

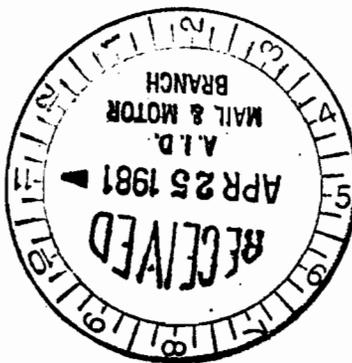
PROJECT EVALUATION SUMMARY (PES) - PART I

1. PROJECT TITLE Urban Employment and Manpower Development Asociación San José Obrero (ASJO)	2. PROJECT NUMBER 522-0160	3. MISSION/AID/W OFFICE USAID/Honduras
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <u>522-81-13</u> <input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING A. Total \$ <u>708,000</u> B. U.S. \$ <u>325,000</u>	7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY <u>79</u>	B. Final Obligation Expected FY <u>81</u>	C. Final Input Delivery FY <u>83</u>		From (month/yr.) <u>8/79</u>	To (month/yr.) <u>2/81</u>

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. Administrative arrangements for housing construction activity completed	Alejandro López Executive Director, ASJO	4/81
2. Negotiate agreement for mortgage financing between ASJO and financing institution	J.C. Kelley USAID/HRD	5/81
3. Revise documents as noted in Block 9 below	J.C. Kelley USAID/HRD	6/81



9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input checked="" type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____
<input checked="" type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A. Continue Project Without Change

B. Change Project Design and/or
 Change Implementation Plan

C. Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

JC Kelley, HRD/UDSA
Alejandro López, Executive Director, ASJO
Dean Bernius, HRD/Evaluations
Leo L. Ruelas, Mission Evaluation Officer

12. Mission/AID/W Office Director Approval

Signature: *John R. Oleson*
Typed Name: John R. Oleson, USAID/Dir
Date: April 10, 1981

13. Summary

The Project is achieving the expected outputs and purpose in the vocational training component. The vocational school goal and purpose will be fully achieved by the end of the Project period. The housing construction outputs are not proceeding on schedule for two reasons: first, the lack of external sources of secondary financing; and second, problems in the ability of the Association to manage the detailed planning for housing construction. However, solutions are in sight or nearly achieved for both of these major problems and there are good prospects for achieving the housing goal and purpose before the end of the Project.

This intermediate evaluation has served as a useful tool for pinpointing problems, and will provide some guidelines for future Project implementation. The evaluation has been conducted jointly by A.I.D. and the Asociacion San Jose Obrero, and its findings have been agreed upon mutually.

14. Evaluation Methodology

This intermediate evaluation is primarily formative, being designed to focus on the process of project management with a view to recommending timely improvements to be implemented in the housing phase of the Project. The data for this evaluation has been obtained by a joint effort of ASJO and AID personnel, meeting in a round-table discussion. The Project progress has been measured in terms of the relevant specific indicators included in the Project Paper. A separate report will evaluate progress in the area of general administration by reviewing actions taken by ASJO to implement the recommendations contained in the Price Waterhouse audit report.

15. External Factors

The two external factors that most affect this Project are financing for instructional personnel for the vocational school and financing of the housing mortgages to be obtained from an external source.

Vocational School

The original design of the Pre-vocational school was modified from the plan in the Project Paper, which was to seek collaboration from the Ministry of Education. The Ministry was to finance teaching personnel and establish the curriculum for the school. However, it was not possible to carry out a firm agreement with the MOE on a curriculum which would be purely vocational; rather, the MOE offered its regular pre-vocational curriculum which is heavily academic. Unsuccessful attempts were made to have the Ministry classify the school as an Experimental Institute, which would have permitted a less academic curriculum and more emphasis on the training needs detected in the Choluteca region.

Consequently, the educational inputs were sought and obtained from the National Professional Training Institute (INFOP) which offers strictly vocational education with both theory and practice. Thus, both the name and the orientation of the training at the Pre-vocational School was changed due

to INFOP's participation. The school is called the Instituto de Capacitacion Tecnica (Technical Training Institute). INFOP's training is geared to the specific requirements of the workplace and not to the integrated and academic orientation of the MOE. Thus, two types of training are offered at the Institute: basic skills training and improved skills training. The basic skills training is hands-on performance training for new workers for periods ranging from 300 to 600 hours, in actual work situations where feasible. Participants are provided a living stipend of \$1 for each 8 hour instruction session attended, and they are expected to emerge from the program as semi-qualified workers. Improved skills training is essentially upgrading of skills in short courses for workers who are currently employed. They last an average of sixty hours over a period of six weeks and participants receive a small amount of financial aid to pay for materials used or transportation costs. In the future, a third type of training may be offered, i.e. apprenticeship training which is intended to train young adults to be qualified workers over a period of approximately three years. Apprentices are required to have a contract with an employer, stipulating salary level, placement and the commitment of the enterprise to provide time for training during the apprenticeship phase.

The Association is currently attempting to combine the two approaches to vocational education. Their plans are to provide some training in basic language skills, applied mathematics, and social studies to provide some training beyond INFOP's strictly technical training. Thus, the Institute would have a permanent staff of three persons as discussed in the Project Paper and provided for in the counterpart budget, one directing and coordinating the activities and the others providing basic non-technical training to accompany the INFOP courses. It is expected that this combined educational plan will be put into effect at the beginning of the 1982 school year.

CONVIVA

In terms of the other external factor, the financing of mortgages for CONVIVA houses has been difficult to settle because of delays in INVA's signing of the Loan Agreement for the Shelter for Urban Poor Project (522-HG-005). This matter should be solved shortly with the signing of the Loan Agreement in April. As noted below, ASJO should be able to utilize this source of financing through CASA PROPIA, a savings and loan association.

An alternative source of external financing is FEHCOVIL. Negotiations are currently underway for financing through a rotating fund available from a CARE project with FEHCOVIL. Preliminary agreement has been reached, and ASJO is reviewing its house designs vis a vis FEHCOVIL's standards to arrive at a mutually acceptable design. FEHCOVIL will provide technical assistance in the organization of the housing cooperative, procedures for selecting beneficiaries, planning for the construction phase, and all other pre-construction activities. FEHCOVIL will also provide rotating financing of mortgages for 20 houses at a time from its low-income housing fund.

16. Inputs

~~The inputs of AID and of the Association are detailed in Attachment.~~
There have been no major problems in the coordination of the inputs for the vocational training component to produce the desired outputs. ASJO has done an excellent job of managing these inputs, combining INFOP courses with actual construction of the building. Thus, students being trained applied their knowledge in a practical situation, with the supervision of INFOP instructors.

Problems have arisen in the coordination of inputs for the housing construction activity. As noted above, the final determination of the source of mortgage financing has been delayed in part because of factors outside the control of the project administration. However, there are several delays that can be attributed to Project administration. Although preliminary urbanization plans and house architectural plans were presented in the Project proposal, the lack of adequate project management caused delays in the elaboration of initial designs until late July, 1980. Because of the management deficiencies there is no overall implementation plan: that is, there are as yet no detailed urbanization plans or budgets, no cost estimates for the houses, no detailed or time-phased construction plans, no procurement plans, and no systematic plans for selection and organization of beneficiaries. All these steps must be completed before any agreements can be signed between the Association and either FEHCOVIL or any other source of mortgage financing.

The technical assistance from FEHCOVIL, noted above, should go a long way toward solving these problems. In addition, ASJO has determined that it will be necessary to hire a manager who will be responsible for administration of this project and other activities of ASJO as well, freeing current administration personnel for operational management of construction activities.

One action decision arising from the evaluation is that the following actions must be completed to the satisfaction of A.I.D. prior to any advance of A.I.D. funds for the housing construction activity:

1. Final design of the houses and urbanization suited to the requirements of the mortgage-granting institution;
2. Existence of a time-phased construction plan with targetted housing outputs and budget inputs;
3. Existence of an adequate administrative structure for the housing construction activity, including the contracting of a qualified civil engineer with construction management experience to oversee the housing construction activity;
4. Detailed arrangements for mortgage financing; and,
5. Existence of a system for selection and organization of housing project beneficiaries.

17. Outputs

The first output of the Project, as noted in the logical framework of the Project Paper, was to have been the construction of a pre-vocational school with a capacity for 90 students. School buildings were to have been completed by February 1980.

The two Instituto de Capacitacion Tecnica buildings were 90% finished by February 1981. This one-year delay, however, did not affect progress toward the achievement of the Project purpose. Rather, ASJO derived an educational benefit by combining training and construction in 1980. The classroom building is complete except for doors, windows and floor finishing. The shop-storeroom building still lacks inside partition walls, as well as doors, windows, and floor finishing but will be done by end of March, 1981. A water well was dug on the site to provide for the future needs of the school.

The second output of the Project is the construction of 180 houses for low and middle income families. The construction of the houses was to be completed according to the following schedule:

- a) 55 houses between November 1979 and December 1980;
- b) 70 houses between January 1981 and December 1981;
- c) 55 houses between January 1982 and November 1982.

No houses have yet been constructed, partly because of the delays discussed in Section 15 above. In addition to the steps discussed above, ASJO has already completed some actions to initiate housing construction. Casa Propia, the Choluteca Savings and Loan Association, has formally approved the Association's request to consider ASJO members for mortgage financing. The solution of affiliating with Casa Propia will be satisfactory for only 10-15% of the ASJO needs, since most ASJO members do not meet the minimum income standard which is a basic qualification criterion for Casa Propia membership. Therefore, the alternative of forming a cooperative and affiliating with FEHCOVIL is particularly attractive. It is expected that firm agreements will be reached by early April, 1981.

In the meantime, ASJO is initiating the construction of four model houses for demonstration purposes, which will serve at the same time for teaching purposes at the Institute. Plans are also being made to test the use of rammed earth construction methods in order to reduce costs. ASJO is inspecting some houses built in a nearby community which have used this construction technique, which has the added advantage of being cooler than block or brick.

18. Purpose

The Project purpose is to provide vocational skill training and construction trade employment to the urban poor of Choluteca. The End of Project Status (EOPS) indicators are:

EOPS #1. The three year program of study at Pre-vocacional San Jose Obrero enters:

- a) the first class of 30 students in February, 1980;
- b) the second class of 30 students in February 1981;
- c) the third class of 30 students in February 1982.

Progress toward Achievement of EOPS #1

After an eight month association with INFOP, ASJO is very pleased with the contribution of that organization in its direction of the Instituto de Educacion Tecnica. In addition to providing vocational skill training in the construction trades to the young urban poor, INFOP has also given more general technical courses and human relations/management seminars. During the evaluation period eleven courses were successfully completed at the Instituto. There were two courses in masonry with a duration of 720 hours and 20 students each course; one 300 hour course of roof carpentry with 15 students; three human relations courses with 80 students each; one intermediate management training course; one course in technical drawing with 20 students; two mechanics courses (gasoline and diesel motors) with a duration of 3 months and the participation of 15 students each; and one course in radio/TV repair with a duration of 500 hours and 20 students. At the end of the year, a commencement ceremony was held for the students graduating from these courses.

These data show that the EOPS indicator for the Instituto de Capacitacion Tecnica is being surpassed. However, the indicators have been modified to reflect the change in educational approaches.

The modified EOPS indicators are as follows:

- EOPS #2. The vocational institute provides four training courses with approximately 30 students each year.
- EOPS #3. CONVIVA employs an average of 50 laborers per year.
- EOPS #4. CONVIVA and the vocational institute are capable of maintaining their operations without further AID assistance by December 1982.

Progress in terms of these EOPS indicators will be measured in the final evaluation of the Project.

19. Goal/Subgoal

The assumption of the Project design is that vocational training will increase the earning power of the Project beneficiaries and, therefore, raise their standard of living. At the time of the final evaluation this assumption can be tested. The Association will design evaluation procedures that will provide necessary data in an appropriate form to assess achievement of the goal by the end of the Project, e.g. follow-up of students who complete coursework. This will include a system designed to track students.

during training and to collect socioeconomic information on participating students. They will be submitted to A.I.D. for review by the end of CY81.

20. Beneficiaries

The target group of intended beneficiaries of this project are the urban poor of Choluteca, i.e. those with annual family incomes of less than \$1000. The target group is composed of two subgroups. The target group of the Instituto is formed by young students between the ages of 14 and 18 and the target group of CONVIVA is formed primarily by ASJO workers and their families. The average size of family is 6.2 persons. The urban poor have less access to education and different occupational patterns from the rest of the population. Data indicate that only a few of the target group completed primary school and most completed an average of 4.8 years of schooling. The urban poor are also found to be occupying the worst housing in Choluteca, without sewage and potable water services.

The target group is characterized by low levels of per capita income, education and health; high levels of unemployment; and residence in inadequately constructed and overcrowded housing lacking access to basic services.

21. Unplanned Effects

A greater number of students can be trained than originally anticipated, although it is not yet clear what implications this has in terms of the absorptive capacity of the local economy.

22. Lessons Learned

The principal lesson learned at the midway point in Project implementation is that the housing activity requires considerably more forward planning from skilled personnel than ASJO has been able to provide up to this point. For this reason, ASJO is increasing its own administrative capacity and also obtaining technical assistance from FEHCIVIL.

23. Special Comments or Remarks

The CONVIVA program will have significant program management implementations as a pilot effort in housing improvement for secondary cities which will be relevant for the Urban Sector Program (522-0180). Consequently, careful planning and constant monitoring of this project component will provide the data required for designing the replication of the housing effort in other secondary cities.

Drafted by: CCPicciotto:HRD/U

Reviewed/Revised:

JCKelley, HRD/UDSA; JLombardo, HRD/U; EDerbes, HRD/U
ALopez, ASJO; JKeller, ASJO