

PD-ABZ-326



**Habitat for Humanity<sup>®</sup>  
International**

**Annual Report  
Year Four**

***Measuring Transformation Through Houses  
(MTTH)***

**Cooperative Agreement No. FAO-A-00-99-00057-00  
September 29, 1999 to September 30, 2003**

**Implemented in HFHI and the affiliated offices of:  
Guatemala  
Nepal  
Sri Lanka**

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**December 15, 2003**

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## ACRONYMS

<b>AEA</b>	American Evaluation Association
<b>AI</b>	Appreciative Inquiry
<b>AO</b>	Area Office
<b>A/P</b>	Asia/Pacific
<b>APA</b>	Appreciative Planning and Action (an adaptation of Appreciative Inquiry)
<b>CAM</b>	Central America/Mexico – one of HFHI LAC's newly defined regions
<b>CCYP</b>	Campus Chapters and Youth Programs (HFHI department)
<b>DIP</b>	Detailed Implementation Plan
<b>HFH</b>	Habitat for Humanity – refers to the entire network or as part of a name
<b>HFHG</b>	Habitat for Humanity Guatemala
<b>HFHI</b>	Habitat for Humanity International (includes Americus and Area Offices)
<b>HFHSL</b>	Habitat for Humanity Sri Lanka
<b>IAU</b>	International Affiliate Update (in-house publication)
<b>ICA</b>	Institute of Cultural Affairs
<b>IMPACD</b>	Impact Measurement, Partnership, and Community Development (program now called Measuring Transformation Through Houses)
<b>INTECAP</b>	Technical Institute for Training & Productivity (Guatemala)
<b>IOE</b>	Institute of Engineering (Nepal)
<b>LAC</b>	Latin America/Caribbean
<b>M &amp; E</b>	Monitoring & Evaluation
<b>MTTH</b>	Measuring Transformation Through Houses
<b>NEPAN</b>	Nepal Participatory Networking
<b>NGO</b>	Non-Governmental Organization
<b>NICRA</b>	Negotiated Indirect Cost Rate Agreement
<b>NHFH</b>	Nepal Habitat for Humanity
<b>NO</b>	National Organization (Habitat national NGO in non-U.S. countries which oversees affiliates in country, also called National Office)

<b>PLA</b>	Participatory Learning and Action
<b>PME</b>	Planning, Monitoring and Evaluation
<b>P/PME</b>	Participatory Planning, Monitoring and Evaluation
<b>PRA</b>	Participatory Rural Appraisal
<b>PVC</b>	Office of Private and Voluntary Cooperation, division of USAID funding this grant
<b>PVO</b>	Private Voluntary Organization (also known as International Non-Governmental Organization)
<b>RRA</b>	Rapid Rural Appraisal
<b>SAI</b>	Sustainable Affiliate Initiative (evolved into SOE)
<b>SARO</b>	South Asia Regional Office (reorganized to a resource center in 2003)
<b>SDA</b>	Southern Development Authority (Sri Lanka)
<b>SOE</b>	Standards of Excellence (see also SAI)
<b>TOT</b>	Training of Trainers
<b>UNHCR</b>	United National High Commission for Refugees
<b>USAID</b>	United States Agency for International Development (U.S. government agency responsible for foreign humanitarian aid)

***“Measuring Transformation Through Houses”***  
**Habitat for Humanity International**

**Matching Grant Annual Report, Year 4**  
**October 2002 – September 2003**

**Executive Summary**

The Measuring Transformation through Houses (MTTH) program was created through the generosity of a *Matching Grant* of \$900,360 awarded to Habitat for Humanity International (HFHI) from USAID (matched by an equal commitment from HFHI) over a three-year period beginning October 1999. A no-cost extension was granted, moving the project ending date to Sept. 30, 2003. MTTH builds on previous Habitat efforts to design an organizational development evaluation system and begins the process of building expertise in evaluating the impact of Habitat's work on its clients. The MTTH program also seeks to institutionalize Planning, Monitoring, and Evaluation (PME) through the utilization of evaluation findings and ensuring the sustainability of the PME functions throughout HFHI. This is accomplished by establishing a quality monitoring and evaluation system in three pilot countries of operation and sharing knowledge gained in these countries throughout Habitat's global network. In addition to HFHI headquarters, the Area Offices of Asia/Pacific and Latin America/Caribbean are involved in the implementation of MTTH. Three National Organizations (NOs) were chosen as pilot countries for the program: Guatemala, Nepal, and Sri Lanka.

A primary emphasis in this final year of the project was on testing indicators and designing tools to measure community impact. This objective of the grant proved to be the most challenging due to HFHI's lack of experience in this area and the general difficulties involved in measuring and attributing cause of qualitative impact. Although the number of community impact evaluations fell short of that which was planned, by the end of the year all three countries had agreed upon their indicators and had tools for measuring that they were satisfied with. There have been significant delays in creating the databases needed to analyze the data that has been gathered in all three countries. Nepal and Sri Lanka are sharing a database created by the South Asia Regional Office (SARO), which is now complete. Guatemala has encountered numerous challenges in the creation of their database and have taken legal action against the consulting firm hired to finalize the project. It is hoped that they will soon be able to input the data they have gathered and mine it for information.

The other primary focus of this year has been to ensure the sustainability of what has been gained in PME in the pilot countries and at an international level and to set the groundwork for expanding PME further. Tools and methods developed in the pilot countries are being shared with other countries. Systems and tools have been simplified in an effort to ensure that they will be replicable in countries that do not have the luxury of specialized PME staff (and in the pilot countries when they no longer have money designated for this purpose). HFHI has made great progress in creating global Standards for National Organizations and affiliates and an international system for measuring institutional development. A task force has been created to continue the work done to date in defining community transformation and its measurement. Most of the MTTH team will continue on after the end of the grant. In the pilot countries, many trainings at all levels of the organization have been held (including hundreds of volunteers trained at the community level) in order to turn the primary responsibility of monitoring and evaluation over to the affiliates and community members.

HFHI would like to express our gratitude to USAID/PVC for their funding, without which we would not have been able to have a program focused on furthering a quality PME system for the 94 countries in which Habitat currently operates.

## I. Background to Grant and Project Context

Twenty-seven years of experience have enabled Habitat for Humanity International to establish a highly effective community development process. HFHI helps create and support independent local institutions (National Organizations – NOs) capable of addressing community needs, principally the construction and renovation of simple, decent housing. The NOs work at the community level through affiliates. Outside of the U.S., these affiliates are generally governed by the NOs that operate as local non-governmental organizations (NGOs) with a combination of staff and volunteers from the local area. While these National Organizations and their affiliates share Habitat's name, and operate under a covenant that specifies particular modes of operation and reporting, actual programming is framed within the local context and is locally controlled and administered. By the end of fiscal year 2003, there were 641 active affiliates in 94 countries outside the U.S. operating at the grassroots level. (There were 1,673 additional affiliates registered in the U.S.)

International programs were managed from HFHI's international headquarters in Americus, GA until 1998, when HFHI began establishing Area Offices in the regions of Latin America/Caribbean (LAC), Asia/Pacific (A/P), Africa/Middle East, and Europe/CIS (U.S. and Canada are based at headquarters in Americus, GA). The Area Offices have direct responsibility for overseeing and supporting the work in their geographical area. In Asia/Pacific, three regional offices were established to improve coverage. The MTTH project fell under the South Asia region administered from New Delhi, India. The A/P area has now reorganized into eight strategic regions. Three area offices will have jurisdiction over the entire A/P area, providing specific technical expertise. In addition, a Resource Center was created in New Delhi for research and networking. LAC recently regionalized as well. Habitat for Humanity International consists of its Americus headquarters, the International Area and Regional Offices overseas, and eight Regional Support Offices in the U.S. HFHI staff from headquarters and the Area Offices support NOs and, through them, affiliates, by providing funding, technical assistance, training, tools and materials, and accountability.

From its inception, Habitat experienced tremendous growth, up to 20% in a single year. HFHI revenue in fiscal year 2002 was over 162 million. (This figure does not include money raised and managed directly by NOs or affiliates – which would put the amount well over 300 million.) Fortunately for Habitat, the majority of this money came in the form of undesignated donations, allowing Habitat to spend money where it was most needed and to invest significant funds in organizational development to try to keep up with the great growth in house building. However, the rapid growth and predominance of undesignated funding also contributed to a weak planning, monitoring and evaluation system. Great strides were made in the area of planning in the mid-90s. HFHI then looked for a way to fund capacity building in monitoring and evaluation.

HFHI submitted a proposal entitled *Impact Measurement, Partnership, and Community Development Program (IMPACD)* to the Office of Private and Voluntary Cooperation (PVC) of the U.S. Agency for International Development (USAID) in December 1998. A *Matching Grant* was awarded to HFHI for \$900,360 over the three-year period beginning October 1999. During the first year of the grant, it was decided to change the name of the program to *Measuring Transformation Through Houses (MTTH)*. This new title more clearly describes what the program seeks to accomplish and avoids confusion with an acronym similar to IMPACD that is used commonly in Habitat. A one-year no-cost extension of the program was granted in August 2002 and a second extension is in process, to extend the grant through December 2003 and thus cover remaining close-down activities.

Prior to the beginning of the MTTH program, Habitat had some experience in the area of organizational development evaluation. PME Coordinators were hired in two of the four international areas and two international conferences focused on the topic of evaluation of affiliates and national organizations had been held in Americas. Very few evaluations, all of them external, addressed the issue of evaluating Habitat's impact in the communities. The Matching Grant builds on previous efforts to design an institutional evaluation system and begins the process of building expertise in evaluating the impact of Habitat's work on its clients. The MTTH program also seeks to institutionalize PME through utilization of evaluation findings and ensuring the sustainability of the function throughout HFHI.

HFHI staff directly involved in the MTTH project included: the Monitoring and Evaluation Director in headquarters and the Planning, Monitoring and Evaluation (PME) Coordinators in the Central America/Mexico (CAM) Regional Office, the A/P Area Office, and the South Asia Regional Office. In addition, a consultant was contracted to serve as Area Technical Advisor to Asia for the first three years of the program. The LAC Area Office and headquarters availed themselves of other consultants as needed.

Three National Organizations were chosen as pilots for the MTTH program: Guatemala, Nepal, and Sri Lanka. Guatemala is one of the oldest and largest National Organizations, having completed over 14,100 houses. Nepal, on the other hand, was established in 1997 and has completed over 580 houses. Sri Lanka, incorporated in 1994 and with 2,700 houses to its credit, has a reputation for innovation. This variety in pilot countries allows for methodologies and tools to be tested in a wide variety of situations, contributing to their usefulness to Habitat NOs around the globe. Each of these National Organizations has a Board of Directors and operates legally independently of HFHI. However, HFHI continues to be their primary source of funds, exercising donor rights and responsibilities in addition to providing technical assistance. Grant funds have been used to hire two or three full time PME staff and one or two support staff for each pilot country. The countries have also used local consultants periodically.

The involvement of so many offices complicates the management of the grant. However, it also ensures a greater multiplication of results. PME professionals in each of these offices are giving and receiving training, and sharing what they have learned with countries not directly involved in the grant. The apparent overlap of functions with the presence of so many PME Coordinators is designed to provide training and on the job experience to several people in order to support as many countries as possible. It also strengthens the sustainability of the PME program and methodologies by not being very dependent on a few people's expertise.

## II. Project Methodology

### 1. Project goal, purpose, objectives, methodology and strategy

Habitat is not only committed to the construction of houses. It is also focused on the broader development of communities, based on local analysis of needs. It partners with independent community based organizations (affiliates) to encourage residents to work together to care for other physical, social, and spiritual needs of communities. The goal of the MTTH program, therefore, is not limited to shelter. The goal of the program is **increased community impact through strong, democratic communities and local institutional capacity**. The MTTH program aims to contribute to this goal through establishing a quality monitoring and evaluation system in three pilot countries of operation and sharing knowledge gained in these countries throughout Habitat's global network.

The **four objectives of the program** are as follows:

- 1) To demonstrate and increase the broad community impacts of HFHI and its partners in Guatemala, Nepal, and Sri Lanka by conducting quality evaluations in the communities of target countries.
- 2) To improve the institutional capacity of HFHI and its partners in Guatemala, Nepal, and Sri Lanka by conducting participatory organizational development evaluations, and to identify which characteristics of organizations result in the most impact on the community.
- 3) To improve the operational effectiveness of HFHI, the National Organizations, and their affiliates via increased utilization of monitoring and evaluation findings.
- 4) To ensure sustainability of the monitoring and evaluation function in HFHI through increasing its visibility and impact and contributing to the overall financial sustainability of HFHI.

The key word to use in describing Habitat's approach to this project, and to PME overall, is **participatory**. Habitat prides itself on its grassroots base and project design. Every effort is made to build the network from the affiliate up. In the MTTTH program, this translates into community involvement in the design, implementation, and analysis of the monitoring and evaluation system. By training local community leaders and stakeholders of its programs (homeowners, affiliate board members, staff and community members), Habitat is able to engage a wide selection of people with vested interest in a variety of evaluations. In Guatemala alone, over 500 people, most of them community volunteers, participated in monitoring and evaluation training and helped to conduct surveys of community impact. Some of these volunteers were illiterate. The participatory design also enables the national office staff and affiliate personnel to understand and use the evaluation system, and to conduct and expand their knowledge of techniques, which can be applied to other community development ventures. Thus, Habitat frequently refers to its approach as Participatory Planning, Monitoring, and Evaluation (P/PME), acknowledging the special role of participation.

In all three countries, many meetings with different communities were held to identify potential impacts of Habitat's program in the community (other than housing) and to request their input as to which areas of impact would be most important to track. These lists of potential impacts were synthesized by country and then grouped into seven general categories of impact at Habitat's international PME Conference held in 2000. The project then attempted to create indicators that would measure impact in each of those seven categories. (Guatemala included indicators from two additional categories in their instrument: family relations and relationship with Habitat for Humanity Guatemala (HFHG). The seven categories of impact agreed upon were:

- Education (homeowner family)
- Health (homeowner family)
- Family economic situation
- Community empowerment (community organization, belief in their ability to effect change, etc.)
- Individual empowerment (self-esteem, hope, new skills, etc.)
- Peace and reconciliation
- Partnerships and networking

In January, at a MTTH workshop in Nepal, the three pilot countries compared notes on their progress-to-date with the indicators. Consensus was reached in the group as to which indicators were felt to be most important. This, in turn, was presented at the annual PME conference to solicit input from the two international areas not involved in MTTH: Africa/Middle East and Europe/CIS. Since then, MTTH staff in the pilot countries have tested and revised their tools and methods to determine the best way to measure the indicators given priority. This "up and down the hierarchy" process is very time consuming, but ensures ownership and applicability of the final product in a way that a centralized system would not.

Habitat's unique seven-step process of institutional development evaluation being used in the Asia/Pacific area is another good example of the way Habitat's emphasis on participation plays out in practice. (This process was originally developed in the Africa/Middle East area and has been adapted by Asia/Pacific.) The affiliate being evaluated works with the evaluation team to define the questions to be examined and the methodologies to be used. A number of participatory methods are used in these evaluations, including Appreciative Planning and Action (described below), techniques of participation developed by the Institute of Cultural Affairs (ICA), Rapid Rural Appraisal (RRA), Participatory Rural Appraisal (PRA) and Participatory Learning and Action (PLA). PLA stresses the need to transfer the learning and tools/techniques of PME from the practitioners to the local population, focused on resultant positive action, with an emphasis on gender equity and celebration of diversity.

Staff or volunteers of the affiliate in question participate in the evaluation team, along with evaluators from other affiliates (optional), the national office, and, on occasion, international visitors. The affiliate members are given the opportunity to respond to the evaluation findings before the final report is written. Based on the findings, the affiliate then develops a three-year strategic plan and a one-year operational plan to address issues raised. These participatory evaluations are held every three years. Self-evaluations are conducted during the years in between.

Some of the participatory information gathering techniques being used in Guatemala include focus groups, community planning, brainstorming and drawings. A monitoring system was designed which will be run by "PME commissions" being formed in each of the affiliates. Each commission is composed of a member of the regional committee, a member of the local committee, and one or two volunteers who do not have other associations with Habitat. The challenge here, as in the Asian countries, is to design a system that is meaningful and manageable for people of a low educational level.

In the Asia/Pacific area, the **Appreciative Inquiry (AI)** philosophy has become very influential and HFH/AP is becoming known internationally for its innovative integration of AI with PME. A community level process termed **Appreciative Planning and Action (APA)** that builds on Appreciative Inquiry, developed by Asia Technical Advisor Dr. Malcolm Odell, has met with great success in Nepal and Sri Lanka. In Sri Lanka, a series of APA workshops empowered the National Office, affiliates, homeowners, and tea estate managers to 'think big,' to continue to promote active innovation, to affirm increases in productivity of workers related to Habitat interventions, and to undertake income generation activities. In Nepal, an innovative "positive deviance" low-cost housing study was conducted in three Terai (plains) districts using APA, PRA and RRA techniques. APA workshops were also used by virtually all local affiliates in Nepal and Sri Lanka to develop indicators of broad community impact, impact that now appears to be increasing as a direct or indirect result of the process. From these events has grown the understanding that monitoring and evaluation activities are important change agents in the community in and of themselves, rather than just measuring change effected by other program interventions.

A further example of the multiplication of impact possible, even beyond Habitat, is evidenced by the two workshops on AI and APA that were conducted by the South Asia Regional PME Coordinator along with the training department in early 2003. These workshops introduced the philosophy to more than 50 participants representing nearly 20 different NGOs from India and Bangladesh. Habitat's use of AI in PME was a major highlight of these workshops. In September 2003, the Regional Program Advisor for China, the Program Advisor/Training for Asia/Pacific and the Program Manager for Fiji attended an intensive course on PRA in India, conducted by a reputed capacity-building development organization called Praxis. This is in keeping with the growing emphasis senior leadership in the area is putting on integrating PME into mainstream program.

One of the things that all the pilot countries have struggled with is the lack of baseline data. Having a system for measuring community impact in place should provide that data as Habitat enters new communities. In Guatemala this year, the organization surveyed two new communities that it had identified for intervention before providing services there. In the future, the communities will be studied again to make the corresponding comparisons (before and after intervention) for assessing the program's impact.

Parallel to the MTTH program, a new global system for assessing National Organizations and affiliates has been developed this year. In the past, each Area had their own standards and indicators. The new system being developed seeks to bring these together in a global framework that will allow for comparison and sharing between all areas and countries. The MTTH pilot countries have served as testing grounds for the global system and MTTH area office staff have been very involved in defining the indicators, standards, and process to be used.

The MTTH program has been instrumental in assisting Habitat to increase their networking and partnerships at all levels. At the community level, partnerships have been formed as a result of identifying needs of the homeowners and other community members (e.g. local health clinic to provide health education, local NGOs specializing in savings groups). At the National Organization level, all three pilot countries have been active in either starting or building evaluation networks in the country (though the Guatemala one is no longer working). At the Area and headquarters level, new contacts have been made through attendance at various trainings and conferences. Evaluation resources have been exchanged with several organizations locally, regionally, and internationally. The program has also been instrumental in increasing the sharing in PME between the different Habitat areas through funding a headquarters position dedicated to monitoring and evaluation and helping to pay for the annual international conferences.

The **primary inputs** for carrying out the MTTH monitoring and evaluation strategy are staff members and volunteers, training (for staff, board members, volunteers, and homeowners), technical assistance through staff and consultants, community meetings, manuals and other monitoring and evaluation tools, and informal and formal evaluation events. Administrative (management, finance, and office) and logistical (transportation, food and lodging) support needed to carry out these activities is also critical to the program's success.

**Target groups** of the program can be defined on several levels:

- ◆ **At the community level:** Habitat homeowners (male and female), marginal sections of society, other volunteers, and community based organizations (including homeowners' committees).
- ◆ **At the affiliate level:** affiliate board/advisory committee members, staff members, and other NGOs
- ◆ **At the national level:** National Board members and staff of the National Organizations in the three pilot countries, other NGOs, evaluation networks
- ◆ **At the Area level:** National Organizations in both pilot and non-pilot countries.
- ◆ **At the global, HFHI level:** the PME Coordinators located in the different Area Offices, HFHI leadership at headquarters and the Area Offices, and other International NGOs (PVOs) attempting similar processes.

**Expected outputs and products** of the program include:

- Professional development of PME specialists, other affiliate and national staff, Board members, homeowners, and volunteers
- Regular technical support for partners
- Partnership development
- Organizational strengthening
- Timely and quality reports
- Clarity about what standards are expected of organizations and improvement in reaching them
- Measurement of community impact
- Networks with like-minded organizations
- PME tools and methods designed and used by staff and communities
- Software and databases to improve program monitoring and evaluation.
- Evaluation findings that are put to use to improve Habitat's methodology and the organizations Habitat is affiliated with
- A sustainable PME framework designed and in place

Habitat is firmly committed to increasing women's participation in governance, even in countries where this is not traditional. In some areas, at least 30% of the leadership structure at the national and affiliate levels are required to be female. Women have received training and participated as members of the evaluation teams. At least 30 – 40% of all evaluation teams have been women. Of the twelve PME technical staff directly involved in the MTTH program, six are female. Female consultants are being used in at least half the instances where consulting assistance is needed.

## **2. Comparison of accomplishments with those proposed in the DIP**

At the end of the planned period of program implementation, most but not all of the activities and objectives of the MTTH program have been accomplished. In Asia Pacific, the qualitative results of the program have exceeded expectations. Enthusiasm for appreciative and participatory PME activities is spreading throughout the entire area, with Nepal and Sri Lanka being looked to as examples. LAC is also making progress with their new PME structure and systems, though the program in Guatemala had a rough beginning. The seven steps agreed upon by HFHI and HFHG towards the end of the third year of the grant have all been completed.

To date, more has been accomplished in the building of organizational development evaluation capacity than had been planned. However, the capacity to conduct quality

community impact evaluations lags behind. Now that the indicators and databases have been defined, community impact evaluations should become more routine and the amount of data available should dramatically increase. HFHI was overly optimistic about the time required to develop such a system given the difficulty of the assignment and HFHI's lack of experience in this area prior to the grant. The results of the evaluations conducted have been put to good use in the creation of strategic and action plans and changes made in construction and methodology. The systems being developed show more prospects for sustainability with each year, due to a greater cadre of people with PME training and simplification of tools and methodology.

### **III. Monitoring and Evaluation**

#### **1. Changes to M & E information presented in the DIP**

The Planning Matrix, the project's primary monitoring and evaluation tool, was revised at the end of the first year. The statistical portion of the quarterly and annual reports (see Attachment C), based on the revised Planning Matrix, was difficult for staff, requiring a lot of discussion and clarification. Questions such as when to make a number cumulative and when not to, what exactly "marginalized groups" were, the need to define "clear and consistent indicators", and when to count a resource partnership have resulted in reporting delays. Extensive clarification notes on the form, discussion in several meetings, and practice have resulted in fewer problems in the second half of the grant. Nevertheless, HFHI continues the search for elusive "ideal" indicators of program implementation that represent more than outputs.

The program also worked on the best way to capture qualitative results. Contributions to an "organizational diary" came in fits and starts. The organizational diary sought to informally record how the program impacted the communities and organizations involved in the activities. Most submissions, however, were impacts Habitat has had on homeowners as reported in evaluations. The concept of impacts of the program per se seemed to be difficult for field staff to grasp and measure. The external evaluation, which included a qualitative look at the impact of the program, was very helpful in this regard.

Program and financial reporting has improved much over the life of the grant. The financial reporting rarely required any significant changes anymore. The many administrative requirements of the grant cut into planned field activities. However, countries and HFHI staff now have a better understanding of what is required and were better able to allow time for administrative tasks in their work plan. Pilot countries sent their reports to the appropriate regional/area offices that then consolidated information for their area to send to headquarters. Since the area/regional office staff visit the pilot countries more frequently than headquarters, it proved helpful for them to understand all the issues and be the front-line support.

Monitoring and evaluation tools for the program included: quarterly and annual reports to HFHI and USAID, monthly or quarterly reports from the affiliates to the National Organization, Area Office (to HFHI) and International (to the International Board of Directors) quarterly reports, annual work plans, evaluation reports, visits to the pilot countries from Area Office staff and consultants, visits to the pilot countries and Area Offices from headquarters staff, periodic stock-taking meetings for program staff as logistics allowed, a global PME knowledge and skills survey of staff and volunteers, and the external evaluation.

## **2. Status of midterm assessment and final evaluation**

As the Matching Grant was initially only for a three-year period, only one external evaluation was planned. At the suggestion of USAID staff, the evaluation was rescheduled from year two to the final quarter of the grant in year three. With the no-cost extension, the final evaluation was postponed to the final quarter of the grant, in order to capture all of the program effects.

However, it was also felt that four years was too long a period for the project to go without an evaluation. Given the limited time and resources at hand, it was decided to conduct an interim 'pre-final' external evaluation early in the final year of the grant in the South Asian countries. Out of the 14 consultants considered for the project, Dr. Amitava Mukherjee, from Development Tracks RTC, a Monitoring and Evaluation consultant of more than 35 years standing and with many books on the subject to his credit, was contracted to conduct the evaluation during a three week period in January 2003. Dr. Mukherjee covered the Sri Lanka and Nepal national programs, the New Delhi Regional Office and interviewed several key international players by telephone. The evaluation was particularly useful in assessing the work needing to be accomplished for the successful completion of the grant, providing recommendations for mainstreaming PME across the program, as well as demonstrating methods to measure community impact. Many of Dr. Mukherjee's recommendations were followed by the programs, which paved the way for a successful completion of the project.

Over 30 applications were received in time to be considered for the position of consultant to conduct the final evaluation. From these, Donna Anderton, a consultant focused on NGO capacity building and evaluation was chosen. Donna has extensive experience in Asia/Pacific and some experience in the Americas. Philosophically, she was an excellent match with HFHI, and Karen Nelson of USAID/PVC approved the choice. The external evaluation began mid-June with Donna reading many documents in preparation for the assignment. The Monitoring and Evaluation ( M & E) Director and Donna traveled together to Americus, GA for the headquarters part of the evaluation on June 19 and 20. Unfortunately, the M & E Director was not able to accompany Donna Anderton for the remainder of her travels due to a high-risk pregnancy.

Donna visited Guatemala in July, along with Central America/Mexico PME Coordinator, Enrique Soto. Late July and early August, Donna visited the programs in Sri Lanka and Nepal with Naresh Karmalkar, the South Asia PME Coordinator. She also visited the Bangkok office both going in and out of Asia. In addition to the in-person visits, Donna interviewed several key players by telephone and met with Dr. Mac Odell, former advisor to the program in Asia. The final evaluation report was submitted to HFHI and USAID by mid-October. Please refer to Attachment D for the executive summary of the evaluation report.

The MTTH program was included in HFHI's financial audit by Ernst and Young for the fiscal year ending June 2003. Although the audit report has not been completed, there do not appear to be any audit findings related to the program.

## **IV. Review and Analysis of Project Results by Country**

### **Guatemala**

#### **1. Specific outputs, their effects and challenges encountered**

##### **Objective 1: Measuring Community Impact**

In the last year of the grant, two new communities were surveyed –Santa Cruz El Chol (Department of Salama Baja Verapaz) and Cabrican (Quetzaltenango Department)- where the organization had not provided services yet but planned to do so in the near future. The intention is to study the communities again after the housing program is implemented in order to make comparisons for measuring program impact.

The survey instrument used for data collection this time was a revised version of the one used previously: shorter, simpler, with a better balance of questions eliciting quantitative and qualitative responses, and it is more attuned with the realities of the organization. Previously, the questionnaire was composed mainly of close-ended questions and asked questions on topics such as land tenure, agricultural production, ownership of home appliances and belongings, etc. The use of open ended questions allows respondents to provide more complete information about a topic. They may also contribute to identify other areas of concern and interest to HFHG through the comments of interviewees. Through these actions and results, HFHG is seeking to overcome initial project limitations with the methodology used for measuring the program's community impact (lack of baseline data and an unwieldy survey instrument).

Although the use of results from the previous community impact surveys was hindered by methodological design limitations and repeated contractor's delays in producing the corresponding data set, the very process of data collection, as well as the analysis and short term planning workshops that immediately followed, sharply increased the awareness of the affiliates about program weaknesses and obstacles it faced. This in turn promoted modification of house designs (to better match climate and family's needs), improvement of the construction quality, and increasing contact with the program's homeowners. These actions remain valued and practiced by participating affiliates up to now. Another result from this year's work was the completion of the initial community impact data set, which contains information about the seven affiliates studied (2,631 cases) throughout the project and which can be used to demonstrate the community impact that HFHG has had in the affiliates studied.

Overall, the capacity of the organization for measuring community impact grew tremendously during the duration of the grant. From having no familiarity with community impact assessment at the grassroots level at the start of the project. to, in 2003, having more than 114 individuals from 19 local committees having participated in PME activities, including 47 initial meetings with various stakeholders, training workshops, data collection, and focus groups. Currently, the organization has 41 volunteers, the administrators of the seven pilot affiliates, and the team at the National Office trained in monitoring and evaluation tasks. The role of the 11 new PME commissions will be key for the growth of the program since they will be in charge of following up the progress of affiliate activities, they will communicate to the National Office about work progress made, and they will also make an effort to plan and follow up work activities with affiliate staff that can be of interest and relevance at the local level but not at the national level.

## **Objective 2: Measuring Organizational Development**

As part of the effort for improving the institutional and organizational capacity, Guatemala developed an instrument for assessing individual performance for affiliate and national office personnel. The instrument was put to use in the National Office, and the Xela Occidente and Tonicapan affiliates.

As highlighted by the external evaluator of the project in her final report, another result from the community impact evaluation work that was of great relevance from the institutional development perspective was the detection of houses abandoned due to design characteristics that made them too hot. "The PME team reported this to the National Office, who undertook a simple, profound design change. National Director Don Luis Samayoa said removing the roof, raising the height of walls first by one block and then by another, and assuring ventilation as the roof was reinstalled provided homeowners satisfaction. Homeowners moved back in, began repaying their home loans, and became Habitat partisans, today strong among the volunteers for Habitat. PME's usefulness was thus demonstrated, its reputation made, and, after some time, its revenue-production capacity recognized. Homeowners who once abandoned their "gift" home returned to their homes, to Habitat, and faithfully to the debt they had incurred and abandoned along with the hot houses they had left."<sup>1</sup>

Seven participatory organizational development evaluations have been conducted for existing affiliates. In addition, an evaluation of the National Office was conducted by consultant John van Keppel in July 2002. Evaluation findings were presented to the affiliates and the National Board and have served as an important input for this year's strategic planning event.

Group analysis of weaknesses and strengths of affiliates has, in each case, led to implemented 90-day action plans. After this and other experiences of the organization, affiliates have been consolidated, reducing the number to eleven. The PME team's skill, determination, tenacity, and excellent relationships in all the affiliates made this change possible.

## **Objective 3: Utilization of Findings**

Guatemala's use of evaluation outcomes for community impact has been delayed due to delays in the production of the database by a contractor. However, HFHG has been effective in tracking changes made as a result of evaluation activity. Such changes include changes in house design, strengthening homeowner selection process, writing a homeowner education manual, partnerships with external groups for health and hygiene training, assistance with income generation, and improvement in construction materials and masonry.

In July 2002 Guatemala's PME team and administration agreed to a 14-month plan to emphasize analysis of data already collected and to create a sustainable system for future evaluations. The National Director and Regional Program Manager also agreed and have followed it faithfully (see section IV. 2. below).

Many more changes have been made at the LAC level due to evaluation findings, which is a result of Guatemala's community outcomes discovered and communicated, input from Mexico and Bolivia, the CAM PME coordinator communicating with them effectively and LAC management acting on these insights wisely and rapidly.

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<sup>1</sup> See Anderton, Donna. 2003. Beyond Measure: Final Evaluation Report for PVC Program Measuring Transformation Through Houses. p. 27.

#### **Objective 4: Sustainability of the PME function and overall organization**

In light of last year's observations by USAID's representative Lori Pommerenke, HFHG took steps for ensuring the sustainability of the PME function beyond the grant period. While it will not be possible for budgetary reasons to retain the entire PME national team (four people), the institution will keep as part of its permanent staff the post of the PME coordinator and it is also considering the possibility of retaining one PME assistant. As important, and in the long run probably even more important, during the year 12 PME commissions were created and started to be trained on monitoring principles and practices, eleven at the affiliate level (one per affiliate) and one at the national board level (a total of 41 individuals). The rationale for their creation is that not just the staff, but also the volunteers working in committees at the local, regional and national level, need to be familiar with PME, need to put it into use, and have to become (and are already becoming) used to the regular implementation of PME practices, thus creating an institutional PME culture. In addition, the main survey instrument for measuring community impact was redesigned to make it shorter and simpler. This, in turn, facilitates its use, reduces the complexity of the database associated with the instrument, and lowers the effort and cost of the database update and use. In sum, Guatemala's high PME staff turnover has been offset by significant efforts by the current team, who are now well trained, able, diligent, effective and supported.

All affiliates, including the two that are in the process of being created, have at least one staff person or board member who can carry on PME work. Most affiliates have several such people. Hundreds of individuals have been trained through the community impact evaluation process, so affiliates can effectively run their own evaluations. There is a working PME commission in every affiliate. The National Director has become a strong supporter of PME and has assured the continuation of a position for PME for at least the coming year, with the expectation that this can be extended. Sustainability targets have been achieved in almost all instances in Guatemala, with the exception of a slight decrease in the number of reports mentioning PME to the National Board. This is expected to improve in the near future due to the creation a supportive group in the National Board for PME work. HFHG PME-based systematic work to improve repayment rates has had remarkable results, impacting favorably on financial sustainability.

#### **Other Activities and Challenges**

There have been several positive unintended consequences resulting from the project's experience. Currently, several affiliates use communication and facilitation techniques for the education of new families selected to HFHG's program that were used in the project's focus group workshops (which included the use of adult education and communication techniques such as the use of drawings, group discussions, etc.). Thanks to the changes in house design brought about by the experience of collecting community impact information, there was an increase in the demand for Habitat's houses (it is likely that new designs were more appealing to families). The contact with homeowners through the baseline interviewing process in many instances served as a reminder of their relationship and obligations with HFH. This had the effect of increased payments by those families who were late with their monthly fees, thus reducing the default rate in the affiliate.

High rotation of project personnel, a six-month delay in the start of the project, the absence during most of the grant period of a national consultant who could provide continued and closer technical support to the PME team, lack of satisfaction with the first set of project reports produced by an external consulting firm, due to high expectations on the part of the board and the administration, weak communication with the board, and delays in the creation of the project's database have been the most important situations challenging the

project's progress. Through a better personnel selection process, project personnel rotation stopped during the last third of the grant period. Given the dissatisfaction with the reports, the organization's National Board sought the advice of evaluation professionals, who provided guidelines to enhance the project methodology. A PME commission was created in the board. One of its functions has been to transmit information to the Board about the organization's PME activities. Threat of legal action against the contractor developing the database paid off, since it is now completed.

The project's target population is the organization itself due to the project's nature, rather than a discrete segment of the Guatemalan population. HFHG works predominantly with rural, low-income communities and individuals, many of which belong to ethnic minorities. Since HFHG's work is done to a great extent through the work of volunteers who are also homeowners, it becomes clear that indirectly they also are part of the target population, along with the institution's personnel (mostly at the affiliate level). Although "effects" in the strict sense of the word have not been measured, there are records tracking the gender composition and ethnic background of the population that has been trained or participated in the project's main activities (see statistical report). The only activity where subjects were separated by gender in the case of Guatemala was during the gathering of qualitative data (focus groups). Men and women were separated in groups of ten in each of the seven workshops. The focus group experience showed that when talking alone, women were more willing to express their ideas, and did so with less fear and more openly than they normally do during meetings of the organization where men and women are together.

## **2. Comparison of actual accomplishments with those presented in the DIP**

Most of the activities listed in Attachment C of the Detailed Implementation Plan (DIP) were completed. These activities include the areas of creation of the PME national team, design and testing of community impact indicators, design of instruments for measuring institutional development, implementation of institutional development evaluation (affiliate level), and the monitoring and evaluation of project activities. The activities not conducted (review of monitoring and evaluation instruments for institutional development, some community impact evaluations, and some monitoring) did not occur because the national board and its advisors recommended conducting additional tasks not originally included in the DIP. Those activities, which were all completed, are the ones referred to in the next paragraph plus the writing of an executive report of baseline data for the national board, the creation of a personnel evaluation instrument, a monitoring training manual, and the gathering, analysis and reporting of qualitative data for measuring community impact through conducting focus group interviews.

In July of 2002 a meeting took place among all LAC's parties involved in the MTTT project during the annual visit of HFHI's M & E Director, to assess the progress of the project and to set priorities for its remainder. Without deviating from the project's objectives set in the DIP, seven agreements were reached, detailing specific activities to be accomplished by project end. As of this writing, all of them have been finalized. The activities are summarized as follows: Two of the tasks consisted in the preparation of seven executive reports of project results for the national board (one per affiliate), three of them were prepared by October 2002 and the rest were completed in the final year of the grant. The reports were drafted, reviewed, and then presented to the national board and to the corresponding seven affiliates participating in the project. The third task involved using the information resulting from these reports as an input for the NO's planning exercise for the following year. Fourth, the revision of the impact evaluation instrument took place, so that it could be more "user friendly" by simplifying and adjusting it better to the organization's needs. An effort was

made to involve more effectively the administration in the revision process, by presenting to them drafts and asking their suggestions regarding question and topic relevance. Once reviewed, the questionnaire was tested in the field (Tonicapan community) and final modifications were introduced to the tool. As mentioned above, the instrument was then used to study two new communities.

Fifth, the project would create and train a PME commission in each one of the project affiliates and one in the national board, so that they can continue performing PME activities useful to the organization. Sixth, the evaluation of the National Office may or may not be conducted, depending on the results from the short program evaluation (diagnostico) of the national organization carried out by the LAC Area Office and on those from the evaluation of the National Office conducted by an external consultant (John Van Keppel). Because the information obtained from the efforts mentioned was deemed satisfactory, in order to avoid duplication of tasks it was decided that an additional evaluation was not necessary. Finally, it was agreed that the program would continue to monitor quarterly the progress of planned activities for the extension year of the project. In this regard, an effort was made to simultaneously improve project sustainability and ensure the accomplishment of the monitoring function (see section II.1 above).

Delays continue with getting the final database, though most of the data has been input. Unfortunately, the situation with the consulting firm has now resulted in legal action being taken due to their repeated delays.

### **3. Relationship of local partner with HFHI**

The basic framework governing the relationship between HFHG and HFHI has not had major modifications during the life of the grant. HFHI continues to provide funding and technical and managerial support to its partner in Guatemala. In turn, HFHG, as an independent organization but following the covenant specifying the terms of the relationship between the parts, continues to implement the program at the national and local level. Following HFHI advice, its counterpart in Guatemala has made tremendous efforts to increase the portion of its funding locally raised, more than tripling it between 1999 and 2003 (Q3.3 million). HFHG registered with the Guatemalan government in 1988 though operations began in 1979. Currently, HFHG has 11 affiliates with a total staff of 46 people, and a staff of 15 at the National Office. With the aid of volunteers and homeowners distributed in 115 local committees, the organization had built 14,127 houses by July 2002.

## **Nepal**

### **1. Specific outputs, their effects and challenges encountered**

#### **Objective 1: Measuring Community Impact**

Nepal Habitat for Humanity Nepal (NHFH) spent a substantial portion of the last year of the grant further refining the work done in creating a system to measure community impact. The rigorous field-testing of indicators resulted in questionnaires and checklists better suited to the country's requirements and specific environment. This was done in a participatory manner with much input from the affiliates and the community. As the field-testing progressed, the indicators were reviewed frequently and great efforts were made to come up with a system of measurement that was scientific, valid and rigorous.

Besides the top ten international indicators, NHFH decided to add seven more to the Affiliate Monthly Monitoring reports and the Homeowner Survey Format developed in the early years of the grant. These are being implemented in the four affiliates from where the initial data was collected and analyzed and in the newer affiliates as well. In order to ensure the effective implementation of the instruments created, extensive orientation and training on the two formats was conducted in all affiliates. A common database format for Sri Lanka and Nepal was developed at the South Asia Regional Office and was adapted to better meet the requirements of the Nepal program.

While the data-entry for the community impact study is still underway, there are already indicators of clear community impact at the affiliate level. These results have been arrived at through analysis of regular evaluation and monitoring reports and participatory community exercises. It is expected that the database analysis will provide statistical figures that will further support these initial findings of impact. Some of the major results from the community impact study are as follows:

- Increased enrollment of girls in schools; regular attendance of school-going girls (Pokhara Affiliate)
- Women reported increased awareness of their rights (Tikapur Affiliate)
- Increased empowerment amongst marginal groups (Surkhet Affiliate)
- Increase in sweat equity (Dibbyanagar Affiliate)

The frequent changes in the impact questionnaires as a result of feedback and technical issues delayed the implementation of the database in Nepal. However, these changes are being looked upon as a learning experience and there is satisfaction that the instrument is now in a format that can be easily administered by the affiliate. Now that the questionnaires have been standardized and data-entry has commenced, it is expected that the total picture of the community impact of Habitat housing in Nepal will be available before the end of the year.

### **Objective 2: Measuring Organizational Development**

The three-year PME cycle being followed in Asia/Pacific has been religiously adhered to in Nepal. Many affiliates have moved into their second cycle and the results of affiliate evaluations continue to feed into their three-year strategic and annual plans. In the last year of the grant, the following activities were carried out to further entrench the PME cycle in the program:

***Tracking of Development Indicators:*** The NHFH PME team followed up with the Chapagaun, Pokhara, Tikapur, Surkhet and Dibyanagar affiliates to ensure the effective understanding and use of the Affiliate Monthly Monitoring and Homeowner Survey format in order to track development indicators successfully in the affiliates.

***Evaluation and Strategic Planning Reports:*** The drafts of the National Organization Participatory Evaluation Report and the National Organization Strategic Plan Report were completed. The team also completed the final report on the participatory evaluation of the Tikapur affiliate, which incorporated feedback from the affiliate stakeholders.

***MTTH Pre-Final and Final Evaluations:*** The external evaluator for the pre-final evaluation, Dr. Amitava Mukherjee, visited Nepal from January 8 to 15, 2003, to evaluate the progress of the MTTH program. The National PME Coordinator and the National PME Assistant accompanied him. He conducted field exercises in two affiliates, Pokhara and Dibbyanagar, and also a few sessions in the National Office with board members and staff. It was a highly participatory process and a great learning experience for everybody concerned. Following this, the external evaluator for the final evaluation, Ms. Donna Anderton, accompanied by the

Regional PME Coordinator, visited Nepal from the 3<sup>rd</sup> to the 9<sup>th</sup> of August. Besides interacting with the National Office both before and after her field visits, she visited the affiliates of Pokhara and Tikapur to gauge the impact of the MTTH program.

**Follow up on Strategic Plans:** A follow up on the strategic plan of the Dibyanagar, Surkhet and Tikapur affiliates and that of the National Organization was completed during the year.

**Standards of Excellence (SOE):** The Standards of Excellence program continued to be emphasized in participatory evaluations and strategic planning activities during the last year of the grant.

**Objective 3: Utilization of findings**

The PME Team developed materials for evaluation training focusing on the participatory and positive deviance approaches. These were translated into Nepali. Evaluation results from the National Organization and the affiliate evaluations were incorporated into the methods, tools, and training design for further development of the Training Manual. Changes were made based on past experience for use of grass-roots evaluators. The lessons learned from conducting evaluations were incorporated into the subsequent evaluations. All affiliates adopted evaluation recommendations, creating strategic plans to strengthen their program.

HFH Nepal's Low-Cost Pilot House Project made great strides during the year. Early in the year, Construction Technician, Jeewan Adhikari was appointed to support the Appropriate Pilot House Construction. A Memorandum of Understanding was signed between the Institute of Engineering (IOE) and Nepal Habitat for Humanity on 13 January 2003 for monitoring of the project. After the field research was completed, the PME team presented a report on the same to the National Board and the affiliates. A model house, designed based on the pilot house project findings under the guidance of Mr. Adhikari, was constructed on the IOE campus. This design will soon be rolled out to the affiliates.

A highlight of the year and a moment of great pride for HFHI and Nepal Habitat for Humanity in particular was the selection of the National PME Coordinator, Narayan Bhatta's, paper on "Using Appreciative and Participatory Approaches to Evaluation in NHFH" for presentation at the American Evaluation Association's (AEA) conference held in Washington DC from 4-10 Nov. 2002. Narayan was one of only three international candidates awarded a travel grant by the AEA for this paper. Narayan also participated in various workshops and other sessions at the conference.

**Objective 4: Sustainability of the PME function and overall organization**

A new PME Assistant, Ms. Bal Devi Pokharel, assumed the position of National PME Assistant in February 2003. Bal Devi filled the vacancy created by the resignation of Narayan Paul Magar, former National PME Assistant. This was also in keeping with the recommendation contained in the pre-final evaluation report and resulted in a full-strength team geared to take the grant to completion and further entrench PME in the Nepal program. Bal Devi brought with her commendable experience in community development and research besides providing the much-needed gender balance to the hitherto all-male PME team.

NHFH is a founding organizational member of the Appreciative Inquiry Network, Imagine Nepal. This year, the team participated in the Imagine Nepal and Open Space Technology workshops and regularly participated in Nepal Participatory Networking (NEPAN). The networking developed with these organizations has helped the PME team to learn new technology and skills and resulted in making its work known outside the organization.

Homeowner associations have been formed in all the affiliates and strengthened through direct involvement in community impact and homeowner survey studies. A PME sub-committee was set up in all the affiliates to institutionalize PME and ensure participation from the community. It is hoped that this large number of people trained in the basics of monitoring and evaluation will support the affiliates in their activities and further mainstream PME.

An article abstract based on the community impact evaluation of Habitat Nepal was included in the article "Housing Impacts Schooling" in the Asia Pacific Focus, a quarterly newsletter published by HFHI Asia/Pacific (November 2002). Another article on community empowerment was sent to the International Affiliate Update (IAU) for publication.

### **Other Activities and Challenges**

The participation of women was encouraged and increased this year during the various activities of the PME team. The participation of women in these projects averaged about 30%. It is hoped that the presence of a woman on the PME team will help to secure the participation of even more women in the future.

Uncertainty as to how to begin the "low cost housing survey" led to a delay in meeting this goal. The problem was solved with the help of the Task Force Team formed for this purpose. After much discussion amongst the team, it was decided to follow an appreciative and participatory approach for information collection. The study was successfully completed, as mentioned above.

The problems posed by the Maoist insurgency and the national state of emergency continued through the last year of the grant, hampering much of the work of the national program and of the PME team. Besides this, inclement weather resulting in landslides made travel difficult and caused further disruption of work. The external evaluator for the final evaluation, Ms. Donna Anderton, had first-hand experience of this when one of the affiliates chosen for her visit had to be substituted with another at short notice when heavy rains and landslides blocked the access road to the originally scheduled affiliate.

Emergency field trips occurred frequently, putting the PME team on the road for the better part of the year. This, coupled with heavy reporting responsibilities, made it difficult to meet targets and deadlines. NHFH particularly faces a huge challenge in reporting as most reports are written in Nepali and need to be translated into English for wider distribution within the organization and outside. This often results in delays of between three and six months in production of evaluation reports, which can then be shared with the rest of the organization. Difficulties with computer viruses and e-mail further hampered correspondence.

Nepal Habitat for Humanity's work in the field and the participatory nature of its PME program continue to attract more and more people to NHFH's movement to provide simple, decent and affordable housing to the poor. The involvement of the local community in participatory monitoring and evaluation is resulting in capacity building, as well as empowering the marginalized sections of the society in which NHFH works.

NHFH affiliates had complained about a lack of communication from the National Office during the first year. Subsequently, the presence of the PME team and solicitation of input and feedback has made the affiliates very happy. They are pleased that they are being asked for suggestions. They have been looking for a way to voice their opinions and the refinement of reports based on their feedback has proved to be one avenue that allows them

to make changes. This was amply evident during the visit of the external evaluator Donna Anderton when affiliate board members and staff endorsed the contribution of the PME team to their program and made a strong case for it to continue doing so for another couple of years before they could stand on their own feet entirely.

Both the pre-final evaluation and the final evaluation of the project proved to be invaluable learning experiences for the team, which again went to prove that evaluations do add value to the program and participants. The PME team, skilled as it is, learnt new ways to facilitate and build rapport and simple methods of data collection and analysis, a dire need at the community level where resources of time, money and education are scarce.

## **2. Comparison of actual accomplishments with those presented in the DIP**

At the end of the grant period, NHFH has met nearly all the DIP objectives. NHFH has done a fine job of implementing the three-year Habitat PME cycle being used in the Asia-Pacific area; all affiliates at least three years old have undergone a participatory evaluation. Thus, the requirements of the DIP have been met in this regard. These evaluations have been followed by the formulation of a three-year Strategic Plan, with Annual Plans being drawn up in the intervening years. The National Organization underwent an evaluation in the second year of the grant and formed its own Strategic Plan later that year. As a result, all affiliates are showing increased utilization of evaluation findings, which are also being reflected in the Strategic Plan.

While the work on measuring community impact was particularly challenging throughout the grant, much headway was made in refining the instruments of impact measurement in the final year. Impact assessments were conducted in the four key pilot affiliates, meeting the DIP target. The data from these exercises is currently being entered into the database and is expected to be completed within the next two months. The analysis of this data will reveal the whole picture of community impact of Habitat housing in Nepal. Once this is done, NHFH will be in a better position to determine those characteristics of its program that result in the greatest community impact. Besides the ten international indicators adopted by HFHI, NHFH decided to track seven more local indicators of impact. The results of the analysis will have a crucial impact on NHFH's program design and will pave the way for better resource development and strategic partnerships.

The pilot low-cost housing project was successfully completed during the final year of the grant and a prototype of the house has been constructed in the premises of the Institute of Engineering in Kathmandu. Once the monitoring process of the project is completed, the house design will be rolled out to the affiliates. Two new resource partnerships developed by NHFH due to this project were the one with the Institute of Engineering and another with the United Mission to Nepal (UMN) for harnessing their expertise in appropriate housing technology.

## **3. Relationship of local partner with HFHI**

Nepal Habitat for Humanity (NHFH) was established in 1997 as a national NGO. It is managed by a National Board and receives most of its funding from HFHI. HFHI also provides technical and management assistance. NHFH staff is accountable both to their Board and to the HFHI regional South Asia office in New Delhi. At this time, NHFH has provided housing support to 630 families. For a relatively new organization, its program has expanded and grown very rapidly, with six affiliates now fully functioning. The PME team

has a dual reporting relationship: to the National Director in Nepal and to the PME Coordinator in New Delhi.

Grassroots involvement is emphasized in all Habitat organizations. Local community members' responsibilities include: selection of families, collection of repayments, making good decisions, stewardship of resources, home-owner education, affordable house design and construction, raising funds, building community support and good networking for resource development. NHFH has also focused on developing grassroots leadership for evaluation activities.

## Sri Lanka

### **1. Specific outputs, their effects, and challenges encountered**

#### **Objective 1: Measuring Community Impact**

The Sri Lanka PME team made significant progress towards moving to a systematic community impact evaluation process. While the testing of indicators continued using the community impact questionnaire developed earlier, the PME team and the National Director established contact with Mr. Sagara Gamage, the Monitoring & Evaluation Coordinator of World Vision, to seek his assistance in preparing a 'Field Based Training Design' for a community impact evaluation. This design was built upon by the PME team and the exercise was conducted with 31 Habitat homeowners of the community of Naula in the first week of July 2003. Impacts studied were in the areas of economy, health, education, community empowerment, individual empowerment, partnerships and peace & reconciliation as a result of the Habitat housing program. These 31 Habitat homeowners were a homogeneous group in a fairly remote setting who depend mostly on agriculture for their livelihood.

Some of the key findings of this exercise were the greater acceptance of the homeowners by the larger community, leading to enhanced relationships, evidence of increased opportunities and freedom for their children to attend to their studies in a peaceful environment, and the experience of a significant improvement in their social status within the village and amongst other family members. This exercise will be repeated at other affiliates in a phased manner. In the meantime, the substantial amount of data collected by means of the questionnaire is being entered into the database and will soon provide the statistical information pertaining to impact across the country.

The evaluation of, perhaps, one of the biggest scale-up partnerships to date in Habitat was carried out in Sri Lanka in the month of July. This partnership between Habitat for Humanity Sri Lanka (HFHSL) and the governmental Southern Development Authority (SDA) commenced in the year 2000 and by the beginning of 2003 had resulted in the construction of 1,115 houses in the four districts of Hambantota, Matara, Galle & Monaragala. This amounted to as many houses as had been built by HFHSL in the country in all its years of existence prior to the project. A team comprised of Habitat staff as well as zonal managers of the SDA conducted the evaluation that lasted 9 days. The program was evaluated under several focus areas including, among others, program management, utilization of resources, the quality of the partnership and the impact of the project. The logistics of the evaluation were particularly challenging given the huge geographical spread of the project over four districts. During the course of the evaluation, in addition to the eight Habitat staff, ten Zonal Managers of the SDA were trained in evaluation methodology. This exercise, besides providing some interesting information about the project, also served to further strengthen the relationship between HFHSL and the SDA, the latter of which had never gone through a

similar exercise before and were grateful for the experience. The results from the evaluation will be extremely valuable for this program that is attempting an even larger scale-up, with the goal of building 6,000 houses across the country in the next two years.

Another significant evaluation undertaken by HFHSL this year was the evaluation of the Save & Build methodology. This methodology that has revolutionized the way Habitat does business across the globe has resulted in significant increases in the number of families served while making the program more sustainable by increasing the repayment rate considerably. To better understand the effects of the methodology and to study its replicability, it was decided to contract an external consultant to undertake an evaluation of the process against the background of standard microfinance models. The scope of work for the evaluation included input from the Monitoring & Evaluation Director and the South Asia Regional Trainer, both of whom have a background in microfinance, the Area and Regional PME Coordinators, and HFHSL. Mr. Dulan de Silva, a rural development consultant with expertise in micro-credit and other business skills was selected to conduct the evaluation in February this year. The objective of the evaluation was to compare and contrast the traditional Habitat building model used in the Kurunegala affiliate with the Save & Build model used in Anuradhapura. The evaluation also compared the Save & Build methodology with standard micro-finance practices in Sri Lanka and outlined the similarities and differences. In addition, the evaluation provided valuable recommendations for the sustainability and replicability of the program. The lessons from this evaluation, which were shared across the Habitat world, will be invaluable to the ever-increasing number of countries that have started using the methodology. The methodology also presents the possibility of greater resource development through channels hitherto traditionally reserved for micro-finance projects.

### **Objective 2: Measuring Organizational Development**

A number of activities were undertaken by HFHSL in this category during the final year. Wattala and Kurunegala affiliates underwent their second participatory institutional evaluation, having completed a three-year cycle since their last evaluation. The third evaluation scheduled for the year, that of the Anuradhapura affiliate, will be completed shortly. Like Nepal, Sri Lanka was evaluated by the external consultant, Dr. Amitava Mukherjee, for the pre-final evaluation of the MTTT in January 2003. The final evaluation of the project was conducted by Donna Anderton who visited Sri Lanka in the month of July. While Dr. Mukherjee visited the affiliates of Kurunegala and Hatton during his evaluation, Donna paid a visit to Hatton and Wattala.

The PME team has played a significant role in rolling out the Sustainable Affiliate Initiative (SAI) (now Standards of Excellence - SOE) program in Sri Lanka. This year the team, assisted by the Affiliate Coordinators and National Partners who have received training in the process, completed the bi-annual SAI assessment for eight affiliates. The second round of assessments for these affiliates is scheduled for December or early January 2004. All affiliates are showing significant improvements in tracking their progress against these standards, utilizing the assessment findings and planning to reach good standing and beyond. This year the National Organization undertook an exercise to review and update its national criteria for affiliate standards, a task that was led by the National Director and the PME team. Sri Lanka was also one of the global country programs selected to give feedback to and undertake a validation exercise for the draft international National Organization Standards of Excellence. This was done with the participation of board and staff in July 2003. HFHSL intends to implement the standards beginning early next year, even though the program is still in the design stage at the international level. With the build-up in capacity at the affiliate level, it is expected that affiliates will begin conducting their own assessments in the near future.

### **Objective 3: Utilization of Findings**

The Save & Build evaluation carried out by external evaluator Dulan de Silva provided a number of positive findings for the methodology, which have helped strengthen the process and confirm the organization's belief in the methodology as a way to reach a poorer target population than the traditional method. The evaluation also emphasized the factors of group interaction and cohesiveness, as well as the community empowerment elements inherent in the model, directly supporting the mission principles of Habitat. The fact that it is cheaper than the traditional model and also assures a high repayment rate helps the financial sustainability of the organization. The significance of the involvement of women in the process has led to greater gender participation in all the affiliates where Save & Build is being implemented. The evaluator proposed slightly higher charges for administration and inflation and also advocated greater partnerships with other microfinance institutions and development agencies. These recommendations are being implemented on a case-by-case basis.

The pre-final evaluation of the MTTH project conducted by Dr. Amitava Mukherjee gave a lot of insights to the team as to how the grant objectives could be achieved by the end of the project. In addition, Dr. Mukherjee made recommendations for the long-term institutionalization of PME in the organization. Many of these recommendations, especially with regard to the completion of the project, have been followed and there is a serious intention amongst the leadership of the program to mainstream PME further into the National Organization's operations.

Affiliates continued to use the findings of their institutional evaluations throughout the year. Forming a short-term action plan immediately after presenting the preliminary evaluation report to the stakeholders, and then following it up with a longer-term strategic plan, has led to the assured utilization of the evaluation findings.

### **Objective 4: Sustainability of the PME function and overall organization**

The Save & Build and the HFHSL-SDA partnership evaluations referred to earlier were very important in helping to identify ways in which Habitat can contribute to building more houses than the traditional methodology allows. One of the thrusts of HFHI's Strategic Plan is innovation. HFHI recognizes that they do not have the capital to accomplish their vision without new, innovative methods. Sri Lanka continues to be a leader in helping Habitat to build more homes with limited resources, allowing for significant scale-up.

The various trainings conducted by the PME team and other resource persons from HFHI have built capacity at various levels. The program is now at a stage where an increasing number of stakeholders appreciate the role that PME plays in organizational health and performance and are equipped to take on at least part of that responsibility. In November, a training in computer skills was held for the PME team and in December the second phase of a team building training was conducted. The two evaluations of the MTTH project were also valuable learning opportunities that updated the skills of the PME team immensely, besides setting them on track to successfully complete the remaining tasks of the grant. In addition to the regular training for evaluators, which formed a part of each of the affiliate evaluations, the PME team facilitated a self-evaluation session for the Board and staff of the Moratuwa affiliate in March 2003. The outcome of this session was the preparation of a Plan of Action for July 2003 – June 2004 by the affiliate Board and staff. The PME team also conducted a half-day training on Planning, Monitoring & Evaluation for the participants of the 'Program Training Orientation' on the 9<sup>th</sup> of April at the National Office.

The lessons of the past learned through the numerous evaluations of the program conducted in the grant period have led to the creation of an international Growth Task Force to support HFHSL as it undertakes its next challenge, that of building 6,000 houses in the next two years. This task force comprising national and international staff will meet quarterly and monitor the progress of the project, recommending course correction as and when required. The Regional and the Sri Lankan National PME Coordinators are a part of this task force and will be responsible for the creation of appropriate monitoring instruments and coordinating the monitoring of the project.

#### **Other activities and challenges**

The study of community impact continued to pose a challenge in the final year of the grant. However, with the assistance of the external consultant from World Vision and some hard work in the field, a lot of headway was made towards the end of the grant. The challenge now lies in inputting the huge amount of data that has been collected over the past two years into the database and analyzing the same. It is expected that this process will be completed over the next couple of months.

The quest to simplify PME processes further without sacrificing rigor continued this year. Participatory institutional evaluations still take a considerable amount of time, with the analysis of the huge amounts of data posing a challenge in terms of the number of hours required. The external evaluations have exposed the team to new ideas and processes that will be employed in future evaluations.

This year, the National Organization had its fair share of issues concerning governance and leadership, an aspect that emerged in the HFHSL-SDA evaluation as well. An outcome of this is that HFHI leadership is paying very serious attention to aspects of board governance and board orientation/training that were not considered a very high priority earlier. HFHSL, with the assistance of HFHI, has been working hard at creating a governance structure that would act as a catalyst for the tremendous growth the program is experiencing. Needless to say, the process has not been smooth and has affected decision-making and the timely completion of projects during the year.

## **2. Comparison of actual accomplishments with those presented in the DIP**

The tools, systems, and training are in place to conduct organizational development evaluations in a sustainable manner (on a three year cycle), with the gradual phasing out of direct National Office involvement. Great progress has been made in preparing a system for measuring community impact. The work remaining is the inputting of data into the community impact database and the further rolling out of the community impact evaluation process to other affiliates. Once analysis of the results of the impact assessments is done, it will be possible to identify characteristics of the affiliates that result in larger impact, information that will have far reaching consequences in the way HFHSL does business. Sri Lanka has continued to do a good job of following evaluations with strategic planning events to ensure utilization of the findings. A network for sharing PME information between affiliates, the NO, and HFHI is working well and there is increasing coordination between the other program enhancement areas and the PME department. Management/grant requirements have been met.

### **3. Relationship of local partner with HFHI**

Habitat for Humanity Sri Lanka (HFHSL) was established in 1994 as a national NGO. HFHSL has grown quickly and has excelled in its innovative application of micro-finance methods and principles to their program. To date, they have constructed 3,000 houses through their eight affiliates. HFHSL is managed by a National Board and receives most, although a decreasing percentage, of its funding from HFHI. HFHI also provides technical and management assistance. Staff is accountable both to their Board and to the HFHI regional South Asia office in New Delhi. The PME team has a dual reporting relationship with the Affiliate Developer/National Trainer in Sri Lanka and the PME Coordinator in New Delhi.

## **V. Review and Analysis of Headquarters/Support Functions**

### **Americus headquarters and global**

In November 2002, four HFHI staff members and one from Nepal attended the annual conference of the American Evaluation Association, held in Washington DC. Those attending for HFHI included Naresh Karmalkar, South Asia Regional PME Coordinator, Mabel Kuizon, PME Coordinator for Asia/Pacific, Enrique Soto, PME Coordinator for Mesoamerica, and Sharon Grant, Monitoring & Evaluation Director at headquarters. The Nepal PME Coordinator, Narayan Bhatta, was awarded a travel grant, one of only three, to present a paper on "Using Appreciative and Participatory Approaches to Evaluation in NHFH". The conference and the three additional days of professional development workshops proved an excellent opportunity to learn new skills, network with other evaluators, and meet the stalwarts in the field.

Headquarters activities in the second quarter mostly revolved around supporting two external evaluations in South Asia and preparing for the annual Planning, Monitoring and Evaluation (PME) Conference to be held in April and May. Headquarters staff from Delhi, Bangkok, and the U.S. wrote the scope of work for both evaluations, selected the consultants, provided logistical support, and reviewed and edited the final evaluation reports. The first of these evaluations was similar to a mid-term evaluation of the South Asian programs. The second evaluation was an external analysis of Sri Lanka's innovative "Save & Build" program. More information on these evaluations is contained in the Asia/Pacific sections.

The Spring issue of HFHI's quarterly magazine for international affiliates, which focused on the innovation aspect of HFHI's Strategic Plan, contained two articles written by MTTH project staff. The South Asia Regional PME Coordinator wrote an article on the topic of Positive Deviance, explaining how it was used for research in NHFH and by other organizations and suggesting other uses for the technique in Habitat. The M & E Director wrote an article describing one of the biggest lessons learned in MTTH: that monitoring and evaluation activities do not passively measure change caused by others but in fact are agents of change in and of themselves.

The highlight of the third quarter was the global PME Conference held in San José, Costa Rica from April 28 – May 3. This conference included more people than previous PME conferences and for the first time National Organizations were represented. Participants included six people from the Africa/Middle East area and regional offices, one from Asia/Pacific's area office, six from the Latin America/Caribbean area and regional offices,

four additional LAC representatives from National Offices, a representative from the Philippines, and the Monitoring & Evaluation Director from Headquarters. In previous conferences, Asia/Pacific had disproportionately more representation. In this one, almost half the group was from Latin America (simultaneous translation was provided). This emphasizes the need to rotate where the annual conference is held so that the maximum number of regions can benefit. The conference was ably facilitated by Jim Rugh, Design, Monitoring & Evaluation Coordinator for CARE. Jim's knowledge, first hand experience, and facilitation skills were greatly appreciated by all and the group was still motivated to learn by the final sixth day.

The PME conference was coordinated with a global Program conference held in San José during the same week. The groups met separately for three days of the week and had combined sessions on two of the days (with PME also having an optional training workshop on Saturday). The PME team was very pleased to have the input of senior leadership for a significant period of time. The conference was a combination of training and working together towards a global PME system for HFHI. Topics included:

- Sharing of best practices from each area represented
- Setting up a PME system (at the different levels)
- Evaluating innovations
- Evaluating community impact
- Global standards for National Organizations
- Empowerment evaluation and participatory analysis

Outputs from the conference included: agreed upon Criteria for Habitat for Humanity (HFH) PME Systems, a draft Protocol for Evaluating Innovations, Standards for Project Effectiveness, and a list of Recommendations to Senior Management for moving forward with global PME.

The International Mortgage Tracking System (included in the first year of the grant with Matching Funds) was presented to the Area Office Finance Managers at the global finance conference held in January 2003. Since then, six Beta installations were completed in various countries. In August, version 1.1 of the system, now renamed as Habitat Loan Tracking System, was released in four languages: English, Spanish, French and Russian.

A Monitoring & Evaluation page has been added to HFHI's intranet called "Partner-Net". All HFHI offices, National Offices, and affiliates with internet access are able to share their PME documents, tools, and reports on this web site. Many resources formerly only available at an area level have been posted to this site, including key MTTH documents. In addition, links to helpful external PME websites and other resources will be added.

The final quarter of the grant was consumed with the external evaluation and finishing up databases in both continents. Please refer to section III. for more information on the evaluation. The grant is currently being extended at no cost to USAID until December 2003 in order to allow for payment of final grant related tasks (this report, evaluation debriefing expenses, and final financial reporting). No grant activities outside of headquarters will be charged to the grant and thus no quarterly report will be written for these few activities.

### **Asia/Pacific Area Office and South Asia Regional Office**

The Asia Pacific Area Office is structured to extend support primarily to its suboffices such as the South Asia Regional Office. Through the four-year MTTH grant implementation, the A/P PME Coordinator, Mabel Kuizon and predecessors Andy and Sharon Fitton, worked collaboratively with and regularly provided direction to South Asia PME Coordinator, Naresh

Karmaker and Technical Advisor Mac Odell in their support of the MTTH pilot countries, Nepal and Sri Lanka. Support was also extended to the East Southeast Asia PME Coordinator in her PME work focused on the inventory of current PME practices in selected countries that is intended to provide information to use as a basis for forwarding PME in each country and in the region. The Area Office also backstopped the implementation of the Asia Pacific Standards of Excellence program in Thailand, Philippines, Indonesia and Mongolia.

The Area Office has established linkages with other departments in Asia Pacific to communicate and collaborate on further utilizing MTTH results. The A/P PME Coordinator collaborated with the Campus Chapters and Youth Programs (CCYP) department in the Global Expedition project by co-facilitating a participatory process to develop the community research portion of the project. She also trained the CCYP coordinator on selected PRA/PLA techniques that the CCYP coordinator passed on to the project's research team, a combination of volunteer students from Japan and the Philippines. Articles published in the New Directions newsletter that focused on youth engagement in conducting evaluation activities were shared and discussed with two Asia Pacific CCYP coordinators to explore expanding of the CCYP program to include evaluation roles for youth.

The role of the PME coordinator based in the Area Office in Bangkok is one of facilitator, advocate, and influencer for HFH leaders and managers to develop a more evaluative attitude towards their individual work and the HFH sector in which they are involved. Keeping track of developments in other departments and being part of the communication loop have allowed the A/P Coordinator to create and respond to opportunities to share MTTH results and provide input in the form of comments, review of documents, designing tools, giving presentations at workshops and conferences, and giving feedback and direction when appropriate. For instance, the Construction/ Appropriate Technology department's work on designing audit tools benefited from input from the PME coordinator. Another example is the start-up process of an affiliate in Nepal. PME input, particularly focused on the value of research to inform the affiliate model to be used, helped to guide the Nepal program in ensuring a quality start-up program.

The A/P PME coordinator conducted desk research on qualitative analysis software and developed a proposal with the South Asia PME coordinator for the purchase and support infrastructure to utilize such a program. This program will manage the large volume of qualitative data and stories collected from the field, and provide analysis to a certain level. Evaluative results will then be shared with leaders and managers and beyond Asia Pacific. The A/P PME Coordinator was also part of the validation team tasked to process the drafted global Standards of Excellence through conducting validation workshops, sending out survey e-mails, and phone interviews. The A/P PME Coordinator's research on critical steps required to develop standards was shared and proved very helpful in guiding the initial validation procedures.

Lessons learned in MTTH and other programs in Asia/Pacific are being shared globally. The A/P PME Coordinator was invited to lead a program review in HFH Ethiopia. This was called "Improving our Serve" and aimed to review the program's current and future target families and the appropriate housing delivery services. The program review was conducted in July, beginning with a two day training activity and ending with a three-day participatory analysis activity that included three key Federal Government directors from the land and housing offices of the government. **This analysis activity resulted in an official invitation from the Federal officers for HFH Ethiopia to take part in the first land and housing forum to formulate policies.**

This year has been one of far-reaching structural change for the Asia/Pacific area and the South Asia Regional Office. Under the new arrangement, the SARO was converted into an HFHI Resource Center. The Resource Center will concentrate on research and networking to support the country programs. Staff at the Resource Center is expected to apportion a percentage of its time to work for the Resource Center while the rest of the time will be spent providing functional support to the Asia/Pacific area and specifically to the South Asian region and India. Under the new structure, the position of the South Asia Regional PME Coordinator was changed to that of Program Advisor (PME), Asia/Pacific. The specific duties of the Program Advisor are in the process of being formulated.

One of the major activities taken up by the Regional Office this year was the creation of a database program for tracking and analysis of community impact data. This database, designed by the SARO computer consultants, takes in data from both Sri Lanka and Nepal and is based on the Homeowners' Survey Form and Community Impact Questionnaire developed by the countries earlier. Though the project was contracted to last four months, huge delays in the refinement of the questionnaires and field-testing of indicators at the country level resulted in the database taking nearly a year to complete. As the database continues to be used extensively, enhancements are being suggested and effected even as this report is written. It is Habitat's good fortune and a measure of the organization's relationship with its partners that the consultants have not charged Habitat extra for the additional work and the extended length of the project. The final product is a powerful engine that can store virtually a limitless amount of data from the two countries, run queries on the data on a combination of up to six different variables and generate statistical and graphic reports to demonstrate community impact. It is expected that the data entry and analysis for both countries will be completed within the next two months. It will then be possible for both Nepal and Sri Lanka to discern those characteristics of the affiliate programs that result in the maximum community impact.

A lot of work was done on the Standards of Excellence (SOE) program this year in South Asia. The Regional PME Coordinator worked with HFH Bangladesh in the last quarter to define their standards. Sri Lanka has since reviewed their criteria for the current fiscal year. Affiliates across the region sent in their assessments that were tracked through an Excel spreadsheet program at the Regional Office. Evidence sent in by the countries in support of the affiliates' claims was reviewed by various departments. With the introduction of the draft global affiliate and national organization standards of excellence, the PME coordinator facilitated an exercise with the Sri Lanka and Bangladesh programs to validate and give feedback to the same. The Area PME Coordinator also conducted this exercise with the South Asia Regional Office staff in September 2003. The SOE program has grown in importance through the years with many key decisions with regard to funding and other areas being based on affiliates' performance on the standards.

The Regional PME Coordinator was involved with five major evaluations this year. Two of these were the pre-final and final evaluations of the MTTH program which were conducted in January and July-August 2003 respectively. The other three were the external evaluation of the Save & Build program in Sri Lanka in March, that of the HFHSL-SDA partnership in the same country in July, and HFH Bangladesh's first institutional affiliate evaluation in September. For the first three evaluations, the Regional PME Coordinator worked closely with the Monitoring & Evaluation Director, the Area PME Coordinator and others to draw up the Terms of Reference for the external consultants, jointly make the selection of the final candidate and later assisted the PME teams in Sri Lanka and Nepal in putting together the logistics for the exercises. The PME Coordinator accompanied the external evaluator, Donna Anderton, for the final evaluation of the MTTH on a fifteen-day visit to Sri Lanka and Nepal, which covered National Offices and two affiliates in each country.

Assisted by the Sri Lanka PME team, the Regional PME Coordinator facilitated the nine-day evaluation of the HFHSL-SDA partnership program, which was carried out by a team of fifteen evaluators comprising both Habitat and SDA personnel. The Bangladesh evaluation in the affiliate of Mymensingh was conducted by a team of ten evaluators drawn from different affiliates and partner organizations. All these evaluations were great learning experiences for everybody who participated in the exercises and have led to their findings being acted upon and informing future planning. The Regional PME Coordinator put together and facilitated a panel discussion on Save & Build, including the results of the evaluation of the methodology, for the Asia/Pacific Leadership Conference in Bangkok in March 2003. He also assisted the Area PME Coordinator in giving a presentation on the findings of the final evaluation of the MTTH at the Asia/Pacific Program Retreat in the third week of November 2003.

The Regional PME Coordinator continued to assist other program departments in South Asia to integrate PME in their operations. Technical assistance was provided to the Regional Campus Chapters & Youth Programs and the Regional Training Department for several events. From January to March 2003, the Regional PME Coordinator and the Regional Training Coordinator co-facilitated two workshops on Appreciative Inquiry, including AI in PME, and another one on Training of Trainers (TOT). These workshops took place in India and saw the participation of nearly 100 participants from South Asia hailing from 45 different organizations. These workshops, which were part of a four workshop series partly funded by an Indian capacity-building organization, not only made Habitat's work known to a large number of potential partners, but also raised a small amount of money for the Regional Office. The workshops also resulted in the United Nations High Commission for Refugees (UNHCR) approaching Habitat for an AI-based training series for its refugee children in New Delhi. Two such workshops were conducted during the year. All these external workshops showed the potential that a HFHI Resource Center could have with regard to outreach and networking in the region.

Besides this, the Regional PME Coordinator also played a key role in designing and facilitating a visioning exercise for the HFHI Resource Center, which was to be formed under the new restructuring plan. He supported the New Country Developer for Pakistan with the development of an Appreciative Inquiry-based approach to program development in the country. In June 2003 he conducted a community-mapping exercise in Sonbhadra, India, which marked the commencement of one of the largest partnerships Habitat has entered into to date: a tie-up with Hindalco Industries Ltd., a flagship company of the \$5.8bn Aditya Birla group that counts amongst the top five industrial houses in India. This initial partnership offer has now expanded to an offer of partnership with the entire 65-odd companies within the group, with a scope of providing low-cost housing in more than 2000 villages in India. The Regional PME Coordinator modified the low-cost housing study format developed in Nepal for the exercise. This was a good example of how the outputs of the MTTH can be rolled out to benefit the entire Habitat program.

The PME Coordinator was presented with a number of training opportunities this year. He attended three days of professional development workshops at the American Evaluation Association Conference in Washington DC, USA, in November 2002. He also attended a three-day management training called 'Leading by Example' conducted for Habitat and external NGOs by Citibank India in New Delhi in November 2002. Besides these, he attended a one-day session on Change Management by Arthur Dhanraj and another one-day session on Participatory Tools by Dr. Ravi Jayakaran, both stalwarts in their fields, as part of the Professional Development workshops offered during the Asia/Pacific Leadership Conference in Bangkok in March 2003. All these trainings have enhanced the quality of PME in the region. Unfortunately, the Regional PME Coordinator could not attend Habitat's

Annual PME Conference in Costa Rica due to a tremendous delay in issuing a visa on the part of the Costa Rican consulate in India.

### **Latin America/Caribbean Area Office**

During the extension year of the grant there were two main forces that combined to shape the support functions provided by LAC's Area Office through Central America/Mexico's (CAM) PME regional coordinator: The agreements reached in July 2002 between HFHG, HFH LAC and HFHI for working during the extension year, and HFHI's and LAC's own PME agenda. HFH LAC's other PME initiatives complemented well with MTTT project objectives and activities.

As in previous years, the regional coordinator continued to offer technical advice to Guatemala's PME team, to coordinate project activities with HFHG and HFHI, and to serve as a communication link between Headquarters, the AO, and HFHG for project related matters. Most of the coordination work with HFHG revolved around reporting activities and follow-up of project tasks, but also included coordination for the project's external evaluation by USAID, and assistance with the organization of HFHI's global PME Conference in Costa Rica. For the external evaluation, project reports, materials and products were compiled and submitted to the evaluator during her week-long visit to Guatemala. For the PME conference the regional coordinator provided LAC's participants with guidelines and feedback for their presentations, assisted the PME Director with logistical details before, during and after the conference, and prepared a summary evaluation report of CAM's NOs based on further analysis of the data gathered on this topic previously.

In line with the project's goal of ensuring PME capacity and sustainability, the regional coordinator designed and implemented a two-day workshop for teaching Guatemala's affiliate PME committee members sound principles for monitoring program activities and how to design and use the corresponding monitoring tools (February 2003). The workshop was also attended by Guatemala's PME team in order to replicate it with other affiliate PME committees. In addition, and as agreed near the end of the third year of the grant, the regional coordinator provided technical assistance to shorten, simplify and better adjust the community impact survey questionnaire to the needs of the NO. Technical assistance was also offered as part of the follow-up process for the creation of Guatemala's community impact assessment database (review of terms of reference, suggestions for database design, review of preliminary database).

LAC's AO continued with its commitment for strengthening PME capacity. Due mainly to the unavailability of qualified candidates for the positions of Caribbean's PME Coordinator and Senior PME Manager, it was not possible for LAC's AO to fill these positions. However, the most qualified candidate for the Senior PME Manager position agreed to work as a consultant for HFH LAC during the year and to consider taking the position full time later. Unfortunately, he recently decided he could not take the position and LAC is recruiting once again to fill it.

As a consultant, the candidate worked on the design and completion of LAC's AO Evaluation (April to August 2003). The AO evaluation was participatory, and took into account the viewpoints of volunteers, headquarters, LAC's NOs and affiliates. It focused on two topics: the internal efficiency of the AO and its relationship with the area's NOs. Sixty interviews were completed and the resulting data was analyzed by a representative group of 20 people in a two-day workshop in Costa Rica. The regional coordinator contributed to this task by

providing feedback on draft data collection instruments, as an interviewer, and coordinating some logistics for the interview process and the analysis workshop.

In general, the AO evaluation findings were positive. The main strengths of the AO identified were the existence of a collaborative environment within the office, of servant leadership to the highest degree, passion and dedication for the organization's mission, openness to change and acceptance of criticism, the desire by the AO to empower NOs, good technical support, particularly in the areas of training and finance, good level of interaction with NOs through regional events and conferences, and the effort to decentralize administrative procedures in order to take into account regional and national differences between NOs. There is, however, room for improvement. Participants concluded that there is a slight sense of "us versus them" between the AO and the rest of the organization, communication problems persist, and, finally, a lack of definition of roles in the AO, in particular regarding expectations about NOs, the role of the International Program Advisor, and expectations about human resources management in the NOs.

HFHI's process for creating global performance standards for NOs and affiliates continued to advance by testing them in 2003. Four countries from different geographical areas, among them Guatemala, were chosen to conduct the test. The regional coordinator participated in the first test performed in the Republic of South Africa in March of 2003 and then replicated the test in Guatemala in mid-June. This initiative complemented the MTTH project's proposed activity of creation and testing of minimum and excellent performance standards of operation for Guatemala's affiliates, and superseded it in the sense that it also included NO standards and that they are not intended exclusively for Guatemala. The test consisted of two one-day workshops (one with affiliates, another with the National Office) where the standards were presented to the organization's personnel and volunteers (committee and board members) for them to assess their viability, contextual appropriateness, and usefulness, among other things.

Finally, building on the National Organization evaluations conducted at the end of the third year of the grant, three strategic planning events took place in the second and third quarters of the extension year. Two of them, in El Salvador and Honduras, were designed and led by the regional coordinator, and a third one, held in Panama, was co-facilitated and led by a national board member. Some of the evaluation findings addressed included the rapid growth experienced in the region and the resources needed to keep up with the growth while operating efficiently. Most NOs have resorted to better administrative processes and controls, to more aggressive resource development efforts, to increases in personnel when possible, and to efforts towards keeping house costs down as a way to address the challenges they face, but the issue of land acquisition/ownership remains an unsolved problem in most countries.

Steps were also taken towards the creation of a PME manual intended for affiliate's use, but the demands resulting from the tasks described above and the early departure of the regional coordinator from his post (to move to Canada in August) did not allow for its completion.

## **VI. Financial Report**

### **1. Comparison of budget with actual expenditures**

As previously mentioned, USAID granted a no-cost extension for a fourth year to the MTTH program. Please refer to Attachment B for a comparison of the revised (extension) budget

with that of the Detailed Implementation Plan budget submitted in the first year of the grant. Attachment A provides a comparison of actual expenses with those budgeted in the extension. These figures are through June 2003 for all offices except for headquarters (through September) and Guatemala (through August). Complete financial data is now available for most offices but the figures presented here match the Financial Status Report (FSR) submitted for the period ending September 30, 2003.

USAID is in the process of extending the grant until December 2003 in order to allow for charging wrap-up expenses at headquarters to the grant. These expenses include producing this report, debriefing the external evaluation (meetings scheduled for USAID/ Washington in November and Americus headquarters in December), and processing the final financial reports from the pilot countries and Area Offices. Expenses incurred from October – December 2003 will only be at headquarters. Thus, all offices except for Guatemala have an additional quarter of expense that has not been included in the most recent FSR numbers reported in Attachment A.

At the end of the fourth year of the grant, the financial reports show that 83% of USAID budgeted money and 84% of HFHI budgeted money has been spent (these percentages will be higher once the final quarter of expense is included). No budget categories are overspent. HFHI has met their match requirements with a total of \$882,227 compared to a total of \$747,128 of USAID money spent so far. Reasons for the under-spending on a global basis, resulting in an additional 15 months in the grant period, include the following:

- ◆ There was considerable delay in getting a Negotiated Indirect Cost Rate Agreement (NICRA) agreement from HUD in the early years of the grant. This meant that indirect costs budgeted to USAID could not be charged for the first two HFHI fiscal years of the grant. In addition, HFHI made the decision not to include indirect costs for the final two financial reports (HFHI fiscal year 2004) as the amount of NICRA forfeited from USAID was not deemed sufficient to make it worth doing a NICRA study. Indirect costs is the single greatest area in which the budget is underspent.
- ◆ The program was not able to recruit the necessary staff as early as anticipated and thus could not really get going until at least six months into the grant period. In addition, several key staff members in the project left Habitat, leaving unexpected vacancies and requiring recruitment, orientation, and training for the replacement staff. All of the countries' PME Coordinators and the PME Coordinators for the A/P and LAC Area Offices have turned over during the grant period.
- ◆ None of the pilot countries in the grant had ever had an evaluation program. They knew the money was to do evaluations, and they were highly committed to do them. They budgeted their own and donor funds heavily in the areas they thought that would involve: evaluations, staff training, reports, and publications. In practice, due to Habitat's strong tradition of stewardship and the lower costs of participatory rather than external evaluations, the cost of these activities has been lower than what was budgeted.
- ◆ We have had fewer community impact evaluations than planned. The process of designing and testing indicators took much longer than anticipated, delaying the evaluations. In the case of Guatemala, where the most expensive evaluations took place, the number of evaluations planned was reduced to focus on getting the most out of the earlier evaluations and setting up a sustainable system.
- ◆ International travel costs charged to the grant have been less than budgeted. The LAC office had budgeted for five trips between California and Central America (Guatemala or

Costa Rica) in each year of the grant. However, the consultant used did not want to travel much due to personal reasons. Most of the consulting work was done by e-mail and phone. Security concerns in both Nepal and Sri Lanka have constrained international travel in South Asia, resulting in fewer trips than originally planned. The Monitoring and Evaluation Director also traveled less than planned.

- ◆ In a few cases, expenses that were budgeted and have been expended have not been charged to the grant. For example, Sri Lanka does not have a system for allocating vehicle expense to a particular program or fund. Thus, they have not included the expenses for travel when their own vehicle was used, even though it was budgeted. Since Habitat raises the vast majority of its funding directly from the public, the organization does not have as much experience with designated funding as many other USAID recipients and is only now developing systems to capture all expenses in a manner that will be acceptable to USAID.

In addition to the global reasons for under-spending, the following specifics apply:

### **Headquarters**

Headquarters (the sum of expenses in Americus and the LAC and A/P Area Offices) spent a total of 86% of their four year budget. In Americus, on the USAID budget, travel for the M & E Director and consultants is significantly under budget. The M & E Director traveled less than planned during the life of the grant due to two high risk pregnancies (years 1 and 4 of the grant). As of the time of this report, the consultant for the external evaluation had not yet been reimbursed for her travel costs. The final travel number for Americus will be less than \$5,000 under budget at grant end. Likewise, there remains almost half the consulting fees to be paid as of the time of this report. Once that bill is taken into account, the consulting fees will be less than \$9,000 under budget. These two variances are the only significant ones for USAID funding in Americus.

On the match side, the primary area in which Americus is under budget is salaries and benefits. A new, technical, position for Monitoring & Evaluation Director was to be created in October 2002, paid for by HFHI funds. Unfortunately, due to budget constraints, that position has been placed on hold. The position represented \$50,000 of match money for the final year of the grant. The travel of that position was also budgeted. In addition, the salary paid to the International Training Manager was about \$5,000 under budget.

Almost all of the expenses for the A/P Area Office and the SARO are budgeted to HFHI. At the end of the grant period, the match amount is only 6% (\$21,000) under budget. Travel and Training are the areas most under-spent. For A/P this is due to a number of factors: fewer people having travel related to the grant than anticipated, being behind in submitting travel expenses to be included in the grant, and an international training being postponed beyond the end of the grant. Consulting services is also under budget. Salaries and benefits are over budget, primarily due to extending the length of the grant.

In the LAC Area Office on the USAID side, the biggest variance between budget and actual is in consulting fees and consulting travel, as explained above. The single greatest reason for being under budget in consulting fees is that the writing of a PME manual has not yet taken place. In addition, one of the budgeted activities, piloting minimum standards for the affiliates of Guatemala, took place under a different budget. Some of the LAC consulting money was used by Americus for global projects. For the HFHI matching funds, the greatest variance is in the area of salaries/benefits, due to budgeted positions not being filled. International travel is also under-budget, though the CAM PME Coordinator has made frequent trips to Guatemala.

### **Guatemala**

At the end of this reporting period, Guatemala has spent 83% of their USAID budgeted funds and 64% of the HFHG funds. Underspending for both funds was primarily in the categories of evaluation and affiliate training. Although considerable money was spent in the early years of the grant on conducting large community impact surveys, a decision was made in the third year of the grant to cancel plans for additional large surveys and to concentrate instead on processing the data from the first seven surveys. The focus groups and surveys that were conducted in the final year of the grant were much less costly than the initial surveys budgeted. For affiliate training, internal trainers and locations were used rather than the external ones that had been budgeted for. In this final year, several commissions were grouped together for training, saving considerable expense. There remained almost \$6,000 in unused consultant expense at the time of this report. \$4,000 of this amount has since been paid for creating the data base.

### **Nepal**

At the time of this report, Nepal has only spent 77% of their USAID budget and 66% of their matching funds budgeted. However, once the final quarter's expenses are included, the percentage of USAID funds spent will increase to 90%. Once the final quarter's expenses are taken into account, the only variance over \$5,000 is in the category of equipment to be paid with NHFH funds. This budgeted expense relates primarily to the construction of the appropriate technology house models at the University and other sites, which, though progressing nicely, has proved less costly than planned.

A lot of domestic travel in Nepal was reduced as the team effectively combined field trips to achieve several objectives per trip. The uncertain situation that developed after the massacre of the Royal Family and the continuing Maoist insurgency affected international travel both ways: fewer international staff could visit the country and the PME team itself often could not travel out of the country for exposure visits and trainings (this mostly affected matching funds). This was also one of the reasons why NHFH could not move ahead on their plans for an NGO Consortium. In addition, the building up of capacity amongst the affiliate board, staff and homeowners to conduct monitoring exercises cut down on the necessity for the PME team to travel to the affiliate to do the same. Evaluation expenses were slightly over budget due to including expenses for the final evaluation and one unbudgeted activity. Administrative expenses were 13% over budget. The funds allocated for publishing went mostly unused since a number of important studies and results are still being compiled at the time of writing. This publishing will be done in the post-grant period though project funds will not be used for the purpose. Though NHFH tried hard to seek out local consultants to support their community impact study, they could not find a satisfactory candidate and hence the funds allocated for this purpose could not be spent.

### **Sri Lanka**

With one quarter remaining to report, Sri Lanka has spent 84% of their USAID funding and 89% of their budgeted matching funds. Once the final quarter's expenses are included, the budget will be 90% spent. For USAID funds, the only categories significantly underspent are those of evaluations (8% under budget), travel (52%) and staff training (60%). The relative lack of spending in travel of both funds is partly due a lack of accounting for the use of HFHSL vehicles. Travel and trainings were greatly affected by the postponement or cancelation of several budgeted training events (Results Based Management in India, Community Mobilization and the ICA training that was planned, for a total of \$4,700). The 5% increase in administration expenses is attributed to the increase in the purchase of computer stationery and higher costs incurred on repairs of computers.

Regarding HFHI matching funds, Sri Lanka spent barely 2% of the international travel budget since scheduled international trainings could not be held during the year. Again, the match amount for training related travel in-country was under by 22% since trainings were postponed to beyond the grant period.

## **2. Fund-raising plans and activities**

Habitat for Humanity International continues to be one of the best known and loved charities in the US. It enjoys a strong support base from individuals, churches, corporations, foundations, and the U.S. government. High profile special events keep Habitat in the news at both national and local levels. Awareness of Habitat's work internationally is also increasing. The majority of funds raised for the pilot countries, area offices, and headquarters are raised by HFHI. Habitat's fiscal year 2003 (July 2002 – June 2003) brought in over \$154 million for HFHI. Nevertheless, it has not enjoyed the strong growth in undesignated funding seen in the 1990's. HFHI has taken steps to recover indirect costs from designated funding (charging an administrative percentage for money raised by HFHI for affiliates for example).

Due to the nature of the program, none of the pilot countries have plans for raising funds specifically for PME activities. The financial sustainability of the organization and designing a sustainable PME system are the best guarantees of continued resources for PME activities. The MTTH program is contributing indirectly to the organization's sustainability by improving repayment rates (the key source of local income for most affiliates), instituting PME systems and skills that will be required for many sources of external funding, and creating information on community impact that will be helpful to attract new donors.

All of the Area Offices in HFHI are working to reduce the NO's dependence on HFHI. In Asia/Pacific, affiliates are now required to write proposals for the funding they receive from HFHI. All Areas are enforcing new policies that require that affiliates reach certain minimum standards to be eligible to receive HFHI funding (an important role the PME team can play), with financial incentives offered to those reaching higher standards of excellence. NOs are taking on more responsibility for raising funds in their own countries or through contacts that they maintain. Nepal, for example, receives the majority of their funding from Global Village work teams – teams of foreigners that build houses and contribute money to NHFH while enjoying the tourist appeal of Nepal. (Nepal has been hard hit the past two years due to a reduction in international travel since 9/11 and security concerns within the country.) Sri Lanka has done an excellent job of creating local public and private sector partnerships within their own country. Guatemala raised over \$200,000 from local funds in FY2002, in part due to being selected to participate in the "More than Houses" capital campaign. Both Nepal and Sri Lanka have decided to write grant proposals to HFHI and outside donors to fund PME activities, training and projects post the grant period. They have been assured of strong support from the Asia/Pacific Area Office.

## **3. PVO cost-share**

For the MTTH project specifically, HFHI still enjoys a margin of \$135,100 more spent in match money than USAID money. In addition, USAID/PVC has agreed that HFHI should not need to match the costs of conducting the external evaluation (approx. \$40,000). Thus, there is no danger that HFHI will have less than a 1:1 cost share at the conclusion of this project.

## **VII. Lessons Learned and Long-Term Project Implications**

### **1. Estimates of project costs and benefits**

The innovative participatory and appreciative PME process being used is proving to be of lower cost and greater benefit than traditional PME approaches. Because it develops greater ownership of monitoring, evaluation, and action-planning, the affiliates appear willing to take on the PME functions themselves, thus lowering costs to the national program. Properly conducted, the HFHI PME model has cost-saving implications for Habitat programs worldwide as well as for other PVO/NGOs operating in related program areas.

Several operational modifications to the PME system in Guatemala have been introduced. At the most general level, the monitoring of the annual work plan of the affiliates by their PME commissions contributes to the ongoing (and early) detection of emerging problems, increasing the potential for resolving them shortly after their detection. Clearly, this has a positive effect on the effectiveness of the organization. In the Xela Occidente affiliate, it is now a mandatory practice to conduct improved quality control during house construction. This practice may not reduce the cost of the house, but for the organization and partner families it is definitely a benefit, and for the organization as a whole it helps guarantee the preservation of its good reputation, an invaluable asset. Another example is the practice in Cabulco and Rabinal communities of inspecting houses months after they are finished, to make sure they remain inhabited by their owners and no additions have been made to the unit. By checking occupancy, the organization verifies that homeowners continue to honor their obligations with Habitat. By verifying that no improvements have been made to the houses without Habitat's authorization, the institution maximizes the likelihood of receiving their monthly payments.

In Guatemala, the initial surveys were planned to be as inclusive and thorough as possible. In the first three pilots studied, an attempt was made to interview all beneficiaries. Close to 80% of homeowners in these affiliates were interviewed. Later, upon request of the National Director and with the advice of the CAM PME Coordinator, the next affiliates were evaluated using a random sample of about 35% of the population. Reducing the number of surveys taken greatly reduced the amount of money spent per affiliate. Evaluation expenses were also reduced when the decision was made to reduce the involvement of affiliates not being evaluated. This resulted in lower transportation, lodging, and food expenses.

Several evaluation findings have direct bearing on the cost of Habitat houses. In Nepal and Sri Lanka, evaluations identified the need to build a cheaper house in order to reach a poorer target population. New house designs were developed for smaller and simpler houses. In Guatemala, on the other hand, beneficiaries made observations about the quality of materials used for building the houses, the supervision of the construction process, and the design of the houses not always being suitable to their needs. Addressing these concerns would increase the cost of the house unless alternate technology can be identified.

### **2. Institution building assessment**

As more and more affiliates and National Organizations start using the results of evaluations, the organization is slowly transforming into a continually learning organization. With the establishment of a proper sharing mechanism between affiliates and between countries, this will have a domino effect, with good practices taking root across the length and breadth of the program. Some evidence of this is already visible in the pilot countries. The active collaboration between and among the PME coordinators at the area, regional, and country levels has been valuable in effecting a more dynamic and strong PME culture within the national organizations. In addition, the strong collaborative relationship between PME staff,

program developers, and trainers has enhanced the results of planning, monitoring and evaluation activities in national organizations.

The periodic assessment of affiliates under the A/P SAI/SOE program has resulted in a large percentage of affiliates meeting the Affiliate in Good Standing standards. A few of these affiliates are now very close to achieving the Affiliate of Excellence level. The process of monitoring and planning in this program has resulted in the affiliates extending their targets and reaching for excellence, which would not have happened without the assessment program. The national criteria setting process piloted in Thailand resulted in valuable outcomes such as a clear understanding of the policies and guidelines that surround the standards application and a shift from a funding-related view of the SOE program towards seeing it as a tool for moving toward program excellence. Further work needs to be done to align all affiliates along a standardized process of SOE self-assessment, bringing the rigor of assessment to a higher level, as well as applying the standards of PME.

The Standards of Excellence has been an effective launching venue for orienting, training and facilitating the setting up of PME systems in some countries. There has been a strong push by the PME coordinators to engage program managers and developers as the key implementers of the SOE program. The program managers and developers have been highly cooperative, though faced with a fully loaded agenda themselves. The next step will be helping the program managers and developers to integrate PME into their workplan, help them develop/utilize tools to facilitate their work, and be evaluative in their interventions.

The Global Standards of Excellence currently being developed aim to expand these, and other, benefits to all HFH countries. Sri Lanka is already planning to begin the process of assessing the National Organization beginning next year even though the official instrument is still awaiting final approval from the International Board of Directors. This movement towards meeting standards in the area has contributed to an overall spurt in quality in the program and has resulted in ramping up building activity in the region.

An inventory of current PME practices and PME staff competencies was conducted in the Philippines, Mongolia and Indonesia. The year long study was recently completed and analysis needs to be done to determine PME training needs and define strategies on how to build up current PME systems, leading to integrated PME processes.

Sri Lanka's use of and training in Appreciative Inquiry has led to at least one affiliate coordinator using the philosophy to successfully tackle repayment issues. The systems being set up at the National Office have, in the first phase, made the searching and access of documents in the office easier by tracking the availability and movement of the same on a common notice board.

The program has demonstrated the value of volunteers in PME work in all three countries. *Habitat for Humanity Guatemala has an extraordinary team of dedicated, hardworking volunteers who work long hours for the sake of supporting, monitoring, and improving the project. They do so in the belief, as one put it, that "We are doing God's work"... It is no wonder that Habitat now, through the addition of dedicated volunteer work, is also doing such excellent and consistent PME work, which is being utilized appropriately by the National Director and all who plan and implement HFHG's work.* (External evaluation report by Donna Anderton, page 31).

The final evaluation of the MTHH program and the presentation made thereafter to the National Boards had a huge impact on the programs in Sri Lanka and Nepal. The evaluation effectively apprised the board of the significant achievements made in PME in the two countries and succeeded in securing their support for the further institutionalization of PME.

An immediate result of this was the decision of the Boards to continue to support the PME positions for at least two years with the strong support of the Asia/Pacific Area Office. A wonderful outcome of the presentation was a request by the Nepal National Board for a two-day workshop to familiarize themselves with the concepts of PME to better support the mainstreaming of PME in the program. This was duly done in the last week of September 2003. Plans are also underway to utilize the PME teams' expertise, built up through the grant, to support other country programs, thus creating a cadre of technically qualified PME facilitators who would supplement the Area and Regional Coordinators' efforts and speed up the rollout of PME in the area.

### **3. Estimate of sustainability**

The PME trainings provided to community members and affiliate staff and the participatory nature of the evaluations conducted are keys to the long-term sustainability of the PME function, even though resources for conducting evaluations may be reduced. In four years, nearly two hundred Habitat for Humanity stakeholders in South Asia have been exposed to an in-depth orientation of PME. This has created a large cadre of people in the region who understand the basic premise of PME and who have some knowledge of PME processes and methods. A highlight of this capacity-building process is the increasing evidence showing how homeowners in Sri Lanka are embracing PRA/PLA tools and methods and using them in their daily lives, as well as teaching others in the community.

With the Training of Trainers program well underway in Nepal and Sri Lanka, and shortly in India and Bangladesh, we should soon be seeing a quantum jump in the number of people trained in PME at the affiliate level. The participatory approach to evaluation adopted in Sri Lanka and Nepal is empowering affiliates to become self-sustaining and to move towards a more democratic form of operation by encouraging community participation and local resource development. The highly successful PME capacity building programs in the affiliates of Nepal and Sri Lanka need to be replicated in the rest of Asia Pacific. A training of trainers on PRA and PLA techniques as applied to research, planning/design, monitoring and evaluation is being planned for Asia Pacific's key strategic program facilitators such as the Regional Program Advisors and selected national technical facilitators.

All three pilot countries have moved towards entrusting PME responsibility to their program staff, especially those based at the affiliate level. This will go a long way towards making PME an intrinsic part of the program and creating a culture of PME in the organization. The emphasis on self-assessment in the SOE program and the participatory evaluation process in the PME cycle has been empowering affiliates to assess their own progress and create action plans to attain required standards and achieve excellence. Also key to pushing PME responsibility to the affiliate level is the use of simplified monitoring formats in Nepal and Sri Lanka and the creation of PME commissions to create and implement a monitoring plan at the affiliate level in Guatemala. The continuation of the PME positions created for MTTH beyond the project period will ensure that the lessons of MTTH are entrenched even deeper in the three countries and many others as well.

Some important lessons about how project and instrument design affect sustainability were learned in Guatemala. In the first two years of the project, seven affiliates collected community impact data with a very extensive survey and a huge sample population. This resulted in difficulties of data entry and database creation due to the volume of data collected. A consulting firm was contracted to create a database for the community impact survey, to enter the data, and to produce a report with basic analysis of the data collected. Although this was in principle an efficient way to accomplish the task, the choice was not conducive towards creating internal capacity and PME sustainability. If the amount of data generated had been smaller and the questionnaire simpler, it would have been advisable to invest in database construction and analysis training for the local PME team, while making

the administration and board aware of the time needed to produce results, since the learning curve for the execution of these tasks would be high.

A personnel performance assessment instrument used for the first time by the Xela Occidente affiliate of HFHG proved useful for selecting the staff to lead the affiliate after its merger with another two affiliates. The AI Workshops carried out for Affiliate Coordinators and National Partners in Sri Lanka made an impact on affiliate staff performance leading some of them to adopt a more appreciative approach to redress the situation of defaulting repayments with fairly successful results. The computer training given to the PME team and for a few of the National & Affiliate staff, has improved the quality and accuracy in reporting and communication.

Sri Lanka decided to use the services of Sri Lankan consultants for two external evaluations conducted this year. The Monitoring & Evaluation Coordinator of World Vision, Mr. Sagara Gamage, helped the team conduct a Community Impact Evaluation in Naula, Matale Affiliate in July '03 using a process uniquely developed and different from the survey method used earlier. The second evaluation was that of the Save & Build model which was done by Mr. Dulan de Silva, a Sri Lankan microfinance expert. This practice of sourcing expertise from within the country will contribute to the larger sustainability of the program and reduce dependency on foreign expertise. Unfortunately, Nepal did not have the same success in sourcing local consultants for their needs but they are doing a great service to the program and the country by initiating evaluation and AI networks which will, over the years, create capacity within the country to service many more organizations and programs.

Activities related to the MTTH program continue to contribute to the financial sustainability of HFHG. The affiliate of San Marcos continues to implement the evaluation recommendation of improving repayment rates by making home visits and delivering notices to those overdue in payment. In general, the program experience has taught that no matter how urgent the need to build that war, devastation and poverty present, it is important to have quality assurance before hand and attention to homeowners afterward. PME provides an effective way to pay attention and by paying attention and introducing suggested changes, customer satisfaction increases. Satisfied homeowners become loyal to the organization, and loyalty results in revenues. Higher revenues mean that Habitat can build more houses, thus contributing to the organizations' overall sustainability. Staying close to homeowners strengthens their closeness and allegiance to Habitat and increases their repayment rate, as does simply asking them why they are not repaying as committed (see external evaluation report pages 27-28).

In Asia as well, several activities related to the MTTH program are contributing to the financial sustainability of the organization as a whole (which of course is critical to the sustainability of PME). The A/P technical advisor developed an Appreciative P/PME framework that combines elements of the Save & Build, Building in Stages, Building Center innovations, the Nepal low-cost housing study, and the Women's Empowerment Program of Pact into a strategy for addressing HFHI's "21<sup>st</sup> Century Challenge" (to eliminate poverty housing community by community) through creative partnerships.

#### **4. Benefit distribution**

The participatory approach has been extremely successful in helping affiliates and the NO to reach poorer and more disadvantaged sectors of Sri Lankan society, especially women. NHFH has also seen their affiliates make changes in house design and management to reach more disadvantaged people. In all countries, a special effort is being made to include women and members of other marginalized groups in PME trainings and other events and in the leadership of local committees and affiliates. The need for female and marginalized

group participation requires that the PME activities include tasks that can be accomplished by illiterate people.

Another positive outcome resulting from the project is the realization that due to normal 'wear and tear', the houses need maintenance to avoid deterioration. Xela Occidente affiliate is considering several options to help beneficiaries to keep their houses in good condition and maintain their value. In Salama Baja Verapaz, the work of the project also allowed the identification of problems with the family selection process, as well as with the monthly payments by borrowing families. In both cases, steps were taken to lower late payments and to improve the family selection process. In other affiliates (Jacaltenango, San Antonio Sacatepequez), operation and education manuals have been updated due to the information generated through the project evaluations. In another affiliate, families received training on the procedures necessary to build a latrine. Another benefit for Guatemala homeowners is improved control around title deed issues, which is part of the loan warranty.

MTTH resources were part of the materials reviewed, along with materials on Transformational Development written by other NGOs such as World Vision and Food for the Hungry Int'l, in the drafting of HFHI concept definitions of community development and transformational development. The MTTH-drafted 10 indicators to measure community impact will be used as a reference for the second part of the Task Force work, which is to develop global indicators to measure transformation and sustainable community development. Currently, efforts are focused on gathering support from HFHI key players in order for the Task Force to move forward on this project.

### **5. Local participation**

All PME activities have sought to include local stakeholders, with appropriate percentages of women, homeowners and marginalized groups. This has resulted in greater ownership of the program, as well as large-scale empowerment of the individuals concerned. Staff and volunteers, in particular at the affiliate/grassroots level, had a say in what topics were relevant to learn about the organization(s). In addition, the series of workshops held with communities to present the project, capture their ideas, prepare for data collection, the data collection process itself, the analysis/reflection workshops held right after the data collection and the short-term planning sessions with local committees increased awareness about both achievements and weakness resulting from the work of the organization and did much to foster participation from volunteers that otherwise would have remained 'distant' to the organization. Homeowners and staff at PME training programs have recounted examples of how they have taken elements of PME back to their daily lives and how this has made a positive difference. Homeowner associations were strengthened through their participation in organizational development and community impact evaluations and other homeowner studies. Overall, those countries and affiliates adopting this participatory approach are finding that it generates increased enthusiasm for monitoring and evaluation activities and results in more acceptance of evaluation findings and recommendations than anticipated or experienced with traditional approaches.

In Guatemala, an unforeseen effect of conducting the community surveys was that beneficiaries felt closer to Habitat and some of those in default made an effort to update their house payments. It was also observed that the evaluation experience caused local committee members to become more motivated to increase their contact with beneficiary families, in order to recruit them as volunteers to help with other activities. Though acknowledging the positive benefits of increased contact with the homeowners (through home visits for example), affiliates are struggling with how to add this to their already overburdened staff.

For the first Guatemala evaluations, personnel and volunteers from affiliates not being evaluated helped in the evaluation process. They felt this was very positive because then, when their turn for being evaluated came, they would already know the methodology and logistical support they would need to provide. However, this practice was replaced by incorporating primarily members of the local and regional committees evaluated, in order to increase ownership even more.

In Guatemala staff noticed that women tend to participate more than men in MTTH project activities, perhaps due to a greater awareness about their housing needs and family responsibilities. In some cases a perceived factor hampering participation when making decisions was the lack of self-confidence, in particular among individuals with very low educational levels. Several focus groups conducted in Guatemala separated the women from the men. The team conducting the focus groups concluded that:

- Women are more expressive when men are not around and show more confidence in their ideas
- Both genders perceive an environment of trust and speak sincerely
- The opinion of each gender does not influence the other.
- In the focus groups, the women's participation is greater than men's, in spite of a macho society where women are submissive and timid to talk in public (some would say women just like to talk more!).

The big challenge in the PME trainings offered in South Asia has been how to fit this vast topic into two or three days. Often, due to budgetary and other constraints, three days have been the maximum that a country has been willing to give for training on PME activities. The training design has constantly evolved in the light of feedback from the participants at the trainings. One very positive experience was the field visit practice sessions during the HFHSL PME training, wherein the participants had first-hand experience with using PME skills in a real-life situation. This exercise scored far higher on the ratings than the classroom-based group exercise that had been tried out at the other trainings because of time and other constraints. Over a dozen homeowners attended training at their own expense, with some taking up to a week away from paying work while participating on evaluation teams. Another problem identified was that of long monitoring reports taking excessive time from affiliate volunteers. The form was re-designed to be shorter and simpler, resulting in increased cooperation from affiliates and homeowners.

The process of revising the Standards of Excellence program (consultations with NOs and affiliates, and training and national criteria setting events) affirmed the resolution that when leadership and management develop standards, frameworks, tools and procedures, a participatory validation process is the best next step. Wherever a participatory approach was used in the criteria setting for standards involving both affiliates and the National Office and boards, there was greater ownership of the process and a desire to move towards excellence. This was particularly useful in an atmosphere where the sudden introduction of a standards-based system or criteria set from 'above' could have been looked at as an imposition and given rise to resentment and non-cooperation. The wide participation of the National and Affiliate boards in the exercise was commendable.

The participation of SDA personnel in the HFHSL-SDA project evaluation served to emphasize the transparency with which Habitat takes pride in operating. It also served the greater cause of PME by training a hitherto unexposed cadre from the partner agency in the principles and practice of participatory evaluation. This will undoubtedly have a far-reaching impact on the partner organization. Already, this evaluation has strengthened the SDA's resolve to continue with its partnership with HFHSL and it is now looking to enhance the existing cooperation that has proved to be such a success.

## **6. Leadership development**

In the second half of the project, the South Asia PME Coordinator and the A/P Technical Advisor took a back seat in many of the training events, leaving the local PME teams to assume the mantle of leadership. They did a great job. This experience, they later shared, truly empowered them and increased their self-confidence. In the Sri Lanka PME training, a homeowner who had earlier served on evaluation teams taught the participants the 'Issue Tree' method of information collection. She now serves on the Advisory Board of the affiliate and is also a leader in her community, with whom she shares the training she has received and which they now use to conduct the activities of their community group.

The training given to National Partners, Board members, Affiliate Coordinators, and some homeowners on conducting self-evaluations allowed the affiliates to carry out their own evaluation and develop their annual plan for the next fiscal year. In addition, four people from the Anuradhapura affiliate helped to conduct the Organizational Development evaluation in Galle, increasing the PME resources available for the evaluation, and improving prospects for sustainability. Also important for leadership development in Sri Lanka was the Training of Trainers event. Women are developing leadership skills through the training in PME that they receive periodically. The Coordinators and the National Partners taking a lead in the affiliate PME activities have made changes within the affiliates, bringing in positive signs of sustainability of the program. The high level of interaction and the opportunity for sharing intellectual and experiential knowledge during Participatory Evaluations have motivated the affiliate Boards, staff and the homeowners to work as leaders in different situations as well.

In Guatemala, leadership development is a priority. A regional committee member was requested to attend each focus group and to participate in facilitation of the event. The formation and training of PME commissions in each affiliate is another important step to developing local leadership and autonomy. The need for accountability was stressed in one affiliate where the committee that supervises construction was asked to attend at least three stages of the construction, signing a guest book each visit, for quality control. The affiliate of Retalhuleu has coordinated a training course for masons they work with.

## **7. Innovation and technology transfer**

An increase in sharing of methods and results can be seen at all levels of the organizations involved in MTTH. At a global level, MTTH has contributed to an annual technical conference for HFHI PME Coordinators from the four international areas. The results of the MTTH project are shared and discussed with the two areas outside of the project (Europe/CIS and Africa/Middle East). Within MTTH, the staff from Nepal and Sri Lanka have each been able to visit each other's program, and communication between the A/P and LAC PME Coordinators steadily increased. Within each area, technology is being transferred from pilot countries to non-pilot ones through the visits of the PME Coordinators. In South Asia, the Regional PME Coordinator has transferred the knowledge gained from the MTTH to India and Bangladesh through participatory PME trainings and affiliate evaluations. The Sri Lanka PME team's transferring of knowledge on innovation and technology to all levels within the framework of the affiliates has made the work easier, even to the extent of sharing the Save & Build technology with other affiliates in Sri Lanka and in other countries. This also has helped increase the number of houses built. In addition, new technologies introduced in some affiliates have enabled them and the homeowners to spend less on the cost of the houses and has reduced the number of installments a homeowner has to make to pay back the loan.

In Nepal, not only has the participatory approach been successful in conducting evaluations at the affiliate level, but it has also led to an increase in sharing between representatives from different affiliates of Nepal. The PME activities have created a forum to share information between affiliate stakeholders throughout the country. When evaluators from one affiliate participate in an evaluation conducted at a neighboring affiliate, they have an opportunity to learn about innovations and activities taking place at that affiliate and they also have an opportunity to share information about their own projects. This opportunity for sharing has led to an increase in project innovations, improved strategies, and an increase in the cooperation and harmony among all stakeholders. Positive impacts are not only being measured, but the process used is helping to increase those impacts significantly.

The use of focus groups to complement Guatemala's survey data with qualitative information was helpful for several reasons:

- It was possible to ask homeowners retrospectively about their housing conditions before participating in Habitat's program, thus capturing their opinions about their living conditions before and after intervention.
- The use of another research tool, in addition to the survey approach, strengthened the methodological design through triangulation.
- The technique was "user friendly" from the point of view of affiliate staff, to the point that they started using it on their own for other activities of their work.

HFHSL programs are widely acknowledged as among the most innovative in the Habitat world and the P/PME program has provided strong support to improve monitoring and evaluation for enhancing quality performance, sharing lessons learned, and promoting further innovation. The external evaluation of the Save & Build program conducted in early 2003 provided valuable lessons for Habitat for Humanity, which were shared with all areas. A Save & Build manual is currently under production and will be made available to Habitat countries soon.

The positive deviance principle, which was used while designing the low-cost housing study in Nepal, is now being tried out in the area of increasing repayments in Sri Lanka. The results of this approach are eagerly awaited. APA training given to National Partners, Coordinators and the PME team also had an impact on repayment rates. The Coordinators and National Partners were able to approach their defaulters in an appreciative manner, which resulted in increased repayments. The experiences gained in Sri Lanka and Nepal are already informing new country and affiliate development in the area. The Regional PME Coordinator assisted the New Country Developer for Pakistan in designing an AI-based approach to project development in the country. The low-cost housing survey developed in Nepal and the subsequent house design developed is a benchmark study for piloting low-cost housing in other countries as well. The documentation of the process will enable the methodology to be made available to other programs shortly.

The database developed at the South Asia Regional Office has been designed to be a user-friendly one that requires minimum training to operate. It is web-compatible, which will enable Habitat personnel from anywhere in the world to use it to compute impact. The tools developed to measure community impact in Nepal and Sri Lanka will be soon rolled out to other countries who wish to measure the community impact of Habitat housing in their own countries.

The creation of the Habitat Resource Center in New Delhi will provide a fillip to research and dissemination of information to Habitat programs across the area as well as to other agencies in the field of housing and community development. The MTHH findings from Nepal and Sri Lanka are an important component of this information that promise to have far-reaching effects on resource and partnership development. The tools that have been

developed during MTTH have already seen their first use in the community mapping exercise conducted by the Regional PME Coordinator for a project in India. Other instruments will soon be made available to all countries in the Habitat family. As the services of the PME teams in Nepal and Sri Lanka begin to be used in other countries, their first-hand experience of the project will serve to lessen the learning curve for other participants and the movement to mainstream PME across the organization will gather momentum.

Numerous trainings provided by the PME team enabled affiliates to see the power of simple and basic tools such as Venn Diagrams, case histories, Ten Seeds, focus group discussions, interviews, PRA/ RRA, transect walks and simple checklists as a means to monitor their program, with a view to improving the quality of service provided. The external trainings conducted by the Regional PME Coordinator along with the Regional Training Coordinator have taken the AI and AI-based PME approach to a number of organizations and individuals across South Asia. The numerous articles written by MTTH staff in various in-house publications have served to spread the knowledge about the project and the results across Habitat. The Regional PME Coordinator is currently working on a project to introduce Appreciative Inquiry, including its use in the MTTH project, as an e-learning course for Habitat for Humanity University. This will make the philosophy and methodology of AI and APA available to anybody in the Habitat world who has access to a computer and an Internet connection.

The international Growth Task Force set up to support the 6,000 house project in Sri Lanka is also charged with the responsibility to share the experience of this scale up project with other country programs.

A long list of changes in housing design and materials has emerged from the evaluations conducted in Guatemala. These changes have been made by at least one affiliate. Representative changes include:

- ◆ Creation and building of two new house plans: the progressive (where rooms are added later, as in the Building in Stages of Sri Lanka) and a traditional house.
- ◆ Plastering the concrete walls to keep moisture out of the house
- ◆ Training to improve construction of the houses and wood stoves.
- ◆ Changes in materials such as the windows and blocks and adding indoor doors.
- ◆ The construction supervision committee must sign off on all houses before it is dedicated to the family.
- ◆ For large families, the kitchen has been separated from the house, providing an additional room.

### **8. Policy implications**

The central focus of several evaluations conducted to date has been the family selection process. Through monitoring and evaluation activities, the process is constantly being improved with regard to promoting and integrating Habitat's standards of excellence, particularly in regards to targeting the poor. These developments may have important policy implications for Habitat programs worldwide, as part of the constant search for new and more effective means of reaching the poor.

In Sri Lanka, evaluation findings have led to examining the composition and orientation of Boards and the issue of Board governance has been taken up seriously at the Asia/Pacific level. The Save & Build evaluation results have buttressed the senior leadership's decision to promote the methodology aggressively throughout the world. As different countries adapt the methodology to their own contexts, this will lead to even more changes to the way in which Habitat does its work. Sri Lanka has also begun introducing systemic changes, which

will improve the efficiency of the organization and enable it to position itself for the tremendous rate of growth it is targeting over the next few years.

The A/P PME Coordinator's experience in leading the HFH Ethiopia program review provided a valuable lesson for HFH's developing entry strategies/policies into the housing scene in any locality. As mentioned in section V, the participatory analysis with Federal Government directors communicated the need for a clearer, more responsive land and housing policies for the poor, resulting in the government's extending an invitation to HFH Ethiopia to help shape those policies.

There is a need for HFH program developers to understand holistically the housing scenario, beyond the usual affiliate surveys focused on housing needs alone. Understanding all angles of the housing system is essential for HFH to determine which housing intervention is most responsive to the needs of the community.

#### **9. Collaboration/networking with other U.S. agencies**

An important new partnership is developing between HFHSL, NHFH and Pact for scaling-up housing initiatives. The idea is to combine Sri Lanka's "Save & Build" methodology with lessons learned in Nepal's low cost/appropriate technology housing study and the Pact experience of working with thousands of landless, poor women's groups. The former A/P Technical Advisor has written a joint project proposal, which is now being discussed.

USAID and Matching funds have also been used to attend a few international training events. These have been useful for networking with international agencies. Last fall five staff attended the annual conference/training of the AEA in Washington DC. Mr. Narayan Bhatta, PME Coordinator for NHFH, was awarded one of three travel grants from the AEA based on his proposal for a presentation. At the conference, he shared the appreciative and participatory methodology that has been developed in Nepal and Sri Lanka.

Representatives from Ashoka Foundation, a social development organization headquartered in Washington DC, attended one of the workshops on Appreciative Inquiry conducted by the South Asia Regional PME and Training Coordinators. The possibility of linking up Ashoka's social entrepreneurship model with that of Habitat is currently under discussion by the Asia/Pacific leadership.

#### **10. Partnering with local entities**

In the third year of the grant, a workshop on Appreciative Planning and Action was attended by the SARO staff and representatives from six other organizations based in New Delhi. This workshop was useful in introducing the Appreciative Inquiry philosophy to the SARO team and for demonstrating to all the participants how Habitat for Humanity has utilized AI and APA in PME in Nepal and Sri Lanka through the MTTH program. This workshop helped create avenues for cooperation between Habitat and the other organizations that attended the training. The subsequent workshops on AI and Training of Trainers conducted by the Regional PME Coordinator and the Regional Training Coordinator succeeded in reaching out to more than 40 social organizations across South Asia. Some of these organizations, such as UNHCR and World Vision, have come back to Habitat requesting further trainings for their staff.

Recently, three HFHI representatives attended a training on PRA techniques conducted by Praxis, a capacity-building development organization of repute in India. The organization is being considered as a possible partner for building up PME capacity within Habitat programs in the area.

NHFH, in particular the PME unit, is a founding member of *Imagine Nepal*, a national peace building initiative. The *Imagine Nepal* initiative builds on the HFH methodology of appreciative deviance and networks affiliate members for a national peace building initiative. Pact Nepal is also a key player in this emerging network.

This year NHFH signed an MOU with the Institute of Engineering in Kathmandu to conduct process monitoring of the low-cost appropriate technology housing project. The first prototype house was constructed in the premises of the Institute as a technology demonstrator.

Habitat Sri Lanka's partnership with the Southern Development Authority has increased financial sustainability as the loan repayments from the completed 1,115 houses are accrued and credited to Habitat by the SDA. The HFHSL-SDA partnership evaluation in Sri Lanka this year strengthened the partnership itself in many ways. Having a joint evaluation team from both partner organizations for this evaluation increased the transparency of the process. The training provided by Habitat to the SDA zonal managers as part of the evaluation was much appreciated by the SDA, as this was an entirely new experience for them. The joint learning from the evaluation will go a long way in better planning for future projects together. As this is the largest program handled by HFHSL, the experiences gained from the project will be invaluable to the successful completion of the ongoing 6,000-house project. The SDA has now expressed interest in a further 2,500 house project partnership with HFHSL.

HFHSL's partnership with the Municipal Councils of Kurunegala & Negombo and with World Vision has brought greater publicity and awareness to the National Program. As a result of these partnerships, Kurunegala has completed 62 houses and the affiliate of Wattala completed 88 houses in Negombo.

As a result of evaluation findings, several affiliates in Guatemala have begun a formal training relationship with the Technical Institute for Training and Productivity (INTECAP), probably the best-known provider of vocational training in Guatemala. INTECAP is providing training in house construction and wood-burning stoves. Some affiliates have also coordinated with local "Centros de Salud" or Community Health Centers from the Ministry of Health, so that new homeowners receive talks on basic health practices and sanitation as part of their general orientation.

### **11. Replication potential of project approach and activities**

The MTTH project is producing relevant outputs for replication in non-pilot countries, but it will be necessary to adapt the system to each country's needs, their level of human and financial resources, and the need to consolidate PME information. Since the nature of Habitat's work is participative, there is agreement that this aspect will have to be included when adapting PME to other countries. The participatory evaluation approach results in cost savings and improved sustainability. Because of this, it has great potential for replication to Habitat fields that do not have the advantage of a special evaluation grant and are very limited in what they can spend on PME. Pilot interventions being done with MTTH were designed in order that other countries and regions will have tools that they can easily adapt. The database being designed through the SARO PME Coordinator is an example of this adaptive technology.

A special events evaluation framework designed in Thailand could serve as a prototype for evaluating other special events. One of Habitat's strengths is the use of special events to increase awareness and homebuilding. It is important that an evaluation component be added to all such events.

The system devised by the SARO PME Coordinator to evaluate Affiliate Operations Manuals has now gained widespread acceptance and has been recommended by the Area Office to other regions in the Asia/Pacific area as a best practice.

In Nepal, a lot of cross-affiliate sharing has taken place as a result of joint training programs at the national level and the experience of serving on a team evaluating other affiliates. This has resulted in changes being effected in affiliates other than the one being evaluated. This shows that the more opportunities are created for affiliates to share, the faster positive changes will spread throughout the organization.

The MTTH program is an important part of disseminating innovative methods from Sri Lanka to other countries in Asia/Pacific and beyond. Special evaluations aimed at identifying the circumstances under which these innovations are most successful have begun. As enthusiasm for Save & Build and Building in Stages grows, it is critical that dissemination be based on evaluation findings.

# **ATTACHMENT A**

## **FINANCIAL PROFILES**

### **A.1. FINANCIAL PROFILE OF THE PROJECT**

**A.1.a. Budgeted Versus Actual Expenditures**

**A.1.b. Sources of Project Funds for the PVO, Year 4**

### **A.2. FINANCIAL PROFILE OF HFHI**

**A.2.a. Program Expenditures**

**A.2.b. Sources of Funds**

**FINANCIAL PROFILE**  
*Measuring Transformation Through Houses*

**A. BUDGETED VERSUS ACTUAL EXPENDITURES**  
Year 4 (October 2002 – September 2003)

<u>Project Elements</u>	<u>A. I. D.</u>		<u>HFHI</u>	
	<u>Budget</u>	<u>Expend.</u>	<u>Budget</u>	<u>Expend.</u>
Program	\$ 171,332	\$ 139,454	\$ 214.825	\$125.485
Training	18,033	2,943	30.210	4.681
Procurement	56,311	17,382	10.679	2.683
Indirect Cost	<u>58,176</u>	<u>36,093</u>	<u>60,553</u>	<u>45,825</u>
<b>TOTAL PROJECT</b>	<b>\$ 303,852</b>	<b>\$ 195,872</b>	<b>\$ 316.267</b>	<b>\$178.674</b>

Note: Total budget for the project is as follows:

	<u>A.I.D.</u>	<u>HFHI</u>
Program	\$ 567,951	\$434,625
Training	66,888	148,410
Procurement	139,011	309,692
Indirect Cost	<u>126,510</u>	<u>159,364</u>
<b>TOTAL</b>	<b>\$ 900,360</b>	<b>\$1,052,091</b>

**B. SOURCES OF PROJECT FUNDS**  
Year 4 (October 2002 – September 2003)

A.I.D. Matching Grant	\$ 195,872
Private	
Cash	178.674
In-kind	0
Host and Other Governments	
Cash	0
In-kind	0
Other A.I.D. Grants/Contracts	0
Other U. S. Government	0
(e. g., Peace Corps)	
Other	0
(specify, e.g., PACT, CODEL, IDB, etc.) _____	
<b>TOTAL PROJECT</b>	<b>\$ 374,546</b>

## FINANCIAL PROFILE

### Habitat for Humanity International

	<u>HFHI FY2000*</u>	<u>HFHI FY2001*</u>	<u>HFHI FY002*</u>	<u>HFHI FY 2003</u>
<b>A. Program Expenditures:</b>				
Small Project Grants	\$ 60,085,226	\$77,766,798	\$74,028,654	\$69,512,136
Training	414,213	489,361	\$292,600	\$386,540
Sectoral Strategy Dev.	505,254	706,398	\$ 675,950	\$807,888
Disaster Relief	134,608	229,971	\$ 309,509	\$412,864
Evaluation	N/A**	N/A**	N/A**	NA**
Program Management	37,087,254	42,596,761	\$ 40,029,297	\$44,224,438
Indirect Costs	<u>38,605,633</u>	<u>42,207,660</u>	<u>\$ 44,240,390</u>	<u>\$46,128,230</u>
<b>TOTAL PROGRAM</b>	<b>\$136,832,188</b>	<b>\$163,996,949</b>	<b>\$ 159,576,400</b>	<b>\$161,472,096</b>
<b>B. Sources of Funds:</b>				
A. I. D. Matching Grant	\$ 76,401	\$ 163,314	\$ 263,671	188,513
Private				
Cash	108,639,959	96,447,941	114,106,130	116,738,672
In-kind	30,572,420	29,468,269	10,414,398	11,405,077
Host/Other Governments				
Cash	0	0	0	0
In-kind	0	0	0	0
Other A.I.D. Grants or Contracts	0	0	0	0
Other U. S. Government (e.g., Peace Corps)	16,594,629	22,479,671	21,661,890	16,332,336
Other (specify)*** (PACT, CODEL, IDB, etc.)	<u>9,665,940</u>	<u>14,224,098</u>	<u>9,355,989</u>	<u>9,788,413</u>
<b>TOTAL INCOME</b>	<b>\$165,549,349</b>	<b>\$162,783,293</b>	<b>\$155,802,078</b>	<b>\$154,453,011</b>

\* Habitat for Humanity International operates on a July – June fiscal year.

\*\* HFHI does not code evaluation expenses separately from other types of program expenses.

\*\*\* Income not directly related to Habitat's mission. The income received in this category includes fees for different events (Collegiate Challenge, Regional Conferences, Global Village work teams etc), rental income for property; childcare services; net merchandise income and other.

**ATTACHMENT B**

**COMPARISON OF EXTENSION AND DIP  
BUDGETS**

ATTACHMENT B

HABITAT FOR HUMANITY INTERNATIONAL  
USAID MATCHING GRANT - MEASURING TRANSFORMATION THROUGH HOUSES

**COMPARISON OF EXTENSION AND DIP BUDGETS**

<b>USAID FUNDS - RAID1 US\$</b>			
Category	TOTAL BUDGET DIP	TOTAL REVISED BUDGET WITH EXTENSION	Comparison DIP Budget Proj Expense
I PROGRAM ELEMENTS	670,110	567,951.46	102,158.54
II TRAINING	86,500	66,887.53	19,612.47
III PROCUREMENT	143,750	139,011.35	4,738.65
TOTAL DIRECT COSTS	900,360	773,850.34	126,509.66
IV NICRA (23.68%)	0	126,509.49	126,509.49
TOTAL EXPENSE	900,360	900,359.83	0.17

<b>HFHI FUNDS - RAID1M US\$</b>			
Category	TOTAL BUDGET DIP	TOTAL REVISED BUDGET WITH EXTENSION	Comparison DIP Budget Proj Expense
I PROGRAM ELEMENTS	300,874	434,625.09	133,751.09
II TRAINING	200,625	148,410.53	52,214.47
III PROCUREMENT	353,750	309,691.74	44,058.26
TOTAL DIRECT COSTS	855,249	892,727.36	37,478.36
IV NICRA (23.68%)	140,449	159,363.58	18,914.86
TOTAL EXPENSE	995,698	1,052,090.94	56,393.22

**ATTACHMENT C**

**QUARTERLY MONITORING REPORT**

**QUARTERLY MONITORING REPORT**  
**MTTH PROGRAM/ Habitat for Humanity International**  
**Consolidated**

		Year 4 (Oct 2002 - Sept 2003)				
		Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>Community Development Impact</b>						
1	# of affiliates conducting participatory comm. impact evaluations (1)	13	7	10	14	15
2	# of affiliates able to demonstrate community impact, other than new houses (2)	10	7	8	8	13
3	% of affiliates demonstrating community impact (line 2/line 1)	75%	100%	80%	57%	87%
4	# of new resource partnerships as a result of improved data *	9	0	0	0	6
<b># of clear &amp; consistent indicators of community dev. impact (3)</b>						
5	International level (Area Office only) *	7				
6	National level *	10	10	10	10	10
7	Affiliate level *	15	15	15	15	15
8	# of evaluators trained: (4)		4	23	52	89
9	# women		0	10	19	25
10	% women (line 9/line 8)	30%	0%	43%	37%	28%
11	# homeowners		2	6	9	10
12	% homeowners (line 11/line 8)	30%	50%	26%	17%	11%
13	# marginalized group (define for your context)		0	0	3	3
14	% marginalized group (line 13/line 8)	30%	0%	0%	6%	3%
15	# administrative staff		1	1	17	30
16	% administrative staff (line 15/line 8)	10%	25%	4%	33%	34%
<b>Institutional Development</b>						
17	Characteristics of affiliates identified that can be linked to increased community impact with statistical significance *	G-6, N-5 SL-6	0	0	0	0
<b># Trained PME staff in place</b>						
18	International level	5	4	4	4	3
19	National level	8	7	8	8	8
20	Long-term consultants	2	0	0	0	0
<b># of participatory inst. development evaluations conducted: (1)</b>						
21	Affiliates	15	19	19	21	22
22	National Organizations	3	3	3	3	3
<b>Utilization of Evaluation Results</b>						
<b># of affiliates using evaluation results: (5)</b>						
23	Community development impact	23	7	7	7	11
24	Institutional development	54	56	56	56	56
<b># of countries using evaluation results: (5) (6)</b>						
25	Community development impact	3	2	2	2	4
26	Institutional development	18	17	17	18	18
<b># of changes made at A/P or LAC area levels due to evaluation results (7) *</b>						
27		13	29	31	31	35
<b>Sustainability of the Monitoring &amp; Evaluation Function</b>						
28	% of on-time (within 90 days) loan repayments	88% Guat Nepal 86% SL	94%	94%	92%	92%
			88%	88%	88%	86%
			83%	49%	72%	72%
<b>% of reports that mention PME: (8)</b>						
29	For aff. - # of reports to the national organization		77	75	77	72
30	# of reports to the NO mentioning PME		51	54	56	62
31	% of total affiliate reports mentioning PME (line 30/29)	50%	66%	72%	75%	86%
32	For NOs - # of reports to their board		5	17	18	8
33	# of reports to the board mentioning PME		1	3	5	3
34	% of total NO reports mentioning PME (line 33/32)	50%	20%	18%	28%	38%
35	For HFHI - # of reports to the Int'l Board of Directors		1	1	1	1
36	# of reports to the IBOD mentioning PME		1	0	1	0
37	% of total IBOD reports mentioning PME (line 36/35)	50%	100%	0%	100%	0%
38	# of HFHI full-time PME positions funded (globally)	10	8	8	9	9
39	# pilot affiliates/NOs in MTTH program					26
40	# pilot affiliates/NOs with at least one person equipped to continue PME process independent of HFHI					26
41	% participating aff/NOs equipped to continue PME (line 40/39)	80%				100%

**ATTACHMENT D**

**EXECUTIVE SUMMARY**

**BEYOND MEASURE: FINAL EVALUATION REPORT  
FOR PVC PROGRAM  
MEASURING TRANSFORMATION THROUGH HOUSES  
BY DONNA K. ANDERTON, CONSULTANT**

## 1.2 Summary Of Conclusions And Recommendations

Habitat For Humanity has done quite

- ✓ a creditable job in implementing program for this cooperative agreement,
- ✓ an exemplary job in enabling its three pilot countries to begin PME<sup>1</sup> work,
- ✓ a good job in enabling PME staff to learn what's needed for PME work,
- ✓ an outstanding job in managing technical requirements of the grant, and
- ✓ an exceptional job both
  - in managing financial requirements of this grant and
  - in reporting to USAID in a timely, transparent, and useful way.

Many positive steps have been taken, and much has been accomplished as a result of this grant and HFHI's implementation of it which HFHI would not otherwise have achieved in this time frame. Accomplishments of this program are nothing less than a basis for a global paradigm shift now underway at HFHI.

As USAID has summarized it, the overall description of this program, Measuring Transformation Through Houses (MTTH) has been

To design an organizational system and begin the process of building expertise in evaluating the impact of HFHI's work on its clients. The MTTH program also seeks to institutionalize planning, monitoring, and evaluation (PME) using evaluation findings and to ensure the sustainability of PME functions throughout HFHI.<sup>2</sup>

Habitat For Humanity International has done well by this description, achieving significant steps toward the objectives of the grant and the long-term program it intended to initiate.

At the same time, as noted below, there remain many opportunities to strengthen the work, including a few steps to complete tasks of the Detailed Implementation Plan (DIP) which spelled out ways of work for the project and, especially, indicators which would show how well HFHI met each objective and its components. In particular, there have been delays, mainly unforeseeable and therefore unavoidable, in creating and implementing of databases in all three countries of the grant program. This has meant that the most up-to-date quantitative information on community impacts gathered from the well-functioning PME process, has NOT been available throughout this grant program. Accordingly, although all three countries have done more organizational development evaluation work, under the second objective of the grant, it is less than might have been true. It remains impossible to learn definitively which characteristics of organizations result in the most impact on the community. Success is, however, at hand.<sup>3</sup>

<sup>1</sup> Planning, Monitoring, and Evaluation.

<sup>2</sup> 2003 DCHA/PVC Portfolio Fiscal Year 2002 (Washington, DC: United States Agency For International Development 2003) page 1-9.

<sup>3</sup> In Guatemala, the data base has reportedly now been finished, and data input by the external consultant hired for the purpose. Impact reports are consequently expected soon, after training scheduled for the week of October 20-24 is completed. The database and its essential operating manual are released to Habitat

It is important to highlight here in no uncertain terms that the processes now being used in the three pilot countries of this grant are of high quality, locally and internationally respectable, highly useful for the work in each country, and soon to be transferable to other countries in HFHI's 89-country network as well as to HFHI international headquarters in Americus, GA. This is a significant and remarkable new accomplishment, different in kind from the more "normal" one for the remarkable HFHI. All parties involved deserve congratulations for this innovation, from which HFHI can learn much to enhance, even transform, its work in years to come. USAID/PVC has enabled and achieved a significant accomplishment through this important, timely grant. In the opinion of this evaluator, USAID/PVC can also extract lessons from this work and its evaluation, both to enhance its own work and to share with other PVOs in its network.

Remaining opportunities identified during the final evaluation include these:

Management could have been more focused, timely, and urgent, particularly in responding to the recommendations of the "mid-term" evaluation conducted in Nepal and Sri Lanka by Dr. Amitava Mukherjee in January 2003. While Naresh Karmalkar (South Asia PME coordinator) and Mabel Kuizon (Asia Pacific PME coordinator) have supported significant steps taken in both Sri Lanka and Nepal, under leadership of Tony Senewiratne and Dr. Mahendra Bhattarai, respectively, and their PME teams to implement the timely recommendations Dr. Amitava aptly termed doable, these recommendations have not been fully realized at the time of this writing. Similarly, in Guatemala, while Lori Pommerenke's report from her visit there in May, 2002 has led both to new commitments by HFHI M & E Director Sharon Grant, HFLAC Regional Director for Central America and Mexico Christy Stickney, Regional PME Coordinator for Central America and Mexico Enrique Soto-Marin, and HFH Guatemala National Director Luis A. Samayoa and his PME team, and to a number of strong, active steps to meet them, certain commitments here also have not fully been achieved at this date.

Personnel issues have been significant, with turnover high. HFHI at all levels has looked closely at reasons for turnover to ascertain management changes indicated, if any. Although many examples of turnover were unavoidable in this program, it is a recommendation of this evaluation that HFHI continue efforts to retain valuable colleagues and assure high quality of their work life when possible. Especially in such a faith based PVO as HFHI, with a strong shared mission, maximizing staff perceptions of working conditions is invaluable.

There is no question that this grant has enabled steps that HFHI otherwise could not or would not have achieved. Establishing and sustaining a PME team to shed light on community impact achieved and resultant transformation leaps immediately to mind. Please see specifics below in narrative as well as details in Appendix A and B especially.

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Guatemala, so community impact reports realistically now expected shortly after this final report. Similarly, a database has been completed in South Asia for the work in Nepal and Sri Lanka. Significant initial community impact output is also expected soon, perhaps during November, 2003. This means that a fully-expected addendum to this report will provide vital additional information to HFHI at all levels and to USAID.

Details are provided below in abbreviated, succinct form in respect for readers.

**Major findings detailed below in narrative and in Annexes include these:**

Despite slow, sometimes confused, overzealous or less-than-urgent beginnings, a good bit of staff turnover, and no one on HFHI's fulltime staff who had significant particular expertise in PME, PME work is now of high quality in all three pilot countries, with well trained, skilled, committed PME teams who now are well able to continue the PME work on their own without further training.

Processes are underway which, if completed as planned, will enable HFHI to learn important lessons about the impact of HFHI work, isolate factors which have caused affiliates to have the most impact, and form bases for planning future work with maximum impact both in the three countries of this project and globally for HFHI.

This final evaluation has uncovered a number of deliverables from the project which will prove helpful to HFHI in its goal to institutionalize and operationalize PME globally. They are distributed throughout this report and will be highlighted in an addendum to this report. Chief among them are community impacts the program is showing, and the processes that produce and reveal such impact.

The PME process established and explored in this grant program is, in various ways, now sustainable and assured to be sustained beyond this grant.

Payoffs are already evident in trends, in major "wins" in each country and in the now evident promise of important database results from the three pilot countries to augment and continue to quantify what has been learned qualitatively through this work.

PME builds houses! It has been said by a wise American philosopher that metaphysics is undervalued because it bakes no bread. Similarly, at HFHI and elsewhere, there have been and are those who feel that PME processes, commendable as they may be, show no significant impact on the major production goals of their organizations. In every pilot country, some more dramatically than others, PME activity has led to findings which, when an affiliate or National Office acted on them, have directly enabled not just better processes or work, but demonstrably more houses to be built.

**Major recommendations in order of immediacy and importance, as well as this reviewer can prioritize them:**

1. Assure the continuing employment of the trained, effective PME teams in all three pilot countries, beyond this grant, to implement further PME work.

*This is being done: Two of the PME team in Guatemala will be continued as such for a two-year period by the National Director, who said "I don't see how we could have accomplished what we have without PME." HFHI*

*area leaders in Asia have now extended a funding offer to both Nepal and Sri Lanka, with the result that they may expect to continue their current work with current teams for the next two years at least.*

2. Continue and simplify further the PME work underway in all three countries to expand data on hand, now that evaluation instruments have been simplified and impact indicators have been tested.

*This is being done and will continue, now that commitments to continue the PME work are in place.*

3. Complete input of all evaluation data to date to the new databases.

*This is underway, after somewhat unpredictable delays in database development by consultants who reasonably could have been expected to perform better than they did. Expectations are, now, that Guatemala, Nepal, and Sri Lanka will have reportable results within this month.*

4. Continue to discern the lessons from data in reports now expected in the near term, continue input from additional activities, and continue to draw implications for affiliate and national office activity to maximize desired community impacts of building houses.

*All PME teams and their management as well as HFHI managers are committed to this work as quickly as possible and, perhaps more importantly, on a continuing, long-term basis.*

5. Continue and escalate efforts to institutionalize PME at all levels in pilot countries, putting lessons learned to use by incorporating them into planning and implementation systematically.

*This is underway, and will escalate under current commitments as more lessons are extracted from current and forthcoming data.*

6. Assure the greater efficiency and effectiveness of both the PME and all work in the National Office through an urgently-needed process to develop and refine governance structures in the three countries of the program. If this is done on a pilot basis, for possible use throughout HFHI, learnings could tie into the HFHI process already underway to strengthen democratic membership of its International Board of Directors, an important ingredient for innovation under HFHI's current Strategic Plan.

*In Guatemala the first steps have been taken with the National Director's efforts to strengthen board membership. In Nepal and in Sri Lanka this work has been requested. HFHI AP is in the process now of refining the program it will implement over a two-year period.*

7. Strengthen communications and communication systems, both for all ongoing programs and so lessons learned from the PME process can be internalized and operationalized locally, communicated more effectively

from PME teams to operations, from affiliates to National Offices. National Offices to Area HFHI, and HFHI Area offices to HFHI headquarters staff and International Board of Directors.

*Various steps are underway in this direction, and it will be helpful if HFHI strengthens this ongoing process. There is a natural obstacle for PME work, ironically created by the very step that has made PME lessons available. The grant permitted an excellent PVO to begin to develop a PME process it conceived as important, even critical, to its future goals. Because staffing the project, however, was done with talented staff necessarily new to HFHI<sup>4</sup> (others were fully committed to existing work), from local PME staff in the three pilot countries through regional PME coordinators to the director of Monitoring & Evaluation herself, they were outside established HFHI cultural loops of communication. This and foregoing remarks together mean that, while staff have done well in their efforts to communicate about the PME work, there is much more to be done to illustrate impacts of the work before it can be embraced globally and much more to be done to transfer local learnings. The Global Task Force formed in San José under Steve Weir's leadership to consolidate findings on impact indicators and ultimately report to HFHI's International Board Of Directors, can be a critical actor to strengthen communications.*

8. Communicate deliverables to date and on an ongoing basis to HFHI leadership at all levels, to continue to build a culture at HFH and not merely a partially-realized wish, for a truly learning organization.

*Because the PME process in the three pilot countries has naturally taken considerable time to develop, and because it is only now beginning to yield lessons learned in any systematic way, the final evaluation of this work completed in the field and this report itself are among the first opportunities HFHI has had to examine deliverables of this program for consideration for global use. This evaluator committed, in her meetings with HFHI COO David Williams and Senior Vice Presidents Michael E. Carscaddon and Robin Shell, inter alia, to provide a list of PowerPoint learnings from this evaluation which could form the basis of an HFHI presentation or paper.<sup>5</sup>*

9. Appoint a new global PME person to report directly to HFHI programmatic and operational leadership, with responsibilities to oversee and strengthen aspects of PME functions in the field. This person (perhaps best a close-in consultant, to maintain outsider so-called objectivity and limit HFHI's commitment to what is intended here as a short-term process) would identify best practices within HFHI and from other sources. He or she would learn from and perhaps contribute to HFHI's process of

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<sup>4</sup> Except for the Asia Pacific Area. PME coordinators had been previous employees of HFHI, albeit with little or no PME experience: Mabel Kuizon and Andy and Sharon Fitton had important prior HFHI experience.

<sup>5</sup> Separately packaged document is a start in that direction. <sup>2</sup>Drawing on seminal work Robert Kaplan and David Norton. <sup>3</sup> Habitat's initiative to end inadequate housing in the 21st century.

standardizing requirements, standards, and best practices throughout the five geographical areas in which it works as well as its Strategic Plan. This would give scope to draw connections among all these components and to work with existing national, area, and international leadership, staff, and boards to institutionalize and rationalize the PME work that has been so well begun in this program with other HFHI PME activity and with HFHI leadership efforts like that of the Performance Scorecard.<sup>2</sup> All this could serve stakeholders around the globe in a new, harmonious, inclusive way that would by its nature capitalize on HFHI's many strengths and align them more effectively for the current multi-pronged mission and the additional 21<sup>st</sup> Century challenge.<sup>3</sup>

*There is no question that PME work strengthens an organization, as an essential step rather than a "nice activity" some may appreciate. Accordingly, given the values HFHI demonstrably holds and implements, far beyond mere articulation of them, it seems critical that HFHI engage a PME champion now with direct or indirect line responsibility as well as good perception in Americus. It does not appear essential that this person be an FTE (a well-placed consultant might function as well and require a smaller investment for HFHI), but it would be very important for the person to have both a high personal profile in his/her arena of work and access to operational power in the organization at the highest possible level. He/she could play a key role in maximizing sustainability of the PME systems developed under this program and provide needed input for any overarching global M & E system Habitat for Humanity may choose to implement. Goals of this person would be clearly spelled out, time-limited, and focused on shedding light on existing systems and programs like those mentioned here. Sharon Grant, HFHI Monitoring and Evaluation Director and champion of this MTTT program, could provide critical input transitionally and to a limited extent, given her imminent new motherhood, on an ongoing basis, to any such person. Habitat would be fortunate to retain her learning, perspective, and relevant expertise in some way in a logical extension and institutionalization of the work she has led for HFHI.*

10. Recognize that while the goal of this grant and of HFHI activities is to apply what has been learned in three international pilot countries at a global level, developing country work is both similar to and radically different from northern developed country work, especially perhaps that of the US, and therefore appoint a task force to examine from the deliverables of this program and others doing PME work in the HFHI family (e.g., in Africa) what is transferable to other countries. This task force would be led and championed by an in-house key leader and a new PME consultant as proposed above.
11. Take all necessary steps to assure that deliverables are in fact transferred from countries and areas that have pioneered PME work, particularly the three countries and two areas of this program, that lessons are learned and operationalized, and that effectiveness and efficiencies achieved at a global level, with PME an impact-based methodology undertaken to strengthen results of HFHI's global work.

*The goal of all these recommendations is to assure that HFHI continue progress rapidly and exponentially toward understanding PME not primarily as a process to be carried out, but as impact-driven and results-motivated, a difference that was emphasized again at the recent PME and program conference in Costa Rica<sup>6</sup>, and to assure that PME work is fully operationalized and institutionalized at all levels.*

12. Utilize evidence of impacts as it emerges, not only for effecting changes in the work for greater efficiency and efficacy, but also for external relations to continue to develop new partners based on Habitat's community impact:

- programmatic partners who can help Habitat beneficiaries with other objectives that are not Habitat's but are highlighted by the PME process--for income generation, health benefits, and the like which Habitat housing beneficiaries may either require (as in the case of income generation) or be able to utilize in their enhanced situation (as, for example, in health),
- funding partners who, like many funders of development work these days, would be unable to fund bricks and mortar work, houses as such, but who would be eager to fund work with impacts Habitat could demonstrate--e.g., to increase education of girl children, or benefit the health of a community in tangible ways, or improve community and family relations through housing, or whatever verifiable impacts Habitat can show its work has accomplished and can replicate.<sup>7</sup>

*As this evaluator's interactions with Board members in all three countries as well as HFHI area leadership and, indeed, HFHI leadership in Americus showed, much of this represents new thinking to HFHI's existing outlook and practice. The enhanced use of M & E results can lead not only to such new strategic partnerships as those HFHI has undertaken in a limited way already. It can also position HFHI as a new leader in the now more pervasive funding paradigm in North American and European bilateral and foundation grant-making entities, which can launch greater growth as HFHI seriously takes on its 21<sup>st</sup> Century Challenge.*

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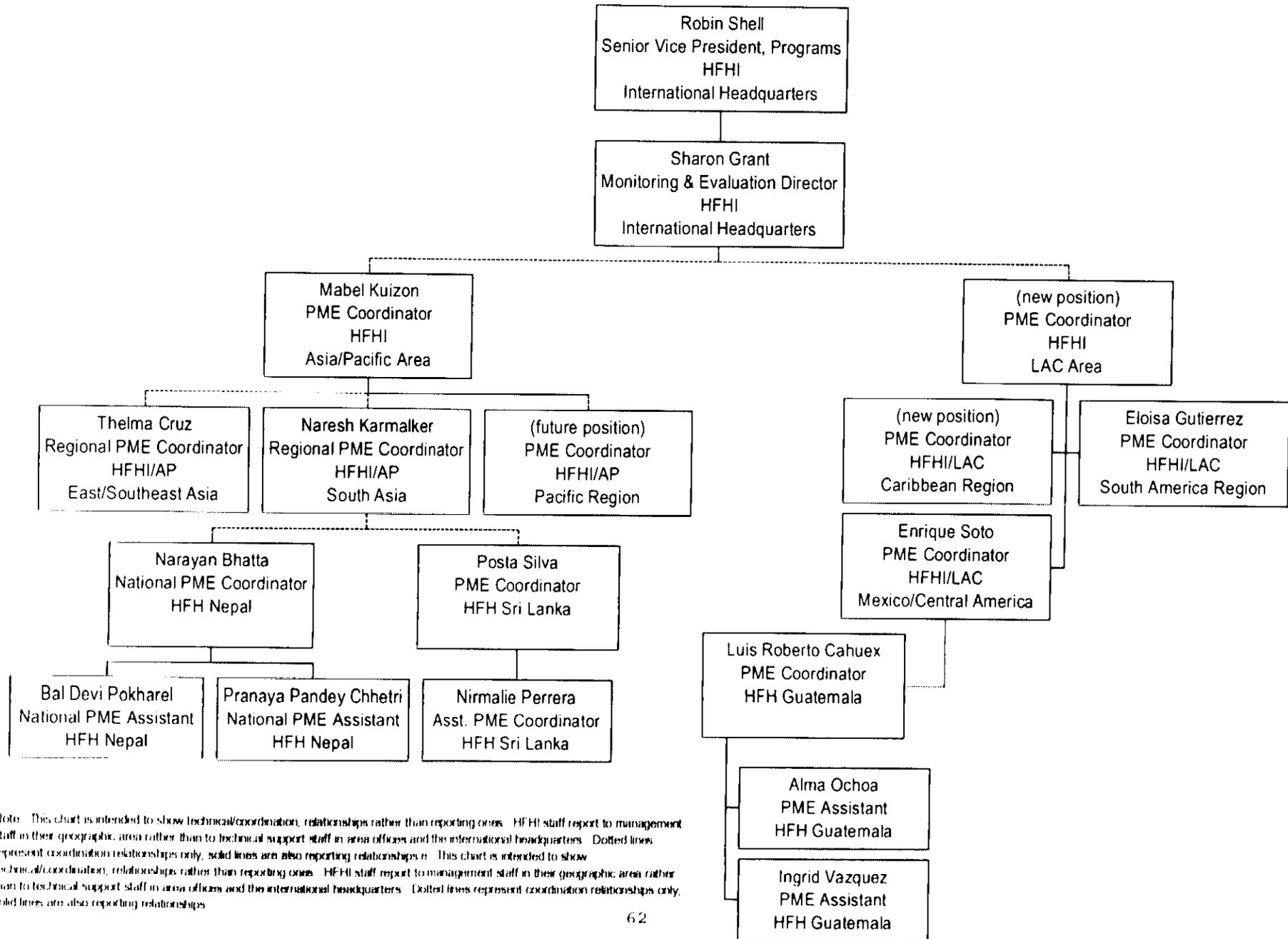
<sup>6</sup> It was rightly noted at this meeting chaired by CARE's Jim Rugh that Habitat PME work is still particularly focused on process, while CARE's is directed to impact.

<sup>7</sup> All examples mentioned here, while hard data is not yet available, were mentioned to the evaluator in the course of the final evaluation by beneficiaries and staff in all three countries.

**ATTACHMENT E**

**FUNCTIONAL PME ORGANIZATIONAL  
CHART  
FOR INTERNATIONAL PROGRAMS**

# Functional PME Organizational Chart for International Programs



Note: This chart is intended to show technical/coordination relationships rather than reporting ones. HFHI staff report to management staff in their geographic area rather than to technical support staff in area offices and the international headquarters. Dotted lines represent coordination relationships only, solid lines are also reporting relationships. This chart is intended to show technical/coordination relationships rather than reporting ones. HFHI staff report to management staff in their geographic area rather than to technical support staff in area offices and the international headquarters. Dotted lines represent coordination relationships only, solid lines are also reporting relationships.

**ATTACHMENT F**

**FORMS 1550-11**

**GUATEMALA**

**NEPAL**

**SRI LANKA**

**PVO PROJECT REPORTING INFORMATION  
ON AID SUPPORTED PVO PROJECTS**

**Project Information**

**Name of Organization** Habitat for Humanity International

**Project Number**

1330

**Grant/Contract Number**

FAO-A-00-99-00057-00

**Start Date (MM/DD/YY)**

09/29/99

**End Date (MM/DD/YY)**

09/30/03

**AID Project Officer's Name**

Karen Nelson

AID Obligation By AID FY (\$000)

FY	AMOUNT	FY	AMOUNT
2000	\$ 300,360		\$
2001	\$ 307,670		\$
2002	\$ 292,330		\$
Total	\$ 900,360		\$

**Project Purpose:**

The project aims to improve Habitat for Humanity International's monitoring and evaluation system by implementing pilot projects in three countries. The organization will begin conducting evaluations to measure their impacts in addition to housing in target communities. In addition, the project will strengthen and expand the organizational development monitoring and evaluation systems being used. HFHI also seeks to measure the impact of conducting evaluations by monitoring the utilization of the results gathered in evaluations. Finally, the project seeks to ensure the sustainability of the monitoring and evaluation function throughout the organization.

**COUNTRY INFORMATION**

**Country**

Guatemala

**Location in Country (Region, District, Village)**

Departments of Quetzaltenango, Retalhuleu, Huehuetenango, Totonicapan, San Marcos, Solola, Alta Verapaz and Baja Verapaz

**PVO Representative's Name**

Luis Samayoa, National Director

**Local Counterpart/Host Country Agency**

Habitat for Humanity Guatemala (Fundación Habitat para la Humanidad Guatemala)

**COUNTRY FUNDING INFORMATION**

Year	2000	2001	2002	2003	Total
AIDS	\$ 67,086	\$ 81,842	\$ 84,004	(\$71,140)	\$161,792
PVOS	\$ 16,780	\$ 9,600	\$ 11,620	\$13,850	\$ 51,850
<b>INKIND</b>					
<b>LOCAL</b>					
<b>TOTAL</b>	<b>\$ 83,866</b>	<b>\$91,442</b>	<b>\$95,624</b>	<b>(\$7,290)</b>	<b>\$213,642</b>

Purpose (if other than project purpose)

**Status**

The final year of the grant was used to finish the database in order to analyze the extensive data already collected and to design a sustainable and simpler PME system. PME commissions were formed and trained in six affiliates and the national Board to take over monitoring.

**FOR OFFICIAL USE ONLY**

**PVO TYPE**

APPN

**CNTRY CODE**

PROJ OFFC

AID 1550-11 (8-85)

**SUBPROJ**

**FUND TYPE**

**TECH CODE**

NON ADD1

NON ADD2

**PVO PROJECT REPORTING INFORMATION  
ON AID SUPPORTED PVO PROJECTS**

**Project Information**

**Name of Organization** Habitat for Humanity International  
**Project Number** 1330 **Grant/Contract Number** FAO-A-00-99-00057-00  
**Start Date (MM/DD/YY)** 09/29/99 **End Date (MM/DD/YY)** 09/30/03 **AID Project Officer's Name** Karen Nelson

**AID Obligation By AID FY (\$000)**

FY	AMOUNT	FY	AMOUNT
2000	\$ 300,360		\$
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**COUNTRY INFORMATION**

Country	Location in Country (Region, District, Village)
Nepal	Far Western Region, Kailali District, Tikapur Village Mid-Western Region, Surkhet District, Birendranagar Village Western Region, Kaski District, Pokhara Village and Chitwan District, Dibbyanagar Eastern Region, Morang District, Biratnagar Central Region, Lalitpur District, Chapagaun

PVO Representative's Name	Local Counterpart/Host Country Agency
Dr. Mahendra Bhattarai, National Director	Nepal Habitat for Humanity Nepal

**COUNTRY FUNDING INFORMATION**

Year	2000	2001	2002	2003	Total
AIDS	\$ 18,080	\$ 46,820	\$ 46,159	(\$28,612)	\$ 82,447
PVOS	\$ 19,266	\$ 24,266	\$ 24,213	(\$38,742)	\$ 29,003
<b>INKIND</b>					
<b>LOCAL</b>					
<b>TOTAL</b>	<b>\$ 37,346</b>	<b>\$ 71,086</b>	<b>\$70,372</b>	<b>(\$67,354)</b>	<b>\$111,450</b>

Purpose (if other than project purpose)

**Status**

Project in Nepal met all EOP targets and are in a good position for a sustainable system. Database for community impact was created this year and data input is now happening. Political unrest continues to hamper activities but staff have succeeded in rescheduling to accomplish targets. MOU signed with the Institute of Engineering for developing an appropriate technology housing model. Staff have been instrumental in creating networks relevant to the project.

**FOR OFFICIAL USE ONLY**

PVO TYPE	SUBPROJ	
APPN	FUND TYPE	
CNTRY CODE	TECH CODE	
PROJ OFFC	NON ADD1	NON ADD2
AID 1550-11 (8-85)		

**PVO PROJECT REPORTING INFORMATION  
ON AID SUPPORTED PVO PROJECTS**

**Project Information**

**Name of Organization** Habitat for Humanity International  
**Project Number** 1330 **Grant/Contract Number** FAO-A-00-99-00057-00  
**Start Date (MM/DD/YY)** 09/29/99 **End Date (MM/DD/YY)** 09/30/03 **AID Project Officer's Name** Karen Nelson

AID Obligation By AID FY (\$000)			
FY	AMOUNT	FY	AMOUNT
2000	\$ 300,360		\$
2001	\$ 307,670		\$
2002	\$ 292,330		\$
<b>Total</b>	<b>\$ 900,360</b>		<b>\$</b>

**Project Purpose**

The project aims to improve Habitat for Humanity International's monitoring and evaluation system by implementing pilot projects in three countries. The organization will begin conducting evaluations to measure their impacts in addition to housing in target communities. In addition, the project will strengthen and expand the organizational development monitoring and evaluation systems being used. HFHI also seeks to measure the impact of conducting evaluations by monitoring the utilization of the results gathered in evaluations. Finally, the project seeks to ensure the sustainability of the monitoring and evaluation function throughout the organization.

**COUNTRY INFORMATION**

**Country** Sri Lanka **Location in Country (Region, District, Village)**  
**Districts:** Kurunegala, Hatton, Galle, Wattala/Ja-Ela, Monargala  
Matale, Batticaloa, Moratuwa, Anuradhapura

**PVO Representative's Name** Mr. Tony Senewiratne, National Director  
**Local Counterpart/Host Country Agency** Habitat for Humanity Sri Lanka

**COUNTRY FUNDING INFORMATION**

Year	2000	2001	2002	2003	Total
<b>AIDS</b>	\$ 29,488	\$ 42,962	\$ 45,685	(\$ 37,464)	\$ 80,671
<b>PVOS</b>	\$ 32,329	\$ 21,257	\$ 21,475	(\$ 49,511)	\$ 25,550
<b>INKIND</b>					
<b>LOCAL</b>					
<b>TOTAL</b>	<b>\$ 61,817</b>	<b>\$ 64,219</b>	<b>\$ 67,160</b>	<b>(\$ 86,975)</b>	<b>\$ 106,221</b>

**Purpose (if other than project purpose)**

**Status**

HFHSL fell short of their targets for conducting community impact evaluations due to delays in finalizing the indicators and tools to be used. However, several special evaluations of projects and methodology were held during the year, which were not factored into the original planning. These special studies will have global impact. Affiliates in Sri Lanka have made great progress in measuring development and improving as compared to regional standards of excellence with the help of the PME team. In preparation for a sustainable system, many people at the community level have been trained in M & E, and systems and tools have been simplified.

**FOR OFFICIAL USE ONLY**

**PVO TYPE** \_\_\_\_\_ **SUBPROJ** \_\_\_\_\_  
**APPN** \_\_\_\_\_ **FUND TYPE** \_\_\_\_\_  
**CNTRY CODE** \_\_\_\_\_ **TECH CODE** \_\_\_\_\_  
**PROJ OFFC** \_\_\_\_\_ **NON ADD1** \_\_\_\_\_ **NON ADD2** \_\_\_\_\_

AID 1550-11 (8-85)