

PD-444-204

518-0004

UNCLASSIFIED

CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) - PART I

5180004001501  
attached 5180004001701  
Report Symbol U-447

1. PROJECT TITLE  Special Development Activity Authority	2. PROJECT NUMBER 518-0004	3. MISSION/AID/W OFFICE O/DP
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <u>518-81-03</u>	
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING per annum	7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY <u>78</u>	B. Final Obligation Expected FY <u>N/A</u>	C. Final Input Delivery FY <u>N/A</u>		A. Total \$ _____	From (month/yr.) <u>9-79</u>
			B. U.S. \$ <u>50,000</u>	Date of Evaluation Review _____	

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
	No major actions or issues were detected during evaluation. Some routine administrative arrangements will be taken care of by USAID/E.	P. Maldonado Program Officer

BEST AVAILABLE DOCUMENT

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<input type="checkbox"/> Other (Specify) _____
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A.  Continue Project Without Change

B.  Change Project Design and/or  Change Implementation Plan

C.  Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Patricio Maldonado, Program Officer

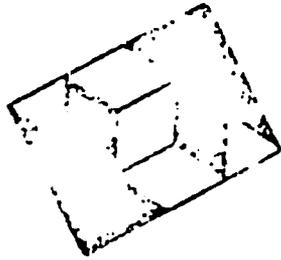
12. Mission/AID/W Office Director Approval

Signature: \_\_\_\_\_

Typed Name  
John A. Sanbrailo, Mission Director

Date  
October 31, 1981 1980

COMPAÑEROS  
DE LAS AMERICAS



P. O. BOX: #236 CCI  
QUITO, ECUADOR S. A.

ACTION 0102-2  
[Stamp with illegible text]

16J - 80  
Quito, September 1, 1980

Mr. Patricio Maldonado  
Program Coordinator  
USAID/Ecuador  
United States Embassy  
Quito, Ecuador

Dear Mr. Maldonado:

I am pleased to present to you the evaluation of the  
Special Development Activity Authority (SDAA).

I would like to thank the president of the Foundation,  
Mr. David León, the vice-president, Mr. Alfredo Albornoz,  
Mr. Michael Hirsch of Peace Corps, Mr. Gene Braun of  
ASDELA, and Ms. Julie Tucker of Compañeros for offering  
suggestions to make this evaluation more useful.

I am glad to have been able to aid in the SDAA grant  
program.

Sincerely,

Ned D. Strong  
Executive Director

cc: Mr. David León

BEST AVAILABLE DOCUMENT

BEST AVAILABLE DOCUMENT

5180004001701

EVALUATION OF THE  
SPECIAL DEVELOPMENT ACTIVITY AUTHORITY  
FOR FY 1979

USAID/ECUADOR

SEPTEMBER 1980

Prepared by: Fundación Compañeros de las Américas

## TABLE OF CONTENTS

### Introduction

Background	1
Objectives	1
Methodology	2
Brief Overview of Major Findings	2

### Section 1 Project by Project Report

4.1 Agroindustry--Chicken Production Rioblanco, Carchi	5
4.2 Rabbit Production, Latrines, and Water Pump Tigualó, Cotopaxi	8
4.3 Donation for Materials and Tools for a Technical ARTS School Guano, Chimborazo	10
4.4 Escuela Manuel Matheu Pastocalle, Cotopaxi	12
4.5 Donation of Canoes and Out-Board Motors for Fishing Cooperative San Jacinto, Manabi	14
4.6 Los Andes Fruit Tree and Apiary Development Los Andes, Carchi	16
4.7 Nursery Irrigation Project "Campamento Forestal La Chiquita" San Lorenzo, Esmeraldas	18
4.8 Penitentiary of Quito	21
4.9 Methane Gas Digestor Ilumán, Imbabura	23
4.10 Dairy Cattle for Mothers Club "Maria Auxiliadora" Sancán, Manabi	25
4.11	
4.12 Forestry and Fruit Tree Program Sigsig, Azuay	28

4.13	Psychiatric Institute Ouito, Tungurahua	30
4.14	Road and School Supplies El Chanul, Esmeraldas	32
4.15	Potable Water System Flor de Valle, Pichincha	34
4.16	Forestry and Fruit Tree Project Savausi, Azuay	36
4.17	Shirt Factory Calancha, Chimborazo	39
4.18	Cattle Raising Project Panza Redonda, Chimborazo	41
 Section 2 Analysis		
Part A	Definitions and Matrix	47
Part B	Conclusions	51
Part C	Recommendations	66

## BACKGROUND

The Special Development Activity Authority (SDAA) was developed to fund "quickly and with a minimum of procedural requirements small constructive activities which will have an immediate impact in the cooperating country." In an effort to make this program more effective, USAID/Ecuador has endeavored to have an evaluation done of the projects funded in fiscal year 1979. At this date, the majority of the projects have been completed or are nearing completion. It is an opportune time to examine the factors contributing to the success or failure of the projects. With this in mind, Fundación Compañeros de las Américas del Ecuador has agreed to evaluate the 19 projects and make recommendations for the next series of projects to be funded.

## OBJECTIVES

### 1. General Objectives

Identify what factors have contributed to the success or failure of SDAA projects in FY79 to provide a historical basis for review of future projects by the SDAA Committee.

### 2. Specific Objectives

- a) Review each project individually to determine:
  - Rate of Completion
  - Type of Administration
  - Type of Group Involved
  - Location
  - Level of Investment by the Community
  - Involvement of Group in the Management of Funds
  - Experience in Previous Projects

- Involvement of the Group in Project Planning
  - Level and Time-Span of Income Generation
  - Appropriateness of Technology
  - General Return of Investment
- b) Develop a set of recommendations for the SDAA review committee.

## METHODOLOGY

To fulfill the above objectives each site was visited personally and the person designated as the project administrator was interviewed except in cases where he or she was ill or absent as was the situation in three of the projects. In all cases someone directly involved with the project was interviewed. All of the project sites were visited and the physical results of the project were observed. The questions asked in the interview were designed to arrive at the basic factors contributing to the success or failure of the project.

The written evaluation is divided into two parts. The first is a project by project report of findings and the second is a section of analysis, conclusions and recommendations.

## BRIEF OVERVIEW OF MAJOR FINDINGS

USAID/Ecuador should be recognized and commended for their overall SDAA program. The projects that have been completed for the most part have provided their beneficiaries with improved conditions and have provided a positive impression of USAID in Ecuador.

In order to better the program, it is important to

note those factors that contributed to the success or failure of the projects. The following graph shows six of the most important factors. Although the sample size is too small to draw reliable statistics, these results give a strong indication of the elements that are necessary to have a successfully completed project.

Number of project having:	more than 80% completed	20-80% completed	less than 20% completed
A. community based administration	8 of 8	4 of 4	1 of 6
B. coops, clubs, or assn., as project group	4 of 8	3 of 4	0 of 6
C. cash community investment	4 of 8	1 of 4	1 of 6
D. community involve- ment in management of funds	4 of 8	4 of 4	0 of 6
E. community involve- ment in project planning	6 of 8	4 of 4	1 of 6
F. short term income generation	5 of 8	1 of 4	2 of 6

Of the six projects that have less than 20% completion rates, factors A through F were not present or were only present in a few cases. They were present more frequently in the partially completed (20-80%) projects and even more frequently in the completed projects (more than 80%). The conclusions based on these statistics are the following:

- Administration : Administrators that live in or around the community in which the project takes place have a higher completion rate.
- Project Group : Cooperatives, clubs, and associations have a higher rate of completion.
- Community Investment : When communities invested cash in their projects, there was a higher rate of completion.
- Community Involvement in Management of Funds: Where there is community involvement in the management of funds, there is a higher rate of completion.
- Community Involvement in Project Planning : Where the community is involved in project planning, there is a higher rate of completion.
- Income Generation : Short term income generation projects have a higher rate of completion.

General Recommendation for SDAA Management:

1. To make an on-site visit to determine whether the various factors that contribute to project completion exist in the community or group.
2. To impose stricter limits on the spending of project funds.

These recommendations and conclusions are discussed in depth in the pages that follow.

SECTION 1

PROJECT BY PROJECT REPORT

4.1 Aeroindustry--Chicken Production  
Rio Blanco, Carchi

Project Administrator: Peace Corps Volunteer Michael Harrington

Project Group: Pre-Cooperative "Nuevo Amanacer"

Project Amount: US\$ 4936.02 = S/. 135,000.00 (1:27.35)

Project Objective:

To construct a grain warehouse, purchase small grain mill and establish chicken production (laying and broilers) thereby increasing income for cooperative members.

To what extent was the objective achieved:

The warehouse is constructed. All the labor for the construction was contributed by the members. The feeders and waterers are purchased and remain part of the capital of the cooperative. The feed is purchased by the group and then given to members on credit. So far all nine original members plus two new members have constructed chicken coops. Each member is given one hundred chickens to start. The mill was purchased and arrived last April. The present screen for the mill causes the grain to be too small for chicken feed. Therefore, another screen will have to be made before the cooperative members will be able to make their own feed. After fattening up the first group of broiler chickens, they are being sold for S/. 115 - 140 for a 4-5 pound chicken. The members have been enthusiastic about the financial return and are making plans to buy more chicks.

What more needs to be accomplished:

1. PCV Harrington is in charge of acquiring a new screen for the mill.
2. Each chicken coop will need to have woven wire bottoms since the caña brava does not keep out rats that eat the chickens' feet.
3. The cooperative still needs to establish legal status.

Was there sufficient time to complete the project:

Yes, except for the few things mentioned above.

Most basic problems with the project:

1. The original idea of having a communally worked and owned chicken coop did not succeed.
2. The screen design for the mill was not quite accurate.
3. The mill arrived several months after the harvest so grains now have to be bought in other towns. Thus, the true economic benefit of the mill will not be achieved until the next harvest.

How problems were resolved or plan to be resolved:

1. Each member has his own chicken coop under his own responsibility with one hundred starter chickens provided by the cooperative. The cooperative also lends feeders and waterers to each member which each must return to the cooperative if he leaves. Innoculations and feed are loaned to members which are paid back in sucres.

2. A new screen is to be purchased.
3. Grains will be ready to mill in December.
4. Establishing legal status is still being discussed.

Summary

This project can serve as a model for other projects with a clear economic benefit as the objective. In this case there was good project management because of the Peace Corps Volunteer. He, along with members, have delegated responsibility to manage the lending of equipment, feed, etc. so that now the cooperative is not dependent upon the PCV.

4.2

Rabbit Production, Latrines, and Water Pump

Tigualó, Cotopaxi

Project Administrator: PCV Eileen Sullivan (has left site)  
Sr. Fausto Borja, President of the community  
PCV Neil Dobson

Project Group: Tigualó Community

Project Amount: US\$ 4790.00 = S/. 131,000.00 (1:27.35)

Project Objective:

1. To raise rabbits with school children in order to provide the community with a protein source to improve their diets.
2. To construct latrines to improve health and hygiene.
3. To install a water pump with an added filter and chlorination system in order for water to be more accessible and clean. This objective was amended to buy three electrical transformers to improve the electricity in the community.

To what extent was the objective achieved:

Rabbits have been purchased by the community. Currently there is a population of 48 rabbits. One man, elected by the community, cares for the rabbits. Families in the community and other local buyers are purchasing and consuming the rabbits. The proceeds pay the costs of raising the animals and provide dietary supplements to the school children.

Each family has constructed and is using a latrine.

3. Three transformers have been purchased and installed by the community.

What more needs to be accomplished:

The project is completed.

Most basic problems with the project:

As far as the three objectives of the project are concerned, there are no technical problems to be solved.

#### Summary

There is much evidence of initiative on the part of the community in the organization and the execution of the project. The administration of the program has been very good thanks to Sr. Fausto Borja and the two Peace Corps Volunteers.

4.3 Donation for Materials and Tools for a  
Technical Arts School, Guano, Chimborazo

Project Administrator: Lcdo. Luis A. López

Project Group: Centro de Opciones Prácticas

Project Amount: US\$ 3354.00 = S/. 91,732.00 (1:27.98)

Project Objective:

To purchase equipment for technical arts to complement the education of children in the 5th and 6th grades in the area of handicrafts, drawing, painting, woodwork, metalwork, and electricity.

To what extent was the objective achieved:

The equipment is purchased and has been used to train the students. Finished works were on display in the school which demonstrated practice in wood and metalworking, painting, drawing, electricity and general crafts. It was pointed out that although the equipment was being used, only a certain percent of the children whose parents could afford to buy raw materials could fully utilize the equipment.

What more needs to be accomplished:

1. The purchase of the equipment and tools is completed, however, using them to their full capacity still has to be programmed. For example, the air compressor could have been used for

industrial painting purposes but has only been used for simple tasks.

2. The school or the community must find a way to make raw materials available for the children in the program.

Was there sufficient time to complete the project: Yes.

Most basic problem with the project:

Once again it was noted that some of the sophisticated tools and machines purchased are not being used to their full capacity. For example, the equipment could be used to produce income for the school or for the students to finance expenses for raw materials and maintenance of the equipment.

How problems were solved or plan to be resolved:

Although Lcdo. López was not sure whether income producing activities would be acceptable to the Ministry of Education, the suggestion was received with interest.

Lcdo. López has also asked the Ministry of Education for a budget for raw materials for the coming school year.

### Summary

The management of the project was well done. If USAID continues to fund similar projects, it should consider the following:

1. Will raw materials be available? How?
2. Could/Should the equipment be used to generate income?

(The project agreement could have stipulated that the equipment purchased was to have been used as a "starter" to provide the means for generating income and operating funds for the school.)

4.4 Esuela Manuel Matheu

Pastocalle, Cotopaxi

Project Administrator: Sra. Josefina Izurieta de Oviedo (has left)

Project Group: Canton Pastocalle

Project Amount: US\$ 2606.35 = S/. 71,284.00 (1:27.35)

Project Objective:

To provide windows and latrines for the school.

To what extent has the objective been achieved:

All of the windows and latrines are installed as stated in the project proposal. All of the construction of the school is now completed. Although classes were not observed in session, the school is being used.

What more needs to be accomplished:

The project is completed as agreed upon.

Was there sufficient time to complete the project: yes.

Most basic problem with the project:

Apparently there were no problems in completing the project.

### Summary

Unfortunately all of the personnel that had started the project have been changed to other jobs and schools as a result of the change in government in August 1979. In observing the school and talking with people in Pastocalle the school is an important part of the community and the donation which enabled them to complete the facility was greatly appreciated.

4.5 Donation for Canoes and Out-Board Motors for  
Fishing Cooperative San Jacinto, Manabi

Project Administrator: Sr. Juan Centeno-Manager of Cooperative  
PCV Tom Licorish (has left)

Project Group: Cooperativa de Pescadores de San Jacinto

Project Amount: US\$ 4431.74 = S/. 124,000.00 (1:27.97)

Project Objective:

To purchase two large canoes and two 45 horsepower outboard motors in order to increase the income of the cooperative by eliminating the need to hire transporters to unload the cooperative's catch from the main fishing vessel.

To what extent was the project objective achieved:

Two 21 foot canoes and two 45 horsepower outboard motors have been bought. The president of the cooperative stated that before they had the canoes and motors they were paying transporters S/. 300 for each of the several trips necessary to unload the main fishing vessel.

The boats are stored on the beach. The motors are stored in a building owned by the cooperative. Apparently the maintenance is being carried out adequately.

What more needs to be done:

As the project was presented, it is completed. There was no way to verify whether there is a planned capitalization in the cooperative to eventually replace this equipment, however, this should be done.

Was there sufficient time to complete the project: Yes.

Most basic problems with the project:

There has been no provision for re-financing the purchase of new boats and motors for the time when they will be no longer serviceable.

How problems were resolved or plan to be resolved:

At present, no plans for re-financing have been discussed.

#### Summary

The fishing cooperative is severely in debt and needs to find ways to cut costs to repay the loan on their main fishing vessel. The USAID donation has been a great aid for the cooperative to help it remain financially viable. The project funds were well administered.

#### 4.6 Los Andes Fruit Tree and Apiary Development Project

Los Andes, Carchi

Project Administrator: PCV Jeff Kent

Project Group: Sociedad Fruticola Andeña

Project Amount: US\$2,377.45 = S/. 67,482.00 (1:28.42)

Project Objective:

To plant small orchards of fruit trees and develop apiaries in order to increase income and serve as a model for the area.

To what extent were the objectives achieved:

Originally the project was planned for 600 trees. There are now about 1000 trees planted in various stages of growth on eleven sites. Some trees will be ready to produce fruit next year. The society is set up for the collective use and storage of backpack sprayers, insecticides and fungicides. A manual has been written by Jeff Kent on fruit trees based on the experience of this project. At present, there are 50 more people in the community that are interested in starting a similar project.

What more needs to be accomplished:

1. The Society has still not established its legal status.
2. Technical demonstrations on the fruit tree-care in the later stages of development will have to take place.

(Right now another volunteer is programmed for this area after Jeff leaves in September 1980.)

Was there sufficient time to fulfill the objective: Yes.

Most basic problem with the project:

1. It was difficult to obtain seedlings in Ambato as was originally planned.
2. The bee equipment was thought to be unavailable in-country and was imported.

How were problems solved or plan to be solved:

1. The group obtained suckers from mature trees and also bought seedlings in Pillaro and Guaslan. For future projects, INIAP has demonstrated interest in setting up a fruit tree nursery in the area. The Ministry of Agriculture also has a well operated nursery in the area that will be able to provide trees.
2. All the bee equipment has been found to be available in Ecuador. The Society is now making beehives and purchasing other necessary equipment in Tulcan, Carchi.

### Summary

The project was well administered by the Peace Corps Volunteer. The need for irrigation for fruit trees automatically would eliminate the most marginal farmers. Therefore, the target group, although not the poorest, is appropriate. As a demonstration of the potential for fruit tree production, this project has proven to be a success.

4.7 Nursery Irrigation Project "Campamento  
Forestal La Chiquita" San Lorenzo, Esmeraldas

Project Administrator: Ing. Alejandro Bordero (has left)

PCV Gregory Minnick (has left)

Project Group: Campamento Forestal of the Ministry of  
 Agriculture--La Chiquita

Project Amount: US\$ 4914.22 = S/. 137,500.00 (1:27.98)

Project Objective:

To install an irrigation system (pumps & pipes) to augment  
 the production of the nursery.

To what extent have the objectives been achieved:

Upon visiting La Chiquita it was discovered that the pump  
 had not been installed and that the personnel working there  
 were only vaguely familiar with the project. After more  
 investigation it was determined that a new highway from  
 San Lorenzo to Ibarra will be crossing through the land  
 on which the nursery is now located. This has put the  
 project on hold. Ing. Bodero no longer works in San Lorenzo,  
 making the project even more indefinite.

The pump and equipment have been purchased. They are in-  
 stalled in San Mateo, Esmeraldas in another Ministry nursery.

BEST AVAILABLE COPY

What more needs to be accomplished:

Since none of the objectives have been achieved as stated and agreed upon by AID, there should be a review done by AID as to whether the new site is acceptable and a new agreement be drawn up.

Was there sufficient time to fulfill the objectives:

The objectives were never reached.

Most basic problems with the project:

1. Changes that have taken place since June 4, 1979 (time that the agreement was signed) and now, have made the installation of the pump and irrigation equipment not feasible at this time. Ing. Bodero is no longer in the San Lorenzo area. There is no one in the Ministry office in San Lorenzo who is familiar with the irrigation plan. The road from San Lorenzo to Ibarra is scheduled to go through La Chiquita, thereby causing the re-location of the nursery. These factors have apparently contributed to the change of site by Ing. Bodero.

2. The project proposal stated that re-forestation courses were given continuously at La Chiquita. The results of these courses was to be the reforestation of the area in general.

In conversations with people in the area little reforestation is actually taking place. This fact indicates that there

are more underlying problems present than just the lack of an irrigation system.

3. Finally, since the donation was made directly to the Ministry of Agriculture and not to a community or a community based organization, there is not a constituency to guarantee the utilization of the equipment in a designated site. Without this constituency, the Ministry may feel free to use the donation in another site that they feel is of higher priority.

How were problems solved or plan to be solved:

The pump has been installed in San Mateo, Esmeraldas.

#### Summary

Although the original objective of this project was simple enough, several unforeseen circumstances arose to prevent the project plan from being completed.

#### 4.8 Penitentiary of Quito

Project Administrator: Lic. Hector Aguilar

Project Group: Inmates of the Penitentiary

Project Amount: US\$ 3603.44 = S/. 103,000.00 (1:28.55)

Project Objective:

To provide carpentry equipment to be used as a rehabilitation method in teaching inmates new skills and to enhance the economic situation of the inmates' families by selling their finished products.

To what extent was the objective achieved:

Equipment is purchased and in use. The inmates participated in a training program directed by Peace Corps Volunteer Paul Fahey. Lic. Aguilar indicates that income has increased for the 20 inmates that participate in the program. Also, according to Lic. Aguilar, the inmates have been responding well to the program as a means for rehabilitation.

What more needs to be accomplished:

Lic. Aguilar indicated that more training is needed in the carpentry program and a new marketing system for the products needs to be set up in order to further increase the income of the inmates.

Was there enough time to fulfill the objective: Yes.

Most basic problem in the project:

1. After PCV Paul Fahey left, there was a void left in the technical instruction for the inmates.

2. The system for marketing the finished product does not give a fair price to the inmates. Each inmate may sell his finished work for 1/3 of the final selling price in the 24 de Mayo market.

How were problems resolved or plan to resolved:

1. Lic. Aguilar is expecting a Peace Corps Volunteer to replace Paul Fahey.
2. Lic. Aguilar is also investigating the possibility of selling directly by using a storefront available to the prison.

#### Summary

The project was well administered by Lic. Aguilar and PCV Paul Fahey. The objectives have been met and have provided a model for similar projects in other areas of the country.

4.9

Methane Gas Digester

Ilumán, Imbabura

Project Administrator: Sr. Jose Paiasi Albarrán

PCV Patricia Moodie

Project Group: Grupo de Gas Metano

Project Amount: US\$ 1395.35 = S/. 39,000 (1:27.93)

Project Objective:

To complete the methane gas system by installing pipeline and fittings for the group members.

To what extent was the objective achieved:

The pipeline is completed to eight houses. The design for the burner is completed. The organization is set up for the functioning of the digester for when gas is being produced. People are not yet using the methane gas in their houses because of a lack of water in the community to make the digester work. There is at least one person who is trained and will be able to maintain the system.

What more needs to be accomplished:

The installation of gas burners in the houses of the eight members is not yet complete. Once water is available, a method to effectively mix hot water with manure will have to be devised therefore, producing gas more rapidly.

Was there sufficient time to reach the objective:

Lack of water in the community has delayed the project.

Most basic problem with the project:

Technical problems have centered around containing the gas. Apparently, this is a common problem with methane gas digestors. The lack of a steady supply of water has also hindered the project.

Although the community has organized its work schedule for the maintenance of the system, the lack of water has dampened their enthusiasm at present. However, the members have managed to keep their spirits up enough for the project and they are looking forward to the day when they will no longer have to spend half a day looking for firewood.

How have problems been solved or plan to be solved:

A large plastic sheet has been installed in the digester to contain the gas. The water system should be functioning soon. When the system is functioning group leaders are sure that the enthusiasm of the group will return.

#### Summary

For all the technical setbacks that have been encountered in the project, the group and the Peace Corps Volunteer should be commended. Based on all of the experience gained, this project can serve as a proving ground for similar projects.

4.10

Dairy Cattle for Mothers Club "Maria Auxiliadora"

Sancán, Jipijapa, Manabí

Project Administrator: Leda. Belgica M. de Zapata

Project Group: Club de Madres "Maria Auxiliadora"

Project Amount: US\$ 4067.31 = S/. 113,500.00 (1:27.93)

Project Objective:

To purchase four dairy cows, a shelter, and related equipment to increase the availability of milk and income to the club members.

To what extent was the objective achieved:

The organization of the project is developed. The shelter has been constructed and the land is fenced in. The cattle are not yet purchased because of drought conditions in the area. A pasture crop was planted but because of the lack of water it has dried up.

What more needs to be accomplished:

Four holstein pure bred cattle need to be purchased. The Club is waiting for the rain to come in September or October to plant the pasture. In the meantime, the Ministry of Agriculture has promised to import the grasses from the INIAP station in the area. The Club has made an agreement with the Municipality of Jipijapa for S/.20,000.00 to cover increased costs and for a water truck to deliver water for the cows once a month.

Was there sufficient time to reach the objective:

Considering the lack of water, there has not been enough time.

Most basic problems with the project:

The lack of food and water for the cattle has been the main technical problem. Now the price of the cows has gone up in the area to a point where the AID funds will not be enough to purchase the four cows programmed to be bought.

The Ministry of Agriculture personnel are taking over much of the responsibility to see that this project is accomplished. The community should be more involved with this responsibility both programmatically and economically.

Although the evaluator is not a cattle expert, the selection of holstein cattle for this geographical area may not be appropriate.

How problems were solved or plan to be solved:

The Ministry of Agriculture will provide pasture grass to the project until rains permit the Club to produce its own. The Municipality of Jipijapa will truck water to Sancán once a month. The MAG veterinarian will go to El Oro to buy cattle at a lower price.

The resolution of the responsibility problem was not discussed.

### Summary

The project is well administered and well planned. There is much enthusiasm in the community for the project. There is already a population of cattle in the community so cattle production is nothing new. The introduction of new breeds is going to be a positive factor the community if the new breed is successful.

Traditionally, the Ministry is expected by community

members to provide projects such as this one. This project has been successful up to now because the community is enthusiastic. It would be better to leave some of the financial responsibility to the Club members in order to help diminish its dependency on "AG for similar projects.



Most basic problems with the project:

1. The technical problem has been the apparent poor selection of location of the nursery since all the seedlings died from the cold.
2. The members of the community that are participating in the project are unable to continue the project without the direction of a government official. This problem has developed because apparently Ing. Pinos had directed all aspects of the project from its initiation including the administration of the project funds. Now the community lacks leadership to carry on the project. This problem has grown out of the lack of shared responsibility in the project.

How problems were solved or plan to be solved:

1. A meeting was supposed to have taken place on August 2 to name a replacement for Ing. Rubén Pinos.
2. Seedlings will be purchased and given to people who work in the mines.
3. The nursery will be started again in a different site.

#### Summary.

This project was too dependent on Ing. Rubén Pinos to be completed. Since he has now left, there is no hope for the project to continue until he is replaced. Administration, both technical and programmatic is lacking in the project. Funds are presently not being spent and all activity has stopped.

4.13

Psychiatric Institute -- Quito

Project Administrator: Sor Maria de los Angeles Goñi

Project Group: Hospital Patients

Project Amount: US\$ 3640.63 = S/. 101,992.80 (1:27.93)

Project Objective:

To provide a sewing machine for leather work, a sock-weaving machine, and tables and chairs for the hospital to continue its program of therapy and income generation.

To what extent was the objective achieved:

The sewing machine for leather work was purchased but after numerous breakdowns was returned for repairs or replacement. The sock-weaving machine was ordered over a year ago but has not been received by the Institute. Tables and chairs were purchased and have been put to use in the therapy room where patients assemble pieces for outside contracts and sew.

What more needs to be accomplished:

Machines still need to be acquired and be put to use.

Was there sufficient time to accomplish the objective:

Since the machines have been unavailable to use, the project is a year behind schedule.

Most basic problems with the project:

1. The sock-weaving machine has not arrived.
2. The sewing machine apparently was not the correct one.
3. The company from which the machines were purchased does not provide good service.

How problems were solved or plan to be solved:

The administrators of the project are presently dealing with the company to provide the machinery.

Summary

The administration of this program fails because of its inability to get the machine supplier to deliver the machines. The idea of purchasing these machines as a way to increase income for the Institute is a good one.

4.14                    Road and School Supplies  
                                  El Chanul, Esmeraldas

Project Administrator: Sr. Dalmiro Cortés

Project Group: Community of El Chanul

Project Amount: US\$ 3411.79 = S/.92,630.00 (1:27.15)

Project Objective:

To build a road and to provide didactic materials for the school in order to better the communication, education, and commerce of El Chanul.

To what extent was the objective achieved:

Chain saws, machetes, axes, shovels, saws, and miscellaneous other equipment has been purchased. A tractor from the San Lorenzo Municipal government has been repaired with the project money and an agreement has been signed for its use on the road. A small portion of the land has been cleared for road construction but the progress has been detained because of heavy rains. The school supplies have not been purchased because the money designated for them was spent to repair the tractor. The project administrator states that the wood taken out during the road construction will pay for the school supplies. Some of the equipment was redirected to the Comuna Santiago to do a school construction project until the rains stop.

What more needs to be accomplished:

When the rains stop in late August or September, the road-work will begin again. When enough trees are sold to buy the school supplies, they will be purchased.

Was there sufficient time to reach the objective:

Rain and politics have delayed the project by several months.

Most basic problems with the project:

In the San Lorenzo area, there exists much controversy between the colonists and the tree concessionaries. This road construction, although extremely needed by the colonists that live in El Chanul, would mean cutting through land that has been designated to logging companies. This along with the rains has contributed to the delay of the project. Another problem is that the president of the community Sr. Antonio Galarza, no longer lives in the area so the community has lost some leadership for the project.

How have problems been solved or plan to be solved:

When the rain stops, construction will start once again. It appears that all of the political impediments have been resolved for the road construction. There is a new president in the community. The wood sold from cutting the path for the road will buy the school supplies.

#### Summary

El Chanul is in great need of this road. Unfortunate political and natural impediments have caused a delay. Communication, transportation, acquisition of food, and even walking is extremely difficult and in the case of illness, can be dangerous. Sr. Dalmiro Cortés is providing enthusiastic leadership to the project.

4.15

Potable Water System

Flor del Valle, Tungurahua

Project Administrator: Sr. Nelson Lugo, President of the Community

Project Group: Comuna Flor del Valle

Project Amount: US\$ 4799.79 =S/. 134,058.00 (1:27.93)

Project Objective:

To purchase a pump, cement, reinforcing rods, hose, and various connecting pieces to install to obtain potable water in each house of the community.

To what extent was the objective achieved:

The water tower is nearly completed, the pump is to be purchased in the week of August 11, 1980. The pipeline and fittings will be installed within the next two months according to projections. Various work groups (mingas) have taken place. The community has invested money in the project and members are forming the maintenance committee. The original project was to build a new cable car but was changed recently to the water system.

What more needs to be accomplished:

The pump and pipeline need to be installed and the water system maintenance organization still needs to be set up.

Was there sufficient time to reach the objective:

Considering that the project plan was changed only a few months ago, the project is ahead of schedule.

Most basic problem with the project:

Up until now, the largest problem has been to get enough money together to complete the project.

How was the problem solved or plan to be solved:

An average of S/.500.00 was collected from each family with at least one donation of S/.5000.00.

### Summary

Apr. Nelson Lugo has administered this project very well. This project provides an example of a community that uses its own initiative to accomplish projects. According to Apr. Lugo, the people of Flor del Valle are used to putting up their own capital resources to accomplish tasks. He indicated that in communities where capital may not exist, income generation projects would be more important than infrastructure projects such as this one. The capital thereby produced by the community could later be invested in infrastructure.

4.16

Forestry and Fruit Tree Project  
Savausí, Azuay

Project Administrator:      Ing. César Galarza  
   Sr. Benigno Cardo

Project Group:    Community of Savausí (parroquia)

Project Amount:    US\$ 4788.21 = S/. 130.000.00 (1:27.15)

Project Objective:

To reforest valuable watershed in the mountains above Savausí by planting native species and to create an alternative source of income through fruit tree and firewood production.

To what extent was the objective achieved:

The equipment is purchased including a pump, shovels, and sprayers. The reservoir is dug and the canal is completed to supply the reservoir. Seeds have been collected and are being prepared for planting. The land is cleared for a nursery. There are no trees planted as of yet.

What more needs to be accomplished:

An invitation to participate in the project is to be extended to all of the population of Savausí. The nursery needs to be completed including the installation of tubes, pump and fittings. Seedlings have to be produced in honeycomb paper pots with composted manure along with all of the accepted techniques of disinfection, grafting, etc. Trees will still need to be planted. Work details will be organized to build the nursery. Later when the trees

are ready to transplant, participants will reforest the higher elevations and receive fruit trees as "payment" to plant on their own land.

Was there sufficient time to reach the objective:

From November 1979 to present, Ing. Galarza has been occupied in a contract with CREA. Because of a change in the political leadership of the community, social promotion has been difficult and has caused the project to lag behind.

Most basic problem with the project:

The most serious problem is a social one. The project was initiated by someone in the community, however because of political reasons, some people from the community are not in agreement about the project especially concerning the control of the funds.

Another problem inhibiting the promotion of the project is that the financial benefit to the participants is not readily recognized.

Technical problems are centered around the need for someone to care for the irrigation of the nursery and the need for constant technical trainers to teach transplanting techniques among other things.

How problems were solved or plan to be solved:

The political problems are diminished by keeping strict accounting and placing all of the equipment in three different houses in the community. An invitation for participation of all the barrios of Savausi was made on July 16, 1980. If after this some people will choose not to participate,

there will be no political ramifications to go ahead with the project.

The promotion of the project will be facilitated by people in the community. To solve the technical problems, Ing. Galarza has contacted Peace Corps Volunteers who have stated their willingness to cooperate. Until the nursery is producing trees at cost, the project will pay a nominal fee for the care of the irrigation system (20 sucres per irrigation).

### Summary

This project, based on its imaginative leadership, can serve as a model for forestation projects in that it provides an economic incentive to reforest areas.

The administration of funds has been very well done. Peace Corps Volunteers would be a great asset in the technical forestry aspects of the project.

4.17

Shirt Factory

Calancho, Chimborazo

Project Administrator: PCV Howard Lewis

Project Group: Impresa de Jovenes Artesanos, Calancho

Project Amount: US\$ 5058.14 = S/. 137,800.00 (1:27.15)

Project Objective:

To increase income in the community by starting a shirt factory.

To what extent was the objective achieved:

Sewing machines and electric plant are purchased and in use.

There still needs to be a reorganization of the division of labor. The project administrator notes cultural barriers to the assembly line system presently in use. There will be a change made to have each member make shirts from start to finish. The cooperative still needs to turn a profit. This will be facilitated by a loan for materials. The cooperative needs to be organized legally. Accounting procedures still need to be taught to the members.

Was there sufficient time to reach the objective:

The project lapped behind schedule because the technical aspects of training the personnel in sewing techniques took longer than anticipated.

Most basic problem with the project:

1. Technical training for sewing.
2. The assembly line system has proven to be too complicated for the cooperative.
3. The accounting system has not been easily adapted to the cooperative.

4. The marketing system is not developed and still is uncertain.

How have problems been solved or plan to be solved:

1. PCV Anita Lund gave classes and taught sewing with great success.
2. A plan is being devised to have each member be responsible for the process of manufacture of shirts from the beginning to the end.
3. PCV Howard Lewis is adapting a simplified accounting system and training the cooperative leaders in its use.
4. Investigations of marketing techniques have been made.

#### Summary

The commitment from the members of the Empresa seems to center around the fact that each was required to make an initial capital contribution to start this project. PCV Lewis has made this contribution a prerequisite for working with any group. Although communities are poor, if the determination and commitment are there the capital is always raised.

In this project, the immediate income generation has not proven itself, however, the potential exists and will soon be achieved.

4.18

Cattle Raising Project  
Panza Redonda, Chimborazo

BEST AVAILABLE COPY

Project Administrator: Sr. Manuel Coro Tene, President of  
Assn. Indígena Evangelica de Chimborazo

Project Group: Community of Panza Redonda

Project Amount: US\$ 5000.00 = S/. 135,750.00 (1:27.15)

Project Objective:

To loan each of the 17 families of the community one cow to increase income and repay the loan by donating the first born calf back to A.I.E.C.H. which in turn will provide them to other communities thus aiding in the development of this area of Chimborazo.

To what extent was the objective achieved:

Under the leadership of Sr. Manuel Coro Tene, S/. 127,000.00 of the S/.135,750.00 was loaned from AIFCH to two members of the community. Seventeen cows have been purchased and an agreement signed that the loan would be paid back with 5% interest to AIFCH within ten years. In anticipation of the donation from AID the community had collected S/.8000.00 to facilitate the project initiation activities.

What more needs to be accomplished:

Since there has been no distribution of these cattle to the members of the community, the project has not met its stated objectives. The community members are still without cows except for two who have seventeen cows between them. Since the two beneficiaries are unwilling to re-distribute their cows as had originally been planned, there is little hope to meet the objectives. According to Sr. Manuel Coro, the two beneficiaries have privately agreed to pay back all

the money for the cows in two years. The two also demonstrated some willingness to pay back the \$7,9000.00 capital investment made by all the community members.

Was there sufficient time to reach the objectives:

Since the original objective was so drastically altered, this question is irrelevant. However, there is evidence that the cattle are fattened and that would indicate that if it had been properly administered, this project would have been completed by now.

Most basic problem with the project:

The whole community did not benefit from the project as had been planned. Instead only two people are benefitting at the expense of the others causing friction in the community. Although most members of the community paid only 300-500 sucres, they feel cheated. Sr. Manuel Coro had promised that all would participate but this has not been the case.

Another basic problem is that of administration. The funds were well accounted for but the supervision of project activities was poorly done. The idea of loaning a cow to be repaid by the recipient family in the form of the first born became an outright money loan to be repaid to AIECH so that the institution could do other projects, not necessarily cattle, as AID had agreed to. Therefore, this project would not be continuous. In the opinion of the evaluator, the financing of this project contributed to the evangelical activities of AIFCH and the point 2.F of the agreement between AIFCH and AID was not adhered to, i.e. the cattle were not available to non-evangelical members of the community.

How have problems been solved or plan to be solved:

According to Sr. Coro, the problems are to be resolved by

the community itself. The evaluator suggested to the community members that the project could still be accomplished as had been originally planned, but this was met with some resistance by the beneficiary of the project as he feels direct ownership of the cattle donated by AID through AIECH. There was a possibility that the two beneficiaries would at least return the 8000 sucres initial capital collected in the community.

### Summary

The project plan and the agreement between AID and AIECH are excellent as written. However, future involvement with organizations such as AIECH should be closely examined. The donation may be used to further the evangelical goals of the institution at the expense of development goals.

Loans are a good idea but the traditional credit system creates a whole different set of expectations than an outright donation of goods to be returned in goods. A loan would denote financial obligation that would be completed over a period of time, whereas, a loan of actual goods to be repaid in actual production denotes a more active participation by community members that may be more readily understandable by the community members.

BEST AVAILABLE COPY

4.19

Forestry Cooperative "Axel Van Hooven"

San Isidro, Carchi

Project Administrator: Ing. Lucio H. Cadena, Ministry of Agriculture  
PCV Alan Reed

Project Group: Forestry Cooperative "Axel Van Hooven"

Project Amount: US\$ 4007.92 = B/. 133,250.00 (1:27.15)

Project Objective:

To plant 25 hectares of pine trees (at a rate of 16,000 trees/ha. for each of 3 years), to maintain 40 hectares already planted, and construct a storehouse to keep cooperatively owned forestry equipment for the future economic benefit of the cooperative members and their families.

To what extent was the objective achieved:

Tests are in progress to determine what kind of tree planter (perforator) is best suited for the area. The other equipment (shovels, saws, pruning shears, back-pack sprayers, etc.) is purchased and being used. A nursery to provide seedlings is set up and functioning under the direction of the Ministry of Agriculture. Some trees have been planted (more than 10,000) and holes have been made to prepare for planting of the rest. These will have to wait for the rain, probably in October.

What more need to be accomplished:

The tree planter (perforator) will have to be decided upon and purchased. A place to construct the storehouse must

be determined before construction is started. More trees will be planted. The cooperative, although functioning still needs more incentive to accomplish its goals.

Was there sufficient time to reach the objective:

Considering that the project is to be in effect for three years, there should be enough time to accomplish the objectives.

Most basic problems with the project:

There exists a lack of incentive for the members of the cooperative. The members feel they are doing this work "for their sons." The economic benefits of reforesting their land are not felt to be a significant incentive even though the land value has risen considerably since the reforestation began in 1976. The law states that this land cannot be sold until the trees are harvested (approximately ten years from now). This situation makes it even harder for the members to comprehend the benefits of their own labor.

The cooperative is not a strong group. It is highly controlled by the Ministry of Agriculture which in this case seems a necessity for the objectives of this project to be achieved.

A portion of the AID money was to have been paid in FY80 funds. This money still is not in the possession of the cooperative.

How were problems solved or plan to be solved:

PCV Reed suggests that each member should be made respon-

sible for the reforestation of one part of the land, thereby, creating a feeling of direct ownership and pride.

The location of the storehouse is still being debated. The issues involved are:

1. Equipment is used for personal agriculture projects so a town site would be more convenient.
2. A town site could also be used as a meeting place for the cooperative members.
3. The Ministry would like a mountain site where the storehouse could double as a tourist shelter.

Ing. Cadena has been promoting the cooperative by discussion of the benefits of reforestation for the tourist trade. He has also stimulated some interest by making a small pond and experimenting with stocking it with trout in the reforestation site.

Finally, PCV Sean O'Brien is assigned to the project to give technical assistance.

### Summary

This project exemplifies the need to create a more immediate financial benefit to provide incentives for forestry projects. Using forested land as collateral for loans, or creating complementary activities that generate income are essential to get people to think about forestry. The PCV that will be working in this project has a challenge in the manufacture of the level of interest needed to accomplish the goals of the project.

SECTION 2

ANALYSIS

BEST AVAILABLE COPY

## II. ANALYSIS

The following matrix (Part A) arranges in sequence the variables that impact the success or failure of a project. The definitions of each variable follows. The conclusions of each column analyzed are contained in Part B. Part C consists of recommendations for future SDAA financial assistance.

See Part A--Matrix

Each project appears in the extreme left column with its program area directly under it. The projects are then subdivided into eleven factors that are relevant to this evaluation. These factors are defined below:

Completion--The definition of project success will be limited to the degree to which projects have achieved their agreed upon objectives. There are three categories: 1) less than 20% completed; 2) from 20-80% completed; and, over 80% completed. Limiting project success to completion rates will avoid subjective judgments as to the quality of the project. However, a judgment can be made by the reader as to those factors that contribute to successful projects by linking the completion rate with the other variables. For example, Project "A" although completed as planned, may have negative long term effects, therefore, its duplicability should be questioned.

Administration--For the purpose of this evaluation, the administrator is the principle project director even though projects may have various administrators.

Group Involved--The "Group Involved" is subdivided into four categories. "Coop./Assn." represents any benefitting

organized group including clubs and societies that dedicate themselves exclusively to project related activities. The "Comuna" is the benefitting community if it is a political or civic organization in which the activities are not necessarily those of the project. "No Group" pertains to situations where the project is not tied to any community organization. "Other" are specific cases defined on the matrix under footnotes 4,5, and 6.

Location--The location of the project includes broad geographic differences between coastal and central Ecuador.

Community Investment--This category demonstrates the contribution made by the community. "Labor and Cash" signifies all "in-kind" and cash contributions. "Labor" denotes only "in-kind" contributions. "None" means that there was no community investment in the project.

Management of Funds--Management of funds involves the extent to which the community controls and/or is familiar with the accounting of project funds. Control and familiarity would also include the extent to which the community is participating in the purchase of equipment or materials.

Previous Projects--Previous projects indicates whether communities have successfully completed other projects before undertaking this one. These projects would include any that would involve cooperation within the community to accomplish a specific task.

Planning--Planning is defined here as the involvement of the community in initiating and executing the project proposal.

Income Generation--"Short term" income generation is that income directly resulting from project activities of less than two years. "Long term" income generation projects are those that take more than two years to realize the economic benefits. Finally, those projects that have no income generation fall under the heading of "none."

Technology--The definition of appropriate technology includes the ready availability of machinery and materials and the level of complexity of the machinery or processes for the project group. Technology is considered inappropriate if either unavailable or too complex for the project group.

Return on Investment--This is a general assessment of the projects' lasting, long term effects on the benefitting groups. These effects center around the experience gained by the project group in project design and implementation and the long, lasting educational impact of these processes. In cases where a project is not completed, it is an indication as to whether the project will be completed or not. It also can be a general indicator of the effectiveness of the AID funding of the project in terms of the overall SFPA program. A negative return on investment, therefore, means that the grant that was made may never reach the agreed upon objectives and had no lasting educational impact.

PART A

- 4.1 Fio Blanco, Carchi Poultry Production
- 4.2 Tigua 16, Cotopaxi Nutrition, Electricity, Health.
- 4.3 Guaró, Chimborazo Materials & Equipment for Artisan School
- 4.4 Pastocalle, Cotopaxi Windows & Latines for School
- 4.5 San Jacinto, Manabí Boats & motors for Fish Co-op.
- 4.6 Los Andes, Carchi Fruit Tree Co-op
- 4.7 La Chiquita, Esmeraldas Pulp for Nursery
- 4.8 Penitenciaría de Quito Equipment for Carpentry Shop.
- 4.9 Ilumán, Imbabura Completion of Methane Gas
- 4.10 Sarcón, Manabí Cattle for Club
- 4.11, 4.12 Sisip, Azuay Forestry
- 4.13 Instituto Psiquiátrico Donation of Machinery
- 4.14 El Chanúl, Esmeraldas Prod Construction & School supplies.
- 4.15 Flor de Valle, Pichincha Potable Water System
- 4.16 Sarauquí, Azuay Forestry
- 4.17 Calancha, Chimborazo Smeatmaking Factory
- 4.18 Pariza Pederná, Chimborazo Cattle Association
- 4.19 San Isidro, Carchi Forestry

Project	Administration	Group Involvement	Location	Community Development	Other	Previous Projects	Administrative	Group Contacts	Development	Relation on Investment
4.1	*	*	*	*	*	*	*	*	*	*
4.2	*	*	*	*	*	*	*	*	*	*
4.3	*	*	*	*	*	*	*	*	*	*
4.4	*	*	*	*	*	*	*	*	*	*
4.5	*	*	*	*	*	*	*	*	*	*
4.6	*	*	*	*	*	*	*	*	*	*
4.7	*	*	*	*	*	*	*	*	*	*
4.8	*	*	*	*	*	*	*	*	*	*
4.9	*	*	*	*	*	*	*	*	*	*
4.10	*	*	*	*	*	*	*	*	*	*
4.11, 4.12	*	*	*	*	*	*	*	*	*	*
4.13	*	*	*	*	*	*	*	*	*	*
4.14	*	*	*	*	*	*	*	*	*	*
4.15	*	*	*	*	*	*	*	*	*	*
4.16	*	*	*	*	*	*	*	*	*	*
4.17	*	*	*	*	*	*	*	*	*	*
4.18	*	*	*	*	*	*	*	*	*	*
4.19	*	*	*	*	*	*	*	*	*	*

- 1/ Hospital Administrator
- 2/ Zonal Political Leader
- 3/ Religious Association President
- 4/ Artisan School
- 5/ Prison
- 6/ Psychiatric Patients

PART B

BEST AVAILABLE COPY

Conclusions

With a sample of only nineteen projects it is difficult to draw reliable conclusions about the key variables to project success. However, a trend can be noted that will serve as an indication of why projects are successful or not. The following conclusions will consist of a percentage breakdown of each subcategory linked to its completion rate. In a few cases the sample is so small that any statistical data is insignificant.

ADMINISTRATION

No. of projects administered by <u>PCVs</u> :	8	
greater than 80% completed:	6 of 8	(75%)
20-80% completed:	2 of 8	(25%)
less than 20% completed:	0	

No. of projects administered by <u>Ministry</u> :	5	
greater than 80% completed:	2 of 5	(40%)
20-80% completed:	1 of 5	(20%)
less than 20% completed:	2 of 5	(40%)

No. of projects administered by <u>Com. members</u> :	2	
greater than 80% completed:	0	
20-80% completed:	1 of 2	(50%)
less than 20% completed:	1 of 2	(50%)

No. of projects administered by <u>Others</u> :	2	
greater than 80% completed:	0	
20-80% completed:	1 of 2	(50%)
less than 20% completed:	1 of 2	(50%)

The conclusions that must be drawn from the completion rates and the types of administration in the project are that first, administration is an extremely important factor; and secondly, that the type of administration is important. Peace Corps Volunteers have the best record in this study, completing or partially completing all the projects with no projects falling in the low completion area.

Ministry personnel have two completed projects; one in the 20-80% completion area and two in the low completion area.

The reasons for this difference center around the methods of administration. In the cases where more than 80% is completed with Peace Corps Volunteers and Ministry administrators, there is constant attention given to the project because the volunteer or functionary lives where the project is taking place or constantly visits the site. Where the completion rate falls is where administrators have left, i.e. Sigis (4.11,4.12) or La Chiquita (4.7) or have many other obligations that prevent full attention to the project.

The same conclusion can be drawn by the results in "Community Members" and "Others." In the Panza Redonda project (4.18) the administrator of the project is from outside the community and visited the site only three times over a one year period. In El Chanul (4.14) geographic conditions prevent constant visits to the community. When the administrator is someone from inside the community, for example Flor de Valle (4.15) and Sayausi (4.16), the projects although not completed, will probably be completed.

#### Summary

Community based administrators have the highest rate of completion.

GROUP INVOLVED

No. of projects that involved <u>Coop./Assn.</u> :	7	
greater than 80% completed:	4 of 7	(57%)
20-80% completed:	3 of 7	(43%)
less than 20% completed:	0	
No. of projects that involved a <u>Comuna</u> :	7	
greater than 80% completed:	2 of 7	(30%)
20-80% completed:	1 of 7	(13%)
less than 20% completed:	4 of 7	(57%)
No. of projects that involved <u>No Group</u> :	1	
greater than 80% completed:	0	
20-80% completed:	0	
less than 20% completed:	1 of 1	
No. of projects that involved <u>Other</u> :	3	
greater than 80% completed:	2 of 3	(67%)
20-80% completed:	0	
less than 20% completed:	1 of 3	(33%)

Although not an overwhelming conclusive statistic, 4 of "Coop./Assn." as opposed to 2 of 7 "Comunas" had projects in the greater than 80% completion area. In the less than 20% completion area the "Coop./Assn." definitely fared better. There are no "Coop./Assn." that had less than 20% completion as compared to over half in the "Comuna" category.

The success of "Coop./Assn." has to be linked to

other factors in the matrix, but a clear trend of their relative success exists. Cooperatives and associations are formed for a specific aim, whereas the "Comuna" has been formed for other aims of which the AID grant is a part. In all cases, the AID funding for the cooperatives and associations is part of the overall purpose of the organization.

#### Summary

Organizations created for a specific aim or goals that coincide with project objectives have a higher rate of completion.

LOCATION

No. of projects located in the <u>Sierra</u> :	13	
greater than 80% completed:	7 of 13.	(54%)
20-80% completed:	2 of 13	(15%)
less than 20% completed:	4 of 13	(31%)

No. of projects located in the <u>Coast</u> :	5	
greater than 80% completed:	1 of 5	(20%)
20-80% completed:	2 of 5	(40%)
less than 20% completed:	2 of 5	(40%)

Ostensibly, the rate of completion in the sierra is higher than in the coast, but upon closed examination there is no significant difference between the projects locations.

In the coastal projects that are 20-80% completed, there is a high probability that they will be completed within two months. This would elevate the percentage of completion of coastal projects to 60% and therefore compare favorably with the sierra.

Summary

There is no significant variation in the success of coastal vs. sierra projects.

COMMUNITY INVESTMENT

No. of projects where <u>Labor + Cash</u> were invested:	6	
greater than 80% completed:	4 of 6	(66%)
20-80% completed:	1 of 6	(17%)
less than 20% completed:	1 of 6	(17%)
No. of projects where <u>Labor</u> was invested:	9	
greater than 80% completed:	3 of 9	(33%)
20-80% completed:	3 of 9	(33%)
less than 20% completed:	3 of 9	(33%)
No. of projects where there was <u>No Investment</u> :	3	
greater than 80% completed:	1 of 3	(33%)
20-80% completed:	0	
less than 20% completed:	2 of 3	(67%)

Where labor (and in-kind contributions) and cash contributions are made by the community there has been a higher success rate and a significantly lower failure rate. In the one case where a cash investment was made and the project failed (Panza Redonda 4.18), there is a definite feeling of having been cheated among those investors who have not benefitted from the project. This fact would indicate that when a cash plus an "in-kind" contribution is made, there is a higher level of commitment on the part of the community. This has been a main factor in the success of the Calancha Shirt Factory (4.17) even though technical problems were extremely difficult to overcome.

Where no investment is made by the benefitting organization , such as La Chiquita (4.7) and the Psychiatric Institute (4.13) there is nothing lost to the organization if the project is not carried through.

Where only labor is contributed, there still exists a relative lack of incentive to complete the project in most cases.

### Summary

Where organizations have contributed both cash and "in-kind" capital, there is a higher success of the completion of the project

MANAGEMENT OF FUNDS

No. of projects <u>with community involvement:</u>	9	
greater than 80% completed:	5 of 9	(55%)
20-80% completed:	4 of 9	(44%)
less than 20% completed:	0	

No. of projects <u>without community involvement:</u>	9	
greater than 80% completed:	3 of 9	(33%)
20-80% completed:	0	
less than 20% completed:	6 of 9	(67%)

There is a higher success rate in the projects where the community is involved in the management of funds and purchases. There are no projects that fall in the low completion rate area where there is community involvement in fund management, but where there is no community involvement, two-thirds of the projects have low completion rates.

The reason for this difference centers around the felt obligation of the administrator to carry out the project. Where the community is slightly aware or little involved in project management and purchases, there is little obligation on the part of the project administrator. This point is illustrated in the El Chanul (4.14) where the community as a whole has had nothing to do with the management of funds so all of the materials and equipment purchased for the project have gone to aid other communities before it aids El Chanul. In Rio Blanco (4.1) where there is close community involvement in all aspects of financial management, the project has been successfully completed.

Summary

Involvement by the community in management of funds creates an obligation for the administrator to carry out the objectives of the project.

BEST AVAILABLE COPY

PREVIOUS PROJECTSNo. of projects where there had been

	<u>Previous Projects:</u>	16	
greater than 80% completed:		7 of 16	(44%)
20-80% completed:		3 of 16	(19%)
less than 20% completed:		6 of 16	(37%)

No. of projects where there had not been

	<u>Previous Projects:</u>	2	
greater than 80% completed:		1 of 2	(50%)
20-80% completed:		1 of 2	(50%)
less than 20% completed:		0	

The statistics concerning previous projects undertaken by the community are inconclusive in regards to completion rates.

PLANNING

No. of projects <u>with the Community involved:</u>	11	
greater than 80% completed:	6 of 11	(55%)
20-80% completed:	4 of 11	(36%)
less than 20% completed:	1 of 11	(9%)

No. of projects <u>without the Community involved:</u>	7	
greater than 80% completed:	2 of 7	(29%)
20-80% completed:	0	
less than 20% completed:	5 of 7	(71%)

Where the community has not been involved closely in project planning, there is a much lower completion rate: 70% in the less than 20% completed category as opposed to 9% in the groups that involve planning on the part of the community.

Planning involvement was severely lacking in the Sigsig project (4.11,4.12) community members told the evaluator that all the project planning had been done by the administrator and since he was no longer working in the project, the project could not go on. The solution was to replace him.

In Calancha(4.17), the community is closely involved in the planning, in fact, the cooperative had presented their plan to the administrator who in turn helped carry it out. The project has been nearly completed.

Summary

Involvement by the community in the project planning is an important factor contributing to the success of the project.

INCOME GENERATION

No. of projects with <u>Short Term Income Generation:</u>	8	
greater than 80% completed:	5 of 8	(63%)
20-80% completed:	1 of 8	(12%)
less than 20% completed:	2 of 8	(25%)
No. of projects with <u>Long Term Income Generation:</u>	3	
greater than 80% completed:	0 of 3	
20-80% completed:	1 of 3	(33%)
less than 20% completed:	2 of 3	(67%)
No. of projects with <u>no Income Generation:</u>	7	
greater than 80% completed:	3 of 7	(44%)
20-80% completed:	2 of 7	(29%)
less than 20% completed:	2 of 7	(29%)

Of the income generation projects, "Short Term" have a higher completion rate than "Long Term." These "Long Term" projects are forestry projects, that by their nature involve more time to realize benefits. However, where fruit tree production is incorporated into the forestry project to make short term income available as an incentive, there may be a higher probability of project completion.

The Los Andes Fruit project demonstrates that fruit trees can be a successful short term means of generating income. Projects such as the San Jacinto fishing cooperative (4.5) that provide a clear economic incentive in the short term have had great success in all cases except where the project administration has failed such as Panza Redonda (4.18) and the

Psychiatric Institute (4.13). Projects with no income generation have other incentives unique to each project.

Summary

Short term income generation projects linked with good project administration are more successful than long term income generation projects.

TECHNOLOGY

No. of projects where technology was <u>Appropriate</u> :	14	
greater than 80% completed:	6 of 14	(43%)
20-80% completed:	4 of 14	(28.5%)
less than 20% completed:	4 of 14	(28.5%)
No. of projects where technology was <u>Inappropriate</u> :	4	
greater than 80% completed:	2 of 4	(50%)
20-80% completed:	0	
less than 20% completed:	2 of 4	(50%)

Whether the technology is appropriate is not a determining factor as to the rate of completion. However, in 3 out of 4 of the projects where it has been inappropriate, the projects have been delayed.

In the case of Calancha(4.17) the project has been nearly completed, but in order to reach the objective, intensive training in the use of the sewing machines was necessary. This problem has been solved, but the project administrator stated that a simpler machine and a simpler process would have been more appropriate. In the Psychiatric Institute (4.13) the machinery purchased did not function or was not readily available.

In the one project that has been completed with no delays or problems, Guano (4.3), the equipment is under-used because of the unavailability of raw materials and the level of sophistication is too high for the students.

Summary

Inappropriate technology has contributed to the delays in terminating projects as planned.

RETURN ON INVESTMENT

No. of projects with <u>Positive</u> return on investment:	14	
greater than 80% completed:	8 of 14	(57%)
20-80% completed:	4 of 14	(29%)
less than 20% completed:	2 of 14	(14%)
No. of projects with <u>Negative</u> return on investment:	4	
greater than 80% completed:	0	
20-80% completed:	0	
less than 20% completed:	4 of 4	(100%)

These statistics show that all four projects with negative return on investment are less than 20% completed. These projects have little hope of completion without major changes in project administration, planning, and management of funds. The projects are: La Chiquita (4.7), Sigsig (4.11,4.12), Instituto Psiquiatrico (4.13) and Panza Redonda (4.18). All other projects have the potential to be completed and benefit the project group.

Summary

Overall SDAA program has had positive return on investment.

BEST AVAILABLE COPY

PART CRECOMMENDATIONS

The SDAA program has had an overall positive effect and should be maintained or expanded. The following recommendations will make the program more effective and increase the positive recognition of AID programs in all areas of the country. These small grants can also serve as methods for experimenting with new types of administration and involvement within the country development plan. The following are general recommendations for AID's management of the SDAA program and recommendations for project selection for each category that appears on the matrix in Part A.

General SDAA Management

Although project selection and administration from the AID office has been effective, problems can be avoided in the future and projects will become more effective with a few changes in program management. The amount of time and AID overhead spent on this relatively small portion of the overall AID budget should be taken into consideration in any discussion of overall project management. This program has a potentially greater direct effect on beneficiaries than others, therefore, a higher relative amount of effort may be worthwhile.

One area that should be focussed upon is the site visits. Before any money is granted, an in-depth interview with potential project administrators on the site is essential.

In this interview, the answers to the questions in the project application should be confirmed and assessments of the following nature should be made:

- a. Project leadership should be effective.
- b. Previous project history should be evaluated.
- c. Project group should be aware of the plan and should have participated in the planning.
- d. Adequate project development should have been done.
- e. If new technology is to be introduced, are there people that are trained in its use before the project is funded.
- f. Has there been a community investment? In cash? In kind?
- g. For donations of equipment, are there plans for its full usage, will it be used to generate income?
- h. Can strict time limits be set on the spending of AID money?
- i. Is the target population able to finance the project fully or partially on its own?
- j. Is the group involved experienced and able to carry the project through, if not, are they willing to experiment with a small project financed on their own to demonstrate their ability before AID funds the project. This could be any type of project that may include the group purchase of fertilizers or insecticides for the local agriculture crop, or the group purchase of school supplies for local students, or the collection and accounting for initial project funds. This exercise can serve as experiential learning for project groups and administrators.

AID should also institute the following:

- a. Have an AID representative at all the inaugurations of projects.
- b. Checks should always be cosigned, never use "and/or", always "and". One of the signers should always be from the community and the other the project administrator.
- c. Avoid situations where loans are going through a third party unless they are "in kind" loans.
- d. Develop a list of reliable companies that import equipment and have this list ready to recommend to project groups.
- e. Changes in the project agreement should be agreed upon by AID. A clause to this effect should be incorporated into the project agreement.
- f. Place strict limits on the use of project money that if not met would mean forfeit of project money unless project extensions are approved.
- g. Have AID visit site once every six months.  
( The benefit of these visits was illustrated when the evaluator visited the sites. In some cases the projects had not been visited in over a one year period. By that visit alone, projects that had been lagging behind schedule regained some momentum.)
- h. If not already considered a legally binding document, the project agreement (convenio) should be so considered for the protection of the project group, the administrator, and USAID/Ecuador.

## Recommendations for Project Selection

### Administration

Where possible, Ministry personnel or Peace Corps Volunteers that live in or around communities, or community members who have demonstrated competence in directing projects in the past should be used. The administrator must be committed to carry through the project for a specific period of time.

### Group Involved

The goals of the project group and the goals of the projects should be congruent. Cooperatives, associations, clubs, and societies that had been previously formed and have similar activities as the AID projects have the best record in the evaluation and should be used where possible. Project groups should not be formed exclusively for the purpose of getting an AID grant. The groups should first demonstrate their ability to carry out objectives similar to those of the project.

The use of the Comuna as the project group has proven successful only in cases where there has been strong, effective leadership. Before granting money to a Comuna, an assessment of the leadership should be made.

### Location

There are no recommendations as to project location.

### Community Investment

Where possible, AID should insist on a cash and "in-kind" contribution on the part of the community.

### Management of Funds

Management of funds should be done collectively. Ac-

counting documents should be accessible to project groups. Reports should be made periodically to the group. Purchases should be made by the administrator and someone from the community, never alone.

#### Previous Projects

Previous experience by a group in a project is important. Where possible, a history of previous projects should be ascertained.

#### Planning

Involvement by the project group in project planning is essential for project success.

#### Income Generation

Projects that involve income generation have a higher success rate and should be amplified. This would not exclude donations of equipment to social benefit institutions if that equipment will be used to generate income. The concept of economic incentives should be incorporated into the project review process.

#### Technology

The types of machines to be purchased by the project group should be closely examined as to their availability and complexity before the project is approved. If the project involves complex production processes, these should also be analyzed before approval of the project is given.

#### Return on Investment

In reviewing projects, long lasting educational impact should be a requirement for approval.