

PROJECT EVALUATION SUMMARY (PES) - PART I

Report Control
Symbol U-447

1. PROJECT TITLE WOMEN IN DEVELOPMENT			2. PROJECT NUMBER 520-0284	3. MISSION/AID/W OFFICE USAID/Guatemala
5. KEY PROJECT IMPLEMENTATION DATES			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>86-02</u>	
A. First PRO-AG or Equivalent FY <u>81</u>	B. Final Obligation Expected FY <u>83</u>	C. Final Input Delivery FY <u>85</u>	<input type="checkbox"/> REGULAR EVALUATION <input checked="" type="checkbox"/> SPECIAL EVALUATION 6. ESTIMATED PROJECT FUNDING A. Total \$ <u>445,100</u> B. U.S. \$ <u>305,000</u>	
7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>9/81</u> To (month/yr.) <u>5/84</u> Date of Evaluation Review <u>12/85</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. New project designs for small enterprises will include the provision of training for the owners from lower economic strata.			G. Vaughan	Aug. 1987
2. Policy dialogue will continue to increase the awareness of the status of women both in new project design and through special studies.			C. Costello P. Kolar	Continuing
9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) <u>N/A</u>	A. <input type="checkbox"/> Continue Project Without Change	
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<input type="checkbox"/> Other (Specify) _____	B. <input type="checkbox"/> Change Project Design and/or	
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Change Implementation Plan	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P		C. <input type="checkbox"/> Discontinue Project	
11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)			12. Mission/AID/W Office Director Approval	
Richard Burke, Program Officer			Signature _____	
			Typed Name Charles E. Costello	
			Date December 31, 1985	

13. Summary

The credit component of the Women in Development Project (520-0284) was fully achieved. The general awareness of the status of Guatemalan women both as managers and members of the work force was not realized. The sponsoring IPVO, the Rotary Club, provided the requisite technical assistance but initially demonstrated an unfamiliarity with AID requirements and time was lost while procedures were clarified. Representatives of the business community who were members of the Rotary Club demonstrated a reluctance to more actively involve females from lower economic strata given the additional need for training to make the target group more economically self-sufficient. As a result of the project a new credit window from women of the lower economic strata was created and is continuing with generation of funds from the original start-up capital and other donor resources. By the end of the project on March 31, 1984, thirty-three small women-owned enterprises had been established. Although the majority of enterprises used the traditional skills of women, a number of entrepreneurs branched to areas heretofore usually not considered as appropriate for female employment.

14. Evaluation Methodology

Given USAID/Guatemala's recent initiatives in establishing mechanisms to provide capital for the use of small enterprises, an evaluation was scheduled of the completed Women in Development Project (520-0284). A basic premise of the project was that lack of capital has traditionally prevented women from engaging in income-generating activities outside the home. Since the Fundación para el Desarrollo de la Mujer had over the life of the project prepared individual cases on each sub-project, the Fundación was requested to determine the effect the availability of credit had in increasing the economic productivity of poor rural and urban Guatemalan women and how socio-cultural constraints were faced in the development of their enterprises.

The Fundación designed a questionnaire to address critical areas, pre-tested the survey instrument, and assigned their analytical supervisors to then collect the information from each individual firm using the survey form. After data collection, the staff then analyzed the data, prepared written case history updates, and an overall summary which identified socio-cultural constraints and the socio-economic impact on the borrower households.

This PES is based on the evaluation carried out by the Fundación from August to December 1984 and an administrative evaluation carried out by the firm "Organización y Sistemización de Empresas"

in June 1983. The administrative evaluation was conducted to improve the rate of project activities, and consisted of a review of project progress and administrative procedures.

15. External Factors

Prior to signing the project agreement, the Indigenous Private Voluntary Organization, The Rotary Club of Guatemala, failed to analyze AID requirements specified in the project agreement and subsequently disagreed with AID approval of major decisions. The Rotary Club was considered by AID a desirable organization for undertaking the formation of the foundation since it was composed of various private sector leaders in the community and collectively had much experience in the establishment of both banking and business enterprises. Given the nature of its constituency, the Rotary Club believed that outside approval for key decisions was not useful or required. AID required its approval to ascertain that the social nature of the project was addressed in meeting the economic goals of the project. Agreement was reached finally on the approval process and project implementation began in earnest following approximately a six-month delay.

16. Inputs

An item which impeded project progress was the definition of what was meant by the phrase "women of limited resources in rural and marginal areas." From the Rotary Club viewpoint, low annual or monthly income of the new entrepreneurs posed a very high risk for an enterprise to be successful. Given low incomes in general of women in Guatemala, AID recognized this risk but desired to provide this population target an opportunity to participate in economic enterprises and therefore was willing to support the project. Agreement was finally reached that women earning Q. 300 a month or less (1 Quetzal equaled 1 Dollar at that time) and urban women earning Q. 500 a month or less would be the group served by the loan fund. This definition meant that more technical assistance on behalf of the Rotary Club was required than originally envisaged since this target group generally had less education and heretofore was not trained in the rudimentary business principles of bookkeeping and analyzing production costs and profits. However, once this definitional issue was resolved, the additional assistance was forthcoming.

The project agreement specified the general organization of the new foundation and supported its formation through the provision of salaries for four key individuals to carry out the social development aspects of the new organization. Expertise from the Rotary Club was to be provided as an in-kind contribution to assist the new

foundation in legally establishing its entity and to direct its activities through a board of directors as well as to provide technical assistance to new women-owned small enterprises where required. The administrative evaluation identified the lack of formal administrative procedures and specific responsibilities of the Foundation's staff as weakening the effectiveness and productivity of the Foundation. Based on the recommendations, a reorganization of the Foundation's staff was undertaken whereby financial and administrative procedures were strengthened, but further work was required to provide a balance between the economic and social emphases of the sub-projects undertaken by the Foundation.

17. Outputs

Projected outputs were the development of group motivation techniques; provision of skills training; establishment of a loan fund; and provision of technical assistance. Seven conferences focusing on the theme of "women and development" (three in Guatemala City and four in the rural areas) were to be held, as well as encouraging project staff members and public and private representatives to become familiar with exemplary women-in-development projects. Program personnel and twenty members of the Ladies Rotary Committee were to be trained in program organization, planning, accounting procedures, and field supervision skills. Small loans to women's groups for developing income-generating activities would be offered to those enterprises which a market feasibility study indicated offered a genuine opportunity for generating income. Technical assistance was to be provided to assist the Rotary Club and the Ladies Rotary Committee in development motivation and training activities and designing and follow-up of the Loan Fund.

Although the conferences were held, without follow-up through bulletins and other printed materia, the raising of consciousness of the plight of Guatemalan women was minimal. Attendees at the conferences represented more than 54 public institutions and 77 private, but were not strong community leaders who could impact on attitudes. The slow start of loaning funds to women-owned enterprises limited the number of exemplary projects which could serve as viable demonstrations of successful undertakings. Program personnel trained provided services but the Ladies Rotary members trained were not instrumental in assisting the new enterprises. Even though Rotary Club members assisted in the legal formation of the Foundation, analyzed market feasibility of some of the projects, and prescribed rudimentary financial practices, the new enterprises required a heavy investment of time by Foundation staff in follow up and problem solving activities for each individual enterprise. In the absence of dynamic follow-up by Rotary Club members, the Foundation's staff undertook the responsibility for seeking other funds to expand

the Loan Fund as well as following the activities of the enterprises and modifying repayment schedules as circumstances required.

18. Purpose

The purpose of this project was to "create an organization to assist in increasing the economic productivity of poor Guatemalan women in rural and urban areas and to address the socio-cultural constraints that these women face in development." The end of project status included the publicizing of the problems of women in Guatemala and making leaders from both the public and private sectors aware of the economic benefits which can be derived from projects of this type; provision of training to Ladies Rotary Committee members, project staff members and women's groups receiving funding from the loan fund; establishing a loan fund which offered loans to a minimum of twenty-five women's groups to fund income-generating activities with a high probability of becoming permanent income-generating enterprises; increase the incomes of participating families; development of an efficient system for financing and implementing women's income-generating activities; and the establishment of a legal entity which will continue and expand project activities initiated.

As mentioned above, the Guatemalan women's problems in economic development were not publicized widely enough to create a general awareness of the economic benefits which can be derived from a project of this type. Over the three year project, less than one-third of the 33 enterprises funded had been in existence over a year. The staff of the Foundation devoted the majority of their time to assisting the new enterprises in overcoming business management deficiencies and strengthening the Foundation's status as a lending organization for small women-owned enterprises. Lending for small enterprises continues to be limited in Guatemala, but there does not appear to be a sexual bias per se. Fifty percent of the Foundation's borrowers had previously sought financial assistance from either public or private institutions and they did not believe they had encountered any sexual discrimination.

The loan fund established offered loans to 33 new women-owned enterprises. Of the 33 enterprises surveyed, 13 are located in urban areas and 20 in rural areas in 10 of the country's 22 departments. Income generation activities were viewed by the women's groups as a means to cover family expenses toward the goal of improving one's living standard and reaching a relatively secure economic status. All persons interviewed indicated that a part of their profits were reinvested as working capital for the enterprise, a concept that the Foundation staff had to impose on the borrowers. Fifty percent of the entrepreneurs used part of their financial gain to cover family expenses and the Foundation continues to discourage

the use of a disproportionate amount which could lead to the de-capitalization of the enterprise. The women participating in the program had to adjust their life styles by discontinuing social and community activities to devote their time and energy to the new enterprises and family matters. Six months after project completion the Foundation made its first new loan from repayments received from the original 33 borrowers.

Traditionally Guatemalan women have been educated to carry out domestic responsibilities. The majority of the participants believed they had benefitted from the training provided and had learned about administering a small enterprise. However, 20% of the surveyed population indicated that they had been unable to expand their knowledge for the following reasons: (1) the intervention of their husbands in making business decisions, (2) limited economic resources for continuing their education, and (3) regular family needs limiting free time to undertake further study. The evaluation indicated that the degree of success of each enterprise was a function of the educational level of the entrepreneurs and educational opportunities and training impact directly on the level of income.

19. Goal

Although an approved goal was not expressly stated in the OPG, the project contributed to the overall USAID strategy of improving income and productivity. Seventy-two percent of the respondents reported a positive change in family income as a result of their association with the new enterprise. Of this percentage, 34% still did not feel economically secure since they had an outstanding debt with the Foundation and their enterprises were being affected by the general economic decline in the country.

Ten of the 33 enterprises created additional job opportunities within the communities in which they were located. The majority of new jobs created were cottage industry piece work opportunities.

20. Beneficiaries

The direct beneficiaries of the project were the 100 owners and workers in the newly created women-owned enterprises. Seven of these enterprises expanded employment opportunities by creating 33 new jobs. The majority of the employment opportunities were part-time in nature, frequently with owners and/or employees working approximately 4 hours per day.

In order to qualify for loans offered by the Foundation, new enterprises had to be owned by at least two women to provide joint management and increase employment opportunities. This requirement

worked well when personnel came from the same family. However when friendship formed the basis of ownership, invariably the relationship deteriorated over the first few months of operation and the more dynamic owner assumed sole responsibility for the enterprise. The evaluation showed that even when two owners were listed, only one had assumed management of the enterprise and was considered to be the person indebted.

All enterprises surveyed spoke Spanish with only nine percent mastering a local tongue of the locality in which the enterprise was located. The Foundation noted that when credit was originally applied for, rural women only responded directly to specific questions in order to fulfill credit requirements. Over the life of the project, the freedom of communication in Spanish improved measurably between the target group and technical assistance personnel.

21. Unplanned Effects

As mentioned earlier, given the additional work required to carry out the activities of the enterprise, the women had to reorganize their lifestyles by discontinuing traditional social and community activities. Family matters still continued to be a high priority among the women and the evaluation did not detect any displacement within the family. In fact several of the respondents were single heads of household or widows and therefore had to provide not only the income but the necessary guidance and direction to the family unit.

22. Lessons Learned

The evaluation identified the need to be cognizant of the educational level of persons entering into new activities which may require control and record keeping. Although persons of the lower economic strata may be capable of establishing new activities, they require additional training in order to make a success of the endeavor. Frequently training opportunities are limited and any organization sponsoring new activities should include in their design the means through which the beneficiaries may obtain the requisite skills to reach a successful conclusion.