

EXECUTIVE SUMMARY

This document contains the CREEME (Microentrepreneurial Economic Growth) Program Evaluation, executed by CARE Honduras, with an initial amount of US\$725,000.00, financed by DFID from the UK, CARE, Rotary Club and, US\$95,550.00, donated by the Central American Bank for Economic Integration (BCIE in Spanish), to develop a training process on administrative matters.

The Program emerged in February 1999, as a project called REMAM, with the purpose of reactivating within an eight-month period (Post-Mitch period), some 3,000 Microentrepreneurs households (15,000 individuals) from 6 departments in Honduras. In February 2000, REMAM turned into a Honduras Mission Program, with the name of CREEME, having as its purpose, increase the capability of generating enough income, to meet basic needs of Microentrepreneurs households it serves and maintain or increase a savings funds, with will let them get the goods needed to stabilize household economies.

Evaluation took place over a four-month period, from October 3, 2001 and the methodology used included recollection techniques for qualitative and quantitative information. Within this frame, 10% of the active clients of the Program were interviewed and surveyed as son were the representatives from the most important microfinancing organizations in the national market. Besides, representatives from government institutions linked with the country's financial system were also interviewed.

Among the main achievements of the Program during the period evaluated, we can mention the generation of opportunities for the target population, affected by Hurricane Mitch, to reactive their businesses and the generation of employments, reaching the conclusion that REMAM-CREEME was efficient in delivering microcredit under disaster conditions.

The Program has also caused important positive modifications in the clients' income and profits, therefore, it is contributing to improve their quality of life. In comparative terms with the monthly income average a the national level it is seen that the Program's clients houses located at the mature cycles, surpass the averages reported on the UNDP Human Development Report, Honduras 2000, which indicated that average income for men at that time was L.3,483.00.

The Program was not self-sufficient due to the policy of subsidies implemented during the Post-Mitch era and having maintained it current for long time, its high operating costs, geographical refocus which originated the extrication of its clients from the North Coast, high personnel rotation and the implementation of a conservative credit policy.

From the financial point of view, for the Program to be self-sufficient, it ought to implement expenses rationale measures to enter into other credit modes and increase its portfolio.

Approval in February 2001, of the Law regulating OPDFs raises for CARE Honduras, the need for deciding whether CREEME will adapt to this legal ruling.