

A.I.D. EVALUATION SUMMARY - PART I

PD-ARJ-652

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

IDENTIFICATION DATA ISA 91244

A. Reporting A.I.D. Unit: Mission or AID/W Office <u>USAID/Honduras</u> (ES#FY95-1)	B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input type="checkbox"/> Slipped <input checked="" type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY <u>94</u> Q <u>4</u>	C. Evaluation Timing Interim <input type="checkbox"/> Final <input checked="" type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date for the evaluation report.)

Project No.	Project / Program	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
522-0257	Advisory Council for Human Resources Development (CADERH)	FY84	07/94	\$6,325	\$6,325

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
<p style="text-align: center;">Action(s) Required</p> <p>The Mission approved the following actions which will be implemented under a new initiative, the Basic Education and Skills Training (BEST) project.</p> <p>1) USAID will consider additional financial assistance for CADERH to replace and upgrade some of the equipment and tools in the training centers, provide ongoing in-service training and technical assistance programs for training centers, and expand the use of Competency Based Instruction (CBI) materials and trade certification examinations.</p> <p>2) CADERH will address its high rate of staff turnover.</p> <p>3) CADERH will promote the acceptance of the concept of national certification examinations through linkages with relevant worker and employer groups.</p> <p>4) CADERH will encourage the formation of a professional organization for the personnel of training centers with the long-term goal of institutionalizing self-directed professional development activities among vocational training instructors and training centers.</p> <p>5) CADERH will expand its membership to achieve national recognition, increase the number of stakeholders, and enhance linkages with other entities.</p>	<p>BEST Design Committee</p> <p>CADERH</p> <p>CADERH</p> <p>CADERH</p> <p>CADERH</p>	<p>December 1994</p> <p>December 1994</p> <p>January 1995</p> <p>December 1995</p> <p>December 1995</p>

APPROVALS

F. Date of Mission Or AID/W Office Review Of Evaluation: (Month) August (Day) 3 (Year) 1994

G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature	Ned van Steenwyk	Ing. Leonel Bendeck	L. Simard, C.Zambrana	Marshall Brown
Date	10/22/94		11/1/94	11/4/94

ABSTRACT

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

The purpose of the Advisory Council for Human Resources Development project was to create a technically and financially viable institution which would provide mechanisms for responding to private sector training needs and priorities. The project was implemented by a local private voluntary organization (PVO), the "Centro Asesor para el Desarrollo de los Recursos Humanos" (CADERH)*. The purpose of this final evaluation was to assess project achievements at the goal and purpose levels, the sustainability of these achievements, and recommend future actions. A two person team, a vocational education specialist and an administrative analyst, were provided by the institutional contractor (DEVRES, Inc.) to execute the evaluation.

The evaluation concluded that:

- CADERH has become a technically and financially viable institution which is capable of responding to private sector training needs, and has established its long-term potential to impact on training, economic growth, and employment
- CADERH has trained over 18,000 people over the life of the project (LOP) and project objectives were met or exceeded in each of the three components of the Project.
- The conceptual design of the project was sound.
- Competency based instruction (CBI) strategies were functional for the conditions found in Honduras, given the student population served, the limited availability of trained teachers, and limited resources.

Lessons Learned include:

- Long-term supervisory continuity, consistent and clearly articulated objectives, and a shared vision are key elements for successful projects of this nature.
- A decade is a relatively short period of time to establish an institution like CADERH, achieve financial self-sustainability, and assure continuing development impact for the benefit of lower income sectors of society.
- Uniformity in the data reporting systems from training centers facilitates the monitoring and evaluating of activities and projects of this nature.

* Advisory Council for Human Resources Development

COSTS

I. Evaluation Costs

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Dennis Herschbach	University of Maryland/DEVRES Inc.	N/A	\$32,000	Proj. No. 522-0257
David Eding	Consultant/DEVRES Inc.			

2. Mission/Office Professional Staff
Person-Days (Estimate) _____ 15 _____

3. Borrower/Grantee Professional
Staff Person-Days (Estimate) _____ 25 _____

A.I.D. EVALUATION SUMMARY – PART II

SUMMARY

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

Address the following items:

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

Mission or Office
USAID/Honduras

Date This Summary Prepared:
09/02/94

Title And Date Of Full Evaluation Report: **Final Evaluation of the Honduran Advisory Council for Human Resource Development (Project No. 522-0257)**

Purpose of the Project

The purpose of this ten-year project was to create a technically and financially viable institution which would provide mechanisms for responding to private sector training needs and priorities.

The project was implemented by a local private voluntary organization (PVO), the "Centro Asesor para el Desarrollo de los Recursos Humanos" (CADERH). CADERH has provided assistance for two types of training programs: (1) job-entry and skill upgrading training programs executed by PVOs and municipalities for low income, unemployed and underemployed, youth and adults; and (2) industry specific, in-plant training to provide increased employment opportunities and enhance the competitiveness of Honduras in the region.

Purpose and Methodology of the Evaluation

The purpose of this final evaluation was to assess project achievements at the goal and purpose levels, assess the sustainability of these achievements, and recommend future actions. A two person team, a vocational education specialist and an administrative analyst, were provided by the institutional contractor (DEVRES, Inc.) to execute the evaluation. The evaluation was conducted in September of 1993 and the final report was presented in April 1994. The team conducted interviews with CADERH personnel and members, USAID/Honduras personnel, CADERH's private sector clients, and the training centers which received assistance under the project.

Findings and Conclusions

The evaluation team identified the following major findings and conclusions: (1) the conceptual design of the project was sound; (2) Competency Based Instruction (CBI) strategies used were functional for the conditions found in Honduras, given the student population served, the limited availability of trained teachers, and limited resources; (3) CADERH has become a technically and financially viable institution which is capable of responding to private sector training needs, and has established its long-term potential to impact on training, economic growth, and employment; and (4) CADERH has trained over 18,000 people over the life of the project (LOP) and project objectives were met or exceeded in each of the three components of the project as follows.

Component I. Fifteen vocational training centers were equipped, built and remodeled; personnel from the centers received ongoing training and technical assistance; and CBI materials and trade certification exams were developed for 31 trades.

The training centers, sponsored by private voluntary organizations (PVOs) and municipalities, train over 3,000 people annually, and are very cost-effective. Training costs in the centers are only \$0.12 per participant hour of instruction. Retention rates and job placement rates are also very high at 90% and 87% respectively as a consequence of providing efficient and relevant vocational training for the unemployed and underemployed youth and adults enrolled in these training centers. The CBI training materials developed by CADERH for 31 trades are comparable to the best of other countries. The trade certification exams developed are of high quality, generally easy to use, and reflect a functional balance of theory and practice.

SUMMARY (Continued)

The evaluation team, however, noted difficulties in utilizing some of the CBI training materials and certification exams. These difficulties are associated with the low reading levels of some of the students targeted by the centers, which affect student performance on some of the written exams. The resources required to administer trade certification exams also represent a recurrent cost which CADERH and the training centers will have difficulties financing after the project, and the system does not have national recognition by other entities.

Nevertheless, these PVO and municipal training centers continue to meet the training needs of some of the least privileged sectors of society, improving employment opportunities for lower income sectors, and the certification system serves as an internal quality control mechanism for the vocational training centers assisted by CADERH.

Component II. Under the original design of the project, CADERH was to become a training broker to meet private sector training needs. Technical assistance, initial training personnel, materials, technologies and equipment to develop and enhance local in-plant training capabilities were to be financed by the project with other local training entities providing industry specific and in-plant training for the private sector.

Other training institutions, however, would not accept the accountability mechanisms CADERH was establishing (competency based trade certification) to evaluate the quality of training provided by other entities and/or other conditions for receiving assistance under the project. Consequently, CADERH assumed direct responsibility for training, with USAID approval, and achieved excellent results.

Over 6,500 people received technical training under this component. Approximately 80% of the trainees were females, many were single mothers who would have experienced difficulties in obtaining gainful employment without this training, and training had a direct and rapid impact on the productivity and quality of production.

USAID's participation in this activity, however, was terminated in September of 1992 because of 599/547 legislation and the concerns of the U.S. Congress that successful training programs for export industries could result in a reduction in jobs for U.S. workers, and CADERH is continuing this activity with no further assistance from USAID.

Component III. This component was to provide low-cost, high quality training materials through printing and distributing CBI and audiovisual training materials for vocational instruction. The Training Materials Bank established under this component served as a clearinghouse and source of training materials for firms, individuals and the training centers assisted under Component I. Component III achieved its objectives by 1991-92 and project support for this activity was terminated after more than 200,000 training modules and audiovisual units were reproduced and distributed to training centers and sold to firms and individuals. This component is now self-sustainable through the services and products provided to clients, and also markets CBI and audiovisual training materials for vocational training programs.

Institutional Assessment. CADERH's institutional capabilities have evolved over the life of the project, the institution is responsive to recommendations, and is capable of accommodating changes. A key element for the success of the project was the long-term continuity and stability of CADERH's Board of Directors and USAID project management, and clearly articulated policies and objectives.

CADERH's financial sustainability is being achieved by providing training and other services for clients who can afford to pay for these services. The only major concern is the degree to which CADERH will be able to finance nonprofit development activities for the benefit of lower income sectors of society over the longer-term.

Activities which are meeting development needs by providing training for increased employment opportunities, improving private sector productivity, and generating income are CADERH's in-plant training programs for export oriented businesses (Component II). Other CADERH activities which are contributing to financial sustainability include printing services and audio-visual productions (Component III), training programs for other entities and the general public (often in office management and related areas), and similar services.

CADERH's **development** activities with PVO and municipal training centers have achieved excellent results but have very little income generating potential because of the low income clientele served by these centers. Related activities which also have limited income generating potential include the development and administration of trade certification exams, and the development and distribution of vocational training materials.

SUMMARY (Continued)

Previous Evaluations. Five previous evaluations (external and internal) were conducted and were utilized by USAID and CADERH to strengthen and adjust project implementation strategies. These evaluations called attention to technical assistance difficulties, the challenges and tensions between achieving the project's development goals and financial self-sustainability, the need to strengthen marketing strategies, and the identification of elements in the project design which required adjustments. CADERH learned from the evaluations and moved promptly to implement recommendations, demonstrating a high degree of institutional flexibility, creativity, commitment, and sound leadership which helped make this project a success.

Principal Recommendations

- 1) USAID should consider additional financial assistance for CADERH to replace and upgrade some of the equipment and tools in the training centers, provide ongoing in-service training and technical assistance programs for training centers, and expand the use of CBI and trade certification examinations.
- 2) CADERH should promote the acceptance of the concept of national certification examinations through linkages with relevant worker and employer groups.
- 3) CADERH should encourage the formation of a professional organization for the personnel of training centers with the long-term goal of institutionalizing self-directed professional development activities among vocational training instructors and training centers.
- 4) CADERH should review its organizational structure and mix of activities to achieve greater cohesion among cost centers, concentrate resources on activities in which CADERH has a comparative advantage, and establish marketing and public relations programs to expand markets for CADERH's services.
- 5) CADERH should expand its membership to achieve national recognition, increase the number of stakeholders, and enhance linkages with other entities.
- 6) CADERH should address its high rate of staff turnover.

Lessons Learned

- * Long-term supervisory continuity, consistent and clearly articulated objectives, and a shared vision are key elements for successful projects of this nature.
- * A decade is a relatively short period of time to establish an institution like CADERH, achieve financial self-sustainability, and assure continuing development impact for the benefit of lower income sectors of society. Consequently, it can be anticipated that PVO institutions of this nature will require ongoing donor support to continue nonprofit development activities for lower income sectors of society.
- * Uniformity in the data reporting systems from training centers facilitates the monitoring and evaluating of activities and projects of this nature.

ATTACHMENTS

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

Attachment A: Outline of Basic Project Identification Data

Attachment B: Evaluation report titled Final Evaluation of the Honduran Advisory Council for Human Resource Development (project No. 522-0257) (This report was forwarded to USAID/W on May 19, 1994)

COMMENTS

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

While the conclusions of the evaluation clearly confirm the accomplishments of this project, clarifications and further explanations are needed in the following areas.

Component I. The evaluation states that fifteen training centers were equipped, built or remodeled. Following the visit of the evaluation team, however, an additional training center was built and equipped. This brings the total number of training centers to sixteen.

The table on p. 5 of the evaluation report shows 1,608 graduates for 1992 and on p. 15 the report states that there were 1,413 graduates for the same year (1992). It should be clarified the former includes job-entry level and skill upgrading graduates, while the table on p. 15 is reporting only job-entry level graduates (1,413). These differences are important for calculating job placement rates (87%) for job-entry level graduates.

Component II. The evaluation report explains that the original design for the project called for CADERH to become a "training broker." The training broker strategy did not achieve its anticipated impact, therefore CADERH assumed direct responsibility for providing training. The training broker strategy also failed to achieve its anticipated impact with the FEPADE project in El Salvador. Several years of project implementation time may have been saved had different strategies been utilized from the inception of these projects.

Institutional Analysis. The evaluation states that CADERH's need to achieve financial self-sustainability may limit the institution's development potential. The Mission believes that this issue deserves further discussion because it has important implications for other projects designed to achieve financial self-sustainability while meeting the development needs of lower income sectors.

To achieve financial sustainability CADERH must sell its products and services to clients who can afford to pay for these products and services. Business concerns, consequently, must often take priority over meeting the training needs of less privileged sectors of society. Nevertheless, increased access to vocational training is needed to obtain marketable skills with 45% of the economically active population of Honduras being unemployed or underemployed, and 70% living in poverty. While lower income sectors can pay part of the costs of training or contribute to financing training in other manners (by integrating production activities with vocational instruction as CADERH has done), other Missions should be cautious in developing project designs to achieve financial sustainability while meeting the development needs of lower income groups.

Previous Evaluations. The evaluation report states that the team reviewed the results of five previous evaluations (four internal evaluations and one external evaluation). It should be noted that over the life of the project USAID and CADERH conducted a total of nine evaluations (seven internal and two external) prior to the final evaluation of the project.

Principal Recommendations. One of the recommendations was not considered appropriate by the Mission and CADERH.

Recommendation No. 4 suggests that a review of CADERH's organizational structure and mix of activities should be conducted to achieve greater cohesion among cost centers, that activities which are not successful (English language training) should be terminated, and that additional marketing and public relations programs should be established to expand CADERH's markets. It should be clarified that CADERH has not continued with the same portfolio of income generating activities without monitoring, evaluating and adjusting these activities on a continuing basis. At the time of the evaluation, for example, CADERH's English language training program (CAL) was not generating a profit. CADERH, consequently, made personnel and policy adjustments, and CAL once again became a net income generator by the time the evaluation report was issued. CADERH's strategy of executing continuing internal management reviews of its activities, and adjusting policies and personnel in response to market signals on a continuing basis, is an appropriate strategy for the institution. CADERH currently has marketing and public relations programs.

Lessons Learned: The evaluation states that a decade is a relatively short period of time to establish an institution like CADERH and achieve financial self-sustainability. The Mission and CADERH do not believe that "time" is the most important factor. An additional five years of traditional donor support would not have a significant effect on CADERH's long-term ability to meet the training needs of lower income, unemployed and underemployed people who cannot afford to pay for CADERH's services. Longer-term host country counterpart or donor support, and/or a modest endowment, will be required for CADERH to provide training for lower income groups who cannot afford to pay for these services.

OUTLINE OF BASIC PROJECT IDENTIFICATION DATA

1. Country: Honduras
2. Project Title: Advisory Council for Human Resources Development (CADERH)
3. Project Number: 522-0257
4. Project Dates:
 - a. First Project Agreement: FY84
 - b. Final Obligation Date: FY90 (*actual*)
 - c. Most recent Project Assistance Completion Date (PACD):07/15/94
5. Project Funding: (*amounts obligated to date*)

a. USAID Bilateral Funding (<i>grant and/or loan</i>)	US\$6,325,000
b. Other Major Donors	US\$
c. Host Country Counterpart Funds	US\$19,474,415
TOTAL	US\$25,799,415
6. Mode of Implementation: OPG with CADERH
7. Project Designers: USAID/Honduras and Creative Associates
8. Responsible Mission Officials:
 - a. Mission Director(s):

Anthony Cauterucci (1984-87)
John A. Sanbrailo (1987-91)
Marshall Brown (1991-94)
 - b. Project Officer(s):

Marcie Bernbaum (1984)
Richard Martin (1985-86)
Henry Reynolds (1986-1988)
Ned Van Steenwyk (1988-94)
9. Previous Evaluation(s): 1987, 1989