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UNITED STATES GOVERNMENT

memorandum

DATE: August 11, 1980

REPLY TO: Gerald G. Graf, Acting
ATTN OF: Program Officer, USAID/Ghana

SUBJECT: PES (Project No. 641-0072) FAAD

TO: MO/PAV, AID/W

We forward the original copy of the Project Evaluation Summary (PES) and the evaluation team report for Project No. 641-0072, Farmers Association and Agribusiness Development (FAAD) for reproduction and appropriate distribution.

Please send us 20 copies of the PES (not the attached evaluation team report) for Mission distribution.

cc: AFR/DP/PPE
AFR/DR/CAWARAP
AFR/CWA/G

Attachment: a/s

Talked with Brad on Numbers of Copies



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Classification

PROJECT EVALUATION SUMMARY (PES) - PART I

1. Project Title: Farmers Association & Agricultural Business Development (FAAD)	2. Project Number: 641-0072	3. Mission: Ghana
4. Evaluation Number: 80-4 Regular Eval. Special Eval.		

5. Project Implementation Dates: A. 1st Proj. Agt. <u>FY-77</u> B. Final Obl. <u>FY-80</u> C. Final Impmt. <u>FY-82</u>	6. Est. Project Funding: A. Total <u>4,350,000</u> B. U.S. <u>3.4 million</u>	7. Period Covered By Eval. From (mo./yr.) <u>Sep 1977</u> To (mo./yr.) <u>May 1980</u> Date Eval. Review <u>July 1980</u>
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A. List Decisions and/or unresolved issues:	B. Name of Responsible Officer	C. Date to be completed
1. Obtain AID/W clarification of dollar limitation for non-U.S. procurement for each PVO.	PRM F&A AID/W	August 1980
2. Request AID/W action to amend the project authorization to extend LOP for existing PVO grant agreements to not later than September 30, 1982.	PRM F&A AID/W	August 1980
3. Request AID/W action to increase the maximum funding level per Grant from \$500,000 to \$750,000 per PVO, not to exceed 250,000 in any fiscal year.	PRM F&A AID/W	September 1980
4. Request AID/W action to increase total LOP funding from \$3.4 million to a new maximum of \$4,350,000.	PRM F&A AID/W	September 1980
5. To authorize funds for contract services for redesign of FAAD II.	F&A PRM GOG	September 1980
6. Invitation to be extended to all PVOs in Ghana, including U.S. based PVOs to submit illustrative proposals to develop projected funding requirements for FAAD II.	F&A	August 1980

9. Inventory of Documents to be Revised Per Above Decisions <table style="width:100%;"> <tr> <td><input checked="" type="checkbox"/> Proj. Paper</td> <td><input type="checkbox"/> Imp. Plan</td> <td><input type="checkbox"/> Other (Specify)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Fin. Plan</td> <td><input type="checkbox"/> PIO/T</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Logframe</td> <td><input type="checkbox"/> PIO/C</td> <td><input type="checkbox"/> Other (Specify)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Proj. Agr'mt</td> <td><input type="checkbox"/> PIO/P</td> <td><input checked="" type="checkbox"/> Project Auth.</td> </tr> </table>	<input checked="" type="checkbox"/> Proj. Paper	<input type="checkbox"/> Imp. Plan	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Fin. Plan	<input type="checkbox"/> PIO/T		<input type="checkbox"/> Logframe	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Proj. Agr'mt	<input type="checkbox"/> PIO/P	<input checked="" type="checkbox"/> Project Auth.	10. Alternative Decisions On Project Future A. <input type="checkbox"/> Continue w/o change B. <input checked="" type="checkbox"/> Change proj. and/or <input type="checkbox"/> Change imp. plan C. <input type="checkbox"/> Discontinue Project
<input checked="" type="checkbox"/> Proj. Paper	<input type="checkbox"/> Imp. Plan	<input type="checkbox"/> Other (Specify)											
<input checked="" type="checkbox"/> Fin. Plan	<input type="checkbox"/> PIO/T												
<input type="checkbox"/> Logframe	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)											
<input checked="" type="checkbox"/> Proj. Agr'mt	<input type="checkbox"/> PIO/P	<input checked="" type="checkbox"/> Project Auth.											

11. Project Officer and host country or other ranking participants as appropriate (Names/Titles): PRM: GGraf F&A: OHess 7 PVOs reps.	12. Mission Director Approval Signature Typed Name: <u>Irvin D. Coker</u> Date: <u>August 11, 1980</u>
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PES PART II

13. Summary

The FAAD is an innovative project which works through seven Private and Voluntary Organizations to impact directly and positively on large numbers of Ghana's rural poor in eight of the nine geographic regions. The project has been path-breaking, and as such has operated at times without clear precedents or policy guidelines. As a result there have been some growing pains associated with implementation, and the Mission has spent considerable time and energy in evolving additional guidelines for the project.

FAAD had been under way for 31 months at time of this evaluation. The total \$3.4 million authorized by the Project Paper has been earmarked for the seven PVO sub-grantees, each of whom have three-year grants: 57% of sub-project time had elapsed and 49% of authorized funds had been disbursed including advances. Despite severe economic and political disruptions in Ghana, most of the FAAD sub-grants have made good progress in faithfully adhering to the terms of their sub-grant agreements, thus achieving the project's goal and objectives to the fullest extent possible.

Delays in achieving objectives have occurred, most notably for sub-projects that depended on construction of buildings. Causes of these delays include a lack of policy guidelines covering issues of USAID support to the PVOs such as procurement and the acute shortage of commodities in the country.

14. Methodology

The evaluation was a mid-term evaluation conducted by 3 outside evaluators. The purposes were to assess implementation of Phase I, and to explore recommendations for a possible Phase II. The team addressed: a) USAID support of PVOs; b) the PVOs themselves and c) the PVO field operations.

A questionnaire was administered to PVOs and this provided a certain amount of subjective data. Otherwise, all information was obtained through site visits and interviews at all levels. The Team was composed of Frank Dimond, AFR/DP; Marian Fuchs-Carsch and Mike Warren, both IQCs. The evaluation took place during May 12-30, 1980 and included interviews with project personnel in Accra and at field locations.

15. External Factors

In recent years adverse economic conditions and changes of government have caused considerable disruptions in the provision of goods and services to rural areas of Ghana. PVOs, being independent of the GOG, however, have been able to continue to deliver inputs when available and technical assistance using donor funds.

Ghana's economic situation has been precarious throughout this period. Inflation budget deficits, decreased domestic revenue and foreign exchange earnings and OPEC price rises have exacerbated the situation. Bank borrowing by the GOG has caused interest rates to rise severely limiting the availability of loan funds to small rural borrowers. Foreign exchange earnings from exports have decreased and import restrictions are heavy. Poor rains in 1978-79 limited local food production.

Although small farmers have received higher prices for their agricultural products, rural people have suffered from a serious lack of essential inputs--agricultural implements, materials for cottage industries and equipment for blacksmithing and other rural enterprises. Despite these difficulties, PVOs have been able to achieve many of their intended objectives, especially in implementing modest, yet significant self-help projects and programs involving training, non-formal education and institution building at the village level.

16. Inputs

- a. Sub-project start-up was slower than planned due to long delays in arrival of commodities, especially vehicles. Although each PVO except one had existing vehicles, transport capabilities were insufficient to adequately meet project start-up requirements.
- b. Each sub-project experienced delays in starting construction type activities due to a severe shortage of cement. Some cement was imported from Togo, although at high cost and after consuming bureaucratic procedures were completed.
- c. USG policy requires that the standardized U.S. origin vehicles be utilized in AID projects. These vehicles, ordered through AAPC, have taken up to 18 months to arrive in Ghana after ordering. They are difficult to maintain since there are no commercially available spare parts for them in Ghana and petrol consumption is higher than locally preferred imports such as Datsun. Gasoline is scarce, rationed and often difficult to obtain at up-country rural locations.
- d. Villagers prefer using British made Lister engines which they know how to maintain. They would like for FAAD to purchase spare parts for these engines and to import additional ones of the same type. AID procurement regulations prohibit purchase of these items since there are similar machines made in the U.S.A. USAID and the PVOs have encouraged villagers to try out the U.S. makes but little interest is shown, especially when the villagers are required to pay for the units under a revolving loan fund.

17. Outputs

All PVOs have attempted to deliver outputs as stated in respective sub-project agreements. Some PVOs have been unable to complete objectives due to input problems referred to. Other PVOs, notably APPLE, appear to have exceeded original targets. APPLE has developed a useful village development approach which could serve as a standard for replication. The evaluation report provides an analysis of input/output profiles.

Outputs have been modified by some PVOs. Technoserve, Inc. change to emphasizing assistance to other PVOs was drastic and constructive. Changes in output targets have been left up to each PVO. Purpose appears attainable with present outputs.

18. Purpose

Stated Project Purpose: To support private and voluntary initiatives and action in order to determine appropriate and/or optimal means of achieving wide-scale rural improvement through farmer associations and rural-based business enterprises.

EOPs: The EOPs conditions are extremely indeterminate. Nevertheless, the following comments apply:

- a. That PVOs are strengthened as shown by the changes made in their organization, strategy and methodology.
- b. Several district approaches have been identified and compared in an effort to find the ideal.
- c. Hundreds of activities have been undertaken all across Ghana. (Many though not all have been successful.)
- d. More than any other result of PVO activities has been the increase in production of useful commodities. Since prices are high in Ghana, this has meant income and employment opportunities for rural people.

19. Goal

To foster improved and more equitable distribution of income, expanded employment opportunities and increased well-being of rural farm and non-farm low-income people.

No comprehensive data is available on goal achievement. Nevertheless, the areas in which FAAD PVOs are concentrating their efforts are among the poorest in Ghana. The majority of activities undertaken were designed to increase production for higher income. Inevitably, helping these people to raise production works towards more equitable income distribution.

Likewise, the emphasis on increased production contributes to expanding employment. The emphasis on labor saving and life enhancement contribute to increased well-being. All PVO activities are contributing to the goal, but the measure of impact is not available. The evaluation does move decisively in the direction of measuring output and purpose level results, and this may relatively facilitate goal measurements.

20. Beneficiaries

The direct beneficiaries are approximately 40,000 in number. They are members of village level organizations and their families, who are directly involved in PVO-sponsored activities. The indirect beneficiaries are some 500,000 in number who are in a geographic location near the FAAD project sites, and are thereby capable of absorbing some of the methods, skills or products generated under FAAD.

The majority of FAAD activities are designed to increase production. Some improve environmental sanitation which affects infant mortality. The beneficiaries are all low income, so that helping them raise income, tends to make income distribution more equitable. FAAD activities, by increasing productivity, also add to employment opportunities. The benefits identified are: a) saving of time and effort; b) increase in production and c) enhancement of life.

21. Unplanned Effects

FAAD has given rise to two positive unexpected benefits that will contribute significantly to the role that PVOs can play in Ghanaian development.

The BASIG program of one of the FAAD sub-grantees, Technoserve, provides technical consulting services to other PVOs and Government institutions. The need for these services arose in large part from the problems FAAD sub-grantees experienced in implementing their projects. The spirit and intent of FAAD, as expressed in the Project Paper, explicitly precluded such technical support from USAID. This wise provision has led to the highly desirable effect of the PVO community helping itself.

A further manifestation of this self-help spirit is the formation of the PVO consortium, the Ghana Association of PVOs in Development (GAPVOD). This umbrella organization is in its infancy, but over time it is expected to strengthen the capability of the Ghanaian PVOs to augment and complement the work of GOG in supplying goods and services in rural areas.

22. Lessons Learned

FAAD is a Model that could be replicated elsewhere. It provides the following positive features:

- a) Sub-projects that interface with bilateral projects in a sector of high Mission priority (in this case, agriculture);
- b) Collaboration among sub-grantees (see BASIG and GAPVOD) and
- c) Simplified approval from host government (approval of single PP vs. approvals for seven sub-projects).

The Model is complementary to USAID projects in other sectors, as well as centrally-funded projects. Although the Agency policy prescribes minimal support to PVO-implemented projects, experience with the implementation of FAAD suggests that a strong project manager is critical to the smooth running of an umbrella model. PVOs need help in understanding and complying with AID requirements, especially with respect to procurement and financial management. Once AID has more experience with the model and precedents and guidelines have been established, the burden on Mission project management should be substantially reduced.

23. Special Comments

In Ghana, the FAAD Project should have a second phase, designed to allow for continuous funding of successful sub-projects started under Phase 1 and to provide support for deserving proposals from additional PVOs. Modifications to the original project design should take into account recommendations of the external evaluation and suggestions from the PVO FAAD sub-grantees.

The evaluation format of FAAD 1 has proven to be very effective and should be replicated in any similar project being designed.

A Model of PVO operation was developed by the Evaluation Team using the log frame, and used as a standard for judging FAAD PVOs. Future variables, and conclusions drawn as to the optimal mode of PVO operation. The results of the DAI study on African PVOs were tested in the light of FAAD experience, and essentially the DAI conclusions were confirmed.

PVOs have raised strong objections to the Evaluation Team's suggestion/recommendation that Phase II of FAAD be based or structured on a standard model for a successful PVO program.

PVOs contend that one of the advantages of PVOs is their flexibility in developing sub-projects to extend their individualistic approaches to rural development within the context of general guidelines. The Mission agrees that this flexibility is essential if the innovativeness and originality of various PVO philosophies, as reflected in their respective programs, are to be retained.

Other issues raised by PVOs related to the Evaluation Team's attempt to compare the various activities of PVOs for excellence. It was the view of PVOs that such comparisons are unrealistic for the same reasons described above.

The Mission endorses the views expressed by the PVOs.