THE POVERTY-SENSITIVE SCORECARD

ASSESSING THE EFFECTS OF IMPROVED MARKET ACCESS FOR SMALLHOLDER FARMERS IN HONDURAS

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### Abbreviations and Acronyms

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<th>Abbreviation</th>
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<tr>
<td>APROCEL</td>
<td>Asociación de Productores de Celaque / Association of Celaque Producers</td>
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<td>AusAID</td>
<td>Australian Agency for International Development</td>
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<tr>
<td>BRIHS</td>
<td>Banco Rotativo de Insumos, Herramientas, y Servicios / Rotating Bank of Inputs, Tools, and Services</td>
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<td>GWU</td>
<td>George Washington University</td>
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<td>IDB</td>
<td>Inter-American Development Bank</td>
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<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<td>FUNBAHNCAFE</td>
<td>Fundación Banco Hondureño del Café / Honduras Coffee Bank Foundation</td>
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<td>PAG</td>
<td>Proyecto Aldea Global / Project Global Village</td>
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<td>PBG</td>
<td>Producer Business Group</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>RUTA</td>
<td>Regional Unit for Technical Assistance / Unidad Regional de Asistencia Técnica</td>
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INTRODUCTION

In September 2011, the Inter-American Development Bank (IDB) and the Australian Agency for International Development (AusAID) funded the “Innovation in Access to Markets” program to facilitate formal market access for smallholder farmers in Central America. This program targeted high-poverty areas and used a market-driven approach for agricultural production, emphasizing private sector partnerships. Donors selected nine award recipients through a competitive process with the help of an innovative tool developed by the International Food Policy Research Institute (IFPRI) called the “poverty-sensitive scorecard”. IFPRI used the scorecard to identify and rank the local partners with the most potential to reduce poverty and ensure project sustainability.

Donors requested that IFPRI conduct a comprehensive evaluation of the nine selected local partners to validate the effectiveness of the scorecard. IFPRI conducted a quantitative evaluation, which included baseline surveys in December 2011 and follow-up surveys in January 2012. To complement IFPRI’s evaluation, the George Washington University (GWU) Capstone Team conducted a qualitative assessment in March 2013. The GWU team traveled to Honduras and evaluated two local partners, which the scorecard ranked number one, Fundación Banco Hondureño del Café (FUNBANHCafe) and number five, Proyecto Aldea Global (PAG). The results of this qualitative assessment will support IFPRI’s final evaluation to validate the poverty scorecard and will be reported to donors. Due to the innovative nature of the poverty scorecard, the team’s field research will add to the body of knowledge to help donor agencies improve future project design and scale investments in other countries.

The Capstone Team’s final report will outline the methodology used to conduct the study. It will then describe the agricultural production and market-based activities for both projects, noting the strengths and weaknesses of each organization. The evaluation will also assess the project impacts on poverty alleviation and sustainability. It will then discuss potential biases and challenges in data collection, and conclude with the team’s overall assessment of the program and a list of recommendations for implementing organizations, donors, and partners. Short case studies and photos to highlight the experiences of select beneficiaries can be found in Annexes 1 and 5, respectively. It is important to note the GWU team has changed the names of beneficiaries highlighted in the report to protect their privacy and maintain the integrity of their feedback.

METHODOLOGY

The GWU team used two types of research tools to gather information for this study: focus groups and semi-structured interviews. The team queried project staff and participants about their experiences with the Innovation in Access to Markets program, including interventions received, program benefits, difficulties faced, participant outlook on the future, and project sustainability. A list of focus group and interview questions the team used as a guide can be found in Annexes 2-4.

For most of the interviews and focus groups, the GWU team divided into pairs to 1) interview more people and gather a larger amount of information, and 2) elect one person as the primary interviewer and designate the other to record sessions and take notes, if applicable. This
methodology worked well given the short time frame of the visits and the amount of information the team needed to gather.

**FOCUS GROUPS**

Focus groups were group interviews the team used to understand the experiences of project beneficiaries in a dynamic setting. The team coordinated the selection of participants with IFPRI’s quantitative evaluation. Project beneficiaries, who completed both the baseline and follow-up surveys with IFPRI, were added to a pool of potential participants for our study. The team selected participants at random from the preselected pool and divided groups by gender, creating a more comfortable same-sex environment to encourage participants to speak freely. Focus groups for women were smaller because there were fewer female beneficiaries, with four to five people per group, while the size of male focus groups varied between three and ten people. In the FUNBANHCAFE communities of Masaguara and San Isidro, the team conducted mixed-gender focus groups because fewer beneficiaries were present. In total, the team interviewed twelve groups in eight communities (two male, two female, and two mixed groups for FUNBANHCAFE, and three male and three female groups for PAG).

Interview sessions lasted approximately one hour and began with a brief overview about the study, a statement about the confidentiality of the information gathered, and an “icebreaker” activity to make the participants feel at ease. The team obtained permission to audio record the sessions in all but two communities.

**SEMI-STRUCTURED INTERVIEWS**

To complement the focus groups, the team conducted semi-structured interviews with project beneficiaries and staff. The team selected two beneficiaries per community to informally interview during visits to their farms and homes. These interviews complemented the focus groups in that they allowed participants to speak more freely about their experiences in a less formal environment. The GWU team also spoke with the program directors of both organizations in their respective headquarter offices in Tegucigalpa, as well as with project coordinators and technical assistants during car rides and site visits.

**PROJECT ACTIVITIES**

Both FUNBANHCAFE and PAG provided technical assistance and distributed productive infrastructure to increase agricultural yields and meet market quality standards. These project activities were combined with improved access to formal markets and low-interest credit to improve incomes for smallholder Honduran farmers under the Innovation in Access to Markets program. A description of these project activities and feedback on participant experiences are outlined below.

**TECHNICAL ASSISTANCE**

FUNBANHCAFE and PAG provided similar forms of technical assistance to train participants on best farming practices to improve the production and quality of their harvests. Farmers
attended group trainings, model farming schools, and received individual consultations on soil management and conservation (use of soil beds and crop rotation), the application of inputs (pest management and crop fertilization), and seed use (care of seedlings, the proper spacing between plants, and the use of improved seed). Technical assistance focused on high-value crops demanded by formal markets, such as lettuce, broccoli, tomato, cabbage, carrot, and potato.

Participants from both organizations found the technical assistance beneficial to learn how to produce new crops and improve agricultural practices. They also expressed satisfaction and felt encouraged when they began to produce greater quantities of quality crops on smaller areas of land. Although participants from both organizations reported having improved production, in two FUNBANHCAFE communities – Guajiquiro and Masaguara – farmers were still unable to meet the quantity demanded by formal markets. In Guajiquiro, farmers were very successful in meeting their target production but were not able to expand the amount of land under cultivation to increase their harvests and meet even higher demands. In Masaguara, on the other hand, the issue was not that demand was high but that farmers did not increase production enough to meet targets designated by formal markets.

Participants from both organizations also identified challenges that prevented them from implementing the recommended technical advice. These problems were more common among farmers who lacked resources such as money, land, or water. One issue with the producer business group (PBG) created by PAG, called Asociación de Productores de Celaque (APROCEL), was that it was not always properly stocked with the necessary inputs to help farmers prevent pests and disease. Therefore, farmers had to travel far to buy them, or not buy them at all, and suffered crop losses as a result. With FUNBANCAFE, one beneficiary reported the technical assistance had been like a double-edged sword because after he received training on pest and soil management, he knew what the crops needed but could not always afford the materials. Another problem for PAG beneficiaries who only owned small plots of land was that the technical assistance was geared towards those with more land and therefore they were unable to rotate their crops and harvest multiple times a year.

One activity that distinguished FUNBANHCAFE from PAG was that FUNBANHCAFE also provided technical assistance for the production of lower-value basic grains, such as beans and corn. This assistance promoted the use of indigenous seeds that were carefully selected and saved over the course of many generations and are important for food sovereignty. These traditional crops are deeply ingrained in the culture and history of the region and most, if not all, beneficiaries from both organizations continue to produce basic grains, primarily for personal consumption. Juan Carlos, a PAG beneficiary, summed up a common sentiment about basic grains, stating that “although they’re not profitable, we’ll always grow them.” This farming tradition created challenges for PAG technical assistants who said it was hard engaging farmers over the age of 45 in the project because they were afraid of the risk involved in growing new crops. Felicia, a PAG beneficiary, noted:

“We farmers are used to doing things one way and then when we want to change, it’s hard at first.”
Therefore, an important consideration for future project activities working with indigenous populations is to support the production of traditional basic grains. This can ensure participant buy-in and scale organizational membership.

**PRODUCTIVE INFRASTRUCTURE**

**Drip Irrigation**

Participants from both organizations agreed that improved water access through drip irrigation was one of the most important interventions they received. Once they acquired the equipment, farmers learned about the benefits of using the new technology – it required minimal financial investment, conserved water, saved time to fertilize crops, and ensured the consistency of crop size and quality. Drip irrigation allowed farmers who could only cultivate small land parcels during the rainy season to expand their production area and harvest year-round. This gave them the opportunity to sell more crops and to earn greater incomes. Overall, those who participated in the project and improved their water access through drip irrigation stated they were doing much better financially than those who did not.

Although the drip irrigation systems drastically improved water access for most beneficiaries from both organizations, they are not a panacea in solving the region’s environmental problems. PAG beneficiaries stated that water sources were still drying up, and therefore, they were unable to harvest year-round. Other participants from both organizations showed that although they used the technology in certain plots, they still used less efficient sprinklers in others. Ultimately, unequal water access remains a persistent problem in many communities, and although the Innovation in Access to Markets program improved the issue, it has not solved it entirely.

**Greenhouses**

Greenhouses are another type of productive infrastructure the two organizations promoted to transplant seedlings and produce high-value crops. Greenhouses allowed farmers to increase production within a smaller area of land, improve the quality of crops, and lower their environmental impact by using fewer pest control inputs. Although making the switch to greenhouse production for high-value crops was challenging, PAG beneficiaries reported they received excellent technical assistance, making the investment worthwhile. Yet, the greenhouses PAG promoted cost $9,000 each. Although APROCEL sold the greenhouses on credit through repayment plans of 35% of harvest profits over two years, they were still out of reach for all but six producers.

FUNBANCafe, whose beneficiaries used the greenhouses to transplant seedlings, used a different financing mechanism. Each community collectively owned a greenhouse through their PBG, called Banco Rotativo de Insumos, Herramientas, y Servicios (BRIHS). Unlike PAG, which promoted individual ownership, all FUNBANCHAFE participants had equal access to use the greenhouses regardless of their purchasing power. This initiative was sustainable because each farmer was required to pay a small fee to use and maintain the greenhouse.

Despite high demand for greenhouses, PAG excluded many beneficiaries by promoting private ownership. Enrique, a project participant with PAG, expressed great interest in having his own
greenhouse because he felt this was the only way to significantly improve his income. However, “poverty limits us,” he argued, explaining he could only make small-scale improvements to his farm while those with more land and resources were able to reap greater benefits from the project. This financial exclusion prevented poorer farmers like Enrique from improving their incomes and rising out of poverty.

**MACRO-TUNNELS**

PAG was the only organization that experimented with another type of productive infrastructure new to the region of Belen Gualcho known as a macro-tunnel. Macro-tunnels are open coverings that shelter crops from rain, wind, and extreme temperatures. They cost one-ninth of the price of a greenhouse and can also be purchased on credit through APROCEL with repayment plans of 20% of harvest profits over two years. Macro-tunnels produced great results in some areas; however, the number of beneficiaries who were able to afford them was limited, as only 10-15 macro-tunnels were used in the entire program. Additional demand existed, but there was a lack of financial and technical support to meet that demand. One PAG participant named Auxilio observed that greenhouses and macro-tunnels absorbed the largest share of project funds yet reached only a small number of beneficiaries. This unequal distribution limited many farmers with fewer resources from benefitting from these project initiatives.

Some producers who lived in the community of La Mohaga lost large investments because their macro-tunnels were damaged by strong winds. In light of these environmental challenges, the beneficiaries collaborated with PAG staff to find alternative structures that could better withstand the elements. Despite these efforts, one farmer stated that if he could go back, he would not use a macro-tunnel again.

FUNBAHNCAFE did not use macro-tunnels, but participants received other forms of technical help to protect their crops from environmental damage. Technical assistants taught farmers how to build and/or strengthen wind breaks – physical barriers made from rocks, plastic, and tall vegetation – and place them between land parcels to protect fragile crops from strong winds. Though useful, these structures were not very common since only a few producers needed them.

**ACCESS TO FORMAL MARKETS**

FUNBANHCAFE and PAG aimed to link farmers to new markets that offered premium prices for their high quality products. Most farmers in our study reported this was the single most important project activity attributed to increased incomes. Prior to the project, beneficiaries only had access to local markets or to intermediary buyers, known as “coyotes”, who purchased their crops at low prices (Annex 5.4). Given these limited options and the unpredictability of the market, farmers produced in low volumes to minimize their risks.

FUNBANHCAFE and PAG aimed to empower beneficiaries in the entire market process from production to sale. The organizations provided training or services in negotiation, post-production shipping and handling, and linkages to new formal markets. As a result, local farmers improved their knowledge of market demands and product standards, were able to meet those demands, and thus sold the majority of their harvests to the formal market at premium prices. The majority of PAG beneficiaries reported selling between 80 and 90% of their produce to the
formal market, while the remaining 10-20% was sold to the local market, a coyote, or used for personal consumption. In FUNBANHCAFE, only the beneficiaries from Yamaranguila and Guajiquiro, communities first receiving the intervention, reported similar figures. In San Isidro and Masaguara, beneficiaries inconsistently sold to formal markets, and in San Isidro, participants claimed to lack infrastructure for packaging, which allowed produce to spoil and reduced its marketability.

Though both organizations made investments in collection stations for washing and packaging crops, we cannot entirely attribute the funding sources to the Innovation in Access to Markets program. PAG’s investments were evidently greater and reflected its longer-standing relationship with beneficiary communities as the organization also had cold storage units, a fleet of refrigerated trucks, and even a processing plant, which PAG intended to use in value-added production at a later stage. FUNBANHCAFE had similar types of infrastructure in certain communities; however, its investments were not as comprehensive and there was still an unmet demand.

FUNBANHCAFE was the only organization that facilitated negotiation workshops to empower farmers to have a voice and control over production amounts and selling prices. Farmers reported feeling better informed about market prices and more capable to bargain with retailers. Some farmers even reported renting a vehicle and traveling to Tegucigalpa to directly make a transaction. Additionally, the technical assistant for one community explained that a group found an international market on its own and added that “the Guatemalan market they sell to provides refrigerated trucks, which they were able to negotiate.” These activities produced a win-win situation for farmers and retailers. Farmers enjoyed a stable, long-term market that offered guaranteed prices and retailers received a fixed supply of high-quality products.

Both organizations also introduced the concept of staggered planting to deliver produce in high volumes. This strategy involved organizing farmers into groups who rotate delivery responsibilities to formal markets every week. Because these farmers have a small amount of productive land with water access, they must synchronize the entire production as a group; they select the type of crops planted, calculate the quantity needed, project the harvest time, and approximate the delivery to formal markets like Wal-Mart, HortiFruti, La Colonia, and La Carreta.

Based on the quantity negotiated before production, the participants from both organizations stagger their production in this manner. For example, a group of four farmers will plant carrots one week to meet an 8,000-pound delivery requirement and another four farmers might work together to meet the delivery target for the following week, and so on. This strategy allowed farmers to facilitate and sustain their connections with formal markets and to produce more efficiently so they can have multiple harvests, earning a regular year-round income.

Despite these improved farming practices, there are always inherent risks in agriculture. Unexpected price shocks occur and yields naturally include a small percentage of second-grade crops that must be sold to the local market or “coyote”. This occurred in the FUNBANHCAFE community of Masaguara when farmers had finished planting their crops for the season and the price of tomatoes dropped from market saturation. Farmers were therefore not able to sell their tomatoes to the formal markets and lost their investments. They were forced to revert back to
planting traditional crops like corn and beans and abandoned the group’s staggered planting strategy.

The FUNBANHCAFE community of San Isidro also faced problems establishing strong market linkages. Farmers received inconsistent market information regarding product quality and standards. Producers growing broccoli, for example, were not aware that Wal-Mart required their product to be smaller and they lost this market as a result. Rodrigo, one of the farmers who experienced these difficulties first-hand, stated:

“We’ve lost. We invested in a plot and we’ve had a small output. We should have a market first [and] then grow the crops.”

FUNBANHCAFE was still in the process of finding a formal market for San Isidro and Masaguara, and was looking to promote cabbage, chili, and tomato production for the next harvest cycle.

PAG used a slightly different approach to sustain market access over the long-term by organizing farmers into its association, APROCEL. APROCEL’s goal is to develop independence from PAG and become a self-sustaining private entity that provides members with extension services, agricultural inputs, credit, and market transport. Farmers, in turn, invest part of their profits back into the association, which contributes towards its sustainability. Though PAG started commercializing through APROCEL five years ago, funding from the Innovation in Access to Markets program helped to accelerate this process. APROCEL has since expanded to include additional farmers, given they are able to meet the required production criteria, and anticipates selling to larger export markets in Guatemala and El Salvador in the near future.

As part of its sustainability mechanism, APROCEL is strict with farmers who do not meet their staggered planting targets. If a group appears to struggle to meet its target one week before the harvest, other producers are summoned to fill the gap. Most beneficiaries said they had positive experiences with the planting schedules, but those who consistently failed to meet production targets explained that APROCEL would lower the farmers’ production amounts, ask them to change crops, or remove them from the program entirely. Those who are removed no longer have access to the formal market and must revert to selling their crops at the local market or to coyotes. It was unclear if APROCEL followed a specific protocol to remove non-performing farmers or if it was a more subjective procedure.

Overall, PAG appears to have made stronger market connections than FUNBANHCAFE in all communities participating in the Innovation in Access to Markets program. One reason could be that interventions were launched in phases under FUNBANHCAFE where certain communities (San Isidro and Masaguara) started receiving training and technical assistance at a later stage than others (Yamaranguila and Guajiquiro) due to delays in the disbursement of funding. PAG communities all started the program simultaneously, giving them enough time to receive trainings and to develop the necessary skills in building market linkages.

**IMPROVED CREDIT ACCESS**
The market linkages FUNBANHCAFE and PAG established through this project will only be maintained if farmers continue to invest in the costly equipment and supplies required to produce high-quality crops. From the onset of these projects, financing mechanisms were key components of program activities to support a sustainable business model. After improved market access, most beneficiaries identified credit as the most important activity contributing towards improved incomes.

FUNBANHCAFE project activities aimed at improving credit access included the establishment of informal groups, which functioned as hybrids of microfinance organizations and supply stores. These informal groups are called “Bancos Rotativos de Insumos, Herramientas, y Servicios (BRIHS)”, or Rotating Banks of Inputs, Tools, and Services. After beneficiaries received capacity trainings on best farming practices, FUNBANHCAFE donated the necessary high-quality inputs to the local BRIHS in each village so participants could obtain them. The BRIHS accepted the donations from FUNBANHCAFE and “sold” the inputs to beneficiaries on credit. However, the outstanding balance was repaid to the same borrower’s account and this debit represented their share of the overall BRIHS. This strategy served three functions: first, it allowed the BRIHS to take deposits and make loans for members only; second, it allowed the BRIHS to replenish its stock of supplies in a sustainable fashion; and third, it discouraged dependence on aid and charity to raise the group’s capital, which was mainly generated from loan interest.

Most beneficiaries expressed frustration that while the BRIHS had improved their access to credit, the available capital was insufficient to meet their growing business needs. While their complaints reflect the project’s success with integrating beneficiaries into large domestic value chains, they also illustrate the major constraints to their expansion and continued economic growth. Francis, a beneficiary in Yamaranguila, expressed a recurring sentiment:

“They gave us these types of materials, but not money. They only gave us a small amount of seed money [but] we need more financial capital... It wasn’t enough to start a large process.”

Finally, FUNBANHCAFE made a deliberate effort to gradually build sustainability into these financing mechanisms to facilitate beneficiaries’ credit access as a long-term strategy. The organization then helped the beneficiaries establish a more formal group called “firms of community credit”, which qualified them to access trust funds from other organizations that support agricultural smallholders. FUNBANHCAFE later assisted the beneficiaries in creating a joint-stock company with a legal status to qualify them for commercial loans. Given the challenging economic climate in Honduras, diversifying funding sources permitted beneficiaries to access any given credit program. Secondary project activities included financial management to assist groups that had legalized to manage their grant or loan application process. For example, these trainings helped groups learn how to prepare financial statements when applying for trusts. Farmers also learned how to budget for their planting cycles. Orlando, a participant in Yamaranguila, explained:

“If it’s going to be a half manzana (approximately 0.86 acres), I have to have 70,000 lempiras (about US$3,520)... If I don’t have
that, well then I don’t commit…. Before, we just farmed without planning and now, we calculate; we run the numbers.”

Overall, the trainings and diversified funding sources taught beneficiaries how to invest strategically in their farms to receive a regular income throughout the year and increased opportunities for them to access more credit. Though the funding was limited, for those farmers struggling to make ends meet, low-interest credit meant the difference between survival and profit. Due to the sustainability mechanisms built into the BRIHS, organized groups can continue to benefit from this credit source for years to come.

For PAG, project activities to access credit were limited to productive infrastructure. Similar to FUNBANHCAFE, APROCEL accepted the donations from PAG and “sold” the inputs to beneficiaries on credit. However, the outstanding balance was later repaid to cover the operation costs for APROCEL. PAG beneficiaries (and APROCEL members) expressed satisfaction that they could access some of these inputs and APROCEL was willing to wait for payments after their crops were sold. One PAG beneficiary, Enrique, said he enjoyed the facilitation of inputs when he was cash-constrained:

“Sometimes, we just don’t have enough money and because we may not have fungicide, we could lose the whole harvest...so they support us with that.”

Some beneficiaries claimed to have purchased new equipment on credit and were still making payments towards their outstanding balances. Farmers stated they wished they could still access credit through APROCEL, though the organization stopped offering it because it believes, in theory, producers should no longer need it. However, this is not the case in practice, as farmers are still relying on other institutions, such as banks, cooperatives, or microfinance organizations in their communities to access credit. While APROCEL expects farmers to capitalize the business by setting aside part of their harvests to cover costs, many farmers continue to rely on poverty alleviation programs, as well, since according to one beneficiary, “There are always organizations that help the poor to develop [here in Belen].”

POVERTY ALLEVIATION

INCOME GENERATION

Because vegetable production and market access improved in most communities, the majority of participants from both organizations stated they were better off financially than they were before the projects started, despite setbacks and resource limitations. Although improvements were not equally distributed, most beneficiaries noted they were able to pay off debts, or able to invest in housing, education, their farms, and/or save. Those who did not make these investments still maintained positive attitudes about improved income generation in the future and expressed interest in continuing with the projects.

In FUNBANHCAFE, the increased demand for agricultural labor also had positive spillover effects into other downstream, non-agricultural employment opportunities. These included post-
production activities, like washing and packaging, which were new to smallholder farmers and provided increased income, primarily for women. In Yamaranguila, for example, the women have been so successful in this area that they felt encouraged to expand their services and invest in additional washing stations for the community.

However, since these employment opportunities are inseparably tied to agricultural production, market losses simultaneously affect post-production activities. The team observed this problem in San Isidro, where broccoli production failed to meet market standards and beneficiaries also lost income generating opportunities in packaging. From this experience, Sandra, a participant in the community, shared her lesson learned as she pointed to the packaging machine sitting idle in the corner of the room:

“Broccoli wasn’t a good business... We were losing money because we didn’t have a market... I now prefer low-risk vegetables that I know I can sell in any market. Broccoli is too delicate. It yellows too quickly.”

Post-production employment was not relevant for members of APROCEL since their primary formal market crop was lettuce and their vendors did not require its washing or packaging. PAG therefore attempted to generate additional employment opportunities, specifically for women, by organizing the joint venture production of strawberries. However, these groups faced a number of problems, including a lack of coordination. Marcela, a beneficiary in Llano Largo, highlighted this problem:

“We all worked together in the beginning, but later on we only needed to irrigate and fertilize... [And] only two women were needed. That’s when we began disregarding the plants.”

The few women who continued to work on strawberry production did not see significant increases in income because their harvests were shared and were mostly used for family consumption. The strawberries that were sold to local markets were such small quantities that they were not lucrative.

**Employment Generation**

As a result of the increased labor required for improved cultivation techniques and expansion of farming into larger areas, successful beneficiaries have been able to hire new temporary and/or permanent employees, as well as use additional family support. Employees and family members, including children, get trained in improved agricultural techniques by project beneficiaries, causing spillover effects into new communities and across generations.

From focus group discussions, it appeared that additional employment generation as a result of the projects was more common among FUNBANHCAFE beneficiaries. Only a few wealthier PAG participants were able to hire temporary employees, particularly during greenhouse construction and harvest periods. In the communities of Yamaranguila and Guajiquiro, on the other hand, several participants reported hiring between two and three temporary workers, and in select cases, the same number of permanent employees. When asked if they would hire people in
the years prior to the project, Tomas, a beneficiary in Guajiquiro, replied, laughing, “No, they would hire us!” This demonstrates an enormous change in economic and social status for these beneficiaries, advancing from the position of employee to employer, where they have become empowered to earn a living through greater investments in their own farms.

However, in San Isidro and Masaguara, where market problems inhibited increased income generation, new employees were generally not hired. Instead, farmers adapted by using drip irrigation systems to diffuse fertilizer onto fields and thus found they did not need to hire extra laborers to manually apply inputs.

Overall, in both organizations, farmers generally faced constraints acquiring new land to increase their production, which limited the number of new employees they could hire. Very few beneficiaries were able to employ permanent workers, while temporary employment during peak harvest and maintenance periods was much more common.

**QUALITY OF LIFE**

**HOUSING**

Many FUNBANHCAFE participants spoke of making investments using part of their increased incomes for home improvements. Beneficiaries would generally prioritize fixing walls, putting in cement floors, and finally, if money allowed, buying furniture. In some communities, producers were also installing electricity in their homes.

PAG beneficiaries, for the most part, were not able to make any housing improvements. This was the case in two of the three communities visited, including La Mohaga, where farmers lost large investments due to environmental failures with the macro-tunnel project. Overall earnings from the women’s strawberry project were also not sufficient to make home improvements. In Belen Gualcho, only two focus group participants said they were able to paint their houses or purchase modern household items, such as refrigerators, as a result of increased income from project activities.

It is also important to note the type of household improvements beneficiaries made, which demonstrates the differences in the depth of poverty with which the two projects are working. FUNBANHCAFE participants primarily made structural changes to their homes while PAG participants were already one step ahead and buying furniture, or claimed they did not earn enough to make any improvements. One PAG beneficiary said he needed 15,000 Lempira (approximately US$754) to be able to invest in his home, and that 18 months with the project was not sufficient to earn that amount of money. Another PAG beneficiary even shared that she did not make new improvements to her home with the extra income from her harvests because she did not have any improvements to make.

**DIET**

FUNBANHCAFE beneficiaries overwhelmingly demonstrated improvements in their diets since the start of the project. Many spoke of eating larger quantities of more diverse foods such as meat, dairy, and vegetables. One FUNBANHCAFE participant, Pablo, explained:
“Before, we used to only eat beans and maybe once a month we could afford to eat one pound of cheese or one pound of meat. Not anymore. Before, we didn’t know what a carrot was. Today, we’re eating that [and] also eating cabbage [and] corn.”

This was the case even for beneficiaries in Masaguara and San Isidro, where farmers faced market difficulties and lost investments. Maria, a farmer in Yamaranguila, mentioned how female participants are experimenting with different recipes for carrots. The women in several project sites were satisfied with workshops given by Care and USAID in collaboration with FUNBANHCAFE on vegetable preparation and the use of new recipes, and demonstrated an interest in participating in more workshops of this kind. Since these new vegetables haven’t traditionally been incorporated into their normal diets, these workshops have proven to be useful.

PAG participants’ diets did not appear to change as significantly as those of FUNBANHCAFE. A few beneficiaries were able to purchase meat and cheese and eat vegetables more frequently, and the women who participated in the strawberry projects said they were eating more strawberries than they did previously. Some beneficiaries also mentioned the spillover effect of being able to improve the diets of their employees, since they are responsible for providing meals to their laborers during the work day. However, there was a large percentage of PAG participants who said they made minimal or no changes to their diets, explaining that the span of the project was too short to be able to make significant improvements.

HEALTH

As a result of more diversified diets in addition to workshops on health-related topics given by USAID and Care (in collaboration with FUNBANHCAFE), beneficiaries spoke of changes in their behavior that have led to overall health improvements for themselves and their families, including decreases in malnutrition and illness. Beneficiaries in Masaguara, on the other hand, were still reporting health problems from contaminated water in their community.

PAG participants benefited primarily from a separately-funded health project, though female beneficiaries mentioned their children were sick less frequently, which they attributed to eating more vegetables. Because of the overlap of various NGOs and projects with the work of PAG and FUNBANHCAFE, it is difficult to determine if the Innovation in Access to Markets program was directly responsible for improving the health of the participants.

EDUCATION

FUNBANHCAFE beneficiaries demonstrated they are more conscious of and interested in making investments in education, and as a result, more kids are going to or staying in school. One participant mentioned his daughter’s seventh grade education was one of the main reasons why he installed electricity in his home. Now she is able to study in the evenings with adequate lighting. Juan, a beneficiary in Guajiquiro, stated:

“If you plant some carrots or a few potatoes, then you will have the hope that you can get a profit from that for [school] expenses. There is something with which to support yourself and those changes have been recent.”
For PAG, beneficiaries have also increased investments in education. Female participants put great emphasis on how their children stayed in school because they wanted to make sure their kids received more education than they themselves did. It was unclear, though, whether improved incomes specifically from Innovation in Access to Markets or prior PAG projects were what helped their children stay in school.

In advanced education, though some FUNBANHCAFE beneficiaries mentioned they are now able to send their kids to college, this was mostly the case with PAG participants, perhaps because they already began the project in a higher income bracket.

**Financial Management**

One challenge project coordinators from both FUNBANHCAFE and PAG mentioned was having beneficiaries properly invest their new earnings. Because the majority of project participants began on or near the line of poverty, such drastic increases in income within a small time frame can be particularly hard to manage, especially if these families have always struggled to make ends meet. Project coordinators noticed that while some beneficiaries were wisely investing increased incomes in their homes and the health and education of their children, others still had dirt floors or never repaired leaks or damages to the home. As a result, FUNBANHCAFE informally encouraged beneficiaries to make these proper investments if they wanted to continue working with the project. PAG did not speak of formal or informal money management conversations, but Vidal, the Regional Director of Projects, did note the project could improve by offering these types of workshops to participants in the future.

**Women’s Empowerment**

One important goal for all project initiatives should be the empowerment of women through increased opportunities for generating income and serving as leaders in their communities. Since studies show that women tend to invest more of their incomes than men into the health and education of their children, activities that focus on income generation for women not only contribute to their empowerment as important decision makers in the household but also to breaking the cycle of poverty that tends to afflict children from impoverished households. Both FUNBANHCAFE and PAG have started initiatives that focus on women as important stakeholders in program effectiveness and sustainability.

For FUNBANHCAFE, female beneficiaries mentioned how before the project, they lived “marginalized by their husbands” in their homes, completing primarily domestic chores and not being allowed to participate in agricultural groups. Now, these women have been given the opportunity to form their own women’s groups, receiving workshops on a variety of topics, such as agriculture, health, nutrition, and gender equality, and serving as leaders in their communities. In Yamaranguila and Guajiquiro, in particular, women spoke of feelings of empowerment and liberation. Guajiquiro had a washing station where women could congregate to wash vegetables after harvest and earn a small amount of income, which they enjoyed. The other two communities did not speak of these topics as much, but project staff mentioned there was a more progressive mindset regarding gender equality in those areas.
Male beneficiaries have also demonstrated a change in attitude in this respect, mentioning during focus groups the importance of respecting women’s decision-making power in the household. They expressed greater difficulty, however, in changing this mindset for some beneficiaries and in the community at-large. In cases where the husbands of female beneficiaries were more resistant towards women’s participation, FUNBANHCAFE tried to include women in other ways by promoting their involvement in household gardening activities.

Due to the positive impacts of these initiatives, women expressed interest in expanding on current income-generating opportunities and receiving additional trainings, particularly on money management, commercialization, and credit, as well as health and nutrition topics. They also spoke of incorporating youth into the trainings. It should be noted, however, that some of these organizational activities and trainings were the result of prior FUNBANHCAFE project activities and/or collaboration with other NGOs and institutions, and were not exclusive to the funding received through the Innovation in Access to Markets program. Nevertheless, this program has continued promoting women’s participation in these initiatives, thus contributing towards this societal change in mindset.

PAG designed a separate project specifically for women where they worked in groups and were taught how to plant, grow, and harvest strawberries, since the majority of female participants were not farmers before. The women who worked with the strawberries received inputs and technical assistance, including trainings on greenhouse use, soil preparation, transplanting seeds, and flower trimming to produce larger berries. Women also participated in trainings on gender equality, project management, and nutrition. The few women who did grow vegetables learned from program activities with their husbands and were doing quite well.

The women who participated in the strawberry project were initially divided into groups of ten to twelve; however, most of the participants dropped out and only three or four women remained in each group. The women cited various reasons for leaving the group, the most common being the distance of the field from home, childcare responsibilities, pregnancy, and difficulty coordinating responsibilities among group members. However, the project is relatively new and the women have only had one or two harvests. The profits of those harvests were minimal, but those who planned to continue growing were optimistic they would make more time in the future after learning from their experiences.

Despite the challenges, all the women, including those who dropped out, agreed they were glad they participated in the project. They said it made them happy to be involved in a social activity outside of the house and that they felt more independent. Some said their favorite part of the project was going to the trainings because they learned about growing strawberries – a topic they would not have known about otherwise. Juana, a participant from Belen, said:

“I had never been part of groups or worked on my own before. [My husband] always had me there; just indoors cooking [and] cleaning... But when I learned about this new group, I knew it would help me - it’ll bring me something; I’ll learn. [This project] helped me a lot to do my own thing.”
Overall, it seemed as though women were better incorporated into FUNBANHCAFE project activities and had greater success than with PAG. Yet, it appears that a common problem with including more women in both projects is that agriculture is a primarily male-dominated activity in this region. This helps explain why women’s inclusion in Innovation in Access to Markets activities has been more of a side-project to promote women’s empowerment rather than part of the main program focus of increased market access.

**ASSESSMENT**

**PARTICIPANT SATISFACTION**

At the conclusion of the focus groups, the GWU team asked participants to evaluate their experiences with the Innovation in Access to Markets program by marking how they felt on a scale from zero to ten (with zero being the most satisfied and ten being the least satisfied). Overall, FUNBAHNCAFE participants were less satisfied with the program than those from PAG. The communities who had been working with FUNBAHNCAFE the least amount of time also happened to be the least satisfied with the program. This is likely because these communities started receiving funding at a later time and were still working through some of the difficulties in planting schedules and trying to secure a buyer for their produce. However, when these two communities are removed, FUNBANHCAFE beneficiaries demonstrate greater happiness than those from PAG. The results from PAG participants showed each community was equally content with the Innovation in Access to Markets program.

**SUSTAINABILITY**

In a period of only 18 months, both organizations made significant contributions to developing the human capacity of participating farming communities. All participants, even those who did not see significant increases in household income, expressed satisfaction with the trainings on the best farming practices the technical assistants provided. As a result, all participants reported feeling more empowered to increase their productivity and negotiate with formal markets, which they planned to continue as PBGs. Although they requested additional financial support, most participants also expressed optimism and conviction that their individual profits would continue to grow if the projects ended.

Both FUNBANHCAFE and PAG improved the organizational capacity of the PBGs to continue operations in the long-term without additional project support. These capabilities included agricultural extension, business management, and banking, which helped farmers in FUNBANHCAFE finance current production and make investments for future expansions. However, each organization used a different approach which has dictated the sustainability of the program.

Given that FUNBANHCAFE was established by a bank and had access to a private institutional trust, the organization was able to leverage those financial assets to design a comprehensive project that targeted the participants’ multiple constraints to long-term economic growth. The cornerstone of this approach was the establishment of the BRIHS groups, which was one of the first project activities FUNBANHCAFE implemented.
In addition to improving credit access, the BRIHS groups were gradually strengthened to expand their local farmer networks and increase their collective bargaining power. Most focus groups cited an increase in the number of members since the project started. FUNBANHCAFE also helped BRIHS members to improve their negotiation skills and their capacity to form market linkages. Project staff noted:

“Now...we can take the foundation out [of the equation] and there is a whole structure in the field, which is to say they will continue to do it.”

Many PAG participants reported a working collaboration with the organization for more than ten years. This extended relationship highlights the long-term commitment PAG has had with these communities. To this end, PAG established APROCEL to operate as a private farmer’s cooperative and to grow based on a profitable business model. Although APROCEL has independent legal status and collects membership fees, it’s still dependent on PAG to cover operational costs, which include cost-shared resources such as warehouses and delivery trucks.

To be profitable and sustainable, APROCEL must scale its activities by increasing its membership and total group production. This business growth would generate sufficient revenue from a wider base of members and greater share of profits to cover all operational costs. Although access to formal markets has created promising opportunities for business expansion, APROCEL struggles to reach scale. In showing the empty storage chambers, project staff explained, “We would like to see this in use all the time, constantly rotating for deliveries on a daily basis.” APROCEL currently only makes deliveries once a week, but with its long-term thinking, has clearly factored sustainability into the organizational equation.

Overall, PAG’s business-model approach under the Innovation in Access to Markets program demonstrates greater sustainability than FUNBANHCAFE’s due to the creation of its for-profit farmers association, APROCEL. However, the strict approach by which APROCEL operates in order to sustain its success has come at the cost of greater inclusion of program participants who may have fewer resources and are struggling to meet set standards. FUNBANHCAFE’s approach has left greater room for innovation, empowerment, and independence among beneficiaries, which has ultimately created a model that will best fit the needs and wants of the community at-large and contribute towards the long-term viability of the program.

BIASES, CHALLENGES, AND LESSONS LEARNED

One of the biggest challenges the GWU team faced in accurately assessing project impacts was the program overlap observed with other NGOs and institutions, as well as prior FUNBANHCAFE or PAG projects. Focus group participants would talk about vast improvements in health, education, and women’s empowerment in their communities and homes, for example, but would often cite USAID and Care workshops, or trainings they received from FUNBANHCAFE in prior years, as the reason for these improvements. FUNBANHCAFE has strategically included these institutions to fill in areas where they felt more training was necessary but funding was limited. PAG also received donations from multiple institutions to fund a variety of projects that operate simultaneously, and there are other institutions that used to work in the Belen Gualcho area with the same beneficiaries. The collaboration and overlap of
different institutions has clearly complemented the Innovation in Access to Markets program and contributed to poverty alleviation efforts in these communities; however, for this reason, it has been difficult to isolate and claim the success of such a short-term project as the sole reasoning behind such improvements.

An additional challenge was that due to the involvement of a number of NGOs in these areas over the past several years, the GWU team sensed that some of the stories these participants shared were coached or had been dictated to them in order to more eloquently elaborate on project impacts. In certain focus groups, many of the beneficiaries continuously expressed the need for more project funding, perhaps assuming we would report back to the donors despite our explanation of the purpose of our study. It is therefore hard to assess the accuracy of the information we received, and whether or not participants felt truly at ease expressing project difficulties and areas for improvement.

Lastly, the team had difficulty eliminating bias in focus group participation. As mentioned in the methodology section, the team selected participants in each community at random from the list of those who completed both baseline and follow-up surveys with IFPRI. Project coordinators had access to these lists prior to our arrival so they could notify and organize beneficiaries as scheduled. However, during our visit with PAG, it became clear that those beneficiaries IFPRI identified as not benefitting from the project, according to the quantitative dataset, were conveniently not available to participate on the day of the focus groups in their communities. In their place were beneficiaries who were overwhelmingly positive about their project experiences and who represented the small percentage of those involved with productive infrastructure, such as macro-tunnels and greenhouses. As a result, the GWU team has, to the best of its ability, taken this bias into consideration when completing its analysis.

Overall, this practicum allowed the GWU team to gain greater insights into the realities of working in development. One of the most prevalent themes the team observed was the importance of earning trust with those with whom we were working so we could learn from and report on their experiences. The team was cognizant about this possible limitation during the initial planning stages and our study confirmed these anticipated preoccupations.

Our interactions during interviews with project coordinators and beneficiaries were quite different. We spent many hours on a daily basis traveling with coordinators to project sites and were able to earn their trust to the point where they felt comfortable sharing very sensitive information regarding donor-recipient relations, the bidding process, and project results. This was all relevant to our study but, in some cases, too private to report in our findings. On the other hand, time was too limited for us to get to this same level of comfort and trust with program beneficiaries, given our limited time with them. In some cases, we were able to casually chat enough before each focus group to get beneficiaries to open up, while in others, they were hesitant to criticize the program and only recommended that it be granted more money so they could continue benefitting.

Participants in communities that began the program from a much lower socio-economic status were less likely to highlight project challenges or areas of improvement. This could be tied to the country’s political situation, since the government does not encourage open dialogue, particularly among the most marginalized members of society who, as small, impoverished
farmers, have historically not been an important decision-making factor in government investments. It appeared these participants were grateful to be receiving any assistance at all, and perhaps feared that if they complained, the project would be discontinued. Had we had more time to develop rapport with these beneficiaries, they could have been more apt to share their honest opinions and experiences. Project coordinators, who were middle-income and well educated, had fewer reservations and were very open with us about the program.

These observations reflect the challenges in monitoring and evaluation in development where such short-term studies may not be indicative of true project outcomes and needs. Organizations generally have limited funding and human resources, and are unable to devote the necessary time to earn trust and conduct thorough evaluations. With this in mind, it is important for practitioners and evaluators to perform as much research as possible on the socio-economic and political context in which they will be working so they can most effectively tailor programs to the specific needs and circumstances of each society.

RECOMMENDATIONS AND CONCLUSION

PROGRAM RECOMMENDATIONS

Given the feedback the GWU team received during focus group sessions with beneficiaries and interviews with project staff, the following list of recommendations identifies the program areas most in need of improvement or revision. Though it is not an exhaustive list, these recommendations highlight the areas that stood out for the team and, if addressed, could significantly enhance program outcomes and contribute towards the success of future projects. Further details that provide a more in-depth background on these issues are discussed in their respective sections throughout the report.

For FUNBANHCAFE, the GWU team offers recommendations in the following area:

Access to Formal Markets

- Ensure strong market connections and a high demand for specific crops prior to promoting their production so beneficiaries do not lose investments of time and money, particularly in San Isidro and Masaguara.
- Expand on market infrastructure, including washing and packing stations, to raise the market value of produce and promote greater income-generating opportunities, especially for women.
- Build in mechanisms for scheduled planting that lower the risk involved for producers when others default on their quota.

For PAG, the GWU team offers recommendations in the following areas:

Project Activities

- Provide assistance for basic grain production as either a complementary project with PAG or as a more formalized partnership with USAID Feed the Future, which currently
works in Belen Gualcho and shares office space with PAG. Though basic grains aren’t as lucrative as horticultural products, if farmers are able to get more out of their land and improve the production of these crops, they can sell what they don’t consume to local markets, contributing to additional income generation and poverty alleviation.

- Devote greater resources to productive infrastructure that will allow all participants to benefit through communal ownership.
- Ensure locations are suitable for installing productive infrastructure before leasing equipment on credit to avoid wind damage or other climate-related losses.

**Improved Credit Access**

- Continue offering low-interest credit to beneficiaries through APROCEL, since producers still report the need for credit when making investments to improve or expand their farms.

**Women’s Empowerment**

- Strengthen the incorporation and retention of women in project activities, particularly in areas that promote income generation.
- Create smaller groups for female-focused activities and allow participants to choose members they already know and trust.

The GWU team also offers the following recommendations for both organizations:

- Provide formalized training in financial management as one of the required workshops for program participation.
- Continue collaboration with other institutions and NGOs, since project overlap has complemented and strengthened program activities.

**Recommendations for Donors and Partnering Organizations**

Through interviews with project staff and observations during field visits, the GWU team has developed a number of recommendations for IFPRI, partnering organization the Regional Unit for Technical Assistance (RUTA), the IDB, and AusAID regarding 1) the selection process for receiving donor funding, 2) poverty-sensitive scorecard indicators, and 3) funding disbursement. These recommendations serve to strengthen selection and funding processes to enable the organizations with the highest poverty alleviation potential to most effectively contribute towards the sustainable development of rural communities.

**Selection Process**

- Lessen the number of required indicators organizations must complete to be considered in the selection process, as this excluded many smaller NGOs who do not have the capacity to obtain such detailed information.
- Incorporate into the selection process a requirement that organizations must provide equal opportunities for all participants to benefit from project activities and resources.
- Alter the section on gender to reflect not only the number of females included, but also how they are incorporated into project activities.

**Scorecard Indicators**

- Include a section that addresses environmental constraints, such as water access, soil quality, etc. which negatively impact the potential for producers to rise out of poverty.

**Disbursement of Funds**

- Distribute program funding during previously determined disbursement periods to avoid delaying progress and negatively impacting program results.

**CONCLUSION**

FUNBANHCAFE and PAG’s participation in the Innovation in Access to Markets program helped producers improve their knowledge and use of agricultural best practices and increase their abilities to reach higher-paying formal markets in a sustainable manner. This has been the largest takeaway for all beneficiaries involved, even despite setbacks some producers faced along the way. Most participants in both projects increased their incomes over the course of just 18 months or less, improving the quality of their lives and contributing towards the health and wellbeing of their families.

The GWU team’s qualitative assessment of the two projects through field visits, interviews, and focus groups led us to conclude that FUNBANHCAFE was more effective than PAG at alleviating poverty. Baseline data indicated that FUNBANHCAFE beneficiaries were much poorer at the start of the project, which could mean these improvements in social and economic wellbeing were more notable; however, throughout the study, the GWU team observed FUNBANHCAFE’s approach towards poverty alleviation, which included a greater focus on inclusion of, and support for lower-income groups than PAG. This is ultimately what helped us to validate FUNBANHCAFE’s higher ranking on IFPRI’s poverty-sensitive scorecard, thus supporting this innovative methodology for project selection and promoting its use for future programs around the world.
ANNEXES

ANNEX 1: CASE STUDIES

FUNBANHCAFE

Case Study 1: Lorena
Lorena is a beneficiary in the community of Guajiquiro. After receiving trainings on agriculture and gender equality, Lorena started thinking more positively about her abilities. She became more active in agricultural production activities and started traveling to sell her harvest to better markets. She’s happy because she is now managing the family’s business and has gained more freedoms in the process.

Case Study 2: Alfonso
Alfonso, a participant in Yamaranguila, benefitted substantially through his membership with the BRIHS over the last three years. He says he used to rent his agricultural land, but as a result of his involvement with FUNBANHCAFE, he has purchased a few parcels to increase production. Alfonso explains with satisfaction that “with the increased income from sales, we have improved our homes and have been able to pay more attention to our children. They are the ones for whom we do all this work.”

Case Study 3: Luis
Luis, an ambitious beneficiary, used to be a self-proclaimed traditional farmer. As a result of the technical assistance he received through FUNBANHCAFE, he feels he’s “enriched his knowledge” to be able to better manage his crops, preventing disease and improving the quality of his harvest. Due to his strong work ethic, he now independently manages the community’s greenhouse. Through innovation and his own curiosity to learn, he’s invested in local, inexpensive materials to sustain the greenhouse and has started experimenting with new crops, such as passion fruit. His goal is to expand production on his farm so he can ultimately make improvements to his home and pay off his debt.

Case Study 4: Damaris
Damaris is a married young mother of three small children who lives in a village far from the main transportation corridors and formal markets. When her family joined their local BRIHS, they were convinced to change their production from maize and beans to high-value crops like broccoli, cauliflower, and lettuce. Damaris bitterly shared her disappointment when buyers from a regional supermarket came to her farm and carefully selected only two boxes of cauliflower and paid her family 20 lempira (about US$1), despite her expensive investments to produce high-quality crops. Damaris’s negative experience highlights the power imbalance that still remains between poor farmers and formal markets that operate without a fair legal framework to protect both parties.
Case Study 1: Fernando
Fernando has been a tomato farmer for many years. He used to plant tomato in an open field where his produce was often susceptible to disease during periods of heavy rain. Because he never had connections to formal markets, he could only sell his produce locally where prices are much lower. Now, through PAG’s technical assistance, Fernando produces disease-resistant tomato varieties in a greenhouse where 95% of his harvest is sold twice a week to the formal market. He says the greenhouse requires a significant amount of maintenance, but he hires a temporary employee during more labor-intensive periods and receives the help of a PAG technical expert whenever it is needed. He’s happy and demonstrates a positive outlook, hoping to save enough money to invest in improving production for the future.

Case Study 2: Marta
Marta works together with her husband to manage their crops. They have been very successful and with the extra income they’ve received in the past few years, they’ve been able to support their daughter while she gets her PhD in microbiology in Tegucigalpa. She said that without the extra income, they could not have afforded to pay for her studies.

Case Study 3: Silvia
Silvia, a forty-three year old beneficiary, is a vegetable farmer and participant in the women’s strawberry project. Before getting involved with the Innovation in Access to Markets program, she used to only plant cabbage with her husband without hiring any labor. Now, she states proudly, “We have four people helping us on a daily basis with fumigation and fertilization for our vegetables.” She and her husband are doing quite well and hope to start selling to even larger markets in the future.
ANNEX 2: FOCUS GROUP QUESTIONNAIRE

Community questions/Preguntas Comunitarias

1. Have you seen any changes in your community in the last year? What changes? Are these changes related to the project you’re involved with (i.e.: education/literacy, health & HIV/AIDS prevention, environment, improved infrastructure and roads, income-generating opportunities, tourism, etc.)?

¿Ha visto usted cambios en su comunidad en el último año? ¿Cuáles por ejemplo? ¿Acaso estos cambios están relacionados con el Proyecto Banhcafe/Proyecto Aldea Global (i.e.: la educación/el alfabetismo, la salud & la prevención de VIH/SIDA, el medio ambiente, infraestructura mejorada y nuevas calles, oportunidades para generar ingresos, el turismo, etc.)?

Project-specific questions/Preguntas especificadas al proyecto

2. What specific intervention have you received from Banhcafe/Aldea Global (count the # of people for each intervention mentioned)? How has each intervention affected you and your family?

¿Cuáles actividades/proyectos específicos ha recibido usted de Banhcafe/ Proyecto Aldea Global (hay que contar el número de personas para cada intervención mencionada)? ¿De qué manera les ha afectado cada actividad/proyecto a usted y a su familia?

3. How many years has Banhcafe/Aldea Global been working in your community for?

¿Cuántos años lleva Banhcafe/ Proyecto Aldea Global en su comunidad?

Household/Family questions/Preguntas de la familia y del hogar

4. Do you feel more or less financially secure in times of natural disasters, droughts, flooding, etc.? Explain.

¿Se siente usted más seguro/a económicamente en tiempos de desastres naturales, sequías, inundaciones, etc. o no? Explíqueme.

5. Has your diet or the diet in your household changed? (i.e.: eating more meat, dairy, home-grown veggies)

¿Ha cambiado su dieta o la dieta de su familia (i.e.: están comiendo más carne, productos lácteos, verduras cosechadas del hogar)?

6. Have you felt changes in your own health or seen changes in the health of your family?

¿Ha visto algún cambio en su salud o la salud de su familia?

7. How do you feel the project has impacted you and your family financially?

¿De qué manera piensa usted que el proyecto le ha impactado económicamente a usted y su familia?
a. Do you feel *household* spending has changed at all (i.e.: the amount devoted towards education, health, or consumer goods)?
¿Se siente usted que los gastos del hogar han cambiado (i.e.: la cantidad que se gasta para la educación, la salud, y cosas para la casa)?

8. Do you feel *business* spending has changed at all (i.e.: increased investment in agricultural inputs, machineries, hiring employees, change in land ownership)?
¿Se siente usted que los gastos del negocio o en la agricultura han cambiado (i.e.: más inversión en fertilizantes, máquinas, más trabajadores, un cambio en la propiedad de su tierra)?

9. Has the project had an effect on crop production or the types of crops you grow? In what way? Who decided what to grow? Do you feel you’ve received or are receiving adequate support for these changes in production?
¿Ha tenido el proyecto un efecto en la producción o en el tipo de sus cultivos? ¿En qué manera? ¿Quién decidió que iba a producir usted? ¿Se siente usted que recibió o está recibiendo bastante apoyo para estos cambios en producción?

10. Has the project affected your access to markets for your crops? How? Do you sell more or less than you used to?
¿Ha afectado el proyecto a usted su acceso a mercados para sus cultivos? ¿Cómo? ¿Vende usted más que antes o no?

11. As a result of the project, have you started engaging in additional income-generating activities? What types of activities are those? Are you able to access markets as a result of the project?
Como resultado del proyecto, ¿Ha comenzado usted actividades adicionales para generar ingresos? ¿Qué tipo de actividades son? ¿Tiene usted acceso a mercados para esta actividad como resultado del proyecto?

12. Explain how your experiences have changed, if at all, with accessing microcredit. Where do you get credit from? If you’ve been able to access microcredit, provide examples of how you’ve used the loans (i.e.: new businesses created).
Explique cómo han cambiado sus experiencias, si han cambiado, en tener acceso a microcrédito. ¿De dónde consigue usted el crédito? Si han podido tener acceso a microcrédito, dé ejemplos en como usted ha usado los préstamos (i.e.: nuevos negocios creados).

**Gender-Specific Questions/Preguntas del género**

13. (For men) What types of things are the women in your family or community doing differently? Do they seem to work more or less?
(Para hombres) ¿Qué cosas están haciendo diferente las mujeres en su familia o en su comunidad? ¿Están trabajando más o no?
14. (For women) For the women who now have increased purchasing power, have you noticed any changes in the level of respect you receive from your male counterparts and neighbors? 
(para mujeres) Para las mujeres que ahora están ganando más, ¿Se han sentido algunos cambios en el nivel de respeto que reciben de su pareja, familiares, o vecinos varones?

15. (For women) For the women who now have increased purchasing power, have you noticed any changes in household dynamics since the start of the project? 
(para mujeres) Para las mujeres que ahora están ganando más, ¿Se han sentido algunos cambios en las dinámicas del hogar desde el principio del proyecto? (i.e.: en la forma de respeto que recibe de su marido o hijos)

16. (For women) As a woman, have you taken on any leadership positions since the start of the project? If so, how does that make you feel? 
(para mujeres) ¿Ha comenzado usted nuevas posiciones de liderazgo desde el comienzo del proyecto? Si la respuesta es sí, ¿Cómo se siente usted ahora?

**General questions/Preguntas generales**

17. On a scale of 1-10 with 10 being the best and 1 being the worst, how would you rate the project overall? 
De 1 a 10 con 10 como lo mejor y 1 como lo peor, ¿Qué calificación le daría usted al proyecto?

18. If the project was offered to a friend in a neighboring community, would you recommend that they participate? Why or why not? 
Si el proyecto se estuviera ofreciendo en una comunidad cerca, donde usted tenga un amigo/a, ¿Recomendaría usted que participe? ¿Por qué sí o no?

19. How have you benefited most from the project? What intervention was most helpful for you? 
¿Qué fue lo que más le ha beneficiado a usted del proyecto? ¿Cuál intervención fue la más útil para usted?

20. What intervention was least helpful? How would you recommend improving it? What would you do differently? 
¿Cuál intervención fue la menos útil para usted? ¿Qué recomendación daría usted para mejorarla? ¿Qué haría diferente usted?

21. If you have ideas about project initiatives, do you feel as though you can voice those opinions and be heard? Are community forums held where you can express your ideas? Do women actively participate in these forums? Why or why not? 
Si usted tiene ideas para el proyecto, ¿Usted se siente que puede hablar sobre sus ideas con confianza? Y que sus ideas se tomarán en cuenta por los que están encargos? ¿Hay reuniones comunitarias donde usted puede expresar sus ideas? ¿Participan activamente las mujeres en estas reuniones? ¿Por qué sí o por qué no?
22. Do you feel the project initiatives will be sustained when funding runs out? Why or why not? Would certain initiatives continue and others stop? What do you think would be needed to ensure continuity of all initiatives?
¿Se siente usted que las intervenciones del proyecto van a seguir cuando se acaban los fondos? ¿Por qué sí o por qué no? ¿Seguirán algunos y otros no? ¿Qué piensa usted sería necesario para asegurar que continúen estas intervenciones?

23. If we came back a year from now, what would be the same? What would be different?
Si volveríamos en un año, ¿Qué sería diferente? ¿Qué sería igual?
ANNEX 3: PROGRAM DIRECTOR QUESTIONNAIRE

General Questions:

1. Tell us about the project. How long has your company been working with this group of farmers? How did you come to work with these groups? Describe the relationship and how you operate together. Cuéntenos acerca del proyecto. ¿Cuánto tiempo lleva su empresa trabajando con los grupos de agricultores? ¿Cómo se empezó la colaboración con estos grupos? Por favor explíquenos la relación laboral con ellos y cómo trabajan juntos.

2. How much participation do farmers and other community members have in project design and execution? In what ways are they able to get involved and voice their opinions? Do the farmers have a say in which proposals you pursue? ¿Qué tanta participación tienen los agricultores y otros miembros de la comunidad en el diseño de las actividades y ejecución del proyecto? ¿En su opinión, de qué manera pueden ellos participar y expresar sus opiniones del diseño y ejecución? ¿Acaso los agricultores tienen voz y voto en las propuestas a las que ustedes responden?

3. What specific project interventions did you implement in the past year? ¿En cuestión al proyecto, qué actividades (intervenciones) específicas implementaron ustedes en el último año?

4. How do you think farmers have benefited from the project? ¿De qué manera opina usted que el proyecto benefició a los agricultores?

5. What do you believe was the greatest success of the project? ¿Qué opina usted que fue el mayor éxito del proyecto?

6. What were some of the difficulties the project faced? ¿Qué opina usted que fueron algunas de las dificultades que tuvo el proyecto?

7. Have you hired more employees since receiving the grant money? If so, approximately how many and in what positions? ¿Desde que recibieron el dinero de la subvención, acaso ustedes pudieron contratar a más empleados? Si fue así, ¿aproximadamente cuántos empleado(a)s y en qué tipo de puestos?

8. Do you think the project will be sustainable (in other words, will project initiatives continue after funds run out, in your opinion)? Why or why not? ¿Usted opina que el proyecto sea sostenible (en otras palabras, acaso espera que las actividades continúen después de que se detenga el giro de fondos)? ¿Por qué sí o no?

9. What other things would you like to do with the farmers’ association? What would you do differently? ¿Qué otro tipo de cosas le gustaría hacer con las asociaciones de agricultores? ¿Y qué haría diferente si volviera a tener la oportunidad?

10. If the program of Innovación en Acceso a Mercados continues next year, would you apply again for funds? Do you think the projects were selected in an objective manner? Si el...
próximo año el proyecto de Innovación de Acceso a Mercados se fuera a continuar, ustedes volverían a aplicar para nuevos fondos? ¿Acaso usted opina que los proyectos fueron seleccionados de una manera justa y objetiva?

11. Creating market linkages is one of the important activities for this project. How did you manage it? Una de las actividades más importantes de este proyecto fue la creación de vínculos con los mercados. ¿Cómo le hicieron para lograr esto?

12. How many farmers’ associations do you work with in the country? ¿Con cuántas asociaciones agricultoras trabajan ustedes en el país?

FUNBANHCAFE-Specific Questions:

1. I see that the program has a strong focus on women’s participation. Has this been successful? Challenging? What have been the benefits of focusing on women? Veo que el programa tiene un fuerte enfoque en la participación de las mujeres. ¿Acaso se ha visto éxito con este enfoque? ¿O problemas? ¿Cuáles han sido los beneficios de enfocarse en las mujeres?

2. Do you mainly seek funding from local/international donors on behalf of the farming communities? ¿Acaso ustedes buscan recursos económicos principalmente de organismos locales o donantes internacionales de parte de las comunidades campesinas?

3. I noticed the funds were allocated in some specific areas. How are the beneficiaries selected to receive funding? Vemos aquí que los fondos se asignaron en algunas zonas específicas. ¿Cómo fueron seleccionados los beneficiarios para recibir financiamiento?

PAG-Specific Questions:

1. What does the educational component of the program consist of? How are the topics chosen? How often do they meet? What outcomes have you seen? ¿En qué consiste el componente educativo del su programa? ¿Cómo se eligen los temas? ¿Qué tan seguido se reúnen? ¿Qué resultados se han visto hasta la fecha?

2. In Feb ’12 you developed formal relationships with multiple supermarkets. Have you been able to maintain these relationships? Do you have any new ones? Have you had luck with forming relationships with buyers in El Salvador? En febrero del 2012, ustedes desarrollaron colaboraciones formales con varios supermercados. ¿Ha podido mantener estas relaciones? ¿Han podido desarrollar algunas otras colaboraciones nuevas? ¿Ha tenido éxito formando colaboraciones con negocios/compradores en El Salvador?

3. I see that the program has a strong focus on women’s participation. Has this been successful? Challenging? What have been the benefits of focusing on women? Veo que el programa tiene un fuerte enfoque en la participación de las mujeres. ¿Acaso se ha vista éxito con este enfoque? ¿O problemas? ¿Cuáles han sido los beneficios de enfocarse en las mujeres?
ANNEX 4: PROJECT COORDINATOR AND TECHNICAL ASSISTANT QUESTIONNAIRE

General questions/Preguntas generales

1. Tell us about the project and how your association got involved with Banhcafe/Aldea Global.
   ¿Nos puede contar sobre el proyecto y como su organización comenzó a trabajar con Banhcafe/Proyecto Aldea Global?

2. How many farmers belong to the association you represent? How many of them have participated in the project with Banhcafe/Aldea Global? If not all of them, why not?
   ¿Cuántas personas trabajan con su organización? ¿Cuántas participan en el proyecto con Banhcafe/ Proyecto Aldea Global? Si no todos, ¿Por qué no?

3. What crops are you growing? How and why did you choose those particular crops? For FUNBANHCAFE, why aren’t you producing lettuce?
   ¿Que cosechas/ productos están cultivando? ¿Cómo y por qué eligieron estas? Para FUNBANHCAFE, ¿Por qué no producen lechuga?

4. Have producers been able to increase their price of sale? Have they been able to increase their production level? Have they been able to access other markets or clients? Where and which? What other agricultural benefits have the producers received?
   ¿Acaso los agricultores han podido aumentar el precio de sus productos? ¿Y han podido aumentar la cantidad/volumen de producción? ¿Acaso ha mejorado el acceso a más mercados y clientes? ¿Cuáles y dónde?

5. What do you believe was the greatest success of the project?
   ¿Qué te parece que fue el mayor éxito del proyecto?

6. What were some of the difficulties the project faced? How do you think these difficulties could be prevented in the future?
   ¿Cuáles fueron algunas de las dificultades que el proyecto tuvo? ¿Cómo crees que se pueden evitar o resolver esos problemas en el futuro?

7. For how many years has Banhcafe/Aldea Global been working with the farmers’ association you represent?
   ¿Cuántos años lleva usted trabajando con Banhcafe / Proyecto Aldea Global?

8. Have more employees been hired since receiving the grant money? If so, approximately how many and in what positions? Are any of them women?
   Desde que recibieron los pagos, ¿Cuánta más gente han podido emplear? ¿En qué tipo de puestos de trabajo? ¿Acaso algunos fueron mujeres?
9. How are women active in project activities? Do you think there could be greater involvement?
   ¿Cuántas mujeres trabajan en el proyecto? ¿Usted cree que ellas pudieran tener mayor participación?

10. Do you think your partnership with the company helped to alleviate poverty for farmers and their families? If so, in what ways? What changes have you seen as a result of the project? Can you give any examples from people you’ve worked with first-hand? (i.e.: increases in income, quality of life [child education/clothing, better housing, health, latrine etc.], business expansion)
   ¿Puede ser que la colaboración con Banhcafe / Proyecto Aldea Global disminuya la pobreza de los productores y sus familias? ¿Cómo? ¿Qué cambios ha visto como resultado del proyecto? ¿Tiene ejemplos?

11. What changes have you noticed in farmer behavior in neighboring communities? Have other farmers adopted new cultivation techniques/quality seeds, etc. after observing project beneficiaries? (Sustainability?)
   ¿Ha notado algunos cambios en cómo trabajan los productores en otras comunidades? ¿Acaso ellos están usando nuevas formas de semilla, métodos de cultivar, o algo parecido después de observar los beneficiarios del proyecto?

12. How do you think the project will be sustainable?
   ¿Cree que el proyecto será sostenible?

13. In what other areas (non-agricultural) have community members benefited?
   ¿Acaso las comunidades se han beneficiado en otros sectores que no sean agrícolas? ¿Cuáles y cómo?

14. Do you think you’ll continue working with Banhcafe/Aldea Global in the future? Why or why not?
   ¿Usted piensa seguir trabajando con Banhcafe/ Proyecto Aldea Global?

15. On a scale of 1-10 with 10 being the best and 1 being the worst, how would you rate the project overall?
   ¿Cómo califica al proyecto en una escala del 1 al 10, el 10 siendo el mejor y el 1 siendo lo peor?
ANNEX 5: PICTURES AND TABLES

ANNEX 5.1: FOCUS GROUPS

WOMEN’S FOCUS GROUP IN THE FUNBANHCAFE COMMUNITY YAMARANGUILA

IRRIGATION

ANNEX 5.2: DRIP

A FUNBANHCAFE producer’s drip irrigation system
**Annex 5.3: Macro-Tunnels**

PAG macro-tunnel in Belen Gualcho

**Annex 5.4: Agricultural Value Chain for FUNBANHCAFE and PAG Producers**

- **Farmgate**: Farmers sell their crops directly to the local market, the middleman, or to the formal market through FUNBANHCAFE or PAG.
- **Middleman 'Coyote'**: Coyotes offer a low price in the absence of the project. PAG/APROCEL acts as a collection point for farmers to store produce and provides trucks for transport to formal markets. FUNBANHCAFE has collection points which help the farmers gather their produce before sending it to the formal market.
- **Final Retailer**: Walmart, Herti Fruti, La Carreta, La Colonia, and others.
ANNEX 5.5: EMPLOYMENT GENERATION

A FAMILY LABORER IN THE FUNBANHCAFE COMMUNITY YAMARANGUILA

ANNEX 5.6: WOMEN’S EMPOWERMENT

A women’s focus group in Yamaranguila who spoke of greater empowerment and leadership opportunities in their community