

Cooperative Housing Foundation

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Communities in Transition

1998 Annual Report

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Executive Summary

The Cooperative Housing Foundation (CHF) and the United States Agency for International Development (USAID) support the Guatemalan Peace Accords through rural development in the Ixcan region. The goal of the Communities in Transition (CIT) project is to improve the living conditions of the rural populations most affected by 36 years of conflict. In June 1998, CHF and USAID signed a cooperative agreement extension through September 2000 with a total budget of \$6,985,000 to build on the existing work, expand into the department of Alta Verapaz and achieve the following general objectives:

- Support the organizational and operational development of a community-based, environmentally sound road maintenance association
- Rehabilitate and construct infrastructure through the strengthening of community capacity
- Strengthen NGO's and communities in promotion of productive activities
- Promote sustainable, income producing agriculture

The CIT project is divided into two main programs

- 1 Community and Municipal Strengthening Program (CMS) which includes the Ixcan Road Maintenance Association, major bridges and transport-related projects in the Special Development Fund
- 2 Economic Opportunities Program (EO) which includes agroforestry and environmental education, village banks and social infrastructure projects in the Special Development Fund

All components include the common threads of environmental protection and conflict resolution. The project has evolved into an integrated development program in its true sense based on needs expressed by the community rather than through the imposition of a preset framework.

The CIT project touches all segments of the population in Ixcan and northern Alta Verapaz and builds on three basic development concepts: community participation, training supported by follow-up in the field, and the assumption that the beneficiaries are responsible for building their future. CHF has adopted these basic development concepts to address the challenges of post-war conflicts, a distrust of outsiders, paternalism, a tradition of slash and burn agriculture and an estimated 95% illiteracy. During FY 1998, 58,536 people directly benefited from CHF programs and 2,186 people (683 women) were trained to build and maintain community infrastructure projects, rehabilitate roads, build major bridges, implement agroforestry management systems and manage businesses.

The Ixcan Road Maintenance Association (AMVI) was formally organized with meetings of the General Assembly, election of a Board of Directors and the adoption of a legal set of by-laws. These activities allowed for the legal incorporation of the Association. Preparations for the actual activities of road maintenance were nearly completed with the purchase of a lot for the headquarters, development of an environmental plan and a land use plan, construction of the headquarters facility underway, purchase of heavy equipment, hiring of some of the administrative and operational staff and an intensive training process. AMVI signed its first contract with the Municipality of Ixcan in late September 1998, and directly contracted with villages in November. Communities paid 10% of project costs in cash up front.

The major bridges component refers to the installation of bridges measuring more than 25 meters. Two pre-fabricated steel bridges, known as Bailey bridges, were installed in March and April 1998, including one measuring 130 ft over the Pescado River (in Mayalan) and another measuring 150 ft over the Tzeja River (in Trinitaria). The former bridge was installed by the CMS Technical Field Team and the latter by CONASA, a Guatemalan firm, with technical assistance from CMS. These bridges have already improved transport routes within Ixcán. The Mayalan Bridge was a major symbol of the progress of the peace process. A third 80 ft Bailey bridge was imported for emergency use and training of AMVI personnel.

Projects within the Special Development Fund (SDF) are divided between CMS and EO. CMS covers projects related to transport, including bridges, road drainage and rehabilitation of airstrips. EO is responsible for social infrastructure projects, such as schools, health posts, potable water, latrines, training and community centers and footbridges. Nevertheless, all projects share the general objective of strengthening community committees to participate in their own sustainable development and promote conflict resolution through participation in the planning and implementation of infrastructure projects. CIT completed 12 projects in FY1998 in Ixcán (El Quiché) and Chisec (Alta Verapaz). In addition to the physical infrastructure, communities gained experience in project design and management that can be applied to other community needs.

In the agroforestry and environmental education component, 408 farmers are now implementing new techniques and organic methods on 225 manzanas of land as opposed to the traditional slash and burn. A total of 716 farmers, community leaders and representatives of the municipal government learned to implement organic farm management methods and manage agroforestry systems in CHF workshops. The nine Promoters increased their expertise through training throughout the year in organic management and environmental awareness. The process of demonstrating the value of implementing agroforestry systems continued with the establishment of 35 demonstration plots and 32 nurseries in FY 1998. A total of 118 demonstration plots and nurseries have been established in 33 communities since inception of the program.

CHF trained 60 teachers (90 since inception) to provide environmental education classes to their students (approximately 5,000). In September, the Ministry of Education, which participated in the training, assumed responsibility for continuing the environmental education workshops. CHF also trained 215 students and teachers at ten schools to establish and maintain small environmental projects. 93 area students in grades 7 – 9 learned about nature through environmental interpretation trips to Lachua National Park.

The village banks program grew from four to eleven banks. 233 women received a total of 400 loans (via CESIDE) for income-generating projects. The total amount lent during 1998 was \$29,778. An evaluation by CHF's Credit Specialist and an external audit of CESIDE, the local NGO being strengthened to administer the village bank program, confirmed that CESIDE is establishing effective controls and management systems to run the program efficiently. The follow-up training to banks and loan tracking by promoters was cited by the auditors as "excellent and a principal reason for the 100% repayment by clients." Areas for improvement in funding diversification, sustainability, credit tracking systems, staff capacity and controls were identified and are being discussed with CESIDE in negotiation of a new contract for FY 1999 and 2000.

Introduction

The Cooperative Housing Foundation (CHF) and the United States Agency for International Development (USAID) support the Guatemalan Peace Accords through rural development in the Ixcán region. The goal of the Communities in Transition (CIT) project is to improve the living conditions of the rural populations most affected by 36 years of conflict. In June 1998, CHF and USAID signed a cooperative agreement extension through September 2000 with a total budget of \$6,985,000 to build on the existing work, expand into the department of Alta Verapaz and achieve the following general objectives:

- Support the organizational and operational development of a community-based, environmentally sound road maintenance association
- Rehabilitate and construct infrastructure through the strengthening of community capacity
- Strengthen NGO's and communities in promotion of productive activities
- Promote sustainable, income producing agriculture

During 1998, the CIT project built on the results-oriented strategy to improve the standard of living for a significant number of families in Ixcán and northern Alta Verapaz by leaving in place local institutional capacity. Given the expansion of the project, the complexity of managing multiple programs and the addition of staff members, CIT was divided into two distinct program units, each with its own management and personnel structures:

- 1 The Community and Municipal Strengthening Unit (CMS) is also known as the Roads and Bridges Program and is subdivided into three transport-related components. CMS provides technical and financial assistance to the development of the Ixcán Road Maintenance Association. In addition, CMS is fulfilling a promise made by the US Ambassador to Guatemala for the construction of up to six large bridges by installing Bailey bridges in Ixcán. Finally, CMS is responsible for projects in the Special Development Fund that related to roads and bridges. These specifically include the construction of small bridges (i.e., less than 25 meters), the rehabilitation of airstrips and road drainage.
- 2 The Economic Opportunities Unit (EO) is the functional and programmatic continuation of the original CIT program. It encompasses three components, including agroforestry and environmental education, village banks and social infrastructure projects in the Special Development Fund. Social infrastructure projects are those that are not covered within roads and bridges, such as schools, health posts, potable water, latrines, training and community centers and foot bridges.

Despite this division, several CIT project activities are carried out jointly between the two units. The two Directors and two Planning/Evaluation Coordinators of CMS and EO work closely together to ensure that the project continues to be integrated and meet its common objectives. Planning, monitoring and evaluation activities, as well as relations with other organizations, are undertaken by both components. In addition, the Director of Finance and Administration, based in Guatemala City, backstops both units and provides financial management support.

1998 was a challenging year. A series of natural disasters plagued Ixcán and slowed project progress of all organizations in the area. The difficulty started with El Niño, which severely lowered annual rainfall. Soils were left parched and rivers dry. Combined with the slash and burn tactics of Ixcán farmers, this situation led to a series of fires during the months of April and

May The conflagrations put lives in danger, damaged crops and caused serious environmental damage CIT staff members, as did the residents of the area, suffered from a series of illnesses, such as eye ulcers, respiratory infections and pneumonia Personnel that could leave the area eventually had to be evacuated

Meanwhile, malaria began to plague Ixcán The incidence of both vivax and falciparum, also known as cerebral malaria, skyrocketed About twenty-five people died in the area One CMS staff member was medivaced to Guatemala City where he was hospitalized for two weeks While himself sick with malaria, another CMS employee was forced to care for his entire family It has recently been reported that a strain of falciparum has developed in Ixcán that is resistant to Aralen, the medicine commonly taken as a prophylactic

Just as Ixcán was recovering from these blows, tropical storm Mitch ripped through Guatemala in late October The full effects have yet to be fully assessed, but at least 1,000 families in Ixcán were left destitute, losing their crops and most of their personal belongings Some also lost their homes A majority of local farmers suffered some level of crop damage Numerous bridges were damaged or destroyed and entire sections of roads caved in, leaving access to health and education services difficult Some communities are still isolated CHF collaborated with the Ixcán Emergency Committee to provide temporary humanitarian assistance, and is seeking additional funds for reconstruction efforts

Nevertheless, CIT staff members jumped in to help during every emergency, becoming volunteer firefighters, food distributors and health advisors Their dedication persisted throughout the calamities of 1998, as was proved by the accomplishments of the various components

The CMS Unit has worked to engender a transparent, participatory process whereby local leaders come together to analyze the challenge of Ixcán road maintenance and design an administrative solution During 1998, AMVI grew from an idea in a proposal of an adaptation of a Costa Rican model to a nearly fully operational organization complete with General Assembly, Board of Directors, General Manager and partial staffing of administrative and operational personnel A site visit to the AMVI-owned lot displays a headquarters facility under construction and a nearly complete fleet of heavy machinery Most notable in the project is the commitment and enthusiasm of the Board members They have voluntarily dedicated their time to establishing the organization and have fully participated in the intensive training process When there was no staff to manage and administer the project, the members made themselves available to attend to the needs of the Association Additionally, mitigation measures have been incorporated into an innovative environmental plan and a land use plan It is hoped that AMVI will become a model for other municipalities in Guatemala

The installation of two Bailey bridges in Mayalan and Trinitaria has greatly improved road access in Ixcán This facility is expected to increase commerce in the Ixcán, as farmers and merchants from neighboring villages can now reach the municipal center of Cantabal, the only major market town in the Ixcán, all year round "We are all very happy with the new bridge It will save me time and money to bring goods to my store, since I won't have to rely on canoes to cross the river, which can be very dangerous," said Candelaria Pablo, a Mam-speaking shopkeeper in Mayalan The Mayalan Bridge was also a symbolic part of the peace process, being located where rebels and army were deadlocked for over 30 years A third Bailey bridge is on hand for emergencies and training of the AMVI staff

Twelve community-based infrastructure projects were completed in 1998 with support from USAID's Special Development Fund The expansion of the program and the possibilities of

more projects created a need to separate the component between the CMS and EO units. Not only has infrastructure been acquired through these projects, but community committees, which often include formerly conflictive groups, have also been able to work together on project planning and implementation. This is a skill they can utilize in their continuing development process.

The agroforestry program built on a strong base of local promoters and dedicated staff in FY 1998 and took steps to expand the program into Alta Verapaz. 408 farmers are using one or more of nine agroforestry systems on 225 manzanas (approximately 394 acres) of farm land. Under traditional slash and burn agriculture, land is used for two years and then abandoned for two years. Using the agroforestry systems, land can be used year after year. Two manzanas must be slashed and burned for every one manzana under the agroforestry system if a farmer is to maintain production levels. Using this information, the 225 manzanas under agroforestry systems represents 225 manzanas of forest not slashed and burned. However, production under the agroforestry system also exceeds that under slash and burn. A sample of farmers showed an increase in production of 19% and an increase in earnings of 25.75%. A total of 118 demonstration plots and nurseries have been established in 33 communities since inception of the program and continue to be the primary vehicle for convincing farmers to change traditional farming methods.

Environmental education continues to be a cornerstone for ensuring current and future environmental protection of Ixcán and Alta Verapaz. CHF trained 60 teachers (90 since inception) to provide environmental education classes to their students (approximately 5,000). CHF also trained 215 students and teachers at ten schools to establish and maintain small environmental projects. 93 area students in grades 7 - 9 learned about nature through environmental interpretation trips to Lachua National Park.

CESIDE completed its first contract to administer the village bank program, finishing the year with a 275% increase in number of banks from four to eleven and a 506% increase in bank membership from 46 to 233. 400 loans were issued exclusively to women and ranged from Q500 to Q1,200. The loans were used to support small businesses including poultry and pig production, clothing resale, food sales, small stores and others. Based on a sample of women in the program, the average net monthly income was Q84.63 or a total net income during the six month loan cycle of Q507.79.

CESIDE staff, especially its two promoters, have been invaluable to the growth of the program in overcoming the challenges of illiteracy or very low education levels and traveling distances to promote and service banks. Their enthusiasm and dedication to the project has created a culture among the banks which values repayment, attendance at meetings, and hard work. The women have assumed responsibility for running the bank. Administratively, CESIDE is becoming a stronger organization by establishing systems and management practices that did not exist previously. Areas for improvement were identified through a CHF evaluation, external audit and institutional assessment evaluation tool and will be targeted in the establishment of a new contract with CESIDE.

The above components complement each other to promote a civil society with the organizational and economic capacity to preserve peace in the region. CHF staff have dedicated themselves to resolving past conflicts by creating conditions where previously conflictive individuals and communities come together around projects that benefit all involved and promote understanding and fellowship. The following report documents the challenges encountered and the success

which CHF has experienced in the region in implementing the above components during fiscal year 1998 (October 1997 to September 1998)

Progress Toward Objectives

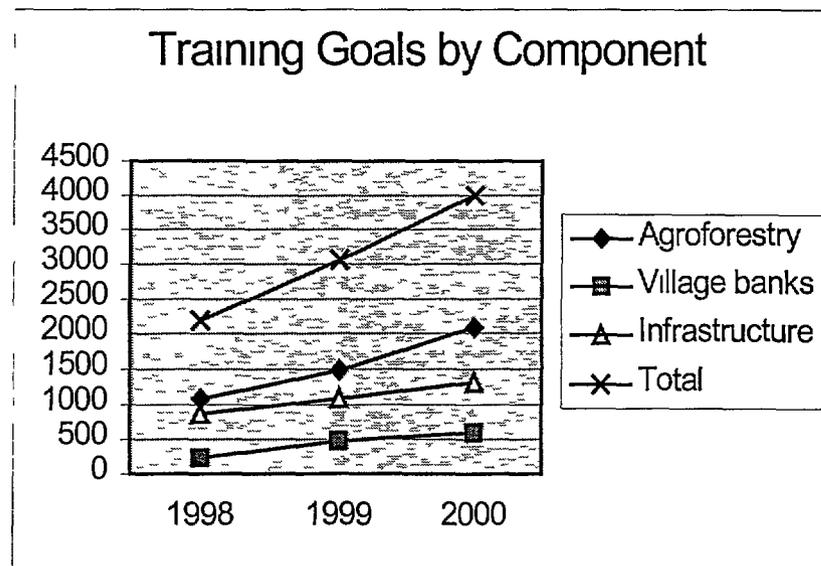
The following provides a summary of CIT progress toward the objectives of the program. Specific program information is detailed subsequently.

Objective 1 4,000 people will be trained to implement environmentally sound and sustainable practices related to infrastructure, agroforestry and income-generating activities.

During FY 1998, 2,475 people (683 women) were trained to do the following:

- Elaboration of AMVI Environmental Plan (9 AMVI Board members)
- Administrative, operational and managerial aspects of a successful road maintenance association (15 people including CMS staff, AMVI Board members, representatives of FONAPAZ, the Rigoberta Menchu Tum Foundation and the Municipalities of Ixcán and Barillas)
- Roles and responsibilities of various personnel in AMVI (12 people including Board members, General Manager, Administrator and secretary)
- Contract negotiations and marketing of services at the local level (9 AMVI Board members)
- Install and reinforce Bailey bridges, as well as implement environmental mitigation members (55 people including members of the CMS Technical Field Team, CONASA, members of Trinitaria and Mayalan and Board of Directors)
- Build and maintain bridges, schools, health posts, latrines and other social infrastructure (869 community members)
- Implement organic farm management methods and manage agroforestry systems (716 farmers)
- Teach environmental education classes (60 teachers)
- Gain an appreciation and awareness of nature through environmental interpretation trips (93 students)
- Implement small environmental school projects like gardens and nurseries (215 students)
- Understand credit, savings and interest (233 women bank members)
- Manage a business and track finances (233 women bank members)

The training areas mentioned above and many others were provided during the year. CHF's goal plan through September 2000.



Objective 2 Community and municipal organizations will be strengthened through technical, financial and administrative assistance and through participation in project development which provides the opportunity for conflict resolution

CHF is working specifically to strengthen the following organizations. As the reader will note in the report, however, there are many other organizations that CHF is strengthening through technical assistance, training and information sharing

AMVI (Ixcan Road Maintenance Association)

The CMS component provided an entire package of financial and technical assistance to AMVI. Specific services included financial planning and co-administration of funds, assistance in purchasing a plot of land for its headquarters, designing and building headquarters facility, organization of general assembly meetings, assistance of a civil engineer in planning and supervising road maintenance activities, legal assistance, such as the adoption of by-laws, legal incorporation, and training in Guatemalan association laws and commercial and labor codes, as well as other relevant laws, educational travel to Costa Rica, training on the responsibilities of the Board of Directors, Fiscal and administrative and operational staff, and assistance and training in marketing for selling road maintenance services to the government, the private sector and local villages

CESIDE (Central de Servicios para el Desarrollo)

CESIDE is being strengthened to administer the village bank program. A five-point Likert scale institutionalization assessment tool was used to compare management, systems, controls and credit tracking of 1997 and 1998. CESIDE's Program Director, its Board Vice-president and CHF's Program Coordinator completed the assessment. A score of 3 signifies that the indicator exists at an acceptable level, but can be improved. CESIDE's results show an increase from 1.98 (1997) to 2.58 (1998). The scores (on page 39) demonstrate a move from non-existent or unacceptable institutional capacity to existence of tools and procedures and establishment of systems that may now be fine-tuned.

Association of Promoters of Ixcan

This organization is among those being considered by CHF to assume the leadership in the production and processing of a non-traditional crop like palm heart and/or vanilla. All of the promoters in the agroforestry component are in this organization and six hold board positions. CHF has assisted the organization in becoming more formalized and provided guidance in organizational development.

Rigoberta Menchu Tum Foundation (FRMT)

The Foundation presented an update on institutional strengthening and a proposal for future activities. Discussions were held with the Director of the Foundation regarding further disbursement of funds. CHF visited FRMT offices and training & research facilities in Guatemala City in conjunction with discussions about FRMT's financial management strengthening process. An in-house informal audit took place and bids were solicited for continued financial management strengthening. CHF continues to work with FRMT directly and through a subcontract with IDC.

Ixcan Chamber of Commerce

CHF's goal with the Chamber is to establish a more formal organization capable of providing assistance to local businesses and analyzing local market conditions. The members of the Chamber's board have agreed to meet with CHF in October to discuss working together more closely, but are very frustrated by the lack of progress of the Chamber to date. In the October meeting, the issues of the past year will be discussed and potential areas for collaboration will be explored.

Objective 3 Environmental mitigation will be assured in all on-farm, off-farm activities and community-level activities

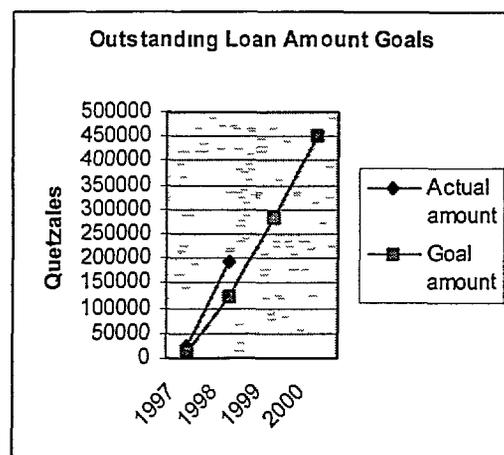
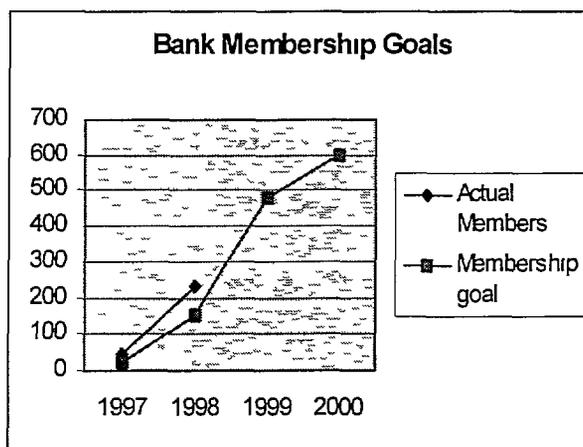
An Environmental Mitigation Specialist has not been hired. Several interviews were conducted, but no candidates were adequately qualified. Consultants may be used as an alternative. Environmental considerations continue to be a priority for the program. A standardized assessment tool will be created to document and mitigate environmental impact. Due to slowness in identifying counterpart donors on some SDF infrastructure projects, CHF is taking advantage of this opportunity to increase the environmental knowledge and awareness of staff.

CMS and the AMVI Board of Directors developed an environmental plan to cover road maintenance activities. This plan responded to the environmental requirement of the USAID/LAC environmental office and was signed as an agreement between the AMVI Board and USAID. In addition, CMS, in conjunction with the Agroforestry Component (EO) and the AMVI Board of Directors, developed a Land Use Plan for the lot that will house the AMVI headquarters facility. The Plan divides the management of the land into activities related to the actual construction of the facility and conservation activities. In addition, it protects the rivers, ponds and groundwater of the AMVI property and provides for recycling of used lubricants.

The CMS Technical Field Team undertook several environmental mitigation measures to ensure protection of the area surrounding the Bailey bridges in Mayalan and Trinitaria, as well as to ensure the safety of the bridges themselves.

Objective 4 500 people (including at least 150 women) without access to traditional credit institutions will receive a loan for income-generating projects

233 women received a total of 400 loans through 11 village banks (via CESIDE) for income-generating projects. The total amount lent during 1998 was \$29,778 (192,070 Quetzales). Outstanding loan amount is listed in Quetzales due to the difficulty in applying an accurate dollar exchange rate over the next two years.



Objective 5 Four sustainable, productive enterprises will be established benefiting 600 families through market exploration, feasibility studies, application of new technology and commercialization of crops

In the agroforestry component, five non-traditional crops including Pejibaye (palm heart), Vanilla, Achioté, Rice and Cardamom are being considered for commercialization. Staff visited Palm Heart production and processing plants in Guatemala and Costa Rica and a consultant is scheduled to conduct an export market study. At the experimental farm, 2.5 acres were planted with 4,500 pejobaye trees, the source of palm heart. These will eventually be moved to community demonstration plots. The Association of Promoters general assembly approved its participation in the production and processing of Palm Heart.

A mosquito net business and egg/chicken business are being analyzed for loans through the village bank program. The goal is to create businesses run by a small group of women.

Objective 6 Social infrastructure in communities will be improved through development projects such as schools, training centers and health posts.

During 1998, 12 projects were completed including the following:

- Three concrete vehicular bridges of 35 to 60 ft
- Five schools or school improvements
- One water tank
- One training center
- One women's center
- One latrine project (268 latrines)

Due to the loss of previously promised counterpart funding, many projects have been delayed. The search for replacement funding is a priority for the component. Ten organizations have been contacted and will be visited in December 1998 and January 1999, the months when they normally accept proposals for 1999 funds.

Objective 7 Two forestland areas will be managed by local communities and some income will be directly attributable to tourist activities.¹

This objective seeks to involve communities in local resource management of forest areas. Initial activities include environmental awareness by agroforestry Promoters and training of teachers. Next steps in this process will include consultation at the community level to form a forest management plan. Candidate areas include Xalbal and towns next to Lachua National Park.

Objective 8 Teachers and students will receive classes in environmental education and start environmental school projects through training of Ministry of Education staff to give instruction in this area.

During FY 1998, the program trained 60 teachers to provide environmental education in their classrooms. The teachers attended three training sessions lasting seven days where they received awareness training and teaching guides and had the opportunity to practice presenting information in front of their peers. An estimated 5,000 students have indirectly benefited from this training.

¹ The amount of managed forest land will be less than indicated in the project proposal.

which was completed in September. At the end of September, CHF turned the program over to the Ministry of Education and will provide only technical assistance for teacher training next year. 308 students learned about environmental issues through interpretation trips to Lachua National Park and small environmental school projects.

Objective 9 An independent and self-sustaining Road Maintenance Association in Ixcan (AMVI) will be fully operational by the end of the year 2000.

Nearly all preparations to begin actual road maintenance operations have been completed including, organizing and holding General Assemblies with all 7 microregions, the election of the Board of Directors, adoption of legal by-laws, purchase of the AMVI lot, legal incorporation, purchase of heavy machinery, construction of offices initiated on the lot, revision of budget with approval, portion of staff hired and intensive training process underway.

Objective 10 Improved transportation access will be provided within Ixcan linking Ixcan to Barillas and Quiche through the installation of major bridges.

During 1998, 2 Bailey bridges were installed. The Mayalan Bridge extends the Franja Transversal Norte to the community of Mayalan over the Pescado River. The Trinitaria Bridge connects the villages of Trinitaria and Santa Ana over the Tzeja River, and opens up the southeastern Ixcan to the outside world by vehicle for the first time.

Objective 11 Environmentally sound gravel road network along approved transportation corridors will be maintained on a regular basis and in emergency situations.

Actual road maintenance will begin in FY1999. The initially approved transport corridors for AMVI road maintenance were defined by USAID as the "yellow zone" in May 1998. The APESA Rapid Environmental Assessment was started in June 1998 and will provide maps for re-defining transport corridors in early 1999.

Program Specific Results

Ixcán Road Maintenance Association

General Description

The Ixcán Road Maintenance Association (AMVI) is a private, non-profit organization whereby local rural and municipal leaders come together to analyze the challenge of road maintenance in the northern municipality of Ixcán and design an administrative solution. The association does not build new roads, rather it provides the organizational base for an operationally and financially viable region-wide maintenance association. The project also includes efforts to assure that these activities will not adversely affect the environment. CHF provides technical and financial assistance for the first three years of the project (i.e., until September 2000). After assistance is completed, AMVI will become an independent, autonomous and self-sufficient community controlled business, able to respond effectively to the Ixcán road maintenance needs. It functions through contracts with communities, government agencies and others willing to pay for its services.

Funding for AMVI equipment purchase and three years of operations is in the form of cash transfer from USAID to the Guatemalan Government's Fondo Nacional para la Paz (FONAPAZ) which passes a grant of \$3.3 million² to CHF for implementation (see Annex 1). This grant is complemented by the CIT project dollar grant covering CHF technical assistance costs. Both AMVI and CHF co-administer the FONAPAZ grant for AMVI equipment and operations.

Objectives

- An independent and self-sustaining AMVI by September 2000
- Access to markets, education and health services, as well as local economic improvement
- Reconciliation among conflictive groups
- A network of gravel roads that takes into account environmental protection and that follows the USAID-approved transport corridors
- AMVI as a leader in environmental protection in road maintenance
- Three levels of government contracting AMVI services: municipal, departmental and central governments
- Communities in Ixcán paying at least 10% of the costs of road maintenance
- Regular and fair elections of the AMVI Board of Directors with ample geographical representation
- Improved credibility of local governments and institutions in Ixcán due to the completion of services offered

² Due to exchange rate fluctuations, the original amount will become about \$3.0 million in local currency.

- A general sense in the community that AMVI is “our” association and not the property of foreigners or politicians
- A model of a road maintenance association that can be replicated in other municipalities in Guatemala

History of the Program

AMVI was born out of local leaders’ identification of the urgent need for road maintenance, a visit to a local association solving similar problems in Upala, Costa Rica, return visits by Costa Rican local leaders to the Ixcán and extensive discussion at the local level. Improving and maintaining all weather-guard roads within the Ixcán and connecting Ixcán with other parts of Guatemala is a very high priority for all of the communities in Ixcán.

Surveys conducted in Ixcán have shown that the people give roads and bridges the highest importance in their list of needs. The two levels of government responsible for maintaining basic rural infrastructure are the municipality and the central government. Currently, neither has the ability nor the resources to address infrastructure needs on a sustainable, environmentally sound basis in the former war zones of Guatemala. As a result, the economy stagnates, access to health services and education is very limited, and conditions for environmental degradation and renewed civil war remain present.

In April 1997, CHF took a group of representatives from Ixcán and FONAPAZ to the former war zone of northern Costa Rica to visit a self-sufficient, locally controlled road and bridge maintenance association started with USAID support.

This trip was followed by a 10-day visit to Ixcán by four Costa Rican road maintenance association members. An important finding of the group was that their Upala AMV model requires considerable adaptation and extra training efforts, and perhaps more trial and error than in the Costa Rican case. The context of Ixcán features more pronounced community conflicts, a lower adult literacy rate, and a lower general level of socio-economic development.

As a result of these field trips, interest in complementing FONAPAZ’s investment in the rehabilitation of the Ixcán’s transportation corridors with a strong community-based road maintenance association reached critical mass. FONAPAZ and elected Ixcán leaders (including the Mayor and representatives of the microregions) decided to pursue a replication/adaptation of the Upala AMV model. CHF helped organize such an association, under a separate component of the CIT project, and promised to provide technical assistance to the community, the Municipality and FONAPAZ.

Annual Progress

Institutional strengthening progress

The first Board of Directors of AMVI was elected in October 1997, during a General Assembly meeting of 215 representatives from over 100 communities in Ixcán. Since its election, the Board has been active in preparing for the Association’s road maintenance activities. It adopted its by-laws following various working sessions and began the process for the legal incorporation of the Association in December. This process took about four months.

Soon afterwards, the Board began negotiations with local small landowners for the purchase of land to establish their headquarters facility. The 26-acre property was purchased in March 1998 and is the legal property of the Association. It is located one kilometer north of Playa Grande, near the village of Lorena, on the main east-west road. CHF designed the offices, warehouses and workshops. The Board of Directors then approved these plans. Construction of the AMVI headquarters began in August 1998 and is expected to be completed in March 1999.

CMS and the AMVI Board of Directors developed an environmental plan to cover road maintenance activities. The Plan, written in both English and Spanish, includes an activities schedule, description of AMVI, guidelines on the construction of a headquarters facility, guidelines on recycling and equipment maintenance, a definition of the "yellow zone" with a map (details below), guidelines for the removal of gravel from quarries and riverbeds, and a description of CHF staff for environmental planning, education, supervision and mitigation. With the approval of the plan by the MEO, AMVI is required to follow all aspects of the Plan in their road maintenance activity, unless the MEO otherwise gives consent.

CMS, in conjunction with the Agroforestry Component (EO) and the AMVI Board of Directors, developed a Land Use Plan for the lot that will house the AMVI headquarters facility. The Plan divides the management of the land into activities related to the actual construction of the facility and conservation activities. The conservation activities will include the creation of a permanent watershed/forest reserve and a tree nursery. The reserve will protect all waterways, wetlands and existing forest cover, while the tree nursery will be used for the organic production of large amounts of plant material for erosion control in road and bridge maintenance. A map, indicating the general location of the various areas, was included in the plan. The precise location of the AMVI offices, workshops, warehouses and parking lot was further detailed in a site visit to ensure the protection of a river that runs through the lot.

The AMVI Board of Directors began negotiations with various heavy machinery dealers in December 1997. USAID permitted the purchase of machinery with the approval in late June of the AMVI Environmental Plan. Due to FONAPAZ recommendations, the brand of most of the equipment being purchased is Caterpillar. This has raised costs \$215,547 above the original budget. In September and October 1998, three pickup trucks, four dump trucks, one backhoe, one bulldozer, two road graders, one front loader and one compactor were delivered to Ixcán. Additional equipment will include one hydraulic excavator and two additional dump trucks.

Training is part of the agreement of technical assistance to AMVI from CHF over the entire term of the project. Specific assistance and services included financial planning and co-administration of funds, assistance of a civil engineer in planning and supervising road maintenance activities, legal assistance and training in Guatemalan association laws and commercial and labor codes, as well as other relevant laws, and assistance and training in marketing for selling road maintenance services to the government, the private sector and local villages. Experts were brought in to supplement training activities. AMVI personnel, particularly the Board of Directors, received this training in Ixcán, Guatemala City and Costa Rica.

Boris Galvan, from the Guatemala law offices of Vives and Associates, came to Ixcán in early 1998 to train the Board members on the roles and responsibilities according to the Guatemalan legal code of boards of directors. This training occurred within the context of the development of the by-laws.

In late August, the AMVI Board, along with local government representatives, visited the Road Maintenance Association (AMV) in Upala, Costa Rica. The group conducted site visits and met

with the AMV/Upala Board of Directors, consultants, community representatives and governmental officials to learn from the experiences of this successful, democratic model of a road maintenance community organization/business

Three representatives from the Road Maintenance Association in Upala, Costa Rica (AMV/Upala) subsequently visited Ixcán to provide training to AMVI and CHF staff. Since the AMVI project intends to replicate the successful community-controlled business of road maintenance in Upala, important personal and board members from AMV/Upala were brought from Costa Rica, when needed, as peer trainers for AMVI. Training focused on the practical roles and responsibilities of the Board of Directors and the Fiscal (i.e., Director assigned to investigate operations), as well as the administrative and operational staff.

The Board of Directors began the process of contracting locals for the administrative and operational staff of the Association. To date (January 1999), the General Manager, Administrator, Machinery Foreman, secretary, three machinery operators and two guards have been hired. The Board of Directors, in agreement with CHF, hired the CMS Component Coordinator (Jorge Dubon) as the General Manager for the Association. His salary continues to be paid by CHF, as a means of compensating for the currency exchange losses in the FONAPAZ grant.

The second General Assembly meeting was held on October 17 in the community hall in Playa Grande. The Board of Directors updated the members of the Assembly on the Association's activities during the past year, presented budget costs and introduced the revised AMVI operating budget. The AMVI Fiscal was also elected during the meeting.

The revised three-year budget, through July 31, 2001, is part of the packet *Proyecciones Financieras Mapas y Contratos*, (October 1998) developed by the CMS Component and based on the experience of AMV Upala. The packet also includes an organizational chart of all AMVI personnel, a detailed agreement for cooperation and technical assistance between CHF and AMVI, a contract of AMVI services for local communities and a SWOT analysis of AMVI. The Board of Directors and USAID approved the revised budget in December 1998. FONAPAZ will receive written instructions from USAID to disburse the remainder of the \$3.0 million in January 1999.

Program tracking results

During 1998, the following goals were accomplished:

- Lot for AMVI headquarters facility acquired
- Machinery purchased
- AMVI Environmental Plan completed and approved
- Intensive training process begun
- Portion of administrative and operational staff hired, including the General Manager
- Revised three-year budget approved

Problems Encountered and Solutions

Several external factors, including natural disasters, illnesses, changed policies and funding transfers delayed the progress of the component. Severe weather conditions in 1998, including El Niño, the forest fires and tropical storm Mitch (mentioned in "Introduction"), made travel conditions difficult or impossible, delayed construction of the AMVI headquarters facility and delayed training activities. Health affects of the forest fires and malaria often kept CMS

personnel from Ixcán. The Component, as in other projects in Ixcán, had to continually re-plan its activities and calendars to adapt to these conditions.

USAID had given initial permission to purchase the heavy machinery in April 1998, but reversed this decision on the condition of an approved AMVI environmental plan. Given the complexity of the plan and the lack of an environmental mitigation specialist on the CHF staff, several months were needed to complete the task. The equipment was finally ordered in late-June upon approval of the plan.

Funds for the purchase and installation of the Bailey bridges were taken from the AMVI operating budget with the agreement with USAID that FONAPAZ would replace these funds from the major bridges budget. FONAPAZ was due to disburse \$123,000 to AMVI in May to reimburse AMVI's operating funds. However, to date, this promise has not been fulfilled. The CMS Component sent several letters to FONAPAZ and convened several meetings with USAID and FONAPAZ. FONAPAZ continues to stall the transfer, which is delaying AMVI activities as these funds are required to fully begin operations. Likewise, funds needed for the purchase of three remaining equipment items and 1999 operations expenses have not been provided by FONAPAZ.

Success Stories

Because local leaders and communities are often mired in old, bitter conflicts, and recent experience has shown that working on urgent common infrastructure needs can bring old enemies together, this project can be rightfully considered an exercise in democratic, grass roots conflict resolution. For example, elected board of the association combines key representatives of all of the groups in conflict in the Ixcán, such as PAC-controlled communities and returnees, along with Municipal representatives.

In late-September 1998, AMVI signed its first contract with the Municipality of Ixcán for the service of a tractor and compactor to apply compacted gravel to the access roads of the new CHF/SDF concrete bridge in San José la 20. While USAID only requires that AMVI charge 10% of the market value for its services, the Board of Directors negotiated the contracting of its services for a price of about 75% the going rate. By charging this value, AMVI showed that it is learning to operate as a competitive business.

Most notable in the project is the commitment and enthusiasm of the Board members. Although they are leaders of their microregions, they are also small farmers whose livelihoods depend on crops, mainly corn and beans. Their time commitment to the project is assumed to be two monthly meetings per month. However, start-up operations always require additional time and effort. During the past year, they have dedicated up to ten days a month to AMVI, helping to establish the organization and fully participating in the intensive training process. When there was no staff to manage and administer the project, the members made themselves available to attend to the needs of the Association. One Board member, Leocadio Gomez, must walk six hours before reaching the nearest road from which it is a one-hour car ride to Cantabal. Due to the lack of roads in this area, his own community and most of his microregion cannot take advantage of the services offered by AMVI. Nevertheless, he continues to participate actively in all meetings and training sessions, in order to ensure that maintenance will be an essential part of any future roads. The Board members would normally dedicate all this time to working in their fields, contributing to their incomes. Instead, they are committed to improve the socio-economic level of Ixcán by providing a much-needed service in their own communities and throughout the municipality.

Plans for FY1999

- Heavy equipment purchase completed
- Headquarters facility constructed with forest reserve and tree nursery
- Manager, administrative staff, equipment operators and mechanics in place
- Annual work plan for AMVI
- Annual budget for AMVI
- Road and bridge inventory of Ixcán
- AMVI administrative staff and Board of Directors trained in efficient organizational and administrative techniques
- AMVI operational staff trained in road and bridge maintenance
- AMVI staff trained in environmental mitigation measures
- Establishment of a trust fund for AMVI
- Improved coordination with the municipality
- Promotion of AMVI services to communities, as well as to local, departmental and central government agencies, resulting in income producing contracts
- Road maintenance operations in USAID-approved yellow zone
- Area of road maintenance activities redefined and expanded to areas outside of the red zone, based on the REA due in March 1999
- Environmental mitigation reported to USAID on a quarterly basis
- Semi-annual meetings of the General Assembly
- Community level orientations

MAJOR BRIDGES

General Description

This component refers to the installation of pre-fabricated steel bridges (i.e. Bailey bridges), measuring more than 25 meters. Two bridges were installed in FY98, including one over the Pescado River (in Mayalan) and another over the Tzeja River (in Trinitaria). CONASA installed the latter bridge, with technical assistance from CHF. A third 80ft bridge was imported for emergency use. These bridges are intended to improve transportation routes within Ixcán or link Ixcán to neighboring municipalities. In 1997, USAID had authorized the temporary use of up to \$500,000 of the original \$3.3 million cash transfer from FONAPAZ for these three bridges. This is to be replaced by an expected \$1.2 million additional transfer in late 1998, the balance of which would also be for major bridges.

Objectives

- Improved transport network within Ixcán
- Access to markets and education and health services, as well as local economic improvement

History of the Program

A visit to Ixcán in mid-1997 by Ambassador Donald Planty and Senator John McCain brought a US Government promise to install six major bridges in Ixcán. To comply with this promise and the obvious need for an improved transport network, CIT created a sub-component within AMVI. Although it is within the range of AMVI activities, major bridge installation is considered separately here because of the magnitude of the task and the additional staff required.

Bailey bridges were chosen as the most cost-effective and rapidly installed type of large bridge. The Bailey bridge was originally designed in 1940 by Donald Bailey to aid American and British troops during World War II. It has proven to be so durable that both armies still use it today in overseas activities, in addition to being adaptable for civilian purposes throughout the world. It requires minimal maintenance and can be made stronger without removing the entire bridge.

Annual Progress

In 1997, CHF studied and made preliminary designs for the two bridge sites according to the need for durability, environmental protections and ease of installation. Both USAID/Guatemala and FONPAZ approved these sites. To assist in the designing of both bridges, CMS contracted James Williams, a former US Army officer and expert in Bailey Bridges. The bridges were ordered in September 1997. Mr. Williams visited in January 1998 to help design the concrete bridge supports, dictate the heights, and suggest environmental mitigation work.

Installation of the Mayalan Bridge began on March 16, 1998, under the direction of the CMS Director and Component Coordinator, with technical support from Mr. Williams. Mr. Williams trained sixteen CHF staff members, known as the CMS Technical Field Team, and fifteen Mayalan workers on the installation of this type of bridge. Their dedication and labor efforts allowed for the completion of the bridge in just one week. The first car crossed the bridge on March 23.

The Technical Team completed the final touches in April, including the concrete ramps on both sides of the bridge. In July, Mr. Williams returned to Ixcán to direct the Team in reinforcing the bridge with 24 panels to its current capacity of 62 tons. CHF implemented environmental mitigation measures were also implemented to prevent erosion and protect the bridge and its surroundings.

For the installation of the Bailey bridge in Trinitaria, FONAPAZ contracted CONASA. CONASA began work in early-April and took several weeks to install the bridge and several more weeks to complete the finishing touches. This bridge was also reinforced after its installation. Mr. Williams arrived in Ixcán in mid-July to supervise the reinforcement by CONASA and the CMS Technical Field Team. CONASA did not follow all of Mr. Williams' advice at first, but after pressure from CHF, with the backing of USAID, they were induced to raise the bridge four feet. This turned out to be just enough to prevent the bridge from falling on November 1, 1998, when Hurricane Mitch caused the river to peak at a record level.

The CMS Technical Field Team undertook several measures to ensure protection of the area surrounding the Bailey bridges in Mayalan and Trinitaria. The Technical Team planted grass and bamboo along the areas around the approaches of the bridge to prevent erosion and landslides. The Team also built drainage ditches on both sides of the bridge so that run-off water will lead into the river rather than cause erosion. Finally, on the abutment of the east side of the bridge, the Team used a mixture of concrete and stones to prevent water infiltration into the filler material and built walls of gabion rock baskets to protect both corners of the east abutment.

Possible sites for other Bailey bridges have been proposed to both USAID and FONAPAZ. However, FONAPAZ is instead promoting the idea of investing all the remaining bridge funds and a portion of the AMVI budget for one concrete bridge over the Ixcán River. The concrete bridge would connect the municipalities of Ixcán and Barillas. This scenario would allow only one additional bridge, namely the 80ft emergency bridge currently on hand, to be constructed in the area, giving a total of four rather than six major bridges. CHF had already proposed a Bailey bridge over this river. Representatives of USAID, FONAPAZ and CHF have been discussing the various bridge options.

Program tracking results

During 1998, 2 major Bailey bridges were installed.

- Mayalan Bridge The 130-foot bridge is a one-lane pre-fabricated steel bridge that can carry a load up to 70 tons. It extends the Franja Transversal Norte to the community of Mayalan over the Pescado River.
- Trinitaria Bridge The 150-foot bridge is a one-lane pre-fabricated steel bridge that can carry a load up to 70 tons. It connects the villages of Trinitaria and Santa Ana over the Tzeja River.

Beneficiary impact results

- Mayalan Bridge The bridge serves the 2,746 inhabitants of Mayalan and the surrounding villages of Zunil and Buen Samaritano. It also benefits numerous other communities situated to the west of the Pescado River. Residents of these communities previously crossed the Pescado River by car or by wading only when

the level of the river was very low. The river was passable only by canoe during the rainy season, leaving residents nearly isolated for up to eight months of the year.

- Trinitaria Bridge The bridge serves the entire south-east portion of the Ixcán and is key to the eventual linkage of Ixcán with the rest of the department of El Quiché. As in the case of Mayalan, this area to the south of over 20 villages who were previously cut off from road access during several months of the year during the rainy season.

This facility of road access is expected to increase commerce in the Ixcán, as farmers and merchants can now make the one-hour drive all year-round to the municipal center of Cantabal, the only major market town in the Ixcán.

Problems Encountered and Solutions

In late July, CHF noticed that the support of the base of the bridge in Trinitaria was not well placed, causing the sinking of the base by 20 cm. Given the emergency situation, the CHF Technical Team raised the bridge to a safe level. Their training has proven essential in detecting and repairing problems and preventing its collapse. CONASA later constructed one of the two protecting walls of the abutment on the Santa Ana side, but has yet to reconstruct the other. Damage by Hurricane Mitch to both abutments at the Trinitaria Bridge must now be addressed.

Success Stories

In his January visit, Mr. Williams prescribed a height six feet above the previous high water mark, and CONASA agreed. CONASA did not carry out the advice, making the original abutment about 18 inches over the historic high water mark. CHF immediately brought this issue to the attention of USAID who, despite continued resistance by FONAPAZ, required CONASA to comply with the CHF proposal, based on verification by residents of Trinitaria who demonstrated the previous high water mark.

In early November, tropical storm Mitch caused the level of the Tzeja River to rise within ten inches of the bridge. Residents of Trinitaria cleared debris threatening to damage the bridge. It is probable that if the bridge had not been elevated, it would have been washed away.

Plans for FY1999

- Mitch damage repairs to both the Trinitaria and Mayalan Bridges
- Environmental plan for Bailey and other major bridge installations
- Location of one additional bridge site selected (including environmental feasibility study)
- Design of one bridge
- Additional training of local bridge installation team
- Installation of one bridge
- Environmental mitigation measures implemented on the new bridge and the two previous bridges
- Environmental mitigation reported to USAID on a quarterly basis

Special Development Fund

General description

The Special Development Fund (SDF) is a USAID fund that gives grants up to \$10,000 for community-based infrastructure projects. CHF targets communities where infrastructure needs are so great that a multiplicity of benefits derived from the activity. This activity also presents a firsthand opportunity to build community relations among previous conflict factions, as groups were brought together to work on a common goal.

In working with the national, municipal, and village-level agencies and councils, CHF has begun the process of building local capacity to identify needs and to sustain and manage infrastructure projects in the future. Many benefits derive from this strengthening of local institutions through participation in infrastructure projects, such as

- Capacity to respond to citizen/community needs
- Leadership development
- Commitment to maintain improvements in the future
- Conflict resolution when different factions work toward a common goal
- Environmental mitigation

The program is administered by CHF in partnership with the local community and is funded by the USAID Special Development Fund and other counterparts. During FY1998, other counterpart funders included FONAPAZ and the Municipalities of Ixcán and Chisec.

General Objective

- To strengthen the capacity of communities in becoming active in their own sustainable development and promote conflict resolution through community participation in the planning, management and implementation of infrastructure projects.

Specific Objectives

- To provide infrastructure that serves the basic needs of communities in rural areas and stimulates their socio-economic development.
- To train community committees in elaborating project proposals and managing resources.
- To assist community and municipal committees and leaders in providing responses to the needs of their citizens in the improvement of infrastructure in the area.
- To ensure that environmental mitigation measures are considered in infrastructure projects that promote community development.

History of the program

The lack of development in the areas in and around the municipality of Ixcán is evident. Most communities lack basic infrastructure such as bridges, schools, potable water, health centers, latrines, drainage and community centers, and thus access to basic services. Many families only

consider subsistence farming, since commercialization of their products is almost impossible where there are no roads leading out of the village. Their children do not receive an adequate education and health services are almost to obtain. From the more isolated villages, families have to walk up to 10 hours to get to the nearest road or cross rivers with a strong current, risking their lives. This situation not only displays the lack of investment in the area, but is also a result of the destruction of small infrastructure that existed in the area during the civil war.

Additionally, many previous development and humanitarian assistance projects created paternalism in Ixcán. In other cases, the members of many communities do not know how to organize themselves and have never been presented with the opportunity to work together. To overcome these problems, it is necessary for community members to participate as partners and not simply as beneficiaries in each phase of the project. This allows them to take responsibility for and feel proud of their own development.

To confront this lack of community participation and basic infrastructure in a conflict environment, CIT adopted the strategy of community-based infrastructure projects using funds from SDF. All projects have been undertaken at the community's initiative and have required substantial community donations of local labor and materials. Two projects were completed in FY1997.

Progress during 1998

Projects completed during FY1998 were undertaken by the CMS Unit, specifically the Component Coordinator (Jorge Dubon), Draftsman and Promoter. With the signing of the contract extension in June, infrastructure projects were divided between the CMS and EO Units. Social infrastructure, including schools, latrines, foot bridges, community centers, water tanks, health posts, among others, was placed under the EO Unit. Three new staff members, including Program Coordinator (Carol Thompson), a Draftsman and a Promoter, were hired in the EO Unit to manage the new Social Infrastructure. The CMS Unit covers transport-related infrastructure, such as bridges and airstrips, and social infrastructure projects that were started before the contract extension. In the cases of schools and health posts, a formal agreement is made with the Guatemalan Ministries of education and Health to provide the necessary staff after construction is completed.

Program Tracking Results

During 1998, 12 projects were completed by the CMS Unit, including the following:

- Three concrete bridges -- San Jose la 20 (Ixcán), Santa María Tzeja (Ixcán), Aurora 8 de Octubre (Chisec)
- Five schools or school improvements -- San Pedro los Amates (Ixcán), Serazquem, El Manantial, San Pablo, Setzú (Chisec)
- One training center -- Kaibil Balam (Ixcán)
- One women's center -- Aurora 8 de Octubre (Chisec)
- One water tank -- Sibicte (Chisec)
- One latrine project (300 latrines) -- Pueblo Nuevo (Ixcán)

Community strengthening

Community participation is an integral part of all of CHF's work, including projects funded by SDF, where community members have a large stake in every phase of the project. Requests for

projects are presented to CHF by community committees. In more isolated villages, the promoters visit the community to introduce CHF and the SDF program. Once a project is deemed feasible, CHF works with the committee to elaborate the project proposal and budget, complete the necessary SDF paperwork, acquire legal status from the municipal government (if it does not already possess it), and submit the project to the SDF Approval Committee of USAID/Guatemala for approval. The community commits to provide unskilled labor and local materials needed for the project. CHF is also responsible for looking for other counterpart funding for the skilled labor and additional materials.

Once the project is approved, CHF follows-up with the committee to determine a schedule for construction, trains the committee and community members in project planning and management, and supervises the implementation of the project. In the case of conflictive communities, CHF helps the different factions work towards a common goal, which is a benefit for the entire community. In the 12 projects completed during the reporting period, the communities involved contributed more than \$67,000 worth of unskilled labor and local materials.

The infrastructure projects of CHF capitalize on local initiative and self-development. This experience in areas affected by violence has demonstrated that these principles are a better investment than the large infrastructure projects implemented by people who are not from the community. In this way, communities consider themselves participants in these achievements and are more willing to maintain the infrastructure constructed.

The opportunities of direct participation strengthen the communities' inhabitants and finally, the nation in general. Lessons learned in basic project planning and management can then be applied to other community needs. The promotion of democratic practices through infrastructure projects contributes to the enrichment of the culture for peace of the civil society.

Problems Encountered and Solutions

Problem

CHF currently has 57 SDF projects in various stages of progress. Twenty-eight of these projects lack the necessary counterpart funding. There are two reasons for the urgency to secure counterpart funding. First, the need for basic infrastructure in these communities is evident. Second, as some of these projects were approved by USAID over a year ago, many communities have waited for more than a year for counterpart funds. Therefore, CHF has been delayed in fulfilling its commitments made to the communities.

FONAPAZ was CHF's most consistent counterpart on infrastructure until recently when the organization decided to focus instead on larger projects and other areas of the country. As elections approach, this type of behavior is common among government entities.

Solution

In response to changes in counterpart priorities and the municipality's limited funding capacity, CHF is contacting other donors with interest in infrastructure projects. Given the urgency of the situation, these donors and others will be approached regarding possible collaboration efforts. Some of the organizations contacted include DECOPAZ, ACNUR-CECI (UN refugee assistance), the Japanese Embassy, KFW (German Embassy), CEPRODI (Dutch embassy), Cooperacion Espanola, Fondo de Inversion Social (Guatemalan government fund for social infrastructure), SEGEPLAN (Guatemalan Secretary General for Planning), and others.

DECOPAZ, a new program financed by the Inter-American Development Bank through FONAPAZ, arrived in Ixcán in June and is anxious to work with CHF. Given the bureaucratic nature of the organization and the recent situation with FONAPAZ, CHF is hesitant to depend on them for support on more than a few projects. CHF has also submitted a formal proposal to the SDF committee, which will be considered in November, regarding broadening restrictions and allowing SDF funds for projects which value less than \$10,000.

A proposal was submitted to the Japanese Embassy based on a meeting with representatives of their infrastructure program. They expressed a strong interest in CHF's projects at the time, but later rejected the proposal due to the types of projects, something they had not done in our initial conversation. It was also clear from their questions related to housing that they had not read the proposal.

A plan for following up with the other organizations listed above has been developed. Currently these organizations have obligated all of their funds for the year and we will again talk with them in December and submit proposals in January.

Problem

Many communities requesting infrastructure projects require CHF to travel long distances. Providing construction materials to these areas is often extremely difficult.

Solution

Promoters who are from the area know the different transport methods available and often sleep overnight in these communities when doing promotion activities and providing supervision. Related to transport of materials, in one case, materials were flown in to build a school. In another case, the community members of Kaibil Balaam carried more than 3,000 concrete blocks up a one-mile trail to build a training center.

Success stories

Representatives from Santa María Tzeja and San José la 20 analyzed the need for a bridge between the two communities and then presented their proposal to CHF. San José la 20 is a town that the Guatemala Army militarized as a block to guerrilla patrols. Each male in the town received military weapons and was required to stand post one day out of six. Santa María is a town whose inhabitants fled to Mexico and stayed there for about a decade and who have now returned to farm on their original lands. These two groups of people have a history of conflict and little or no track record of working together. In this context, the bridge project is much more than a physical infrastructure project, but is helping to lay the cornerstone of a new relationship between former enemies. With the completion of the bridge, students in San José la 20 can more easily attend school in Santa María Tzeja and several farmers can more easily travel to their lots on the other side of the bridge. In addition, residents of Santa María Tzeja can more easily make the journey to Cantabal, the municipal capital and the only market town in Ixcán. Another SDF project, currently underway, in San José la 20 will provide both communities with better health services.

A similar process occurred in Kaibil Balam where two conflictive groups from the same town worked together in the construction of the training center. Threats and violent conflict were a common practice between the two groups. The training center gave both sides the opportunity to put behind their differences and work together to provide a much needed and common facility in their community.

Aurora 8 de Octubre, also known as Xaman, is another returnee community that faced a second bloody encounter with the Guatemalan military in 1995. In this village, the community contributed to the construction of a training center for Mama Maquin, a women's organization originally formed by refugee women in Mexico. This is the first time that a SDF project has been utilized to finance the construction of a women's center.

Plans for FY1999

- Pursue counterpart funders
- Establish binding contracts with counterparts
- Continue to advise and provide support on existing projects
- Staff training on environmental mitigation
- Initiate new projects
- Provide technical assistance to community committees on project planning, implementation and management

AGROFORESTRY AND ENVIRONMENTAL EDUCATION COMPONENT

General description

The agroforestry/environmental component is administered directly by CHF. It consists of nine Promoters, two Agricultural Assistants and the Program Coordinator, Wilson Castañeda. The component seeks to introduce and implement new sustainable technologies for farming, test and introduce non-traditional crops, educate on environmental issues and generate income. New technologies are tested and demonstrated at the ICTA (Instituto de Ciencia y Tecnología Agrícola or the Institute of Agricultural Science and Technology) experimental farm through an agreement between ICTA and CHF.

Objectives

The objectives of this component fall under USAID lower level result 1 and 2 and include

- Introduction of new sustainable technologies
- Income generation
- Institutional strengthening

Agroforestry

The agroforestry component operates in 33 communities, including six in Alta Verapaz, an area targeted for expansion since signing the CIT contract extension in June. Rapid environmental assessments and community interest are used to identify communities for this component. The nine CHF Promoters are the principal contact points for the agroforestry component and receive extensive training in agroforestry systems and organic farm management which they pass on to local farmers. There are currently nine agroforestry management systems being used by 408 farmers covering 225 manzanas of land. The systems are the following

- Hillside contoured tree rows
- Alley cropping
- Live Fences
- Perennial Cultivation
- Taungya
- Crop rotation with soil improvement crops
- Green manuring
- Trees as erosion barriers and hillholders
- Renewable Firewood Production

In traditional agriculture in Ixcán, a farmer slash and burns an area, uses the land for two years and then abandons it for two years while it recuperates. The two options this presents are 1) to plant fewer crops or, 2) to slash and burn more forest to plant crops. The second option has led to a dramatic decrease in forest and, as was the case last March-April, rampant forest fires. For many farmers, they have little or no forest left to burn which leaves them to plant fewer crops or plant on very poor soil.

CHF offers a third option, which is to implement agroforestry techniques that replenish soil, prevent erosion and include trees for fenceposts, firewood and construction. Under the agroforestry systems, land can be cultivated every year and production increased. Trees for firewood, construction and fenceposts are planted alongside crops. The program data collected

below documents CHF's progress and success in training farmers to use these systems. The 225 manzanas under agroforestry systems, considering the alternatives, represents hundreds of manzanas of forest saved and a substantial increase in crop production.

Non-traditional crops

After testing five non-traditional crops, the agroforestry program is beginning to research market opportunities for crops like vanilla and palm heart. This year, 4,500 pejubaye trees (the source of palm heart) were planted at the ICTA experimental farm. Eventually these trees will be moved to community nurseries and demonstration plots where farmers will have a chance to see the potential of this crop first hand. Research on markets, credit systems, funding sources and local associations is being considered in an attempt to commercialize these and other crops. This year, the Program Coordinator and ICTA manager visited palm heart production and processing farms in Costa Rica and Guatemala. CHF is seeking to find a suitable organization to manage funding proposals, production and processing of this crop. The Association of Promoters of Ixcan general assembly is one organization that voted to pursue this opportunity with CHF and others are being sought.

The importance of commercializing crops in Ixcan can not be under emphasized. For real income to be generated in the area and to provide employment to a rapidly growing population, industrialization of non-traditional crops is critical. Subsistence farming will not support the future population. Another necessity this fills is to bring in money from outside of Ixcan. With goods coming from Mexico and Guatemala City, cash flow is continually going out of Ixcan.

Environmental Education

Environmental education work includes the training of teachers in Ixcan and Fray Bartolome de las Casas in environmental education. The Ixcan Ministry of Education Supervisor participated in the training and the Ministry hopes to continue this training in other parts of the country. 60 teachers attended three training sessions lasting seven days where they received awareness training and teaching guides and had the opportunity to practice presenting information in front of their peers. An estimated 5,000 students have indirectly benefited from this training which was completed in September.

Environmental education also includes small school ecological projects like gardens and tree nurseries. The CHF staff teaches the students and teacher how to maintain the system and provide technical follow-up. Additionally, environmental interpretation trips are planned to Lachua National Park for older students. 308 students benefited directly from these activities.

History of program

Agroforestry

Agriculture represents the major avenue to food and economic security in Ixcan. However, much of the agriculture being practiced in Ixcan is neither sustainable, economically productive nor environmentally sound. Common practices include

- Slash and burn agriculture
- Cattle raising
- Deforestation for firewood and illegal lumbering

The growing population and continuance of these agricultural practices threatens the environment and future livelihoods of the population. 85% of the soils in Ixcán are suitable only for forestry and are part of a very fragile eco-system.

The CHF extensionists/promoters are the principal contact point with the community for the agroforestry/environmental education component. Promoter recruitment began in November 1996 with an effort to cover most of the geographical area, the language groups, and the different groups who were in conflict during past decades. This includes returned refugees, the internally displaced, militarized groups, and ex-combatants.

Nine promoters were given initial training that took into account the fact that although all had farming backgrounds, none had agroforestry experience. The workshop topics included working with groups, extensionist skills, agroforestry systems, implementation and management of agroforestry demonstration plots, tree nurseries, working with both men and women in project activities, soil management and conservation. Each training workshop built on the skills learned in the previous one and was immediately put into practice. This means that before the promoters received a second training workshop, they were already carrying out extensionist duties in the various communities. This was possible due to a system of formal training mixed with on-site training and supervision monitored by CHF CIT staff. As promoters became more experienced, direct supervision on site was lessened. In August 1997, an evaluation was made of the promoters and two promoters were let go and new ones hired. The total initial training period lasted six months, promoters continue to receive in-service training.

Through a formal agreement with ICTA, CHF CIT recuperated an experimental farm of about 200 acres that had been abandoned and abused for several years. In addition to saving the experimental crop demonstrations, CHF CIT works with ICTA in preparing new agroforestry demonstration plots and tree nurseries on the farm with crops that have the potential to be economically viable in the Ixcán. Although research on pejobaye (palm heart), vanilla and other crops for production is still taking place, the emphasis at the ICTA farm is now on organic agroforestry production techniques which are sustainable in the Ixcán environment.

The ICTA farm currently serves a training and demonstration function for the entire Ixcán area. This demonstration function, while important, does not obviate the need for tree nurseries and satellite demonstration plots closer to the farmer's land and managed by persons the farmer recognizes as his/her peers. During 1998, 35 demonstration plots and 32 nurseries were established. A total of 118 demonstration plots and nurseries have been established since inception of the program. A new long-term agreement was negotiated in 1998 between CHF and ICTA for both the experimental farm and the ICTA offices.

Environmental Education

Environmental Education was originally seen in the project as a small part of the work of disseminating sustainable farming practices in the Ixcán. Over the past year the number and type of activities have been expanded and their integration with the agroforestry component has deepened. The Participatory Rapid Rural Assessment process showed a community desire for environmental education with a concentration on forest preservation. Community leaders generally still believe that environmental education is just for children and in a formal school setting. However, farmers and community leaders are receiving environmental education in a non-formal extensionist methodology through agroforestry training, but they still do not think of it as environmental education.

CHF CIT project personnel felt it was important to have an environmental education system and not just a series of isolated workshops. This is based on a belief in the educational process as gradual and continual whether in the formal school setting or in non-formal education such as the agroforestry training of Ixcan farmers. In environmental education, CHF CIT project personnel were able to form a formal alliance with the Guatemalan Ministry of Education as a partner organization. This provides the framework for formal and non-formal training with teachers and students in workshops given by the CHF CIT project team. The goal is that the teachers will eventually become fully qualified to teach environmental education in their schools. Currently, they receive "training of trainer" type courses and teaching assistance from CHF CIT personnel. The Ministry of Education has fully recognized the educational value of these courses and teachers receive diplomas that carry the Vice-Minister's signature.

Environmental interpretation, consisting of lectures accompanied by hikes through forested areas, has been carried out to show a practical side of environmental education to farmers, teachers and students and to engender a greater appreciation for the natural forest. The area leading into the Lachua National Park area has provided an appropriate area for this activity.

Progress in 1998

A total of 1,084 people were trained during the year in agroforestry systems, organic management and environmental education and the program expanded into Alta Verapaz. Specific program accomplishments are listed below.

Program tracking results

The following indicators were established for FY 1998 to track component progress. 43% of the targets were exceeded.

FY 1998 program tracking results

ACTIVITY	UNIT OF MEASURE	PLANNED FOR FY '98	ACTUALS FOR FY '98
Program Implementation			
Visit and review areas and crops	Review	12	21
Hire Promoters	Promoter	9	1
Agroforestry workshops for Promoters	Workshop	6	11
Agroforestry workshops for farmers	Workshop	28	27
Farmer to farmer agroforestry training	Workshop	28	50
Evaluate demonstration plots	Visit	38	32
Contracts with farmers for demonstration plots	Contract	38	35
Implement agroforestry plots	Plot	38	35
Manage plots	Plot	62	86
Tree nurseries	Nursery	32	32
Plant production (trees)	Plant	241,000	246,580
Design productive reforestation plan	Plan	28	26
Implement forest management demonstration plots	Plot	38	35
Provide technical follow-up on projects	Visit	32	72
Organizational Strengthening			
Contact NGO's and cooperatives	Coordination	6	6
Provide administrative and technical assistance to Assoc/Coop's	Workshop/ Visit	1	1
Attainment of funding for Assoc/coop	Funds	0	0
Establishment of Sustainable Enterprises			
Identify crops and growing systems	System	4	4
Create production models	Model	1	4
Refine database for crop monitoring	Database	0	1
Conduct agroindustrial market study	Study	0	0
Create agroindustrial model	Model	0	0
Promote Assoc/Coop	Activity	1	1
Promote products of the Assoc/Coop	Activity	1	0
Develop credit system for Assoc/Coop	System	0	0
Perform environmental impact studies related to agroindustry	Study	0	0
Environmental Education			
Identify environmental problems in Ixcán	Problems Id	6	3
Conduct rapid environmental impact studies	Study	1	2
Small school environmental projects	Project	10	11
Environmental workshops for teachers	Workshop	5	5
Environmental workshops for community leaders	Workshop	4	5
Environmental workshops for Promoters	Workshop	2	4
Review, refine teacher training process	Process	2	2
Environmental interpretation trips	Trip	10	6

Beneficiary Impact Results

The following information is from a survey of 50 farmers implementing agroforestry systems

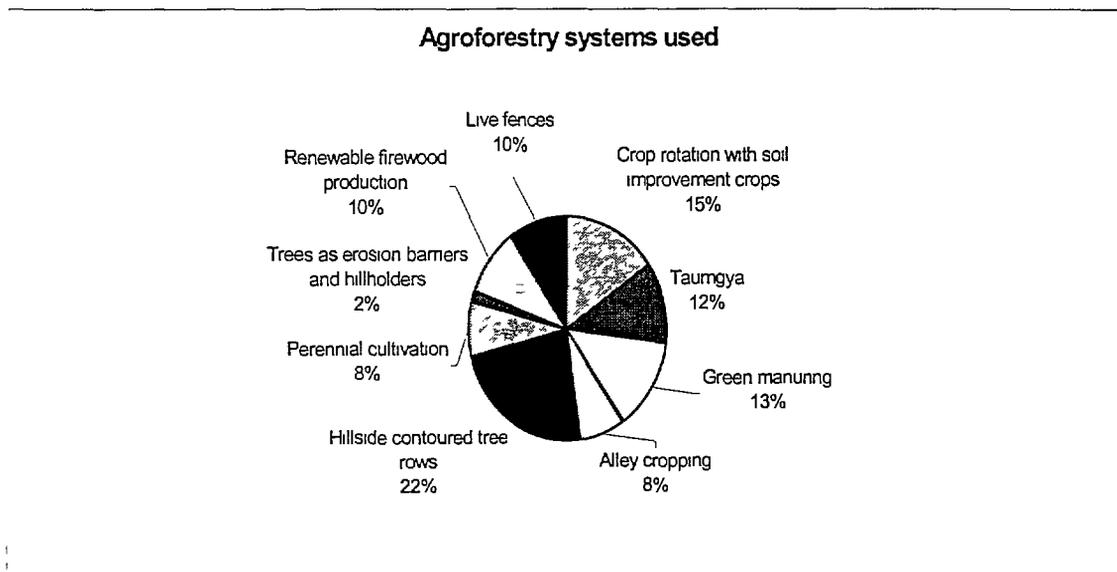
Tracking area	Data
Average size of area under agroforestry system per farmer*	1.3 manzanas
Percentage reporting savings due to non-chemical use**	22%
Average amount of savings due to non-chemical use	Q 486.36
Percentage of farmers planting trees in their system	70%
Percentage reporting increased production/earnings***	44%
Average percentage increased production	19%
Average increased production in quintales (100lb Sack)	38.36
Average percentage increase in income	25.75%
Average increase in income in quetzales	Q 1,790
Number of farmers <i>not</i> working with CHF who received information from farmers working with CHF about agroforestry systems	337

*Farmers typically start working with CHF with less than ¼ manzana. The average of 1.3 speaks to the success farmers are having and their growing confidence in the systems.

**The majority of farmers did not use chemicals previously due to the cost.

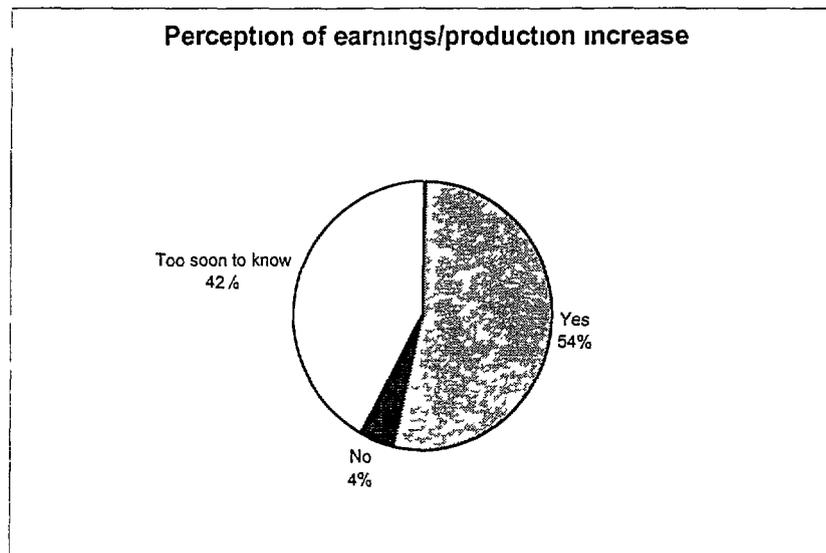
***Actual numbers as opposed to perception, which is graphed below.

Type of agroforestry system being used by those surveyed



Farmer perception of increased earnings and production

This graph is important because many times farmers do not track the actual increase in production or earnings, but are very aware of whether or not the system is having a positive impact on the household



Major findings

- 1 Farmers are very cautious of systems that are different from what they have traditionally used. Many are subsistence farmers and willing to absorb a very limited amount of risk. For this reason, farmers typically begin working with CHF with less than ¼ manzana.
- 2 Due to the fear of risk, farmers will need to be shown the evidence of success of any non-traditional crop before planting a substantial amount. This signifies that any move toward commercialization of these crops will be deliberate, based on visible results and cautious.
- 3 Only 4% of farmers stated that they did not perceive a production/income increase from using the agroforestry system. 54% stated that they perceived an increase in their production and income.
- 4 Hillside contoured tree rows, a system to replenish soil nutrients (mainly nitrogen) and prevent soil erosion is the most popular agroforestry system.

Response to findings

In general, the program has been highly successful and used as a model for other organizations. This model will be used to continue to grow the program in Ixcán and Alta Verapaz. CHF's understanding of the challenges of working with a traditional farmer is also helping to refine the process for introducing non-traditional crops to the area. The methodical process learned over the past two years will aid in making production and processing of non-traditional crops successful.

CHF, through its Promoters and staff, will focus on education of farmers to the agroforestry systems, pointing to the successes of the past two years to convince those who perceive a high

risk in making the change from traditional ways CHF's Promoters have received extensive training in organic farm management and applied the new technologies in the field The program goals and expectations of Promoters will increase to take advantage of their growing expertise to expand the program

Institutional Strengthening Results

Institutional strengthening is occurring in two ways in this component One way, which has occurred since inception of the program, is through the provision of technical expertise and training to organizations like ICTA and the Ministry of Education Another way, which is just getting underway, relates to the strengthening of an organization to solicit financing and administer the production and processing of non-traditional crops

The agroforestry component worked with the following organizations during FY 1998

World Union for Nature*

CHF collaborated with this organization to produce workshops on organic agriculture, which are attended by promoters, community leaders, farmers and representatives of the municipal government

Resurrection of Pueblo Nuevo Cooperative

CHF developed an ecological park containing 10,000 trees of 5 species with the cooperative

Schools without Borders*

CHF works with this organization in Fray Bartolome de las Casas to provide environmental education through small environmental school projects

Guatemalan Ministry of Education

Three agreements were carried out to provide environmental education teacher training in Ixcán, Alta Verapaz (area around Lachua National Park) and Fray Bartolome de las Casas (60 in FY '98) The Ministry of Education Supervisor for the Ixcán area attended training and will assume responsibility for the continuation of this work

CHF provided technical assistance and training on ten small school environmental projects

CHF provided environmental interpretation trips to Lachua National Park to 650 area students

University of San Carlos, Guatemala

A university thesis student is assessing the nutritional value of area foliage for animals (primarily cattle) The study will determine what trees to plant to provide nutrition for cattle, a major cause of deforestation

Movimundo

This organization visited CHF to learn about the systems used and methods for introducing agroforestry systems to farmers in order to implement similar systems in Alta Verapaz (in an area where CHF doesn't work)

Nuevo Amanecer and Factota (two area cooperatives)

CHF is sharing information with these two organizations on techniques and methods of delivery in order to promote agroforestry

The Association of Promoters of Ixcán

This organization is among those being considered by CHF to assume the leadership in the production and processing of a non-traditional crop like palm heart and/or vanilla. All of the Promoters in the agroforestry component are in this organization and six hold board positions. CHF has assisted the organization in becoming more formalized and provided guidance in organizational development.

*Through an agreement with World Union for Nature and Schools without Borders, ten small environmental school projects in Alta Verapaz will be established in FY1999.

Problems Encountered and Solutions

Problem

The principal challenge to implementing new agroforestry technologies in Ixcán is convincing farmers to take on what they consider to be substantial risk. As basically subsistence farmers, a change from traditional ways represents a risk to their families and minimal income that they might obtain from each harvest. It is safer to have a poor harvest that damages the environment than to risk starvation under new methods. Within this context, traditional farming methods have been used for generations and farmers know how to implement them. To change methods at this point requires learning new techniques and, again, represents a risk to farmers with little or no education.

Solution

The agroforestry component is managed to provide education workshops at ICTA (where farmers can see agroforestry systems in operation), community demonstration plots and through farmer to farmer training. Understanding the challenge of implementing new technologies in a traditional culture led CHF to develop a process of demonstrating methods, training farmers and reducing the fear of risk. CHF also hires Promoters who live in the communities where they work, which allows for trust, one-on-one education and regular follow-up to be cornerstones of a short and long-term strategy.

Problem

In the past year, El Niño created harsh growing conditions for farmers and required special actions to be taken at community nurseries. The dry weather combined with the slash and burn tradition also resulted in widespread forest fires in Ixcán.

Solution

In order to maintain the demonstration plots during the unusually hot summer caused by El Niño, a simple shade system was introduced in 18 communities that prevented rapid evaporation of water, protected the saplings and soil, and created a better work environment.

During April and early May, CHF provided personnel and equipment to fight the fires and the Agroforestry Program Coordinator organized the fire-fighting volunteers in attacking the fires from four locations. On May 22nd, in response to recommendations by a team of air-quality experts from the International Organization of Migration (IOM), the decision was made by the CHF Director to evacuate staff from the area and close the office until the situation could be

alleviated Staff members were already suffering from a variety of symptoms including lung infections, sore eyes, running noses, fatigue and nausea Staff returned to Guatemala or Coban Several staff members from Ixcan chose to remain in their communities Although the CHF/Ixcan office was officially closed, a rotation of personnel ensured that at least one person was always present to attend to any emergency or program need

CHF provided those staff members, who remained in Cantabal, and their families with access to emergency health care, written instructions on care during this hazardous situation, and an emergency care package The package included Gatorade, eye drops and breathing masks Immediately following a significant downpour, the office reopened on June 1st

Problem

Resolution of conflict is a recurrent issue and in many communities and ex-conflictive groups and individuals are often unwilling to be part of a program which includes people who fought of different sides during the civil war

Solution

CHF understands that the conflict, which took the lives of many (approximately 60,000) and resulted in approximately 1,000,000 refugees will not be easily resolved or forgotten by the current generation of farmers CHF addresses this issue by offering opportunities for groups and individuals to move beyond this horrific period by refocusing their energy on projects that require people to work and learn together Two of many examples demonstrate this point

In the community of Monte Alegre, farmers are divided along two lines those who served with the CPR (Communities of Populations in Resistance) and those who served with the Civil Self-Defense Patrols (the government militia) Initially, the two groups wanted nothing to do with each other and refused to participate in the agroforestry program with the other As a result, only one farmer, Don Pablo, who was highlighted in the last annual report, implemented the new agroforestry system After tireless promotion by the Promoter and seeing the results of Don Pablo's work, there are now 19 farmers implementing agroforestry systems from both groups The farmers work together on a community nursery and share information about the different systems According to the Promoter, "we used to be two communities, now we are one "

Two Promoters in the component have also confronted the past and resolved issues left by the war Rolando Guillen was a member of the Civil Self-defense Patrols of the military and Rosenda Sales was a member of the United Guatemalan Revolutionaries (the guerrilla movement) In discussing the war, the two realized that not only had they served on different sides, but that they had been in a firefight against each other 15 years earlier These Promoters now rely on each other for support, information and partnership

Success Stories

Juan Macario Pual farmer, community of Efrata

Juan Macario Pual is a farmer who lives in the community of Efrata Until late 1997 he used slash and burn agriculture When he started working with the area promoter and began to learn more about CHF's systems, he decided to begin utilizing organic agriculture and the barreras vivas agroforestry system on his land By intercropping pineapples, trees and corn he has, according to Juan, "earned Q1,000 more in income from his harvest " He is currently converting two more fields into other agroforestry systems

The Nueva Esperanza community of farmers working with the agroforestry component

Nueva Esperanza is a community that was militarized during the time of violence. This community has a population of approximately 1,464 people (183 families), and is located along the shore of the Chixoy River. The first year the component worked in this area, a group of 25 farmers worked with agroforestry systems. Each person established their land with different agroforestry systems according to their objective. After the group had established the system, they decided to reforest two kilometers of the length of the river because they were very worried about the deforestation problem in Ixcán. They considered reforestation of particular importance along the river's edge where erosion of the bank is an issue. Together they planted 1,750 trees. The initiative to undertake this task, which required weeks of work, represents an understanding of the reasons behind environmental protection and a willingness to take steps to improve current conditions.

Plans for FY1999

- Further implementation of systems in Alta Verapaz
- Continued technical assistance and training to farmers and Promoters
- Hiring and training of new Promoters
- Research and organization around palm heart commercialization
- Follow-up on environmental education in Fray Bartolome de las Casas and the area around Lachua National Park
- Management and technical assistance to 134 existing demonstration plots
- Implementation of new demonstration plots and nurseries
- Conclude the environmental education workshop for community leaders
- Continue activities in collaboration with ICTA experimental farm
- Evaluate each Promoter's work to date
- Implementation of ten small environmental school projects in Alta Verapaz and Fray Bartolome de las Casas

VILLAGE BANKS COMPONENT

General description

The village banks component is administered through a NGO partner, the Central de Servicios Integrales para el Desarrollo (CESIDE, Center of Integrated Services for Development). The program has two promoters who promote the establishment of village banks, orient participants to credit and provide follow-up training and oversight to the bank. A half-time accountant and a half-time supervisor provide administrative support. The CHF Program Coordinator is Delia Nunez. Since June, CESIDE has received additional support from Amadeo Garcia, the Vice-president of CESIDE's board.

Lenders start with a loan of Q500 for a four-month period. During that time, they pay a monthly interest rate of 2.5% and are required to save 20% of the loan amount. Subsequent loans are Q500 plus an amount equal to their savings. Loans have been used for vegetable sales, chickens, pigs, tortilla and pastry production, clothing purchase and resale and small grocery stores. In FY 1998, \$29,778 (Q192,070/6.45) was lent. Since inception \$34,352 (Q221,570/6.45) has been lent.

Objectives

The objectives of this program fall under USAID lower level results 1 and 2 and include:

- Institutional strengthening of a local NGO
- Income generation
- Providing a credit opportunity to women without access to traditional lending institutions

History of relationship between CHF and CESIDE

CHF and CESIDE began promoting village banks in January 1997 after visits to village bank operations in Quetzaltenango and Totonicapan and a four-day training by FUNDAP in village bank methodology. A formal contractual agreement between the two organizations was established in July 1997. This contract concluded in September 1998, however, CHF headquarters approved a no-cost extension through October and November so that an external audit and CHF evaluation could be conducted and analyzed before entering into a new contract.

Progress in 1998

In FY 1998, the program refined the administration, promotion and training support for village banks and built on the strong base developed in FY 1997. CESIDE has demonstrated a strong capacity to create needed systems, adapt the program to beneficiary needs and meet its commitments. CESIDE's commitment over the next two years is paramount to reaching component goals.

The following goal plan was established for FY 1998 for all productive credit activities

Activity	Unit of measure	Planned FY 1998	Actual FY 1998	Percent Completion
Promotion with local NGO's	NGO s	2	2	100%
Project design implemented	Design	1	1	100%
Village banks manual	Manual	1	1	100%
Audit (CESIDE)	Audit report	1	1	100%
Contract between CHF and CESIDE	Contract	1	1	100%
Identify village banks	Banks	6	11	183%
Inaugurate village banks	Banks	6	11	183%
Issue loan capital to village banks	Amount issued	Q 122,400	Q 192,070	157%
Technical and financial training to CESIDE	Course	4	4	100%
Design Productive activities	Design	1	0	0*
Technical supervision of village bank program	Evaluation visits	35	33	94%
Rapid assessment study of the role of women	Study	1	1	100%
Recuperation of credit from banks	Amount recuperated	Q 73,600	Q 75,445	104%
Internal audit of banks	Audit report	6	5	83%
Refine institutional policies	Policies refined	1	2	200%
Financial assistance for institutional strengthening of CESIDE	Amount provided	Q 320,876	Q 218,707	68%

*The decision was made to explore productive opportunities before hiring a full time productive activities coordinator. Three productive activities have been researched including a poultry farm (egg and meat production), a goat model (milk, meat and kids) and a mosquito net business.

The exchange rate ranged from Q 6 02/\$1 in October 1997 to Q 6 52/\$1 in September 1998.

In February 1998, an additional promoter was hired which greatly increased the program's capacity to promote new banks while maintaining existing ones. The number of banks increased from four to eleven during the year and the number of members increased more than 400% from 46 to 204. Equally important to the growth of the program is the increase in members per bank, which enhances sustainability by lowering administrative costs. This number increased from 11.5 to 18.5. Another policy implemented to enhance sustainability was a change in bank meetings from weekly to bi-weekly after the first cycle. Prior to this change the bank must demonstrate responsible repayment, evidence of business skill acquisition and maintain attendance of members. According to the audit by Escobar, Flores and Associates in September 1998, the credit tracking system and follow up at each bank is "excellent and the principal reason for the 100% repayment rate."

233 participants (29 retired from the program leaving 204) received weekly or bi-weekly training in the following areas:

- The Solidarity guarantee
- Orientation to credit
- Selecting the right business

- Preparing an investment plan
- Tracking expenses and income
- Marketing your product and quality control
- Growing your business
- Starting a business with other members
- Maintaining and growing the size of the bank
- Internal credit (loans made by the village bank directly to individuals)
- Health issues

The following data below show program growth during the year

Credit Program Tracking Results

In September 1997, there were 4 banks with 46 members The following chart notes quarterly progress during the year

INDICATOR	Oct-Dec /97	Jan-Mar/98	Apr-June/98	July-Sept /98
No of banks	6	6	6	11
No of active members	64	96	100	204
No retired members	5	7	9	8
No members/bank	10.7	16	16.7	18.5
Avg loan size	Q 649	Q 578	Q 561	Q 567
Outstanding loan amount	Q 41,545	Q 55,500	Q 56,100	Q 115,625
Interest income	Q 1,338	Q 4,656	Q 4,273	Q 5,413
Overdue accounts	0	0	0	0
Write-off accounts	0	0	0	0
Member savings	Q 9,754	Q 13,600	Q 22,929	Q 37,366
Avg savings/ member	Q 152	Q 142	Q 229	Q 183
Operational self-sufficiency				12%
Oper /financial self-sufficiency				9%
Internal bank loans	Q 1,000	Q 4,550	Q 18,200	Q 18,925
Interest from internal loans	Q 0	Q 59	Q 319	Q 558

*Total amount lent during FY '98 was Q192,070 Q76,445 was recuperated and relent

Institutional strengthening

As mentioned above, CESIDE is being strengthened to administer the village banks program and has shown the capacity to develop the necessary tools to do so The CHF village banks Component Coordinator, CESIDE's Director and the Vice-President of CESIDE's board of directors completed an evaluation of institutional strength that measures strength in four areas on a five point Likert scale Each indicator is broken down into specific task completion not shown here These tasks were scored and averaged to complete the following table As this tool was not used last year, the staff was also asked to score institutional strength as it existed in October 1997 The results are below

- 1 Doesn't exist
- 2 Exists, but not at an acceptable level
- 3 Exists at an acceptable level, but can be improved
- 4 Exists at a good level and is used appropriately
- 5 Exists and is considered to be an institutional strength

Institutional Strength	Indicator	Score 1997	Score 1998
Management	• Monitor and evaluate programs	2.5	3.1
	• Reports are complete, on time, accurate	2	2.6
	• Standard process exists to resolve problems	2	3.6
	• Board involvement	2	3.3
	Management average	2.1	3.2
Planning	• Staff time is used efficiently	2	2.7
	• SWOT conducted and used in planning	1	2.3
	• Budget projections for next 3 years	2.5	2.8
	• Staff training plan	2.5	2.2
	• Sustainability plan	2.3	2.1
	Planning average	2.1	2.4
Controls	• Accounting system appropriate and used correctly	2.5	2.7
	• Internal controls manual	2.8	2.8
	• Accounting procedures manual	2	3
	• Complete, organized filing system	1.5	2.7
	• Office inventory	2	2.3
	• Annual audit and evaluation of systems	1.5	2.3
	Controls average	2.1	2.6
Credit tracking	• Average loan size	2.5	3.3
	• Repayment status	2.5	3.7
	• Overdue accounts	1	2.3
	• Portfolio at risk	1	2
	• Portfolio at risk divided by 30, 60, 90 days late	1	1
	• Write-off accounts	1	1
	• Average savings/member	2	2
	• Sustainability	2	1.7
	Credit tracking average	1.6	2.1
Total	Average Institutional Strength score*	1.98	2.58

*The average institutional strength score weighs each of the four areas equally

There is a clear trend toward establishing the required management and systems for a strong organization. The scores show a move from non-existent or unacceptable institutional capacity to existence of tools/procedures and establishment of systems that may now be fine-tuned. On average, the institutional tools and processes exist, but need to be improved during the next year.

The credit tracking average is lowered by portfolio at risk, risk over 30, 60, and 90 days and write-off accounts tracking. These will be measured, but to date there have been no write-offs or overdue accounts. In general, credit tracking is strong and only lacks a data entry system that will allow for more in-depth analysis.

Beneficiary Impact Results

The following information was gathered on 13% of current members who had completed at least one loan cycle. An analysis of the information follows. The numbers are averages of the members surveyed.

Tracking area	Data
Loan size	Q 727
Loan cycle	3 rd cycle
Interest cost of those surveyed	Q 109
Business costs during 6-month cycle	Q 945
Gross earnings from sales during 6-month cycle	Q 1,562
Net income generated during cycle*	Q 508
Net income earned per month	Q 85
Number of hours worked per month	80
Value of each 8-hour day worked based on net income**	Q 8.49
Value of each hour worked	Q 1.06
Savings in excess of that required	Q 148.26

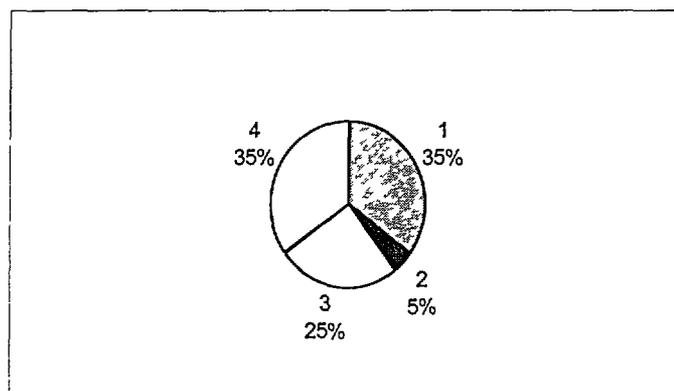
*Net income = Gross earnings – business costs - interest

**The average daily wage in Ixcán is Q20-25 or approximately Q3/hour. In general, farmers work 3-4 days per month at this rate and spend the remaining days tending to their land.

Evidence of Understanding Credit

Bank members were asked to explain credit (their loan) and why they paid interest. Their responses were scored on the following scale. The average score was 2.7.

- 1 Not able to explain credit or interest
- 2 Give an explanation of credit and interest, but commit errors in describing both
- 3 Explain credit or interest correctly
- 4 Explain both correctly and give examples



Major findings

- 1 The businesses of the women surveyed are as follows

Business	Percent
Clothing sales	10 53%
Chickens	21 05%
Pigs	36 84%
Tortilla prod /sale	5 26%
Store	10 53%
Baked goods	5 26%
Corn production	10 53%

- 2 Many women are not using the whole amount of loan money or are using it for businesses outside of their primary investment Promoters mentioned that the women often invest in other smaller projects, sometimes including the main household crops like corn production For example, a woman in one bank bought ten chickens and also buys and resells vegetables
- 3 Some loan money is supporting family crops It was evident in 10 53% of respondents that the money was being invested in corn production and, most likely, given to the husband These women were also unable to explain the credit process and/or interest
- 4 Although the average business cost is Q945, an amount greater than the average loan size, 68% of members spent less than the loan amount Only those members with a store, clothing sales and baked goods had costs well above the loan amount Excluding these businesses, the average business cost was Q525 43, Q201 63 less than the average loan size This could signify several things
- Women are not including all relevant business costs
 - Money is being set aside to pay interest and savings requirements
 - Money is being spent on non-business activities or given to the husband

This issue and the reasons underlying the discrepancy will be investigated during the next fiscal year

- 5 60% were able to explain the credit process and/or interest 40% were unable to provide any response or committed errors in their explanation

Response to findings

The response to these findings will be to first ensure that loans for agricultural crops are not issued The way this will be determined is by improving the "investment plan" training Each woman is to sit with the promoter before receiving her loan to examine her business plan They outline costs, helpful business tips, minimizing risk, maintenance of the business and expected earnings If done thoroughly, it should minimize the opportunity for misdirection of loans

The investment plan and other business training will be improved to address two issues First, if women are not investing all of their loan money, what are the reasons If they are investing in several small businesses, what is the earnings result of each and is the risk of specializing in one business and achieving greater earnings to great to consider this option Second, through this

individualized work, the 40% of women unable to correctly explain credit and/or interest will gain a better understanding. Currently, credit understanding is based on attendance at orientation meetings and signing the loan agreement after a thorough explanation to each woman of the credit being provided and the schedule of interest payments due. This process will be examined to offer more participatory training.

Training to this point has largely been poster drawings with explanation provided by the Promoter. In order to improve training, CHF and CESIDE have begun to review training contents and methodology. The goal is to standardize the training process to free up Promoter time and to implement a more participatory approach.

Problems Encountered and Solutions

Problem

The principal challenge for the village bank program is creating a sustainable CESIDE given the distance between communities and high administrative costs incurred because of this. For this reason, most village bank programs do not work in rural areas. The poor condition of Ixcan transport corridors and disparate, small communities require promoters to spend up to 10 hours per week in travel. Bank centers, where groups of women come to a central point to hold meetings and the promoter services three groups per day were considered. Given the lack of public transportation available to the women, the idea was determined to be unfeasible at this point in time.

Solution

CHF is approaching the sustainability challenge in three ways. First, sustainability is one of the success indicators being monitored and goals have been set through September 2000 to maintain or lower costs while increasing program participants. Second, a plan was developed to maximize time efficiency of promoters. The plan includes a geographic focus to service banks in one area on the same day, incentives for women to increase bank membership, and a change from weekly meetings to bi-weekly meetings with banks that have demonstrated responsible repayment and given evidence to their understanding of training and bank management. Third, the new contract requires CESIDE to attempt to diversify their funding base and CHF will provide funding and support for CESIDE staff and its board of directors toward this end.

Problem

Increasing bank membership is a problem inherent in a bank methodology that requires a solidarity guarantee. The incentive is to limit the risk of covering a member's loan default by limiting the group to a small number of trusted friends. At the opposite extreme, an uncontrolled increase of membership puts both the women and CESIDE in a high-risk position. In October 1997, the average number of members of each bank was 10.7.

Solution

The solution to this problem is two-fold. First, in regular bank visits and at a quarterly meeting of board members of each bank in August, a competition was started to increase the number of members per bank. The bank with the most numbers and the bank with largest percentage increase will be recognized at the quarterly meeting in January.

The second part of the solution combines the goal of increased membership with more autonomous banks and bank management capacity building. An internal bank credit policy was created as a means of stimulating membership growth in a controlled manner. The policy is the following:

- Banks in the second cycle can begin to make loans to new and existing members from the bank's savings
- The applicant must present her business concept to the bank and a plan to repay the loan. The promoter must be present at this presentation
- New members can loan up to Q500 and must save 20% during the loan period. Existing members may lend up to 25% of their current loan from CESIDE
- The bank must maintain 20% of its savings as a reserve
- New members, upon paying back the loan, become bank members and receive their next loan through CESIDE
- Bank earnings from interest are divided among the members in accordance with the percentage of their individual savings to the bank's savings
- The bank must maintain the same controls and lending guidelines, including interest rates, late fees, etc. for these loans as those maintained by CESIDE
- New members may lend directly from CESIDE if they wish

The supervisor and promoters ensure prudent implementation by monitoring this practice closely. The number of members per bank increased to 18.5 during the year.

Problem

The illiteracy rate in Ixcán has been estimated at 57%, 78% and 90% by various organizations. The baseline study information at the end of the report gives insight into the level of education. Among all women, the average level of education is less than grade one completion (0.8). 26% of the village bank participants are Kek'chi women who, according to the baseline study, average a 0.2 level of education. In other words, approximately 20% have completed first grade. Many of the indigenous women speak very limited Spanish and can not read or write. In the village bank program as a whole, illiteracy is common among all participants and results in challenges to implementing training and establishing banks.

Solution

Training and credit orientation programs are largely visual presentations. In some cases, where a secretary or treasurer with writing skills was not available, a daughter or another member of the community volunteered to perform this task. This situation has occurred and been successfully resolved in two banks. The CESIDE Director and a Promoter speak Kek'chi as well as Spanish which has allowed CHF to reach this population.

Problem

In the communities of Alta Verapaz, where the program recently expanded, Kek'chi is often the only language spoken.

Solution

CESIDE has assigned a promoter to this area who speaks Kek'chi and turned the problem into a great opportunity. The banks in this area are among the most responsible and largest in the program. This is largely due to the fact that these people have never had an opportunity to participate in a credit program and have seized the opportunity. At the inauguration of San Luis bank, the promoter and bank members were in tears as they expressed their mutual gratitude for this opportunity to help the Kek'chi community. Attendance and repayment are 100% at this bank.

Problem

In returnee communities there have been and continue to be donation based programs. When Promoters present the village bank program to these communities, they are told that if the credit is changed to a donation, they will participate. Otherwise, they are not interested. The donation mentality in returnee communities has prevented CHF from implementing the program in these areas.

Solution

To this point there has been no solution to this problem. CHF and CESIDE have established a goal to open a village bank in at least one of these communities, but only when these communities stop receiving donations will this type of program be possible. A thorough orientation to credit and strict controls for repayment will be critical to changing this mentality and creating a successful bank program in these communities.

Success Stories

Maria Santos Xo Choc (Community Bank Buena Vista - 1st loan cycle member)

Born in San Pedro Carcha, Alta Verapaz, Guatemala, Maria Santos Xo Choc has lived in the Community of San Francisco, Playa Grande since she was seven years old. Her life has been dedicated to her home and family, which consists of her husband, who is ill, and three children under 10 years of age. Her principal economic activity is preparing a variety of foods and selling it at people's homes. "I like cooking different food, so that my clients won't get bored of the same food and also going from house to house, because if I stay only in one place I would sell less", she said. Maria is known for cooking a great variety of typical foods, but not in great quantity. She says, "I prefer to do less food, because this way I sell all of it. Since I cook every day I get good results, not like other people who attempt to sell a large quantity of food in a single day."

Maria is a member of the Community Bank Buena Vista, which functions in Zone One of Playa Grande. The community bank was founded on July 20, 1998 and during its first cycle, Maria made her payments punctually and in only four months was able to save Q500.00 (the required amount is Q100 in the first cycle). This amount placed her as the member with the highest savings in the community bank and has allowed her to increase her second loan up to Q1,000.00. As she says, "I have always prepared food, but I never had enough money to prepare variety until now, thanks to the loans we receive from our community bank."

In just four months Maria has proven to be hard working, responsible and dedicated to the bank's success. She is a strong example of the value of credit when invested wisely for fellow members.

Mercedes Juarez (Community Bank "La Esmeralda", IV Cycle)

Mercedes Juarez, is the Director of the Community Bank "La Esmeralda", which is located in the Nueva Esperanza community of Playa Grande. She played a key role in forming this group and in August 1997, received her first loan of Q500.00 for a four-month term. Before participating and being part of the Community Bank, she had her own business of fruit and vegetable purchase and selling in the market of Playa Grande (Cantabal) and a small grocery store in the same community. She used the credit to enhance this business.

As a result of her first loan she obtained a net profit of Q150 00 With the profits, she was able to register her children for elementary school and buy them the necessary school materials

The community bank “La Esmeralda” continues to be one of the program’s most consistent and well-run banks Six of the members, including Mercedes recently joined together to take out a larger loan from CESIDE According to Mercedes, “We have advanced a lot because of the bank A small group of us have now asked for a bigger loan from CESIDE for the purchase of a Nixtamal Mill The loan was Q15,000 00 and all six of us believe that if not for the village bank, we never would have organized our group to accomplish this project, which benefits the whole community” Unfortunately, one of the members of this group, Bonafacia Ortiz, recently passed away Her support and participation was very important for the accomplishments of the community bank CESIDE visited the husband of this woman and he offered to make the required loan payments for his wife on schedule

Plans for FY1999

Partial village banks goal plan for the next two years

Goal	3/99	6/99	9/99	12/99	3/00	6/00	9/00
Number of banks	14	17	20	21	22	23	24
Number of members	294	391	480	525	550	575	600
Members/bank	21	23	24	25	25	25	25
Outstanding loan amount	174,820	226,545	281,547	317,777	355,845	404,649	450,330
Operational self-sustainability			26%				38%
Financial and Operational self-sustainability			13%				23%

The following is expected to be realized in FY 1999

- Review and standardize the training plan for village banks
- Attend the financial workshop on sustainability in October presented by Global Partnerships
- Negotiate and sign new contract with CESIDE
- Review reports and liquidations of CESIDE
- Coordinate workshops 4 – 6 for the bank boards of directors
- Support and guide the promotion of new groups
- Contract a consultant to analyze potential businesses in the area and design a credit program
- Initiate the Mosquito net business with members of the San Pablo bank
- Increase number of banks and number of members/bank while maintaining program quality

STRENGTHENING OF NGOs and OTHER ORGANIZATIONS

Rigoberta Menchu Tum Foundation (FRMT)

The Foundation presented an update on institutional strengthening and a proposal for future activities. Discussions were held with the Director of the Foundation regarding further disbursement of funds. Technical assistance continued through an IDC subcontract. The Foundation Director and the CIT-EO Director met for the first time during the Mayalan bridge inauguration.

CHF visited FRMT offices and training & research facilities in Guatemala City in conjunction with discussions about FRMT's financial management strengthening process. An in-house informal audit took place and bids were solicited for continued financial management strengthening. CHF continues to work with FRMT directly and through a subcontract with IDC.

Ixcán Chamber of Commerce

CHF's goal with the Chamber is to establish a more formal organization capable of providing assistance to local businesses and analyzing local market conditions. The members of the Chamber's board have agreed to meet with CHF in October to discuss working together more closely, but are very frustrated by the lack of progress of the Chamber. Their last meeting was in January 1998. They are also wary of entering quickly into the process of establishing a more formalized Chamber due to past shortcomings. The principal problems identified by the Chamber are

- 1) high cost, low quality and short hours of local electricity
- 2) lack of access to wholesale products in Guatemala City and the resulting dependence on cheap Mexican products
- 3) lack of direct access to Mexican wholesale markets to eliminate middlemen
- 4) poor communication and high cost of cellular phones

In the October meeting, the issues of the past year will be discussed and the potential areas for collaboration will be explored.

ENVIRONMENTAL MITIGATION

APESA (Asesoría y Promoción Económica)

In addition to the environmental mitigation measures included in the specific components, CHF contracted APESA, a Guatemalan company, to conduct a Rapid Ecological Assessment (REA) for the CIT program. The REA is a program requirement of USAID. The REA is divided into two phases: (1) cartographic study and (2) ecological evaluation. The cartographic study includes the entire area of Ixcán, as well as the northern area of the department of Alta Verapaz. The resulting photo interpretation and digitalization of initial data are being used as a planning and monitoring instrument for the area and indicate which zones could be of environmental interest. The ecological evaluation will define the area of ecological interest, particularly flora and fauna.

Phase 1 of the REA began in August, and was completed with the start of Phase 2 in November 1998. Again, tropical storm Mitch delayed the initiation of Phase 2.

IXCAN BASELINE FINDINGS

Methodology

A baseline study of 30 communities in Ixcán was developed to analyze the conditions under which CHF is working. The Baseline information collected includes family income, level of schooling, sources of income and participation in civic activities. It is divided, where appropriate, by gender. The study was conducted by the Association of Promoters of Ixcán in October 1998.

The 30 communities represent approximately 18% of the total number in Ixcán. CHF has programs in 15 of these communities. They were selected to provide a sample of returnee, displaced and militarized post civil war status and evenly distributed among the seven microregions of Ixcán. A survey was conducted with four families in each community. The Promoters selected families representative of the community. Cantabal was not included in the survey as CHF is attempting to strengthen the Ixcán Chamber of Commerce to conduct this research.

Selection of Promoters to Conduct the Survey

Many promoters in Ixcán received training through a program with Habitat for Humanity in 1996 and 1997. They learned how to conduct surveys and complete applications for community projects among other skills related to infrastructure and community assessment. When Habitat for Humanity left the area in 1997, many promoters were left without work. CHF, primarily the agroforestry program, hired some of these promoters to work on the CIT project. CHF also continues to facilitate the development of an Association of Promoters of Ixcán. The Association of Promoters of Ixcán was selected to conduct the survey because its membership is from the area and because of its training in conducting surveys. Given their existing relationships within the selected communities it was also assumed that those surveyed would be more willing to share information. CHF staff met with the Association Board of Directors in September to present the survey methodology and work with the Promoters to design the survey in such a way as to gather accurate information and not put people on the defensive. It was requested that CHF's name not be used while conducting the surveys so as not to create expectations.

Results of the Survey

Special note

CHF conducted the following preliminary analysis of the results. Verification of the data will require further investigation of the results. The results offer more information than a rapid rural assessment, however, the findings should be used to note broad differences among the data and used as a tool to prompt further analysis. Due to the size of the sample (121 surveys), it is not meant to be used as absolute data.

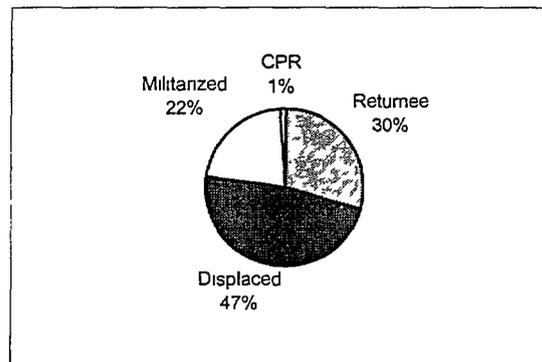
Sources of Income

The sources of income and approximate value of each 100 lb sack in the area is as follows

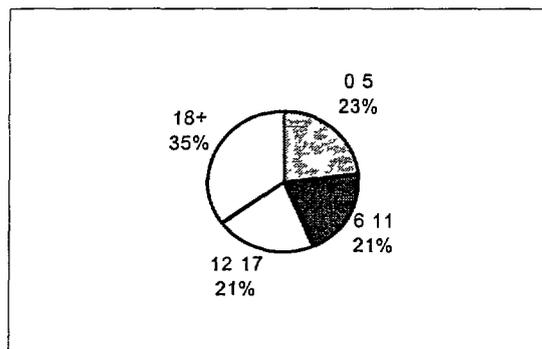
Crop	Percentage of farmers planting each crop	Range of price for 100 lbs of each crop
Corn	96%	Q 30 – 50
Beans	52%	Q 200 – 300
Rice	31%	Q 50 – 60
Cardomon	42%	Q 50 – 200
Coffee	12%	Q 400 – 600
Peanuts	2%	Q 150

Corn is the primary source of income. All cardomon, coffee and peanuts in the survey were sold. Rice and beans were sold to a small extent, but are largely consumed by the household. The percentage of farmers reporting that crops were only for home consumption was 9.9%. Farmers also work when possible at a rate of 15 to 25 Quetzales per day.

Post civil war status of those surveyed



Ages of the population



Maternal language of those surveyed

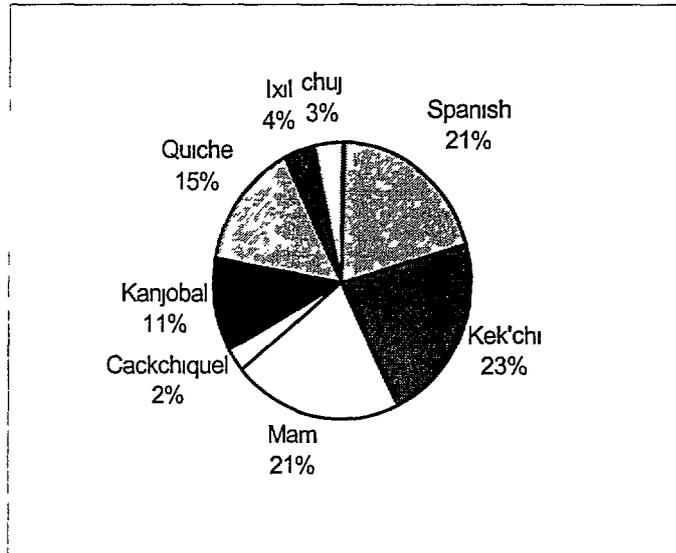


TABLE I Respondents by Post Civil War Status

Measure	Returnee	Displaced	Militarized*	Total Population
Percentage of total respondents	30%	47%	22%	99%**
Family size	6.8	7.0	7.3	7.0
Last grade completed – men (average)	2.8	2.0	1.8	2.2
Last grade completed – women (average)	0.6	0.8	1.3	0.8
Maternal language				
Spanish	5.6%	24.1%	33.3%	21.0%
Kek'chi	8.3%	41.4%	0.0%	23.0%
Mam	44.1%***	15.5%	7.4%	21.0%
Cackchiquel	0.0%	1.7%	7.4%	2.0%
Kanjobal	19.4%	3.4%	14.8%	11.0%
Quiche	22.2%	0.0%	37.0%	15.0%
Ixil	0.0%	6.9%	0.0%	4.0%
Chuj	0.0%	6.9%	0.0%	3.0%
Years living in the community	3.4****	13.0	18.6	13.1
Civic participation men	72.2%	72.4%	74.1%	73.6%
Civic participation women	16.7%	25.9%	25.9%	23.1%
Manzanas/ family	24.9	17.6	13.5	18.9
Earnings/manzana	Q 16.93	Q 29.90	Q 24.13	Q 23.61
Monthly family income	Q 421.53	Q 526.30	Q 325.69	Q 446.18
Contribution of each woman to monthly income	Q 8.33	Q 62.77	Q 8.33	Q 33.66
Percent of women contributing to monthly income	11.1%	40.4%	5.6%	22.9%

*Militarized refers to those who became part of the Guatemalan army or who were part of the Civil Self-Defense Patrols, community organizations formed by the Guatemalan army to fight guerrillas

**1% of responses were Communities of Populations in Resistance (CPR) No valid conclusions could be drawn from this small sample

***The largest language/indigenous group in each classification is in bold

****75% of returnees surveyed had lived in their community for five years or less 25% of respondents who answered 25-28 years misunderstood the question to mean when they first arrived to Ixcán, not the period since they returned from Mexico They are not included in the average

Findings from Table I

The following findings are strictly based on the data collected. Verification of their accuracy in representing all of Ixcán will require further research. The numbers in bold in the table represent some of the notable differences that prompt further investigation.

- 1 Family size is smaller among returnees and displaced
- 2 On average, the total population of men has completed second grade. The numbers suggest that 80% of women finished first grade while 20% received no education.
- 3 Male returnees have more education than the other groups. Female returnees have less education compared to those who were militarized.
- 4 The dominant indigenous languages/groups are Mam, Kek'chi, and Quiché.
- 5 The number of years lived in the community is in line with expectations given the plight of each group. Returnees have lived in Ixcán since approximately 1994. Displaced individuals have lived in Ixcán since approximately 1985. Militarized individuals have lived in Ixcán since approximately 1979.
- 6 Nearly 75% of all men are involved in some capacity in the community. Nearly 25% of women are involved in some capacity, but to a lesser extent, 16.7%, in returnee communities.
- 7 Although the returnee communities in the survey have substantially more land (32% more than the average), the land is providing 28% less earnings per manzana.
- 8 Displaced communities have a higher monthly family income than average and higher percentage of women contributing a larger amount of money to the family monthly income.

TABLE II Respondents by Maternal Language

In the case of all language groups except Spanish, the language is also the name of the indigenous group

Measure	Kek'chi	Spanish	Mam	Quiche	Kanjobal	Total Population
Percentage of total respondents	23%	21%	21%	15%	11%	91%*
Family size	7.3	6.4	7.2	7.4	6.8	7.0
Last grade completed – men (average)	1.7	2.7	2.9	2.3	1.4	2.2
Last grade completed – women (average)	0.2	1.6	0.7	0.7	0.2	0.8
Post civil war status						
Returnee	11.1%	8.0%	61.5%	44.4%	53.8%	30.0%
Displaced	88.9%	56.0%	30.8%	0.0%	15.4%	47.0%
Militarized	0.0%	36.0%	7.7%	55.6%	30.8%	22.0%
Years living in the community	10.8	16.9	8.5	17.4	5.5	13.1
Civic participation men (% of total)	81.5%	76%	69.2%	77.8%	61.5%	73.6%
Civic participation women (% of total)	22.2%	36%	15.4%	22.2%	15.4%	23.1%
Manzanas/ family	15.0	12.5	24.4	26.5	16.6	18.9
Earnings/manzana	Q 55.14	Q 30.26	Q 17.61	Q 7.74	Q 27.75	Q 23.61
Monthly family income	Q827.10	Q378.30	Q429.60	Q205.10	Q460.69	Q 446.18
Contribution of each woman to monthly income	Q 78.90	Q 48.40	Q 31.70	Q 8.33	Q 0.00	Q 33.66
Percent of women contributing to monthly income	42.1%	31.3%	30.8%	5.6%	0.0%	22.9%

*5 largest language groups represented in survey

Findings from Table II

The following findings are strictly based on the data collected. Verification of their accuracy in representing all of Ixcán will require further research. The numbers in bold in the table represent some of the notable differences that prompt further investigation.

1. Male speakers of Spanish and Mam have higher education levels. Male speakers of Kanjobjal have the lowest.
2. Female speakers of Spanish have a higher education level, which is more than twice that of any other group in the survey. Female speakers of Kek'chi and Kanjobjal have lower education levels.

- 3 As a group, Spanish speakers have a higher level of education in the area Speakers of Kanjobal have lower levels of education
- 4 The largest percentage of returnees are speakers of Mam
The largest percentage of displaced are speakers of Kek'chi
The largest percentage of militarized are speakers of Quiche
- 5 Speakers of Kanjobal and Mam are the most recent groups to arrive to Ixcán The Quiche (largely militarized) have lived in Ixcán since approximately 1978
- 6 Among those surveyed, the Quiche group was split almost evenly between those who fled to Mexico and those who were militarized
- 7 No one group was 100% returnee, displaced or militarized All had division between the three options presented by the war
- 8 Civic participation among women is higher among speakers of Spanish
- 9 The speakers of Mam and Quiche have more land (approximately 34% more), but these two groups also have less earnings per manzana The Kek'chi have higher earnings per manzana
- 10 Kek'chi women contribute more to the monthly family income A higher percentage of these women also contribute Kanjobal women contribute the least