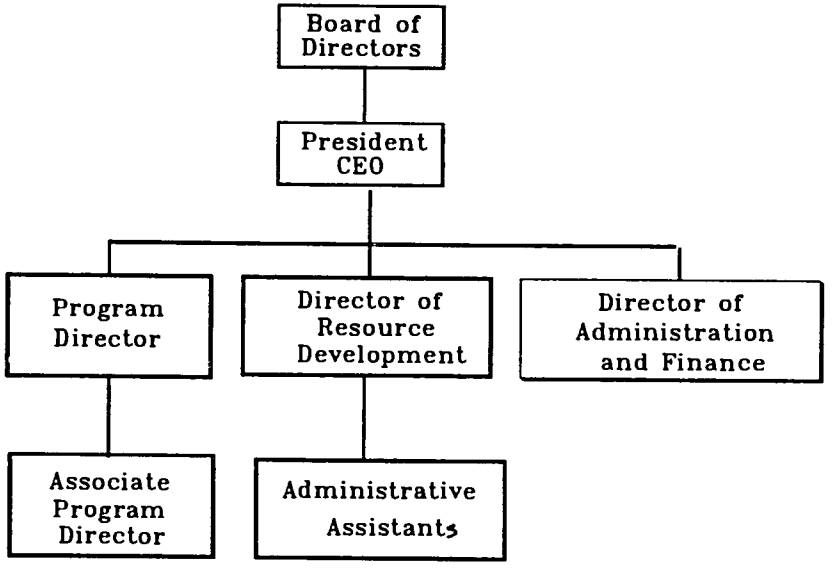
There are currently 50 women from two communities participating in the apple drying project. The group has elected a Board of Directors and has selected two women as the projects technical and personnel managers. The managers have received training in technical operational skills, product supervision, and personnel management techniques. The two project managers are responsible for scheduling four women each day on a rotating basis to work mornings in order to prepare the fruit for drying. In the afternoon, the managers oversee the less labor intensive drying process while the other women return home to their domestic duties. The project managers and interested group members will continue to receive organizational and business training from INCAP, the Guatemalan Agricultural Ministry's Fruit Cultivation Program and CDRO's Women's Program to improve marketing, productivity, cost projection, management and accounting skills.

After initial experimentation with the equipment, the women discovered that the air blower was not drying the fruit at a sufficient rate causing discoloration of the product. Two members from the project and a promoter from the Women's Program will participate in a food drying workshop given by Friends of the Americas at the Pan-American Agricultural Institute, Zamorano, Honduras. INCAP and CDRO helped the women to isolate the drying chamber and change the blower to a more powerful model.

APPENDIX D - I
Organizational Chart

KATALYSIS

Katalysis



September 1993

APPENDIX D-II
Memorandum of Understanding

KATALYSIS: North/South Development Partnership

Partners in Development
Memorandum of Understanding
February 1993

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K. Withdrawals

Memorandum of Understanding (MOU)

A. Preamble

This Memorandum of Understanding (MOU) is entered into by the Katalysis Foundation (KAT) of Stockton, California, U.S.A., Belize Enterprise for Sustained Technology (BEST) of Belmopan, Belize, Organización de Desarrollo Empresarial Femenino (ODEF) of San Pedro Sula, Honduras, Mujeres en Desarrollo (MUDE) of Villanueva, Guatemala, and Cooperación para el Desarrollo Rural de Occidente (CDRO) of Totonicapán, Guatemala, individually referred to as Partners and collectively as the Partnership. The purpose of the MOU is to establish an understanding of how we wish to operate in partnership. It is entered into in a spirit of friendship, equality and cooperation.

B. Name

The name of the Partnership will be Partners in Development.

C. Purpose

The purpose of the partnership is to enhance the ability of each partner to accomplish its mission of sponsoring and facilitating the administration of programs and activities that promote economic and social development, culture, and environmental preservation. The partnership is a vehicle whereby we can exchange information, technical expertise, mutual support and goodwill. We wish to do this in an open and public manner and to be identified by the development community as partners. We expect that the partnership will continue to evolve complementarily in scope and activities and that our understanding and practice of true partnership will likewise evolve.

D.Term

This MOU will remain in effect until changed or terminated by the partners by consensus.

E.Organization

The partners in this venture are: Katalysis, BEST, ODEF, MUDE, and CDRO. The Board of Directors of each Partner formally recognizes and supports the Partnership.

The Board of Directors of each partner delegates the director of its organization to form the Partnership's Board of Directors. The function of the Partnership's Board of

Directors is to manage the relationship and growth of the Partnership.

The development of the Partner relationship focuses on the global program structure of each partner. It is a process that must begin with certain defined areas of work, particularly areas that are clearly common and similar among the partner's programs.

The Partnership's Board of Directors is responsible for promoting the exchange of experiences and information among the partners. This exchange can be conducted to a greater or lesser degree between Partners depending on the capacity and internal structure of each partner. For example, the practice of having a member of the partnership on the board of another partner or a technical representative on their own board.

In every case, the formality of the partnership relationship should be stated in writing.

It is the responsibility of each Partner's director to share and promote the concept of partnership and its implications with their staffs in order that an open dialog be established between the staffs of the Partners. One goal of such dialog, for example, is to define a mutually workable concept of partnership in the technical area.

Katalysis is the sponsoring Partner. However, with respect to the development of the Partnership, Katalysis does not have responsibility to fund the individual Partners partially or totally per this MOU. The resources of Katalysis will be available and utilized to seek out financing for the majority of the Partnership's activities. These activities (meetings, exchange visits, etc.) will not result in changes to the decision making process of individual Partners or in the operation of the Partnership.

Per this MOU and Katalysis' experience within the Partnership, Katalysis will provide consultant and special assistance involving its staff and Board of Directors. The Director of Katalysis will serve as Coordinator of the Partnership Board of Directors.

F. Adding New Partners

It is anticipated that new partners may be added by mutual consent.

G. Functions And Principles

The Partnership will be guided by a set of functions and principles approved by the Partnership Board of Directors and ratified by the Partners.

The functions and principles of the Partnership will be modified and/or eliminated from time to time by the Partners. This will generally take place in the semi-annual partners meetings, but may take place outside these meetings by mutual consent of the Partners. At the date of signing of this MOU, functions of the Partnership include:

1) Joint participation in grant implementation.

2) Joint participation in the raising of unrestricted operating funds in the United States.

3) Joint participation in the design, implementation, and grant support of a specific number of development projects.

4) Information sharing on a wide range of matters including programs, operations, and administration.

5) Documentation and promotion of the partnership model.

6) Attendance at Partnership Board of Directors meetings.

H. Responsibilities And Duties

Each Partner undertakes the following:

1) To respond openly, thoughtfully and promptly to a partner's request for assistance.

2) To actively seek the way to build mutual trust by fully sharing information, confidences, and problems with the other partners.

3) To comply fully and promptly with the conditions of any projects involving the partners and to act in a fiduciary relationship with mutual respect.

4) If one partner believes that another partner is not living up to the MOU, then the first partner will communicate this to the other partners.

I. Decision Making

Decisions affecting the Partnership are to be made by mutual consent. One Partner can not make a decision affecting another Partner without the consent of the other. All Partners have the right to submit proposals which involve a mutual decision. The Partnership Board of Directors will discuss and make decisions it considers beneficial to all Partners.

The decisions will be made respecting the particular characteristics of each Partner and its mutual consent.

Any decision which impacts a particular Partner, and which presents special conditions not previously considered, will require ratification by the Partner's Board of Directors.

J. Additional Agreements

Partners may have additional agreements among themselves or other organizations outside the MOU.

K. Withdrawal

In case of disagreements and misunderstandings, every effort will be made to settle the matter through dialog and negotiation. A partner may withdraw from this MOU by giving six months written notice to the other partners. A partner may be expelled from the partnership by the unanimous vote of the other partners, with six months written notice to be given.

Any case of expulsion from the partnership will include a process to guarantee the partners the opportunity to defend themselves.

Signed in friendship,

APPENDIX D - III
The Principles of the Katalysis Partnership

1. Agreement of values and goals
2. Shared decision-making responsibility and authority
3. Open and efficient communication
4. Willingness to work in cooperation and collaboration with others
5. Accountability
6. Respect for the integrity and autonomy of Partners
7. Financial transparency
8. Dedication of time, energy, and resources to partnership activities
9. Interest in sharing cultures and building relationships
10. Respect for the learning process
11. Willingness to address difficult issues candidly and promptly
12. Ability to accept counsel and criticism

Note: The above stated "Principles" represent a first step in defining the key elements of the Katalysis Partnership. They emerged from the April 1993 Partnership meeting and the research and documentation that produced the monograph entitled "Choosing Partnership: Evolution of the Katalysis Model." All the Partners have participated in this definitive process. The results will be ratified at the Board of Directors meeting in Honduras in November 1993.

APPENDIX D - IV
Volunteer Placement Program

KATALYSIS

WHICH ORGANIZATION	TYPE OF ASSISTANCE	WHEN
1) ODEF	Katalysis contracted a volunteer to learn more about and assess the growing community bank program. She also analyzed how the Partnership could be of more assistance to ODEF.	July 1992 to February 1993 40 person days
2) Katalysis	Katalysis program department established an internship program to help meet the demand for translation of documents, letters, proposals etc. to improve communication and flow of information within the Partnership. Six interns were contracted over the course of the year and worked an average of 13 hours a week each.	October 1992 to September 1993 92.5 person days
3) Katalysis	Katalysis contracted a volunteer to research organizational adaptations of community banking models and develop a community banking program resource binder for Katalysis program department.	February 1993 to May 1993 7.5 person days
4) Katalysis	Katalysis program department established a Southern Program Advisor six month internship held by a former ODEF zone coordinator. She assisted Katalysis with translations, training and follow-up development and evaluation of Partnership issues using her Southern perspective.	April 1993 to September 1993 75 person days
5) Katalysis	Katalysis contracted a research assistant intern to conduct research and design a participatory evaluation workshop to determine the social impacts of programs, write a community banking concept paper, and research and design a participatory management training.	March 1992 to January 1993 45 person days
6) BEST	In the summer 1992 Katalysis helped locate a volunteer for BEST to design a survey of small farmers in Belize to assess the need for and interest in a training center on sustainable agricultural practices. The volunteer and Katalysis Program Director worked extensively to produce a report which analyzed the survey design process and makes recommendations for improved research procedures in the future.	October 1992 to May 1993 50 person days

WHICH ORGANIZATION	TYPE OF ASSISTANCE	WHEN
7) Katalysis	Katalysis contracted a skilled volunteer to conduct research on program and project evaluation methods and identify qualitative and quantitative indicators that effectively measure program impact.	December 1992 to May 1993 20 person days
8) Katalysis	Katalysis contracted an independent study intern to research methodologies and indicators of social change, particularly empowerment, for community banking programs in Central America.	June 1993 to December 1993 48 person days
9) Katalysis	Katalysis contracted an intern to research and design a workshop on how to conduct a feasibility study and market strategy and to create a training binder with appropriate materials and resources. The intern will also research the community banking graduation process and write a paper on the concept as it relates to the Partnership.	June 1993 to November 1993 20 person days
10) Katalysis	Katalysis program department established an internship to research appropriate structures and procedures for the design, analysis and implementation of a Partnership-wide project monitoring management information system.	September 1993 to December 1993 5 person days
11) Katalysis	Katalysis program department developed a research assistant internship to conduct studies on local and international agricultural learning and training centers to help prepare for the Herencia Verde project in Honduras. The intern will collect and analyze data collected from similar centers and develop a resource binder for the design of the curriculum and physical structure of the center.	September 1993 to December 1993 4 person days

APPENDIX D - V
Training and Technical Assistance Plan

KATALYSIS

WHAT GROUP	TYPE OF ASSISTANCE	WHEN
1) ODEF	Assistance to Executive Director and staff in leadership transition process in areas of restructuring, institutional analysis, financial management, administration, board development, and fundraising strategy development.	October 1992
2) BEST/ODEF/CDRO	Consultation with Partner Executive Directors and planning for the new Matching Grant proposal.	October 1992
3) ODEF/BEST	Training in fundraising strategies and donor familiarization tour in Washington DC with the Executive Directors of both organizations.	October 1992
4) ODEF	A.I.D. End-of-Grant Evaluation. Review sustainability strategy, management information systems, and community banking program.	November 1992
5) BEST	A.I.D. End-of-Grant Evaluation. Review sustainability strategy with special programmatic emphasis on natural resource management program.	November 1992
6) ODEF/BEST/CDRO	One-on-one consultations with Partner Executive Directors on institutional and Partnership issues.	January 1993
7) ODEF	Training on institutional development. Facilitation and consultation with Partners on ODEF's leadership transition/restructuring process.	January 1993
8) ODEF/CDRO	Workshop on budgeting and internal controls; Financial analysis and training.	January 1993
9) ODEF/CDRO	Partner financial and administrative analysis and discussion.	January 1993
10) ODEF/BEST	Planning for regional solar box cooking conference.	February 1993
11) BEST	Review of community banking program and follow-up on report writing workshop.	February 1993
12) BEST	Workshop on budgeting and internal controls; Financial analysis and training.	February 1993
13) ODEF	Facilitation of training on participatory management.	February 1993
14) ODEF	Financial analysis and training.	March 1993
15) ODEF	Facilitation, with CDRO's Director of Programs, of evaluation of ODEF's community development programs.	April 1993
16) CDRO/BEST/ODEF	Half-day training on fundraising systems and techniques.	April 1993
17) CDRO/BEST/ODEF	Half-day training on proposal writing strategies, systems and techniques.	April 1993
18) CDRO/BEST/ODEF	Orientation of Small Grants Program at the Inter-American Development Bank, by Katalysis Board member and the Director of ODEF.	April 1993
19) ODEF	Facilitation of visits to private donors.	April 1993
20) BEST/ODEF/CDRO	Strategic planning workshop with Executive Directors and staff representatives.	April 1993
21) CDRO	Facilitation of visits with alternative trade organizations to promote sales of CDRO's artisan products.	April 1993
22) BEST/ODEF/CDRO	One-on-one consultations with Partner Executive Directors on institutional and Partnership issues.	April 1993
23) BEST/ODEF/CDRO	Facilitation of Partner Director's meeting: AID MG2, donor visits, MOU revision, role of Katalysis Board of Directors, role of Partner's Board of Directors, South/South exchange.	April 1993

WHAT GROUP	TYPE OF ASSISTANCE	WHEN
24) CDRO	Facilitation of a two and a half day sustainability strategy workshop for full program staff, facilitation of one-day introductory training on solar box cooker technology and a one-day training on community banking	May 1993
25) BEST/ODEF/CDRO	One-on-one consultation with Partner Executive Directors on Katalysis restructuring process.	June 1993
26) BEST/ODEF	Assistance with facilitation of regional solar box cooker conference for Central and South America and the Caribbean.	June 1993
27) ODEF	Facilitation of visits and coordination with local private and governmental donors	August 1993
28) ODEF	Facilitation of visits to VIDA Foundation regarding Herencia Verde project.	August 1993
29) Katalysis Partnership	Partnership Board of Directors meeting: Principles of Partnership review, training and technical assistance strategy, AID MG1 finalization, Katalysis restructuring, plans for AID MG2, donor visit preparation and facilitation	August 1993
30) BEST/ODEF/CDRO	One-on-one consultations with Partner Executive Directors on institutional and Partnership issues.	August 1993
31) ODEF	Financial reconciliation , program planning for Herencia Verde, administrative analysis	August 1993
32) ODEF	Facilitation of visit to private donor.	September 1993

APPENDIX D - VI
KATALYSIS
Board of Directors Assistance

	Brown	Cullerton	de Euceda	Graham	Hildebrand	LaFetra	Mendoza	Perkins	Ritchie	Sackey-Milligan	Sanchez	Turnil	Williams
Administrative Oversight	X			X									
AID Liaison	X			X	X			X	X				
Counsel on Partner Executive Director Selection					X								X
Domestic Programs					X								
Donor Mail Appeal Consultation	X	X		X	X								X
Ecuador/Bolivia Partner Research					X			X					
Evaluation: Katalysis, Partners	X	X	X	X	X								
Field Notes Contribution				X	X			X					
Financial Oversight	X	X	X	X	X	X	X	X	X	X	X	X	X
Funding Contacts	X	X	X	X	X			X	X				X
Fundraising Strategy Formation	X			X	X			X					X
Funds	X			X	X	X		X	X				
Joint Venture Concept Development	X				X								
Katalysis Board Development: Roles, Responsibilities	X	X	X	X	X	X	X	X	X	X	X	X	X
Katalysis Board Recruitment/Orientation	X	X	X	X	X		X			X			X
Katalysis Staff Job Description	X	X	X	X	X		X					X	
Katalysis Staff Selection	X	X	X	X	X		X		X		X	X	X
Katalysis Staff Orientation	X			X	X			X		X	X		X
Katalysis Restructure	X	X	X	X	X	X	X	X	X	X	X	X	X
Local Fundraising Development in Country		X	X									X	
Long Range Planning	X	X	X	X	X	X	X	X	X	X	X	X	X
Management Consultation to President	X	X	X	X			X		X	X		X	X
Networking: Community Banking		X	X	X	X	X	X						

BOARD ASSISTANCE TO KATALYSIS PARTNERSHIP page 2	Brown	Cullerton	de Euceda	Graham	Hildebrand	LaFetra	Mendoza	Perkins	Ritchie	Sackey-Milligan	Sanchez	Turnil	Williams
Networking: Environment		X	X	X	X			X				X	
Networking: Micro-Enterprise	X	X	X	X	X		X		X			X	
Partner Board Involvement in Partnership Building		X	X		X		X						
Partner Board Troubleshooting		X	X	X	X		X					X	
Partner Fundraising Trips to Donors		X	X		X		X		X				
Partner Staff Involvement in Partnership Building		X	X		X		X						
Partnership Communications	X	X	X	X	X		X					X	
Partnership Concept Paper Development	X	X		X	X								
Partnership Documentation	X	X	X	X	X		X					X	
Partnership Monitoring	X	X	X	X	X	X	X	X	X	X	X	X	X
Personnel Evaluation	X			X	X								
Program Development: Community Banking		X	X	X	X	X	X					X	
Program Development: Environment		X	X	X	X			X				X	
Program Development: Institutional Sustainability	X	X	X	X	X		X					X	
Program Development: IRDP			X		X								
Program Development: Micro-Enterprise		X	X	X	X		X		X			X	
Program Development: Sustainable Agriculture		X	X	X	X			X				X	
Proposal Development and Review	X	X	X	X	X		X	X	X	X		X	
Site Visits to Partners		X	X	X	X		X					X	
Sustainability Strategy Formation	X	X	X	X	X		X					X	
US/AID Matching Grant Proposal	X	X	X	X	X		X	X				X	
US/AID Matching Grant Evaluation	X	X	X	X	X								

APPENDIX E LOGICAL FRAMEWORK

INTENT	INDICATOR	VERIFICATION	ASSUMPTIONS
GOAL: Assist poor farmers, micro/small entrepreneurs, women and youth in the Partner countries in Central America and the Eastern Caribbean to become more self-sufficient through the effective local transfer of technical skills and funds	• Increased income levels • Crop sales increase • Skill levels improvement • Number of jobs created • Number of trainees in jobs • Number of enterprises initiated or expanded • Number of loans made for small businesses	• Management Information Systems provided for MG (KF/Partners) • Partner records • Client records • Quarterly monitoring (KF) • End-of-grant evaluation (A.I.D.)	• Political stability in Partner countries • Consistent agricultural market and economic conditions so that TA and training have intended impact • Supportive environment for KF Partners with government and other development entities • Existing or potential job market can absorb improved skills; training relates to needs • Beneficiary groups receptive to Partner TA, training and credit programs • Availability of funds to enable Partners to work with groups who cannot afford to pay full fees
PURPOSE: Strengthen and institutionalize relevant, affordable, accessible and sustainable technical assistance and training delivery system for low-income people through 3 indigenous PVOs.	• 3 local NGOs (Partners)are now *client*- rather than *donor*-driven • Partners have a strong client base (both short term and long term) with demonstrated graduates • Partners have sustainability plan in place and operative • Partners have locally adapted Management Information Systems in place • Sliding-scale fee schedules are established for all clients based on ability to pay • Partners have a strong community base of support and maintain network system with similar NGOs and government entities • Partners possess qualified staff that directly relate to client needs • Partners have reliable client response mechanism in place	• Management Information System provided for in MG (KF/Partners) • Client records • Partner records • Tracked results of TA/training interventions (Partners) • Participatory evaluations (KF/Partners) • Quarterly monitoring (KF) • Annual audits (KF/Partners) • Sustainability audits and strategy/plan formation (KF/Partners) • KF/Partner funding portfolio • Quarterly KF/Partner Funding Update Reports • End-of-grant evaluation (A.I.D.)	• Continued demand for Partner services • Availability/continuity of qualified staff and local leadership of Partners to insure program integrity • Ability of clients who can at least partially pay for Partner service • Ability of Partners to maintain institutional, programmatic, financial stability of their agencies (absorptive capacity) • Effective fundraising capability of KF/Partners • Partners' maintenance of competitive/comparative advantage by being flexible and responsive to changing demands • Partners cultivate and maintain community base of support and network system with similar organizations • Political climate of host countries supportive of local development

INTENT	INDICATOR	VERIFICATION	ASSUMPTIONS
OUTPUTS: 3 Partner agencies have in place the following: • Sustainability Plans with verifiable results related to strengthened institution, program and finances (including diversified funding portfolio) • Management Information Systems with documented results of institutional stability and performance tracking • Staff capability to extend program support training and technical assistance in sustainable agriculture, small enterprise development, credit and local institution building to 50-70 groups per year • Full participation in the Katalysis partnership and national and regional PVO networks	• 3 Partner Sustainability strategies formulated by 3rd Qtr Year 1 • 3 Partner Sustainability Plans designed by Year 1 • 3 Partner Sustainability Plans implemented by Year 3 (beginning Year 1) • Sustainability Venture Fund established in Year 1 • 3 Sustainability Venture Projects completed for each of the three MG years • 3 Partner Management Information Systems analyses completed in 1st Qtr. Year 1 • 3 Partner MIS training sessions 3rd Qtr. Year 1; implementation through Year 3 • Development Pilot Projects fund established Year 1 • 3 Development Pilot Projects completed in each of the 3 MG years • 27 Village Banks launched in Honduras at the rate of 9 per year for each MG year; 540 rural women assisted • Partner Program Services (technical assistance/ training) provided to 50-70 local groups per year affecting 6,000 low-income beneficiaries by end of MG. These services will include agricultural production, processing and marketing; small business management and financial controls; youth skills training; small-scale manufacturing; local institutional strengthening • 1 KF Partnership Network Workshop will be held each MG year to discuss common Partner needs • Each Partner will participate in 3 Shared Internal TA interventions each MG year • Each Partner will participate in 1 wider PVO community activity in each MG year	• New Management Information Systems (provided for in MG) • Quarterly monitoring (KF) • Quarterly KF/Partner Funding Update Reports (KF) • Partner records • Partner budgets • Partner client portfolios • Partnership meetings (provided for in MG) • Partner documentation (provided for in MG) • End-of-grant evaluation (A.I.D.)	• Continued U.S.A.I.D. Mission support in Partner countries • Continued host government support • Inputs available as planned • Continued cooperation between KF/Partners • Rétention of qualified and committed personnel at KF and Partners • Political and economic stability of host countries

INTENT	INDICATOR		VERIFICATION	ASSUMPTIONS
INPUTS:		Person-months		
• Skilled staff • Professional management • Financial support (public and private) • Supplies and equipment • Involved board members and volunteers • Communications network (fax, modem, phone) • Resource acquisition; information sharing • Feasibility studies and evaluations • Technical support and training	• Sustainability Strategies (planning, training, TA, implementation) • Management Information Systems (analysis, design, training, implementation) • Network Strengthening (shared internal TA, PVO community participation) • Field Support Services • Village Banks • Management, Administration • Finance & Accounting	22 14 16 18 12 63 29	• Institutional evaluations • Project impact evaluations • Staff time reports • Board/volunteer trip reports • Personnel records • Client records • Quarterly monitoring reports • Financial records • Annual audits • End-of-grant evaluation (A.I.D.)	• Partner programs complement Mission CDSS • Partner programs complement host country development priorities • $600,000 A.I.D. MG • $600,000 KF/other resources
A.I.D.	$ 600,000			
Katalysis/Private Resources	$ 600,000			

APPENDIX F
Country Data Sheets
Form 1550

COUNTRY INFORMATION FOR
A.I.D.–SUPPORTED PVO PROJECTS

Organization:	Katalysis Foundation
Project/Grant No.:	OTR-0158-A-00-0108-00
Grant Dates:	09/28/90 - 09/27/93
Funding Mechanism:	Matching Grant

COUNTRY NAME: Belize (BEST)

Project Purpose: Strengthen the capabilities of local community-based enterprises which represent the sectors of Belizean society most impacted by poverty, unemployment and the need for income diversification: small farmers and fishermen, women, and micro-entrepreneurs. Focus is on skills development, job creation and income generation.

Project Implementation:
Start Date: 09/28/90 Estimated Completion Date: 09/27/93

Status: BEST, the organization in place to achieve the project purpose, has been in operation since late 1985. Katalysis played the key role in the founding of BEST and has had a strong partnership relationship since that time.

Project Funding:

Year	1991	Year	1992	Year	1993	TOTAL
AID$	30.2	AID$	28.4	AID$	23.0	81.6
PVO$	71.0	PVO$	78.4	PVO$	88.4	237.8
OTHER		OTHER		OTHER		
INKIND		INKIND		INKIND		
LOCAL		LOCAL		LOCAL		
TOTAL	101.2	TOTAL	106.8	TOTAL	111.4	319.4

Location in Country: BEST operates in all districts of Belize.

Local Counterpart/Host Country Agency:

Bridget Cullerton
Managing Director
Belize Enterprise for Sustained Technology (BEST)
Forest Drive
PO Box 35
Belmopan, Belize

COUNTRY INFORMATION FOR
A.I.D.–SUPPORTED PVO PROJECTS

Organization:	Katalysis Foundation
Project/Grant No.:	OTR-0158-A-00-0108-00
Grant Dates:	09/28/90 - 09/27/93
Funding Mechanism:	Matching Grant

COUNTRY NAME: Honduras (ODEF)

Project Purpose: Strengthen the capabilities of local women in business and women-in-development groups which represent a sector of Honduran society severely affected by poverty and unemployment: women in rural villages and on farms. Focus will be on skills development, job creation and income generation through training, technical assistance, women's village banking projects and small animal raising.

Project Implementation:
Start Date: 09/28/90 Estimated Completion Date: 09/27/93

Status: ODEF joined with Katalysis in a joint venture to form multiple women's banks in 1989. Katalysis expects to deepen this partnership with ODEF, which has operated in Honduras since 1983.

Project Funding:

Year	1991	Year	1992	Year	1993	TOTAL
AID$	46.8	AID$	45.1	AID$	39.7	131.6
PVO$	54.4	PVO$	150.9	PVO$	110.6	315.9
OTHER		OTHER		OTHER		
INKIND		INKIND		INKIND		
LOCAL		LOCAL		LOCAL		
TOTAL	101.2	TOTAL	196.0	TOTAL	150.3	447.5

Location in Country: ODEF operates in the districts of Yoro, Santa Barbara and Cortes.

Local Counterpart/Host Country Agency:

Santa de Euceda
Directora Ejecutiva
Organizacion de Desarrollo Empresarial Femenino
Apartado Postal 357
San Pedro Sula, Honduras

COUNTRY INFORMATION FOR
A.I.D.-SUPPORTED PVO PROJECTS

Organization:	Katalysis Foundation
Project/Grant No.:	OTR-0158-A-00-0108-00
Grant Dates:	09/28/90 - 09/27/93
Funding Mechanism:	Matching Grant

COUNTRY NAME: Guatemala (CDRO)

Project Purpose: To strengthen the capabilities of rural women in business and women's cooperative associations which represent a sector of Guatemalan society severely affected by poverty and unemployment. Focus will be on organizational formation and management, skills development, job creation and income generation through training, technical assistance and credit.

Project Implementation:
Start Date: 04/01/92 Estimated Completion Date: 09/27/93

Status: CDRO joined the Katalysis Partnership in early 1992 after an extensive exploration process beginning in the summer of 1991. Although the relationship has just begun, it is expected that CDRO will be an active member of the Partnership and contribute greatly to our collaboration.

Project Funding:

Year	1991	Year	1992	Year	1993	TOTAL
AID$		AID$	14.0	AID$	22.7	36.7
PVO$		PVO$	3.4	PVO$	61.8	65.2
OTHER		OTHER		OTHER		
INKIND		INKIND		INKIND		
LOCAL		LOCAL		LOCAL		
TOTAL		TOTAL	17.4	TOTAL	84.5	101.9

Location in Country: CDRO operates primarily in the department of Totonicapan, with further activities in Huehuetenango, Retalhuleu, San Marcos and Quetzaltenango.

Local Counterpart/Host Country Agency:

Benjamin Son Turnil
Executive Director
Cooperacion para el Desarrollo Rural de Occidente
6a Avenida 6-14, Zona 4
Totonicapan, Guatemala

COUNTRY INFORMATION FOR
A.I.D.-SUPPORTED PVO PROJECTS

Organization:	Katalysis Foundation
Project/Grant No.:	OTR-0158-A-00-0108-00
Grant Dates:	09/28/90 - 09/27/93
Funding Mechanism:	Matching Grant

COUNTRY NAME: Eastern Caribbean (CAPS)

Project Purpose: Strengthen the capabilities of local development organizations which work directly with the sectors of West Indian society most impacted by poverty and unemployment: women, youth, small farmers and fishermen, and micro/small entrepreneurs. Focus is on skills development, job creation and income generation.

Project Implementation:
Start Date: 09/28/90

Estimated Completion Date (original): 09/27/93
Actual Completion Date: 03/31/91

Status: CAPS, the organization in place to achieve the project purpose, was operating in a predecessor form since 1984. Katalysis and CAPS entered into a partnership relationship in 1988. CAPS was dissolved in January 1991.

Project Funding:

Year	1991	Year	1992	Year	1993	TOTAL
AID$	9.5	AID$		AID$		9.5
PVO$	9.6	PVO$		PVO$		9.6
OTHER		OTHER		OTHER		
INKIND		INKIND		INKIND		
LOCAL		LOCAL		LOCAL		
TOTAL	19.1	TOTAL		TOTAL		19.1

Location in Country: CAPS operated in Antigua/Barbuda, Dominica, Grenada, St. Kitts/Nevis, St. Lucia, St. Vincent and the Grenadines.

Local Counterpart/Host Country Agency:

Sylvester Anthony
Executive Director
CAPS
PO Box 312
Castries, St. Lucia
West Indies

COUNTRY INFORMATION FOR
A.I.D.–SUPPORTED PVO PROJECTS

Organization:	Katalysis Foundation
Project/Grant No.:	OTR-0158-A-00-0108-00
Grant Dates:	09/28/90 - 09/27/93
Funding Mechanism:	Matching Grant

COUNTRY NAME: Stockton, California (Katalysis Headquarters)

Project Purpose: To accelerate the development of indigenous PVOs that deliver training, technical assistance, credit and project development in Central America and the Caribbean. Focus is on organizations working in sectors heavily impacted by poverty and unemployment: small farmers and fishermen, women, youth and microentrepreneurs.

Project Implementation:
Start Date: 09/28/90 Estimated Completion Date: 09/27/93

Status: The Stockton headquarters and its San Francisco program office operate the program and financial management of Katalysis and its relationships with partner organizations. It fulfills all legal and financial requirements of a 501(c)(3) organization.

Project Funding:

Year	1991	Year	1992	Year	1993	TOTAL
AID$	70.9	AID$	124.1	AID$	124.8	319.8
PVO$	283.5	PVO$	224.8	PVO$	330.2	838.5
OTHER		OTHER		OTHER		
INKIND		INKIND		INKIND		
LOCAL		LOCAL		LOCAL		
TOTAL	354.4	TOTAL	348.9	TOTAL	455.0	1,158.3

PVO Representative at Headquarters:

Gerald B. Hildebrand
President/CEO
Katalysis Foundation
1331 N Commerce St
Stockton CA 95202