

I. PROJECT IDENTIFICATION

1. PROJECT TITLE
 DEVELOPMENT PROGRAM GRANT FOR A.I.T.E.C., A DIVISION OF ACCION INTERNATIONAL

2. PROJECT NO. (M.O. 1095.2) **932-073**

3. RECIPIENT (specify)
 COUNTRY WORLDWIDE
 REGIONAL INTERREGIONAL

4. LIFE OF PROJECT
 BEGINS FY 1975
 ENDS FY 1977

5. SUBMISSION
 ORIGINAL DATE
 REV. NO. DATE
 CONTR. PASA NO.

APPENDIX ATTACHED
 YES NO

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. OWNED)		
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY	
										(A) JOINT	(B) BUDGET	
PRIOR THRU ACTUAL FY												
OPRN FY 1975	100	60					40					
BUDGET FY 1976	100	62					38					
BUDGET +1 FY 1977	100	62					38					
BUDGET +2 FY												
BUDGET +3 FY												
ALL SUBJ. FY												
GRAND TOTAL	300	184					116					

OTHER DONOR CONTRIBUTIONS

NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT
N/A	N/A	N/A

III. ORIGINATING OFFICE CLEARANCE

DRAFTER Maurice D. Kohan PHA/PVC/OPNS	TITLE Project Manager	DATE
CLEARANCE OFFICER Cleo F. Shook	TITLE Associate Director, PHA/PVC	DATE

IV. PROJECT AUTHORIZATION

CONDITIONS OF APPROVAL

APPROVALS

JR OFF.	SIGNATURE	DATE	BUR' OFF.	SIGNATURE	DATE
HA/PVC	John A. Ulinski, Jr.				
A/MRSD	Marilyn Zak				

APPROVAL AAS OR OFFICE DIRECTORS

SIGNATURE Harriett S. Crowley Assistant Administrator, PHA (Acting)	DATE	4. APPROVAL AID (See M.O. 1025.1 VI C) SIGNATURE Allan R. Furman Associate Asst. Administrator, PHA	DATE
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PROJECT PAPER FOR A DEVELOPMENT PROGRAM GRANT

FOR

A.I.T.E.C.

DIVISION OF ACCION INTERNATIONAL

MARCH 1975

A.I.T.E.C.

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INTRODUCTION

ACCION International is a private non-profit organization with a long track record of initiating programs aimed at improving the lives of the poorest majority in Latin America. In the early 1960's, the problem of urban poverty was attacked through the creation of private, non-profit community development organizations in Caracas, Rio de Janeiro, Sao Paulo, Lima, and Bogotá. These programs are now totally autonomous and independent, and each has proved viable. Each attacks the problems of urban poverty in slightly different ways, according to the needs of the cities in which they are located. For example, two deal with community infrastructure, another with small business development, another with vocational training, and yet another with low income housing. As was the objective of ACCION International, these programs became totally funded by national sources, and are therefore economically totally independent from international financing.

In the late 1960's, ACCION International, in accordance with changing priorities in Latin America, decided to diversify its approach to the problems of the poor majority. No longer was the problem to be attacked merely urban, but rather work was to be extended to the rural poor. No longer were private community organizations to be established, but rather work was to be carried out through a more integrated approach.

To reflect this change in emphasis, ACCION created a new division, AITEC (ACCION International Técnica), which in the past four years has become the motor of the ACCION program. AITEC has received technical assistance contracts

in Costa Rica, Bolivia, Ecuador, Brazil and the Dominican Republic. The staff of the organization has radically altered to accommodate a much more technical and professional team. Since ACCION has been able to change with the times, it now offers a viable program for success in the 1970's.

RATIONALE

A. AITEC OBJECTIVES

Following are some of the basic principles which guide AITEC's work:

1. AITEC's concern is with the poor. AITEC has not stratified the poor and does not believe that one can work exclusively with the poorest of the poor, but rather that one must work with the whole marginal community, the poorest majority. The poor is defined operationally, using geography, income, standards of living, etc. The principal objective is action, so that all programs have an immediate concrete effect on disadvantaged segments of society.
2. AITEC is not exclusively concerned with the urban poor. In the past four years, emphasis on the urban areas has evolved to include a strong concern for rural poverty. Again, AITEC does not believe that either sector can be excluded from consideration.
3. AITEC does not believe in creating dependency on international financing or outside institutions. This implies a belief in creating organizations that will be totally self-sufficient within a reasonable time-span. AITEC's experience to date has shown that two to four years are necessary to establish the total independence of an organization. At the same time, AITEC more and more has been working through existing organizations, providing technical assistance and know-how to make them more operational, efficient and responsive at the community level.
4. AITEC does not believe there is any one magical solution to the problems of the urban and rural poor. In the early 1960's, ACCION concentrated its efforts on community development, and yet even here the problems of low income housing, small business development, community infrastructure, and vocational

training were attacked. Any real success in combating these problems can only be achieved through an integrated and comprehensive program. Of course, many times one must use a particular project, such as credit to small businesses, to establish an organization which will only later be able to deal with other program areas.

5. Overall, AITEC does not single out one group among the poor with which to work, i.e. women, children, males, elderly, etc. In Venezuela, AITEC has been very concerned with the problems of women in the development process. Research has been undertaken on how the employment of women affects a family in the slum areas of Caracas. In Ecuador, a project is being undertaken to establish a soybean based food product for the 0-6 year old child. In Brazil, a credit program is being undertaken with small businessmen, who traditionally are young or middle-aged men. AITEC thus does not discriminate in favor or against any particular group which makes up the marginal community. Of course, in the past two years, AITEC has increased its concern with the plight of youth and women, traditionally ignored, especially in relation to employment.

6. AITEC believes in professionalism and technical competence. When one is dealing with programs that will affect the lives of a large segment of the population, one cannot leave the implementation of these projects to semi-trained volunteers. The people involved must be competent, highly trained, with practical experience to make projects functional and operational.

7. AITEC believes in action. AITEC is not a research organization; nor is it a traditional consulting firm, which writes reports and leaves the operational tangles to other people. AITEC believes in providing operational, practical technical assistance and in following through with an organization until a successful operational system of work has been established.

8. AITEC believes in community participation. Since its inception, ACCION's

involvement in community development has aimed at getting the poor to meaningfully participate in their own development process. AITEC is equally committed to the concept of community participation in decision-making, and in community planning. Important to insure community participation is that all programs imply a low cost to the recipient, i.e. that the poor can afford without subsidy the cost of the program. Further, AITEC strongly believes in the need for local institutional participation in any project. AITEC as such will not carry out a project in a country by itself. It must tie itself to a local, existing organization, or establish a new organization when needed.

THE AITEC APPROACH

In order to understand the way in which AITEC works, four case studies are briefly presented below. The first deals with related work in Costa Rica and Bolivia; the second with a project in Recife, Brazil; the third with an effort in Caracas, Venezuela; and the fourth with a program in Guayaquil, Ecuador.

Reflecting its strong interest in the plight of the rural sector, AITEC has provided technical assistance to three national rural development agencies: IFAM and DINADECO in Costa Rica, and SNDC in Bolivia. In each instance the goal has been to increase the efficiency and responsiveness of the agency at the community level. Assistance has been given to improve their operational, administrative, planning, financial and evaluation systems. Training of agency personnel has been carried out at all levels. Various studies have been conducted (such as the recently completed "Target Man" study for IFAM, financed by AID) to gain further knowledge of rural problems. Finally, various mechanisms have been institutionalized within the agencies which insure increased participation of community leaders and groups in decisions affecting the development of their areas. Of particular interest is AITEC's current work with the rural municipalities in Costa Rica, developing comprehensive rural development plans which include social, economic and infrastructure programs. Technical assistance has been provided to these agencies by resident international advisors, trained nationals and short term consultants.

In Brazil, AITEC has used quite a different approach, but has been likewise successful. In 1971, AITEC was contracted by OPIC to carry out a credit guarantee program in Brazil. It was through this contract that AITEC became

involved in the field of credit to small businesses in poor areas. As a direct outgrowth of this work for OPIC, AITEC decided to develop such a program in the Northeast of Brazil. AITEC organized a group of leading businessmen in Recife, and established an organization called UNO (Uniao Nordestina de Assistencia a Pequenas Organizacoes) to carry out the practical program of supervised credit to small micro-industries in the greater Recife area. In this case, AITEC decided to form a new private organization since no organization existed capable of undertaking this type of project.

Financially, AITEC has been able to attract strong Brazilian and international support for the UNO project. Funds from leading banks in the Northeast have been committed both to the loan portfolios and the credit guarantee fund of UNO. Likewise, private business has contributed to the operating costs of UNO, as have several international foundations. AITEC has worked closely with UNO for the past year, and expects UNO to be totally self-sufficient by 1977. AITEC will gradually phase out of the UNO operations, leaving a viable, important developmental organization working in Recife. In this UNO project, AITEC has used three high level technical experts. One is an expert in organizational development and fund raising in the private and public sectors; the other two are experts in credit to small business in the rural and urban areas. This team is complemented by a local Brazilian staff which is essential in selecting the small entrepreneur, in providing training in bank procedures as well as in administration and management and in providing on-going technical assistance to the small industry.

AITEC's program in Brazil is directly related to income generation and the development of labor-intensive employment opportunities for the poor. To date most of the small businesses in the program have expanded their number of employees moderately, directly affecting unemployment in the slums.

7

Likewise, the program is moving in the next year into the creation of new small industries, as well as into the area of establishing appropriate labor-intensive technologies for small businesses. A further phase of the project will include community development through community or cooperative businesses or through complementary organizations, using the trained community business leaders. Small business development, then, was the crucial first interest of the program to get the project launched. Once established it can branch out in a series of directions. This model, although somewhat limited in scope, has met a definite concrete need within the Recife society, and has built the structure which will enable it to move into related areas with high flexibility.

The third case study is in Caracas, Venezuela. In the early 1960's, ACCION en Venezuela was established. This organization worked in community development and was funded by the private sector in Caracas. By late 1969, AITEC felt that the problems that needed closer attention in Venezuela were those of women and youth in relationship to employment. For that reason, AITEC promoted the establishment of the Centro de Estudios Sociales (Center of Social Studies) to work on establishing a model for vocational training and job placement among women and youth. Studies were conducted on migration patterns into Caracas as well as on the status of women in the labor market. A study was done on laws affecting the employment of women, on the effect of women's employment on the family structure, etc. These studies were the basis for the establishment of employment centers in several poor barrios to help women and youth be placed in existing jobs. The program maintained good relationships with the community through community workers; each participant was given a battery of psychological and vocational tests; some were given additional vocational training. A close relationship was established with private industry and government; when jobs became available the employment center recruited among the poor. The prospective employee was given courses

on adaptation to working conditions, placed in a job and given follow-up once on the job. This job placement model has received recognition from the OAS, which has published a description of the workings of the model, and has asked AITEC to participate in various seminars on labor, development, and the problems of women in Latin America.

Here again, AITEC responded to an immediate and definite problem of the poor by establishing a concrete and practical program that helped women and youth. The effects these programs have had on employment as well as on family structures (i.e. family planning, family nutrition, etc.) has been noticeable, as has been the level of vocational training which these individuals have received in the centers.

The fourth case study is the most important for this proposal. In Guayaquil, Ecuador, AITEC has been able to bring together several of its approaches in other countries in an effort to develop the Guayas Basin. The program began when AITEC was invited to the University of Miami to participate in a seminar on the urban development problems of Guayaquil. Because AITEC's emphasis on community participation in the process of urban development met with strong support from government leaders, AITEC was asked by the Governor of the Guayas Province to work in Guayaquil. AITEC followed up on this invitation by sending a two-man team to study the situation in Guayaquil. During this study, interest became apparent in two specific projects: first, the establishment of a wholesale market, to rationalize the food distribution process in the Guayas Basin; second, an urban slum development program concentrating on small business development and social and community development. Six months after the feasibility study, AITEC had three experts working in Guayaquil: an urban planner, an agricultural marketing economist, and a small business development expert. As the year progressed, this international staff was

increased by a sociologist, and another agricultural marketing expert.

AITEC from the beginning worked in close cooperation with the government and the private sector of Guayaquil. It signed an agreement with the Municipality of Guayaquil, the Military Governor of the Guayas Province, and with the Provincial Prefecto of the Guayas Province. Each of these government agencies provided strong support for the project. The Municipality, besides assigning some of its best experts to work directly with AITEC provided office space, office equipment, and financial support. The governor's office provided strong political support and was able to generate financial support from the Central Government. The Prefectura collaborated not only with office supplies and equipment, but also with local transportation. Added to this, AITEC worked very closely with the private sector, and received financial support from FEDESARROLLO (a private sector non-profit organization), as well as from several enterprises in the Guayaquil area.

In both projects, AITEC goals were operational, and highly practical. Work has already begun on the construction of a wholesale market. Besides this, AITEC has involved itself with the total food production and distribution problems in the Guayas Province in an effort to attack the problem in an integrated way. AITEC has begun a program to publicize prices for products in the rural areas, in an effort to stabilize prices; a program to make use of wasted bananas, which are thrown away in large banana producing plantations; a program to rationalize and improve the retail open markets of the city of Guayaquil; a program to distribute rice among poor sectors of the population; and a program to increase the production of soybean in the Guayas Province.

In the urban development program, AITEC has carried out all the necessary urban economic and social studies in slum areas of Guayaquil, and it has proposed integrated plans of action to the Municipality, as well as to private groups which work in the slum areas. Concretely, AITEC has helped design a small business development program together with a private agency working in the slums. AITEC has also motivated UNICEF to provide funds for a comprehensive nutrition, health and family planning program for women and children of the slums. Likewise, AITEC has assisted the Municipality in the elaboration of a series of proposals for community infrastructure, to be financed by the Inter-American Development Bank. AITEC thus has been instrumental not only in studying, planning and carrying out practical programs but also in having the Government present proposals to international agencies for the improvement of the Guayaquil slums.

In the past year, AITEC has developed two other complementary projects as part of the integral program to help the urban and rural poor in the Guayas Basin. The first is in coordination with Meals for Millions and involves the development of a soybean based product for the 0-6 year old population. The basic objective is to prepare a highly nutritional product which will be used by the poor to feed their young children. AITEC and Meals for Millions obtained the financing for this project and are now in the process of carrying out studies to determine what type of product would be most appealing to this age group. AITEC has also been approached by the Prefectura of the Guayas Province to prepare an integrated rural development scheme which includes the building up of market towns or secondary cities throughout the area, the rationalization of a feeder road policy, the use of adequate labor-intensive technology in the rural areas for agricultural and small business

development, a community infrastructure project including health centers, nutrition centers, and vocational training programs, etc. At this time, work has begun on just one small fragment of this total program, i.e. the selection of small businesses which already exist in the rural areas for credit. National and international financing for this project is being explored.

From an initial participation in a seminar, AITEC in Ecuador has moved to a very close working relationship with the government and the private sector in a whole series of fields affecting the Guayas Basin. The link-ups between the initial marketing project and the proposed rural development project are clear, as is the relationship between these projects and the soybean based product being developed. AITEC's role as resource broker, coordinator, and technical advisor has been invaluable not only to the government's development scheme, but to those of various international agencies as well. Its flexibility and professionalism have enabled it to undertake a bold program of socio-economic change in a city which has known a long series of development failures.

C. THE DEVELOPMENT PROGRAM GRANT PROPOSAL

AITEC proposes to benefit the rural poor by developing the capability in LDC organizations to plan and execute employment generating and social services projects, such as nutrition, education, health and family planning. To do this, AITEC must expand its technical and financial capacity, thus being able to transfer the highly successful operational model used in Ecuador to the least developed areas of Latin America. The Development Program Funds requested would be utilized to:

- a) increase the programming effectiveness and competence of AITEC.
- b) improve existing evaluation systems, including the evaluation of the operational model.
- c) increase the operational capacity to implement the Ecuadorean model in new LDC's of the area.

To undertake this, AITEC will hire new professional and administrative personnel, will install a planning system for its operational programs, will have in operation a comprehensive evaluation system, will integrate the evaluation capability into the programming process, and will train its personnel in its operational methods of technical assistance.

This added capability will enable AITEC to expand its program in the LDC's of the area. AITEC foresees that during the second and third years of this D.P.G., AITEC's increased capacity will enable it to begin to move into new areas, with other funding sources. During this phase of activity, AITEC's central staff will have the opportunity to put the new programming and evaluation

systems into operation and to refine the systems, making them as operational as feasible. Likewise, the concrete experience of the transfer of the model from Ecuador to other areas will help to refine and consolidate this model of work.

Therefore, though funded by other sources, this practical experience is important to enable feedback from the field to the central offices. In the field, AITEC will utilize the following program of action:

- 1) Initial contacts with government and private sector leaders at the local and national levels.
- 2) Undertake a pre-project analysis to determine what the interests are within the leadership and within the community for action-oriented programs aimed at the poorest majority.
- 3) AITEC would then establish a formal relationship with pertinent institutions so that its work in that country is formally acknowledged by the interested parties.
- 4) An in-depth study/inventory would be done of the poor areas which are going to be dealt with.
- 5) AITEC and the local agencies would devise a comprehensive plan to deal with the development of poor.
- 6) Once an integrated approach has been established, then the different components of the plan have to be funded and have to be operationalized. For this, AITEC technical assistance is essential to get the projects underway. Projects isolated are the following:
 - a) employment generation - AITEC has worked with three types of projects in this area: the establishment of labor-intensive, small agribusinesses, the establishment of credit mechanisms to get credit to small entrepreneurs,

and the establishment of labor-intensive public works (pick and shovel) programs. In the period of time contemplated by this grant, AITEC feels it can become involved in at least the development of 20 new small industries, 3 credit mechanisms functioning in 3 new areas, and 1 major regional public works program.

b) social services - AITEC has worked in the establishment of community social services: nutrition, vocational training, health and family planning centers. AITEC's experience in Ecuador leads it to consider the implementation of a social service plan in 50 communities in 3 new countries.

These concrete projects at the field level will provide the necessary data and experience to help refine and perfect the program capability of AITEC.

7) AITEC will train local personnel in all phases of program activity, as well as help fortify old or create new organizations. This increased program potential in local organizations means that they will directly benefit from AITEC's increased program capacity - a programming and evaluation system will be established in all local program components. This makes it possible for AITEC to withdraw from the organization and leave a well-functioning local agency directly working with the rural poor.

The operational approach outlined above has been successful to date in Ecuador. This proposal asks USAID to provide AITEC with the flexibility and capacity to implement this operational model in other countries, which unlike Ecuador and Brazil, have been less fortunate economically in the past few years. AITEC has been successful in Brazil, Ecuador and Venezuela, countries which have benefitted from booming economies in the past couple years. AITEC now wants to expand its activities into less developed areas, where a program modeled after the Ecuador experiences could have tremendous impact. To do this, we need to develop our capacity, increase our personnel, and generate the

necessary resources to be able to undertake all the steps outlined in the preceding developmental approach.

D. AITEC AND THE ROLE OF WOMEN IN DEVELOPMENT

AITEC has effectively integrated women into every aspect of its development work, both in terms of project goals, as well as in the operation and administration of programs. In Ecuador, for example, it not only hired a woman as resident advisor, but also singled out social service projects to directly benefit the poor woman; these included nutrition centers, health and family planning centers, and employment centers. AITEC was instrumental in negotiating and providing the information needed for a UNICEF grant in Ecuador directly aimed at improving the economic and social conditions of women. The work model here proposed, since it reflects AITEC ideology, and insofar as it follows the experience in Ecuador, will likewise emphasize the integration of rural poor women into the development process.

In other Latin countries, AITEC has actively worked on the role of women in development. In Venezuela, it has conducted research over the past three years on the studies of women in the employment and education fields. Research funded by the Smithsonian Institute specifically focuses on isolating the problem of employment of the poor woman in Caracas. AITEC has published, among others: "The Effects of Employment and Education on the Status of Women in Venezuela" and "Causes and Consequences of the Changing Status of Women in Venezuela and Latin America." Currently, AITEC is conducting research for and advising the President's Commission on Women in Venezuela, in the fields of employment and education.

In Costa Rica, AITEC is preparing a project jointly with the Organización de Ciudadanas Costarricenses, on the effects of employment on the status of women in that country.

On a transnational basis, AITEC is presently conducting initial assistance to the Interamerican Commission on Women, at the Organization of American States.

AITEC is firmly committed by its actions and ideology to the effective integration of women into the developmental process. In this project, AITEC would concentrate on the generation of female employment, as well as on nutrition and social service projects aimed at helping promote a new equitable position for women in less developed countries.

WOMEN IN AITEC

Board of Directors

Katherine Ockenden, Board of Directors; Executive Committee

Professional Staff

Rosalía Aruyo, Licenciada, Project Coordinator, AITEC/Brazil (Bahia)
Hilda S. Hollis, Administrator, AITEC/Cambridge
Nancy Johnson, M.S., Resident Advisor and Associate Director, AITEC/Costa Rica
Mara del Negro, Licenciada, Associate Director, "Status of Women" Study,
AITEC/Venezuela
Ann Pescatello, Ph.D., Director, Technical Assistance Project for the
President's Commission on Women in Venezuela.
Lola Rocha, Ph.D., Resident Advisor, AITEC/Ecuador
Mary Zinniel, M.A., Assistant to the Director, AITEC/Cambridge

Other Staff Members

Costa Rica

Administrative Assistant: Fresia Munoz Castro
Data Analyzers: 1 women out of 4 employed
Data Collectors: 2 women out of 10 employed

Brazil

Field Personnel (UNO/AITEC): 4 women out of 7 employed

Ecuador

Administrator/Accountant: Letty Martinetti
Assistant to the Director: Patricia Sunigo

Short Term AITEC Advisors

Marien Spinrad, Ph.D., Architect
Athenia M. de Solis, Trainer
Evelyn Guerra, Occupational Analyst

PROJECT NARRATIVE

I. Program Goal

A. Statement of the Goal

The broader objective to which this project contributes is to benefit the rural poor by developing the capability in LDC organizations to plan and execute employment generating and social service (nutrition, education, health and family planning) projects.

B. Measurement of Goal Achievement

1. Existing organizations will have been improved and new organizations, as necessary, will have been created.
2. The rationalization and planned use of local resources managed by the participating organizations will have been achieved.

C. Means of Verification

Goal achievements will be verified by documentation from AITEC, reports, field visits and USAID site visits and reports.

D. Assumptions

Assumptions for achieving the goal targets are:

1. That basic human, material and capital resources are available.
2. That AITEC assistance be requested by a local, private or public organization, which is both responsible and has the potential of developing effective operating programs.
3. That host country government decision-makers be susceptible to AITEC's work at the local rural level.

II. Project Purpose

A. Statement of Purpose

The purpose of this grant is to create an expanded program staff which will expand AITEC programming and evaluation capacity to 1) provide

assistance in employment generating projects, nutrition projects and social services to rural regional organizations in LDC's working with the poorest majority, and 2) transfer the operational model utilized in Ecuador to the LDC's in Latin America.

Once the additional Program Planning and Evaluation staff is in place, priorities and specific programs will be defined in terms of quantifiable and measurable indicators. Country selection will be based on an analysis of four major factors:

1. Identification of suitable employment generation and social service problem solving programs.
2. Establishment of appropriate agreements with selected host country governments.
3. Availability of local support.
4. A.I.D. priorities and USAID's concurrence.

B. End of Project Status (EOPS)

AITEC intends to maximize its program performance in a wide spectrum with the following results at the end of this DPG period: overall programming effectiveness will have been increased; evaluation systems, including evaluation of the operational model will have been improved; operational capacity to implement the Ecuadorian model in 3 new countries will have been created; 20 new labor intensive small agribusinesses will have been established; 3 new credit mechanisms to small entrepreneurs will be functioning and planning and implementation of social services (nutrition, education, health and family planning) will be operative.

C. Means of Verification

The accomplishment of the above indicators will be verified by the installation of planning systems for operational programs, by the

utilization of comprehensive evaluation systems in operational programs, by AITEC reports, USAID monitoring and AID/W field visits.

D. Assumptions

In order to obtain the conditions for the project to achieve its purpose, it is assumed that , a) separate funding will be available for the technology transfer and implementation of the new programs, b) there will still be a need for and acceptance of AITEC's approach to problem solving in employment generation and social services, and c) 3 or more countries will be receptive to AITEC's technology.

III. Project Outputs

A. Outputs and Output Indicators

The outputs to be obtained from the grant and its indicators will be:

1. An expanded program staff and facilities. A Programming Expert and an Evaluation Expert position with support staff and logistics will have been created and filled.

2. Added programming and evaluation capability. With the addition of two professionals, one clerical and logistic support, a programming and evaluation system will be operative.

3. Staff trained in operational system of technical assistance. An indicator will be the training increased to include additional sessions and conferences as needed.

B. Means of Verification

The project outputs will be verified by review of the payroll records, personnel contracts, audited accounting records, physical inventory, site visits, and reports.

C. Assumptions

The listed outputs are dependent on several factors, such as that the DPG is funded at the level requested and that qualified personnel are available.

IV. Inputs

A. Inputs from A.I.D.

A Development Program Grant

B. Inputs from Others

1. U.S. Corporations
2. Latin American Corporations
3. Foundations
4. Host Country Governments

C. Beginning of Project Status (BOPS)

1. Limited expertise in planning and programming.
2. Present evaluation system only covering supervised credit.
3. Presently only the Ecuadorian model in operation.
4. Presently 8 labor intensive small agribusinesses in operation.
5. One credit mechanism functioning.
6. Social services being planned in one country.

D. Assumptions

In addition to assumptions regarding provision of inputs such as continued expanded level of private sector funding and general support from LDC's private and public sectors, the basic assumption is that AITEC will receive an A.I.D. Development Program Grant (DPG) which will provide administrative and technical backstop support for this planned program.

IMPLEMENTATION PLAN

Brief Description of Work Plan

AITEC will undertake the following course of action under the D.P.G.:

1. AITEC will hire a programming expert and an evaluation expert. To accommodate for this increase in professional staff, AITEC will hire an additional secretary and will expand its existing limited office space. Of course, this expansion means added responsibilities for the administrator. After one and one-half years, AITEC believes its expanded contract work will enable it to hire additional personnel.
2. The central office staff will undertake a revision of work systems and planning systems in the office. At present, programming and evaluation functions are performed sporadically by AITEC members. By increasing our staff capacity in these areas, new functional definitions of roles and activities will need to take place. This should help to rationalize the work of all central office personnel.
3. The new staff will need to be trained in the AITEC methods of work. This means that they will need to know first hand and in depth AITEC's projects, thus ensuring that any evaluation and programming system is viable and relevant. Therefore, they will travel to several AITEC projects.
4. The program staff will work on designing and implementing an evaluation and programming system. In this stage, all the designs need to be drawn up; feedback must be established from personnel in the field; policies must be made. By the end of the 5th quarter, AITEC must have a new evaluation and programming system in initial operation.
5. At this stage it is essential for all AITEC personnel to know the ins and

outs of the system, i.e. to be trained to utilize the system. A seminar then of all AITEC field and central staff employees is vital to ensure practicability of the systems. These seminars will be held once a year and will be followed up by visits to the AITEC countries to ensure operationality.

6. Throughout this whole process, but particularly once the systems have been initially designed and implemented, the program staff must work to ensure the integration of the evaluative component into the planning system. That is, they must devise a workable system whereby information coming from the evaluation system is effectively utilized in the programming stages. For the process to be established, one needs time and concrete working examples from the field.

7. This same program staff aided by the field personnel and short term consultants will work on refining the operational model of technical assistance utilized by AITEC. This will have a major impact on AITEC's work, since it will discriminate between factors which have helped or hindered success in the field. Utilizing our experience in Ecuador and our further experience in three new countries, AITEC will have an excellent picture of the operational techniques to be utilized. This will require an analysis of methods used by other organizations, visits to AITEC projects to discern important components of the model, etc.

8. The evaluation and programming systems will be refined by feed-back not only from the AITEC offices but also from the local organizations with which AITEC is working. This will help ensure the functioning of the total evaluation/programming system, down to the beneficiary level.

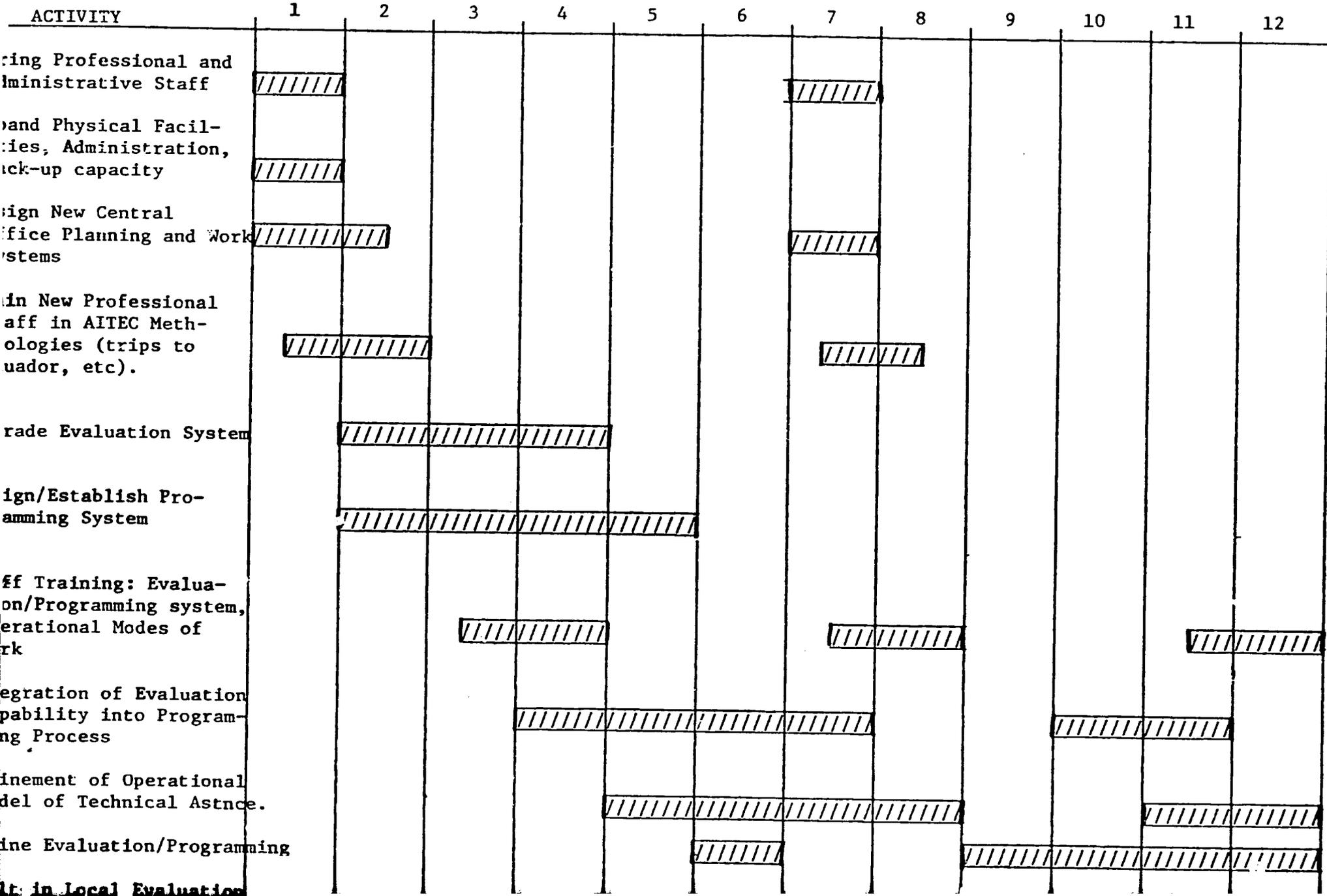
Of course, the activities of AITEC in the field, in implementing its programs in three new countries, ties in to the whole evaluation and programming systems,

providing concrete work situations to enable the refinement of the systems.
AITEC's work plan in the field, funded by separate sources, would coincide
with stages in the program expansion of AITEC.

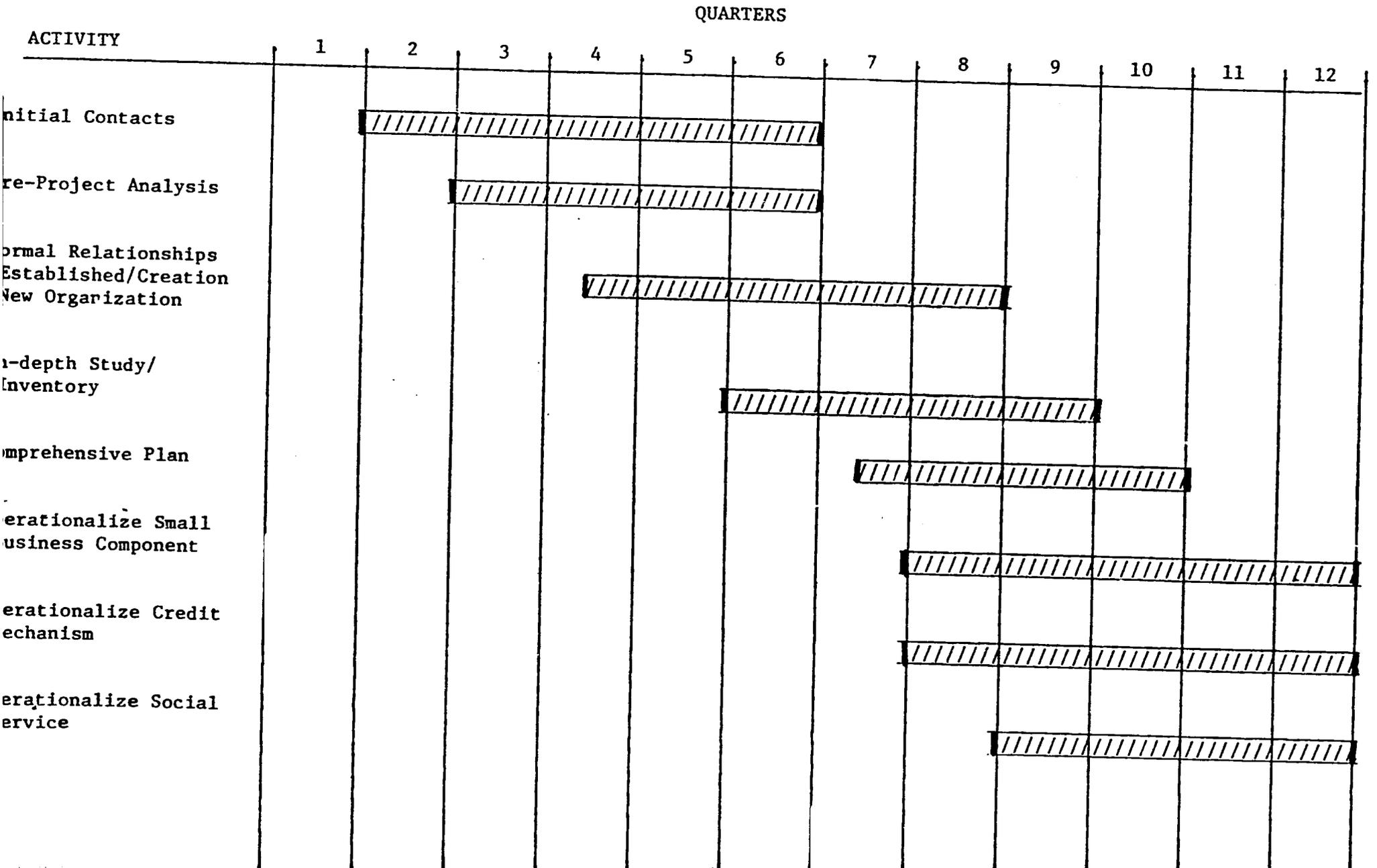
WORK PLAN: DEVELOPMENT PROGRAM GRANT

26.

QUARTERS



WORK PLAN: RELATED OPERATIONAL ACTIVITY



ILLUSTRATIVE ESTIMATED BUDGET

A. TOTAL THREE YEAR BUDGET

<u>Technical Assistance Operations:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
U.S.A.I.D.	\$ 100,000	\$ 100,000	\$ 100,000
U.S. Private Sector	20,000	20,000	20,000
Latin Private Sector	15,000	50,000	70,000
Latin Government	70,000	90,000	100,000
Subtotal	205,000	260,000	290,000
 <u>Concrete Projects</u>			
Latin Private Sector	--	50,000	250,000
Latin Government	--	300,000	750,000
International Agencies	--	--	1,000,000
Subtotal	--	350,000	2,000,000
 <u>Credit</u>			
Latin Private Sector	--	1,000,000*	1,000,000
Latin Government	--	1,000,000	1,000,000
Subtotal	--	2,000,000	2,000,000
 <hr/>			
TOTAL	\$ 205,000	\$2,610,000	\$4,290,000

*In Brazil, AITEC's credit program has mobilized over \$3,000,000 in credit in less than two years.

BUDGET: AID COMPONENT

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Professionals			
Programming Expert	\$ 22,000	\$ 22,500	\$ 23,000
Evaluation Expert	22,000	22,500	23,000
Short Term Advisors	7,350	7,100	5,450
Training U.S.			
Staff Seminar and other training costs	15,000	15,000	15,000
Travel	15,000	15,000	15,000
Administration - Direct Costs			
8 1/2% Benefits - Professionals	3,740	3,825	3,910
One Secretary	9,000	9,500	10,000
8 1/2% Benefits - Secretary	765	810	850
Accounting Service	1,000	1,000	1,000
Rent - 2 rooms	1,500	1,500	1,500
Telephone & Telegrams	600	600	600
Office Supplies & Expenses	645	665	690
Purchase of Equipment			
3 Desks & Chairs	450		
1 Dictator, Transcriber & Tapes	370		
1 Typewriter	580		
	<hr/>	<hr/>	<hr/>
TOTAL	\$100,000	\$100,000	\$100,000

PROJECTED AITEC FINANCIAL POSITION IN THREE YEARS

AITEC's track record since its formation in 1971 adequately demonstrates the growing demand for its services both in Latin America and by private funding sources in the United States. The following table shows AITEC's budget structure over the past five years:

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Corporate Contribution	\$95,991	\$94,038	\$99,125	\$91,725	94,000
Foundations/Unrestricted Grants	97,000	85,000	105,000	61,500	65,000
Contracts/Restricted Grants	<u>9,729</u>	<u>128,580</u>	<u>180,311</u>	<u>258,804</u>	<u>309,000</u>
TOTAL	212,449	307,618	384,436	412,029	468,000

Some Observations:

- 1) AITEC's total budget has grown progressively as its services have become better known.
- 2) The increased volume of contract and restricted grant work comes mainly from sources in Latin America. Much of the work now being received is by referral of those who have observed its work first hand, or who are satisfied recipients of AITEC technical assistance. More efficient programming and evaluation systems are expected to further increase volume.
- 3) AITEC has successfully conserved the interest and support of private corporations. 1973 was slightly off, due to a series of internal changes within the organization. AITEC foresees a continual slow increase in the corporate contributions over the next few years. It is important to point out that AITEC's corporate support has been a very stable source of support, providing

a limited amount of capital for experimentation with new programs and concepts.

- (4) Foundations recognize that AITEC uses resources effectively. Due to its success in obtaining local counterpart support, AITEC is normally capable of demonstrating a substantial multiplier effect of its efforts. AITEC foresees increased foundation support, but there is a clear tendency on their part to make restricted rather than unrestricted grants. In view of this, AITEC has tightened up its administrative/financial systems so that its real overheads and its general and administrative expenses can be more accurately calculated.

Based on past trends, the following table conservatively projects the AITEC budget for the period 1975-77 (without A.I.D. D.P.G. support).

	<u>1975</u>	<u>1976</u>	<u>1977</u>
Private Corporations	\$ 97,000	\$100,000	\$105,000
Foundations/Unrestricted Grants	70,000	80,000	85,000
Contracts/Restricted Grants	<u>333,000</u>	<u>370,000</u>	<u>410,000</u>
TOTAL	500,000	550,000	600,000

As can be seen, AITEC anticipates a substantial increase in its contract and restricted grant work. Progressively, the overheads and G&A expenses covered by the contracts should increase, thus releasing other unrestricted funding needed to cover added costs resulting from an AID grant. By a similar token, D.P.G. support is expected to substantially increase work volume and AITEC over-all impact. Based on past experience, each new employee (hired as a result of a D.P.G.) can be expected to "pay for himself" in new contract and grant work generated by the end of his first year to one and one-half years

of employment.

The following are AITEC's main prospects for new contract work:

- (1) Latin governments: They are directly responsible for most of the contract work to date, which increased dramatically in the past three years. AITEC expects its services to continue being relevant to their needs.
- (2) International Development Bank: AITEC has begun negotiations with the IDB on possible projects, to become reality in 1976-77.
- (3) UNDP/UNICEF: AITEC has received partial funding in Ecuador from UNICEF; possibilities exist for expanded contracts.
- (4) O.A.S.: AITEC has begun a small project of technical assistance to the O.A.S. and is beginning discussions for expanded contract work in 1976-77.
- (5) AID: AITEC has established close working relations with AID Missions in Ecuador, Costa Rica and Bolivia. This has developed into local funding, on a contract basis, and could expand in the future.
- (6) Private agencies in Latin America: AITEC already provides technical assistance to several private organizations in Latin America, and expects that this type of activity can increase substantially in the future.

AITEC therefore foresees expanded contract work both with local private and public organizations and with international agencies. Likewise, AITEC expects to conserve a solid base of funding from private corporations and foundations.

Finally, it should be mentioned that the ACCION/AITEC Board of Directors has already firmly expressed its concern that the organization not be allowed to develop a dependency on AID. Board members are adamant that if this were to occur, many of the most interesting and valuable characteristics of AITEC

(mainly its operational flexibility) could be lost. The attached letter to Mr. Ulinski (PHA/PVC) states the ACCION/AITEC Board's position.

February 14, 1975

M. KENDALL
V. CHAIRMAN
E. NEVIN
S. FILHO
S. FILHO
MANN
MANN
DUNCAN
T
HELANDER
SIDENT
DE ROSSO
ER
D. MURDEN, JR.
RY

Mr. John Ulinski
Acting Director
Office of Private and
Voluntary Cooperation
(PHA/PVC)
Room 3664
Agency for International Development
Washington, D. C. 20523

Dear Mr. Ulinski:

John Hammock and the ACCION International/AITEC staff recently discussed with the Board a proposal for a development program grant (DPG) which has been submitted to your office.

As President, I wish to formally convey our Board's enthusiasm about this proposal, and emphasize its great potential significance for the organization. Most members of the ACCION Board have been active for several years. We are convinced that an excellent track record has been achieved even though our budgets have often been quite limited. ACCION continues to be relevant to the development needs of Latin America. It's programs have consistently evolved and expanded to the point where they are now having a major impact.

Two examples of this impact are the current efforts in Recife, Brazil, and the Province of Guayas, Ecuador. In both instances, ACCION's role as a "resource broker" has been an invaluable catalyst to local development. By channeling and coordinating the resources of diverse private and public agencies, significant structural changes are occurring in both places. This new technical advisor/coordinator role represents an important step in ACCION's own development. Clearly, the next step is to further refine this model and apply it on a broader scale. For this reason, AID assistance would be timely and appropriate.

As you probably know, private enterprise's involvement in ACCION International has largely been to provide the necessary resources to experiment with model programs and innovative ideas in the development field. But there are limits to the amount of support that we can raise from voluntary corporate contributions. Although this support has been adequate in the past, we have

DIRECTORS
S. FILHO
ARBOSA DA SILVA
E OLIVEIRA CAMPOS
DE ROSSO
DUNCAN
ELE
EYELIN
OODSELL
HELANDER
OLCOMBE
NEWELL, JR.
LORD
MURDEN, JR.
ANN
EVIN
CKENDEN
STEIN-RODAN
GEL
ONE

reached a crossroads. If the organization is to further develop its expertise and expand its operations, other support must be forthcoming. We are confident that the increased capabilities and know-how made possible by an AID DPG will give ACCION/AITEC the stability it needs to firmly reach a new stage of development. I can assure you and your colleagues, however, that we are discussing a one-time grant. The Board will not allow a dependency on AID to evolve. If anything, your support will ultimately help us attain additional program funds from local sources and international agencies such as UNICEF, the IDB, etc. On this basis, we ask you to carefully and favorably consider ACCION/AITEC's proposal.

Sincerely,

John C. Duncan
President

cc: Mr. Maurice Kohan
JCD:mz

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project: _____
 From FY-1975 to FY-1977
 Total U.S. Funding \$500,000
 Date Prepared: March 1976

Project Title & Number: AITEC (Division of ACCION, International)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: To benefit the rural poor by developing the capability in LDC organizations to plan and execute employment generating and social services (nutrition, education, health and family planning) projects.</p>	<p>Measures of Goal Achievement: 1. Existing organizations will have been improved and new organizations, as necessary, will have been created. 2. The rationalization and planned use of local resources managed by the participating organizations will have been achieved.</p>	<p>AITEC documentation, reports, field visits, USAID site visits, and reports.</p>	<p>Assumptions for achieving goal targets: 1. That basic human, material and capital resources are available. 2. That AITEC assistance be requested by local, private or public organization, which is both responsible and has the potential for developing effective operating programs. 3. That host country government decision-makers be susceptible to AITEC's work at the local rural level.</p>
<p>Project Purpose: To expand AITEC programming and evaluation capacity to (1) provide assistance in employment generating projects, nutrition projects and social services to rural regional organizations in LDC's working with the poorest majority and (2) transfer the operational model utilized in Ecuador to the LDC's in Latin America.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status. 1. Increased programming effectiveness. 2. Improved evaluation system, including evaluation of operational model. 3. Operational capacity to implement the Ecuadorian model in 3 new countries. 4. Twenty new labor intensive small agribusinesses established. 5. Three new credit mechanisms to small entrepreneurs functioning. 6. Planning and implementation of social services in 50 communities.</p>	<p>1. Installation of planning system for operational programs. 2. Utilization of comprehensive evaluation system in operational programs. 3. AITEC reports, USAID monitoring, AID/W field visits.</p>	<p>Assumptions for achieving purpose: 1. Separate funding will be available for the technology transfer and implementation of the new programs. 2. There will still be a need for, and acceptance of AITEC's approach to problem solving in employment generation and social service. 3. That 3 or more countries will be receptive to AITEC's technology.</p>
<p>Outputs: Creation of new program staff and facilities. 2. Established programming capability. 3. Added evaluation capability. 4. Integration of the evaluation capability into the programming process. 5. Staff trained in operational system of technical assistance.</p>	<p>Magnitude of Outputs: 1. Program staff increased by 2 professional and 1 administrative person. 2. Programming and evaluation system operative. 3. Training of personnel completed.</p>	<p>1. Payroll records. 2. Personal contracts. 3. Accounting records. 4. Physical inventory. 5. Site visits and reports.</p>	<p>Assumptions for achieving outputs: 1. That the DPG is funded at the level requested. 2. That qualified personnel are available.</p>
<p>Inputs: 1. Development Program Grant (DPG) from AID. 2. U.S. Corporations 3. Latin American Corporations. 4. Foundations. 5. Host Country Governments.</p>	<p>Implementation Target (Type and Quantity) Work Plan and Budget.</p>	<p>Beginning of Project Status (BOPS). 1. Limited expertise in planning and programming. 2. Present evaluation system only covering supervised credit. 3. Presently only the Ecuadorian model in operation. 4. Presently 8 labor intensive small agribusinesses in operation. 5. One credit mechanism functioning in Recife, Brazil. 6. Social Services just being planned in one country.</p>	<p>Assumptions for providing inputs: 1. A.I.D. Grant. 2. Continued expanded level of private sector funding. 3. General support from LDC's, private and public sectors.</p>

AITEC PERSONNEL

Annexed are some illustrative short curriculum vitae of AITEC full time experts. AITEC, as will be seen, has very highly competent experts in the fields in which it is working. Likewise, AITEC has made every effort to hire Latin Americans. For example, in Ecuador four of the five advisors are Latin American, and the fifth, a U.S. citizen, was born in Panama.

Besides its full time international personnel, a working relationship has been developed with many national consultants who work directly with AITEC in various countries. For example, in Ecuador our five international experts are complemented with a staff of 20 Ecuadorean economists, architects, engineers, sociologists, and social workers. Some of these experts are donated by government agencies, others are paid directly by AITEC, and yet others are financed through contributions from the private sector of Guayaquil. One of our primary goals is to train these 20 individuals so that they may carry out the work we are doing when we withdraw from Guayaquil in the future.

Since AITEC also works as a consulting firm providing technical assistance to organizations which contract its services, AITEC has a number of short term technical consultants in the fields of social and economic development, enabling it to provide competent back-up technical assistance to these programs.

In global terms, AITEC has 15 top level experts in Latin America and the USA. Of these three are now in the United States; six are Latin Americans, eight are North Americans and one is British. Working with these top experts are fifty middle-level experts, all Latin American, working in the different

countries. This total AITEC staff works with, and provides technical assistance to, organizations with their own personnel, so the multiplier effect as to the total number of people worked with is very large.

EDUCATION:

The Fletcher School of Law and Diplomacy. Ph.D., International Relations.
The Fletcher School of Law and Diplomacy. M.A., Law and Diplomacy.
Dennison University., B.A., Political Science.

RELEVANT EXPERIENCE:

Dr. Hammock is an expert in social and community development programs. At Tufts University, at the Universidad del Valle (Colombia), and at the Universidad de Costa Rica, he has taught courses in International Relations, Socio-Political Modernization, and the Methodology of Social Science Research. In 1971, he undertook consulting work for USAID to evaluate community development projects in the Dominican Republic and for Stanford Research Institute to evaluate rural leadership training, cooperative and labor union efforts in Ecuador. As a consultant to ACCION International (1970), he collaborated in preparing a manual for the evaluation of community development programs.

Dr. Hammock served two years (1971-73) as Central American Representative for AITEC in Costa Rica, where he was Resident Advisor to the National Office of Community Development. His responsibilities included improving the effectiveness of orientation, research, training, administrative and evaluation systems of that agency.

November 1, 1973 Dr. Hammock became Executive Director of ACCION International/AITEC, working out of the U.S.A.

PUBLICATIONS (partial listing):

"Community Development in the Dominican Republic: Summary Reflections on Four Case Studies," (with Arpad von Lazar), Journal of Community Development Society. vol. 1, no. 2., Fall 1970.

"Hablan Líderes Campesinos," (with Jeff Ashe), Quito: Gráficas Morillo, 1970.

"Personalismo vs. National Politics in the Dominican Republic," (with Arpad von Lazar), Political Forces in Latin America. Barnett & Johnson (eds.) Wadsworth Publishers, 1969.

"Community Development: Organization Building and Political Modernization," Journal of Community Development Society, vo. 4, no. 1, Spring, 1973.

EDUCATION:

Wheeling College. A.B., Sociology.

RELEVANT EXPERIENCE:

Mr. Dodd's social development work has focused principally on management of self-help programs. In college, he was co-founder of a student action group which sponsored work in impoverished towns of West Virginia. As a Peace Corps Volunteer (65-68), his efforts centered on urban community development in a city of 200,000, giving him extensive experience in general development programs as well as in individual community projects. Specific accomplishments included the development of leadership training courses, the preparation of a community action manual, the organization of an inter-community sports competition, and the successful promotion of various community projects. Mr. Dodd was also co-founder of a Peace Corps community development team which served as a blueprint for subsequent programs.

Upon entering ACCION International, he became Special Projects Coordinator (68-69), for Acao Comunitaria do Brasil/Sao Paulo, with responsibility for promoting the establishment of slum industries. As Executive Advisor (69-70) to the same organization, Mr. Dodd successfully engineered a complete restructuring of the program which resulted in a strengthened financial base and expanded program impact. From mid 1970 to late 1972, he was founder and Executive Director of ACCION en Colombia until that organization achieved independent status.

Mr. Dodd is Acting Executive Director of ACCION/AITEC until November 1, 1973 when he will resume his functions as Associate Director.

PUBLICATIONS:

"Manual para las Juntas de Accion Comunal: Guia para Desarrollo Urbano". Mexico. Centro Regional de Ayuda Tecnica, AID, 1970.

GILBERTO LACAYO VAGLIO

EDUCATION:

Harvard Graduate School of Business Administration. I.T.P.,
M.B.A. candidate.

Universidad Ibero-Americano (Mexico): Licenciado, Business Administration.

RELEVANT EXPERIENCE:

Mr. Lacayo's broad experience in small business development, management and credit began with the Institute of National Action in Nicaragua (62-64), where he held several positions including Director of Industrial Credit and Program Director for Small Industries. From 1964 to 1965 he was an associate professor at the Harvard Graduate School of Business Administration. Between 1965-66, he represented financial and labor institutions of Nicaragua as Director for the Office of Nicaraguan Industrial Promotion in New York. Returning to the Institute of National Action in 1967, Mr. Lacayo became Director of the Office of Promotion and later Executive Assistant to the Department of Industrial Development. As a consultant, he has worked with the Nicaraguan National Utilities Company (67-70), General Electric and Auto-Comercial, S.A.. During his academic studies he assisted the Harvard Faculty in conducting management courses in Costa Rica and Nicaragua. He was Acting Professor at the National University in Nicaragua.

Mr. Lacayo is currently AITEC Program Director in Ecuador, where he works extensively with the principal government officials and private leaders of Guayaquil, assisting them with a major urban development effort.

LOLA ROCHA SANCHEZ

EDUCATION:

Universidad Nacional (Colombia), Licenciada, Social Work.

Complementary Preparation:

Tel-Aviv, studies in Housing and Planning.

San José, Costa Rica, course on cooperative systems, sponsored by the Association of Credit Cooperatives.

Wellesley College, Leadership Training Studies.

Universidad Javeriana, course in Regional Planning.

RELEVANT EXPERIENCE:

Ms. Rocha is an expert in housing and social work. She has spent eighteen years working with the Institute of Territorial Credit (INSCREDIAL), the federal housing agency of Colombia. Her varied responsibilities there have included social and community development work with slum-dwelling families in Colombia, socio-economic research and evaluation of social programs at local, regional and national levels. As Director of the agency's social work department (1966-68), she administered the planning, coordination and assessment of all housing projects in the country, and supervised the training of staff, social workers, and home economists. Ms. Rocha subsequently (1973-74) served as Chief Administrator of the 22 regional housing offices of Colombia, coordinating efforts with other branches of the Agency. In addition to participating in numerous international congresses and seminars, she has also at various times taught social work in several universities.

Ms. Rocha is currently serving as advisor to AITEC's urban slum redevelopment project in Guayaquil, Ecuador. Specific consulting duties include the areas of low cost housing, training of social workers, and community development.

PUBLICATIONS (partial listing):

"Report of the Ad Hoc Expert Group on the Role of Housing in Promoting Social Integration." (Summary report number ST/ECA/192 United Nations). Full report soon to be published by the United Nations.

La imagen del Trabajo Social en una Agencia Gubernamental. Bogotá. ICT, 1968.

Metodologías del Trabajo Social Aplicadas a los Programas de Vivienda, Bogotá. ICT, 1961.

DOUGLAS H. SHUMAVON

EDUCATION:

- University of California (Santa Barbara). Ph.D. Studies in Political Science.
- The American University. M.A., Public Administration.
- California State University (Fresno). B.A., Political Science.

RELEVANT EXPERIENCE:

In the Peace Corps (66-67), Mr. Shumavon was actively involved in rural community development (organizing self-help projects, training leaders and development workers). As an intern for the City of Fresno (68), he conducted social research and evaluated geographical annexation programs for City Council. His experience on the staff of a United States Congressman (69-72) included research on topical issues such as revenue sharing and agrarian problems, and case work on social problems. While studying for his Ph.D. he taught a wide range of courses at Luther Rice College (71-72).

Mr. Shumavon is currently AITEC representative for Bolivia and serves as Resident Advisor to the National Community Development Service with responsibility for upgrading the operational, administrative, training, research and evaluation systems employed by that agency.

PUBLICATIONS:

"Expenditures and Savings in a Consolidated Government: Nashville, Davidson County, Tennessee". (Masters' Thesis).

"Unions in the Public Sector and Organization Theory". (In preparation).

EDUCATION:

Universidade Federal Fluminense. Certificado, M.A., Agriculture.
Universidade Rural do Brasil. Certificado, B.A., Agriculture.
Universidade Rural do Brasil. Certificado, Veterinary Medicine.
Escola Agronômica de Nuzambinho. Certificado, General Zoology.

Complementary Preparation:

Administration, Extension and Rural Credit; Cooperativism Techniques and Training; and Rural Sociology and Communication.

RELEVANT EXPERIENCE:

Mr. Paes Leme began his professional career as an extensionist for the Association of Credit and Rural Assistance of Rio de Janeiro (65-67). Working with the Central Bank of Brazil (67-71), he was responsible for training over 1,500 bank functionaries throughout Brazil in basic Sociology and Communication needed for rural credit efforts. At the same time he taught Economic Development and its applications to rural credit to over 2,000 bank employees. Working with ABCAR (Brazilian Association for Credit and Rural Assistance), he was a Special Coordinator for Rural Credit programs. With Acao Comunitaria do Brasil, Guanabara, Mr. Paes Leme began as a field worker in community development, was later promoted to become the field work of that organization and later became Manager of the Department for Development and Programming (70-71). He also taught Sociology as a part-time Professor at the Universidade Federal Fluminense.

Mr. Paes Leme is currently Manager of AITEC, Brasil, and has played an instrumental part in developing the programs of UNO in Recife. He is currently fulfilling the function of Executive Director of UNO until such time as that organization can select its own manager.

PUBLICATIONS:

"As Mudanças Tecnológicas nas Empresas Rurais". Rio de Janeiro: Banco Central do Brasil, 1968.

"Fundamentos e Legislação de Crédito Rural (aplicação às atividades de marketing)" (with Professor José Kleber Leite de Castro). Rio de Janeiro: BLEMCO S/A. 1969.

GILBERTO MENDOZA

EDUCATION:

Latin American Institute of Agricultural Marketing - ILMA (Bogotá).
Graduate Studies, Agricultural Marketing.
National University of Colombia, Licenciado, Economics.

Complementary Preparation:

National and International Commerce, Brazil.
Course on Economic Development, Madrid, Spain, 1972.

RELEVANT EXPERIENCE:

Mr. Mendoza is an expert in agricultural economics. In addition to extensive consulting experience with various Colombian agricultural agencies (IDEMA, COFIAGRO, etc.), he has served as Administrative Manager of the Latin American Institute of Agricultural Marketing (67-68) and as Director of Marketing for the Colombian Institute of Agrarian Reform - INCORA (68-71). With the latter, his responsibilities included coordinating and assessing the marketing procedures of thirty associated cooperatives having over 28,000 members. Mr. Mendoza served more recently as one of the National Federation of Coffee Growers Regional Directors in charge of coordinating the market activities of five agricultural zones and of conducting various credit and export feasibility studies.

Mr. Mendoza is currently serving as one of three AITEC resident advisors to the municipal authorities and private leaders of Guayaquil, Ecuador, where he is assessing the establishment of a wholesale marketing and distribution center.

PUBLICATIONS:

"Investigación sobre los precios de alimentos básicos en Bogotá".
Bogotá, ILMA.

"Bases para la reestructuración de la comercialización agropecuaria en Colombia," (prepared for CICOM in Brazil)

"Integración y desarrollo económico," presented in ENAP, Madrid, Spain.

MAURICIO CAMURÇA

EDUCATION:

Escola de Agronomia do Ceará
Certificado, M.A., Agricultural Engineer

COMPLEMENTARY PREPARATION:

Rural extension and supervised rural credit; administration; cooperativism and training; applied research.

RELEVANT EXPERIENCE:

During his lengthy career, Mr. Camurça has had extensive experience in practically every aspect of rural credit. His professional career began with ANCAR (Associação Nordestina de Crédito e Assistência Rural) where he occupied positions as rural extensionist, regional supervisor, technical assistant, and Executive Secretary in the State of Paraíba (55-66). From 1969-73, he worked as special assessor and coordinator of personnel training to ABCAR (Associação Brasileira de Crédito e Assistência Rural) in Rio de Janeiro. His responsibilities included the preparation and training of technical personnel at all levels of operation; formal courses on rural credit for assessors, for union leaders, and for University extension programs. He has also served as a delegate to the National Institute for Rural Development (INDA) and as Secretary of Agriculture for the State of Paraíba. As a consultant, Mr. Camurça advised the Banco do Brasil in rural credit education programs, elaborated an agricultural development program for the Ministry of Agriculture, and designed an evaluation system for a joint Central Bank-BID rural credit extension effort.

Mr. Camurça is presently the Technical and Operations Director of UNO, an organization founded and assessed by AITEC, which channels credit and technical assistance into small business and community projects in Recife, Brazil. His multiple functions include personnel training, program development, and supervision of the investigation, selection, monitoring and evaluation of credit recipient projects.

JOHN ALLEN BOOTH

EDUCATION:

University of Texas. Ph.D. Candidate, Political Science.
Univeristy of Texas. M.A., Comparative Politics.
Rice University. B.A., Political Science.

RELEVANT EXPERIENCE:

Mr. Booth's experience began as a research assistant at Rice university (1969-1970). He has been awarded several fellowships including a Woodrow Wilson Fellowship, a National Science Foundation Traineeship and a Fulbright-Hays Fellowship (which he did not accept). As a Latin American Teaching Fellow (1972-1973), he lectured at the University of Costa Rica on social science research methodology.

In addition to short-term consulting work, Mr. Booth currently serves as the Director of the Typology of Communities Project in Costa Rica, cosponsored by DINADECO and AITEC. His responsibilities include the coordination and direction of personnel, and the planning, development and evaluation of the study.

PUBLICATIONS:

"Municipal Development in Costa Rica," (Ph.D. Thesis now in preparation).

MICHAEL BAMBERGER

EDUCATION:

London School of Economics. Ph.D., Social Psychology.
London School of Economics. B.S., Economics.

RELEVANT EXPERIENCE:

Dr. Bamberger's professional experience is widely varied. He has done extensive work in all aspects of community development. During the past four years, most of his research has been applied to the problems of unemployment in urban slum areas.

With Metra International Management Consultants (63-65), Dr. Bamberger prepared demographic, attitudinal and organizational studies in several European countries. As a volunteer with ACCION en Venezuela (65-66), he did grass-roots community development work in Caracas, and helped develop a research component for AeV's general program. Later (66-67), he became Director of Training for ACCION en Venezuela with responsibility for training community leaders and professional development workers.

As Director of Research and Training for ACCION International (67-70), Dr. Bamberger helped set up and evaluate training and research programs throughout Latin America. One of his major accomplishments was to found and develop the Centro de Estudios Sociales in Caracas which is an applied research institute. The Centro works on the problems of employment and population. It is financed by grants from institutions such as Ford Foundation, Rockefeller Foundation, Van Veer Foundation, Hewmann Foundation, Interamerican Foundation, AID, etc.

Dr. Bamberger is currently Director of Human Resource Development for AITEC.

PUBLICATIONS (partial listing):

"A Defense of Urban Community Development," Community Development Journal, No. 7., July 1967.

"The Organization of a Vocational Program for the Marginal Urban Poor," (with Isabel Segarra), Centro de Estudios Sociales, Caracas, 1971.

"Problemas de la incorporación del joven trabajador al mercado urbano de trabajo," Presented at OAS Conference on Youth and Employment, San José, Costa Rica, 1973.

"Caracas: Educating the Urban Invader," World Year Book of Education, Harcourt, Brace and World, London, 1970.

JEFFREY ASHE

EDUCATION:

Boston University, PhD candidate, Sociology (course work completed February, 1973)

Boston University, M.A., Sociology

University of California, Berkeley, California, B.A. Political Science

RELEVANT EXPERIENCE:

Mr. Ashe brings considerable expertise to AITEC in the field of social development, social research, community organization, and comparative and medical Sociology. As a social worker (Oakland, California, 64-65) he did intake interviewing/welfare counseling, and organized functional community groups. In the Peace Corps (1965-69), Mr. Ashe co-founded the Peasant Leadership Training Project, established to identify and train indigenous leaders in four regions of rural Ecuador. He later worked (1969-70) as a supervisor of volunteer training as well as the co-director of a Peace Corps/USAID evaluation effort in Ecuador designed to compare attitudinal and behavioral changes in different community programs. In addition, Mr. Ashe served as a development consultant for the Stanford Research Team (1969) and, prior to his current position, helped AITEC design a research strategy and instruments for a national community typology study in Costa Rica.

Mr. Ashe is currently AITEC's representative for Central America. He directs the organization's technical assistance effort in Costa Rica with IFAM (Instituto de Fomento y Asesoría Municipal) in the areas of municipal development and administration, small business development, and credit.

PUBLICATIONS:

"Hablan Líderes Campesinos del Ecuador" (Peasant Leaders Speak), John Hammock co-author, Gráficas Murillo, 1970.

"Social Promotion in 20 Villages of Coastal Ecuador" (1969)

"Cañar and Colta Monjas: Indicators of Readiness for Social Change" (1969)

AITEC'S FINANCIAL STATUS

AITEC's 1973 budget was approximately \$420,000. This year's budget is \$440,000 and that for 1975 should be slightly higher. AITEC receives funds from a variety of sources. Over twenty per cent of its budget is covered by contributions from private individuals and private corporations. In 1973, 65 corporations contributed to AITEC, and in the past 13 years, over 500 corporations in the United States have given their support. In 1973, approximately 45% of AITEC's funds derived from private foundations in the United States, including the Lilly Endowment, the Tinker Foundation, Scaife Family Charitable Trusts, Inc., the Public Welfare Foundation, and the Merrill Foundation. The remainder of AITEC's budget came from contract work performed in Latin America.

AITEC has a very solid history of financing from the private sector in the United States. Likewise, in the last two years, AITEC has been able to expand its contract funding which promises to expand even more in the near future. Also, AITEC in 1974 began negotiating for contracts with international organizations such as the Inter-American Development Bank and UNICEF. In the middle term, AITEC believes it will have solid funding from the private corporations, the private foundations, international organizations, and Latin governments and private sectors through contracts. These are the four pillars on which AITEC funding is based.

The AID funding which this proposal requests, therefore, will not lead to a total dependence on AID; in fact, it will be extremely helpful in stimulating even more support from private contributions and in stimulating further contract work in Latin America, which will help to support AITEC, once the projected

program with AID terminates. AITEC foresees that by 1976 or 1977 the percentage of its budget coming from contract work and international organizations should be at least 50% of the AITEC budget. At the same time, AITEC believes that continued successes in Latin America will solidify even more the funding base among the private corporations and foundations so that the absolute level of financing from this sector will increase.

BUDGET OF AITEC'S ECUADOR PROJECT*

<u>TECHNICAL ASSISTANCE-OPERATIONS</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
U.S. Foundations	\$ 120,000	\$ 120,000	\$ 80,000
U.S. Private Sector	20,000	10,000	10,000
Latin Private Sector	25,000	25,000	75,000
Latin Government	75,000	150,000	100,000
Subtotal	240,000	305,000	265,000
 <u>CONCRETE PROJECTS</u>			
Latin Private Sector	--	30,000	400,000
Latin Government	--	2,000,000	3,000,000
International Agencies	--	1,000,000 ¹	20,000,000 ²
Subtotal	--	3,030,000	23,400,000
 <u>CREDIT</u>			
Latin Private Sector	--	1,000,000	1,000,000
Latin Government	--	1,000,000	2,000,000
Subtotal	--	2,000,000	3,000,000
TOTAL	\$ 240,000	\$ 5,335,000	\$ 26,665,000

¹ UNICEF three year project brought in for nutrition and health in the slums.

² BID urban social infrastructure project.

*The monies for concrete projects and credit do not flow directly through ACCION.

COMPREHENSIVE LIST OF PROJECTS

Brazil

1. Established, advised and made independent ACAO Comunitaria do Guanbara, Rio de Janeiro.
2. Established, advised and made independent ACAO Comunitaria do Sao Paulo
3. Provided technical assistance to OPIC credits guarantee project.
4. Established and advised Uniao Nordestina de Assistencia a Pequenas Organizacoes, Recife, Brazil.
5. Organized coordinated research project on migration. Participants: Federal University of Ceara, the José Augusto Foundation, Federal University of Pernambuco
6. Provided technical assistance to rural cooperative programs, Abcar.

Costa Rica

1. Provided technical assistance to the National Office of Community Development (restructuring of rural operational system, training, evaluation and administration).
2. Provided technical assistance to the Institute for Municipal Development (rural, regional, municipal planning).
3. Established and advised the Instituto Superior de Adiestramiento para el Desarrollo (leadership training, organizational development, etc.).
4. Provided technical assistance to Banco Popular y de Desarrollo de la Comunidad (rural credit system).
5. Small business development project in Southern Pacific area of country.
6. Studies on localization of feeder roads in rural areas for the Ministry of Public Works.

Ecuador

1. Coordinator-broker for urban slum development project in Guayaquil.
2. Technical assistance for the establishment of a wholesale market in Guayaquil.
3. Development of a soybean based product with Meals for Millions.
4. Provided technical assistance to a rural small business-credit program.
5. Establishment of integral rural development projects for the Guayas Province.
6. Establishment of banana distribution scheme with the National Banana Program.
7. Studies on relocation of retail markets in Guayaquil.

Colombia

1. Established advised and made independent ACCION en Colombia.
2. Beginning project with FICITEC to develop training systems for small business leaders.

Dominican Republic

1. Provided technical assistance to the Dominican Development Foundation on rural credit.

Venezuela

1. Established, advised and made independent ACCION en Venezuela.
2. Established, advised and made independent the Centro de Estudios Sociales
3. Provided technical assistance to the Fundación Venezolana para el Desarrollo de Actividades Socioeconómicas.
4. Provided technical assistance to the Centro de Estudios Sociales on employment centers in urban slums.
5. Provided technical assistance to the Centro de Estudios Sociales on studies on women and employment as well as other socio-economic studies.
6. Analysis of labor policies in Latin America for the Organization of American States.

Bolivia

1. Provided technical assistance to the National Office of Community Development in operational systems, planning and evaluation of rural economic programs.

Peru

1. Established, advised and made independent ACCION en Perú.
2. Provided assistance to earthquake disaster area through ACCION en Perú.



10.C MT. AUBURN STREET, CAMBRIDGE, MASSACHUSETTS 02138
PHONE: (617) 492.4930 CABLE: ACCIONUSA, CAMBRIDGEMASS

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PepsiCo, Inc.

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ACCION INTERNATIONAL

LIST OF CONTRIBUTORS

1973-1974

Abbot Laboratories
 ALCOA Foundation
 Allis Chalmers Manufacturing Company
 American Can Company
 Atlantic Richfield Foundation
 Arthur Andersen & Company
 Avery Products Corporation
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 National Cash Register
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LIST OF CONTRIBUTORS

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pepsiCo, Inc.
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Westinghouse Electric Corporation
Arthur Young & Co.

ACCION INTERNATIONAL

FINANCIAL STATEMENTS

* * * * *

DECEMBER 31, 1973



225 FRANKLIN STREET, BOSTON, MASSACHUSETTS 02110
617-423-7330

April 4, 1974

To the Board of Directors of
Accion International

In our opinion, the accompanying balance sheet and the related statement of revenues, expenses and changes in fund balance present fairly the financial position of Accion International at December 31, 1973 and its revenues, expenses and changes in fund balance for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

ACCION INTERNATIONAL

BALANCE SHEET

DECEMBER 31, 1973

(Note 1)

Assets

Cash	\$ 56,863
Contributions and grants receivable	41,242
Prepaid expenses	1,479
Rent deposit	1,942
Advances to employees	<u>1,141</u>
	<u>\$102,667</u>

Liabilities and fund balance

Accounts payable	\$ 7,861
Payroll taxes withheld	2,176
Deferred revenue	30,000
Fund balance	62,630
Lease commitments (Note 2)	

\$102,667

ACCION INTERNATIONAL

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1973
(Note 1)

Revenues:

Contributions, including \$258,804 of restricted current contributions and grants	<u>\$412,029</u>
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Expenses:

Grants and projects:

Associated field programs:

AITEC/Brazil	\$59,890	
AITEC/Costa Rica	4,914	
Human Resources and Community Development	12,714	
Mission AITEC/Ecuador	49,655	
Centro de Estudios Sociales (Venezuela)	9,666	
Uniao Nordestina de Assistencia a Requeenas Organizacoes (Brazil)	<u>50,815</u>	187,654

Contracts and restricted grants:

Direccion Nacional de Desarrollo de la Comunidad, DINADICO (Costa Rica)	77,300	
Fundacion Venezolana para el Desarrollo de Actividades Socio-Economicas, FUNDASE (Venezuela)	928	
GE Tempo (Venezuela)	2,011	
Movimiento de Promociao Humana (Brazil)	12,000	
Nucleo de Assistencia Industrial (Brazil)	11,301	
Servicio Nacional de Desarrollo de la Comunidad (Bolivia)	18,064	
Accion en Colombia Evaluation (Colombia)	1,133	
Fundacion Dominicana de Desarrollo (Dominican Republic)	1,891	
Northeast Employment (Brazil)	1,078	
Overseas Private Investment Corporation (Brazil)	765	
United Brands Foundation (Costa Rica)	<u>8,942</u>	<u>135,413</u>

Total grant and project expenses	323,067
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General and administrative expenses	<u>95,434</u>
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Total expenses	<u>418,501</u>
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Excess of expenses over revenues	(6,472)
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Fund balance at beginning of year	<u>69,102</u>
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Fund balance at end of year	<u><u>\$ 62,630</u></u>
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ACCION INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1973

Note 1 - General and accounting policies

Accion International is a nonprofit organization involved in social and economic development programs in Latin America with particular emphasis on programs designed to assist the urban poor. Associated field programs are programs which are initiated by the Company and are generally funded by unrestricted contributions. Contracts and restricted grants represent programs which are generally funded by contracts, grants and restricted contributions.

Contributions and grants are received from individuals, private industry, foundations and government agencies. These contributions and grants may be designated by the donor for specific research projects, or be given as general contributions.

Accion follows accounting policies which are generally accepted for nonprofit organizations.

Note 2 - Lease commitments

Accion International is obligated under terms of a lease agreement to pay \$15,000 per annum through 1978 for office space in New York City which it no longer occupies. This space is being sublet on a tenant-at-will basis and the Company is presently negotiating to sublet the space on a permanent basis. The Company is obligated under the terms of another lease agreement to pay \$5,700 per annum through September 14, 1975 for the office space that it currently occupies in Cambridge, Massachusetts.

CERTIFICATE OF INCORPORATION

OF

ACCION, INC.

Pursuant to the Membership Corporations Law

We, the undersigned, desiring to form a corporation pursuant to the provisions of the Membership Corporations Law of the State of New York, hereby make, subscribe, acknowledge and file this certificate for that purpose, as follows:

FIRST: The name of the proposed corporation is ACCION, INC.

SECOND: The corporation shall not be conducted for profit.

THIRD: The purposes for which the corporation is to be formed are exclusively charitable and educational within the meaning of section 501(c)(3), Internal Revenue Code of 1954, and are to assist in the improvement of social, economic and cultural conditions in the countries of Latin America. Such purposes may be achieved through the corporation's own programs, financial support of other organizations having related purposes, cooperation with such organizations or other appropriate means.

In furtherance of the above-stated charitable and educational purposes, and subject to the provisions of the Membership Corporations Law, the corporation shall have the power to acquire by gift, device, bequest, purchase, lease or otherwise, and to hold, own, occupy, use, manage, improve, develop, maintain, lease, sell, mortgage, transfer or

otherwise deal with any real or personal property of whatsoever kind or description and wheresoever situated, and any estate or interest, legal or equitable, therein; to borrow money and to make, accept, endorse, execute and issue promissory notes and other obligations in payment for property acquired or money borrowed; to invest and reinvest the funds and other property of the corporation, to collect and receive the income therefrom, and to apply the principal or income therefrom to the purposes of the corporation; and to do all such other acts as are necessary or convenient to carry out the purposes set forth herein; provided, however, that the corporation shall not engage, other than to an insubstantial extent, in any activities which are not in furtherance of its exclusively charitable and educational purposes.

FOURTH: No part of the assets or net earnings of the corporation shall inure directly or indirectly to the benefit of any member, director, officer or employee of the corporation or any person having a personal and private interest in the activities of the corporation, and no member, director, officer or employee of the corporation or any person having a personal and private interest in the activities of the corporation shall receive or be lawfully entitled to receive any pecuniary profit of any kind, except reasonable compensation for services in effecting one or more of the purposes of the corporation. No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation. The corporation shall not participate in, or intervene in (including the publishing or distributing

of statements), any political campaign on behalf of any candidate for public office.

FIFTH: In the event of the dissolution of the corporation, subject to the approval of the Supreme Court of the State of New York, all of the property and assets of the corporation shall be applied to accomplish the charitable and educational purposes for which the corporation is organized, and no dividend or other distribution of any of such property or assets shall be paid to any member, director, officer or employee of the corporation or to any person having a personal and private interest in the activities of the corporation.

SIXTH: The territory in which the operations of the corporation are principally to be conducted is the United States of America, but the operations of the corporation shall not be limited to such territory.

SEVENTH: The principal office of the corporation is to be located in the City and County of New York.

EIGHTH: The number of directors of the corporation shall not be less than three (3) nor more than twenty (20).

NINTH: The names and residences of the persons who are to be the directors of the corporation until its first annual meeting are as follows:

<u>Names</u>	<u>Residences</u>
Donald H. Kandall	Oyster Bay Road Locust Valley, New York
Richard S. Aldrich	635 Park Avenue New York, New York

<u>Names</u>	<u>Residences</u>
Rodman C. Rockefeller	One East 87th Street New York, New York
Alphonse de Rosso	10 Mimosa Drive Cos Cob, Connecticut
George C. Saybolt	699 High Street Dedham, Massachusetts
Albert G. Sims	50 Hidden Brook Road Riverside, Connecticut
Edward L. Waggoner	Whipple Tree Farm R. D. No. 1 Belle Mead, New Jersey

TENTH: All of the subscribers of this certificate are of full age; at least two-thirds of them are citizens of the United States; at least one of them is a resident of the State of New York; and at least one of the persons named as a director is a citizen of the United States and a resident of the State of New York.

IN WITNESS WHEREOF, we have made, subscribed and acknowledged this certificate this day of October, 1964.

STATE OF)
) NO. 1
COUNTY OF)

, being duly sworn, deposes

and says:

That he is an attorney and counselor-at-law of the State of New York; that he is of counsel for the persons who have executed the annexed Certificate of Incorporation; and that no previous application for the approval of this Certificate or of any Certificate of Incorporation of Accion, Inc., has ever been made to any court or judge.

Sworn to before me this

day of , 1964

Notary Public

I, _____, a Justice of
the Supreme Court of the State of New York, First Judicial District,
hereby approve of the foregoing Certificate of Incorporation of Accion,
Inc., and of the filing thereof pursuant to the Membership Corporations
Law.

Dated: New York, New York

, 1964

Justice of the Supreme Court
of the State of New York,
First Judicial District

BY-LAWS
OF
ACCION INTERNATIONAL

ARTICLE I

Members

The members of the Corporation shall be not less than three (3) and not more than thirty (30) and shall consist of the persons named in the Certificate of Incorporation as Directors, together with any other person or persons elected as Directors, and their successors. The election of a person as a Director shall be likewise an admission to membership in the Corporation. No one shall continue to be a member of the Corporation after ceasing to be a Director. [Original]

ARTICLE II

Directors

The Board of Directors shall be twenty (20) in number but may be increased to not more than thirty (30) and may be decreased to not less than three (3) by amendment of these By-laws.

Each Director shall hold office until the annual meeting of the Corporation next following his election and until his successor shall have been elected and shall qualify, or until his death, resignation, or removal. In case any Director shall, by death, resignation, incapacity to act or

otherwise, cease to be a Director during his term, his successor may be chosen at any meeting to serve for the remainder of the unexpired term and until the election and qualification of his successor. Any Director may resign by notice in writing to the Board of Directors, the President, or the Secretary.

[6/25/68]

ARTICLE III

Corporate Action

Every meeting of the persons who are from time to time both the members and the Directors of the Corporation at which there is a quorum shall be deemed to be and shall be a meeting of the Corporation and of the Board of Directors, and any action taken at such meeting shall be deemed to be and shall be the action of the members and/or of the Board of Directors insofar as such action by both or either of such bodies is authorized by law. Action taken at such meetings, in the capacity of members or Directors, shall be recorded in one set of minutes, which need not distinguish between the different capacities in which action is taken. Any notice or waiver of notice of a meeting of members or Directors shall be deemed to be and shall be a notice or waiver respectively of a meeting in both capacities. Whenever the word "meeting" is used in these By-laws, it shall be construed to mean a meeting in the double capacity of members and Directors, unless

the meeting is limited by the context to a meeting in one or the other single capacity. [Original]

ARTICLE IV

Proxies

Any member may by writing or telegram appoint any other person to act as his proxy, in the capacity of member but not in the capacity of Director, at any one or more specified meetings. [Original]

ARTICLE V

Quorum

One-third of the members, present in person or by proxy, shall constitute a quorum for the transaction of business at meetings of the Corporation; one-third of the members of the Board of Directors, present in person, shall constitute a quorum for the transaction of business at meetings of the Board; but in the absence of a quorum those present at the time and place set for a meeting of the Corporation or of the Board of Directors may take an adjournment from time to time until a quorum shall be present. [Original]

ARTICLE VI

Officers

At the annual meeting of each year, or in default of election at such meeting then at any adjournment thereof, or at any meeting duly called for that purpose, the Board of Directors may elect the following officers, viz: a Chairman

of the Board, a Vice Chairman of the Board, a President, a Secretary, and a Treasurer. The Board of Directors may, at any meeting, by resolution appoint an Executive Director, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as it may from time to time determine. The Board of Directors may by resolution, not inconsistent with these By-laws, define the duties of any such appointed officers. The same person may be elected or appointed to more than one office. A vacancy in any office may be filled by the Board of Directors at any meeting. All officers shall hold office at the pleasure of the Board of Directors or until their respective successors shall have been elected or appointed and shall have qualified. The compensation of officers, agents or employees of the Corporation who perform services for the Corporation, requiring such compensation, shall be fixed at a duly held meeting of the Board of Directors. [2/11/69]

ARTICLE VII

Chairman of the Board

The Chairman of the Board, who shall be chosen from among the Directors, shall be the chief executive officer of the Corporation and shall, if present, preside at all meetings. He may sign or execute, in the name of the Corporation and under its corporate seal, all deeds, mortgages, bonds, contracts or other instruments which have been authorized by the

Board of Directors, or which are required to be executed in the ordinary and usual course of business of the Corporation, except in cases where the signing or execution thereof shall have been expressly delegated by the Board of Directors to some other officer or agent of the Corporation. He shall perform such other duties as the Board of Directors or the Executive Committee may from time to time assign to him.

[2/11/69]

ARTICLE VIII

Vice Chairman of the Board

The Vice Chairman of the Board, who shall be chosen from among the Directors, shall, in the absence or disability of the Chairman of the Board, preside at meetings and be vested with and perform the duties of the Chairman of the Board. The Vice Chairman of the Board shall also perform such other duties as the Board of Directors, the Executive Committee or the Chairman of the Board may from time to time assign to him.

[2/11/69]

ARTICLE IX

President

The President, who shall be chosen from among the Directors, shall be chief administrative officer of the Corporation, subject to the direction of the Board of Directors, the Executive Committee and the Chairman of the Board. It

shall be the duty of the President, under the general supervision of the Chairman of the Board, to direct the work of the Corporation. He shall make such reports to the Board of Directors, the Executive Committee and the Chairman of the Board as may from time to time be requested, and shall also perform such other duties as the Board of Directors, the Executive Committee or the Chairman of the Board may from time to time assign to him. [2/11/69]

ARTICLE X

Secretary and Assistant Secretary

The Secretary shall take and keep true minutes of all meetings, shall give notice of meetings to members and Directors, shall have custody of the corporate seal, shall notify Directors of their election, shall, under the general direction of the President, prepare and present the business to be acted upon at meetings, shall in general perform all duties incident to the office of Secretary, and shall perform such other duties as may be assigned to him by the President or by resolution duly adopted at any meeting.

In the absence or incapacity of the Secretary, the Assistant Secretary shall perform the duties of the Secretary. The Assistant Secretary shall also perform such other duties as may from time to time be assigned to him by the Board of Directors or by the Secretary. [Original - renumbered 2/11/69]

ARTICLE XI

Treasurer and Assistant Treasurer

The Treasurer, subject to the provisions of the By-laws, and to such regulations as may from time to time be prescribed by the Board of Directors, the Executive Committee or the Finance Committee, shall have the custody of the funds and securities of the Corporation and shall also have the disbursement of its money.

The Treasurer shall deposit the funds of the Corporation in such banks or trust companies as may from time to time be designated by the Board of Directors, the Executive Committee or the Finance Committee, and shall deposit the securities of the Corporation in such deposit vault or in the custody of such institution as may from time to time be designated by the Board of Directors, the Executive Committee or the Finance Committee. Unless otherwise ordered by the Board of Directors or the Executive Committee, the withdrawal of such funds or securities shall be made only on the signature of any one of the officers of the Corporation as may be designated by the Board of Directors, the Executive Committee or the Finance Committee, for such purpose.

The Treasurer shall, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

In the absence or incapacity of the Treasurer, the Assistant Treasurer shall perform the duties of the Treasurer. The Assistant Treasurer shall also perform such other duties as may from time to time be assigned to him by the Board of Directors or by the Treasurer.

The Treasurer and any Assistant Treasurer, if required so to do by the Board of Directors, shall each give a bond for the faithful discharge of his duties in such sum, and with such sureties, as the Board of Directors shall require. [Original - renumber 2/11/69]

ARTICLE XII

Meetings

The annual meeting of the Corporation shall be held in March of each year. The Chairman of the Board or the Vice Chairman of the Board [2/11/73] or any two members of the Board of Directors may call a meeting by not less than three days' written notice to members.

All meetings shall be held at such place in the State of New York or elsewhere as the Board of Directors shall from time to time direct. In the absence of such direction meetings shall be held at the office of the Corporation.

At the annual meeting the Directors shall, pursuant to the provisions of the Membership Corporations Law, present a report, verified by the President and Treasurer or by a

majority of the Directors, showing the whole amount of real and personal property owned by the Corporation, where located, and where and how invested; the amount and nature of the property acquired during the year immediately preceding the date of the report, and the manner of acquisition; the amount applied, appropriated, or expended during the year immediately preceding such date, and the purposes, objects, or persons to and for which such applications, appropriations, or expenditures have been made; and the names and places of residence of the persons who have been admitted to membership in the Corporation during such year, which report shall be filed with the records of the Corporation and an abstract thereof entered in the minutes of the proceedings of the annual meeting. [Original]

ARTICLE XIII

Executive Committee

There may be an Executive Committee of three or more members of the Board of Directors, of whom the President shall be one. The remaining members of the Executive Committee shall be elected by the Board of Directors at its annual meeting in each year, or in default of election at such meeting then at any adjournment thereof, or at any meeting duly called for that purpose, to hold office until the next annual meeting and until their successors are elected and qualified. Vacancies on the

Executive Committee may be filled by the Board of Directors at any meeting, or, in the interim between meetings of the Board, may be filled temporarily by vote of a majority of the then members of the Executive Committee.

The Executive Committee shall between meetings of the Board of Directors have all the powers and duties of the Board and shall make a report of all actions taken by it to the Board at the next regular meeting of the Board following such action.

A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. The Committee shall establish such procedures as it may deem proper for the transaction of its business, but in the absence of such action, the provisions of these By-laws governing meetings of the Board of Directors shall be applicable insofar as appropriate. [Original]

ARTICLE XIV

Finance Committee

The Board of Directors may annually ~~create~~ ~~create~~ or more persons (who need not be members of the Board of Directors) to constitute a Finance Committee. The Finance Committee shall have and may exercise general charge of the investing and reinvesting of all funds of the Corporation, the selling, purchasing and pledging of all stocks, bonds, rights and other securities, and the making of any and all loans.

In making investments or changes of investments, all the members of the Finance Committee shall be consulted whenever reasonably practicable. Meetings of the Committee shall be held on the call of any member of the Committee, but the Committee shall be deemed to be in continuous session and between called meetings may act upon the concurrent vote of any two elected members, taken by telephone or otherwise. The Committee shall elect its Chairman and shall establish such procedures as it may deem proper for the transaction of its business. It shall keep regular minutes of its actions, including action taken between meetings as above provided, and shall make report thereof to the Board of Directors at the next regular meeting of the Board following such action.

The Finance Committee shall have power from time to time, as occasion arises, to authorize such person or persons as the Committee may designate to execute and deliver in behalf of the Corporation proxies on stock owned by the Corporation, appointing persons to represent and vote such stock at any meeting of the stockholders with full power of substitution, and to alter and rescind such appointments.

The Committee shall have authority in its discretion, insofar as it may deem proper for the safeguarding of the investments of the Corporation, to participate in the reorganization of any Corporation, any of the securities of which are held by this Corporation, and to deposit any securities held

by this Corporation with such protection or reorganization committee and on such terms as the Finance Committee may deem proper. [Original]

ARTICLE XV

Other Committees

The Chairman of the Board [2/11/73] with the approval of the Board of Directors or the Executive Committee may appoint from time to time such other committees as may be deemed desirable in forwarding the program of the Corporation, and each of such committees shall exercise such powers and perform such duties as may be prescribed by the President. Members of such other committees need not be members of the Board of Directors if the committee in question is not vested with a power or duty normally considered a primary duty of the Board of Directors or the Executive Committee. [Original]

ARTICLE XVI

General Fiscal Provisions

Any two of the following persons, viz: President, Vice President, Secretary, Treasurer and any Assistant Treasurer, or any two persons designated by the Board of Directors, the Executive Committee or the Finance Committee, shall have authority to execute such form of transfer and assignment as may be customary or necessary to constitute a transfer of stocks, bonds, or other securities standing in the name of or belonging to the Corporation. A corporation or person transferring any such stocks, bonds or other securities pursuant to a form of

transfer or assignment so executed shall be fully protected, and shall be under no duty to inquire whether or not the Board of Directors, the Executive Committee or the Finance Committee has taken action in respect thereof.

The fiscal year of the Corporation shall begin on the first day of January in each year, and end on the following 31st day of December. [Original]

ARTICLE XVII

Waiver of Notice

Whenever any notice whatever is required to be given under the provisions of the laws of the State of New York or under the provisions of the Certificate of Incorporation or By-laws of the Corporation, waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. [Original]

ARTICLE XVIII

Amendments

These By-laws may be amended at any meeting of the Corporation or of the Board of Directors by a majority vote of those present. [Original]

THE ECUADOR MODEL: ACCION International/AITEC

In Ecuador, AITEC has acted as catalyst, broker and coordinator for a range of projects which were designed to stimulate integrated socio-economic development among the rural and urban poor. As a catalyst, AITEC acts as investigator, planner and motivator. It brings its technical resources into the local decision-making process to foment integrated action programs. As a broker, AITEC acts as an intermediary between local organizations and national/international financial and technical assistance agencies. As a coordinator, AITEC helps bring about a coordinated plan of action to attack the following problems:

1. Employment generation. Through the establishment of small labor intensive businesses and industries in the rural and urban slums, employment generation is a major focus of activity. AITEC's work with the Ecuadorean Development Foundation and UNO in Brazil has served to refine a mechanism for channeling credit to small enterprises under conditions which promote their overall growth and create new jobs.

2. Nutrition and health. In coordination with the Ministry of Health and the Municipality of Guayaquil, AITEC undertook needed studies and elaborated plans for the creation of nutrition and health centers throughout the slums. Likewise, in its broker function, AITEC stimulated UNICEF to commit itself to an extensive nutrition and health program in Guayaquil.

But since the problem is not just a lack of health and nutrition centers, but rather the lack of nutrient foods, AITEC went one step further. Working with Meals for Millions, AITEC has mobilized international support for an effort to develop a soybean food product for poor children between the ages of 0-6 years. This will increase the protein intake of these children and help raise nutritional standards.

3. Education and Training. With the Ecuadorean Ministry of Education, AITEC has planned school expansion throughout the Guayaquil slums -- new schools and the expansion of existing ones. Likewise, AITEC has worked to establish vocational centers to enhance the training of the poor so that they could be better absorbed into the job market. AITEC has also been actively involved with social and civic training in conjunction with the Municipal office of community development. This training has helped promote the organization of community development groups, which are conscientious of their situation and the methods by which it can be improved.

4. Women and Development. The nutrition and health program in Guayaquil financed by UNICEF, is aimed specifically at women and children. AITEC's employment generating projects, which concentrate on small business, emphasize the need to integrate women into the labor market. Our work with women in Venezuela has provided the experience necessary to incorporate them into vocation training centers and into the job market. Likewise, AITEC has undertaken demographic studies in Ecuador which show the effects of employment and education on the status of women.

5. Social services. AITEC has been involved with the Housing Bank of Ecuador and with the semi-autonomous agencies of water and sewage in the planning of basic services for slum areas. Likewise, AITEC, in collaboration with the Ministry of Agriculture, is helping to establish a wholesale marketing system in the Guayas Province.

AITEC's approach in attacking employment, nutrition, health, education and basic social services is integrated. AITEC believes in the interrelationship of problem areas and the need to establish integral projects which have a significant overall effect. AITEC stresses employment generation since it feels that it is necessary for the poor to secure jobs in order to participate effectively in nutrition, health, education and basic service projects. Strong emphasis is placed on community participation at all stages of project development, i.e. studies, planning and project execution. Likewise, AITEC stresses the incorporation of women into all phases of program activity.

In order to carry out programs in these fields, and in order to have a coordinated development effort at the rural regional level, AITEC followed the following program of action in Ecuador and would propose to follow these steps in future programs:

1. Initial contacts with government and private sector leaders at the local and national levels. The essential first step is to show the usefulness and utility of the proposed program of action and to receive support from the leadership.

2. Undertake a pre-project analysis to determine what the interests are within the leadership and within the community for action-oriented programs aimed at the poorest majority. This analysis of developmental potential implies talking at length with government officials and private businessmen as to types of projects which they are willing to support financially, and which they are willing to support politically.

It also involves talking at the community level with leaders of community organizations, with people who have worked in poor communities, and with the inhabitants of poor areas to establish their interests and desires. This step was crucial to establish the work areas undertaken in Ecuador, and likewise is crucial to any program of this nature which AITEC would undertake.

3. AITEC would then establish a formal relationship with pertinent institutions so that its work in that country is formally acknowledged by the interested parties. It is essential that agreements be established with both government and private institutions. Said agreements would cover the kinds of counterpart funding and support which would be available for the AITEC program. Traditionally this counterpart support involves local transportation, office space and equipment, some local experts and funding from the private and public sectors.

4. An in-depth study/inventory would be done of the poor areas which are going to be dealt with. This study involves a comprehensive inventory of everything that has happened in this area, of all the services which exist in this area, of the businesses, agencies, personnel that work in the area, etc. This inventory is complemented by a social survey which gets at people's attitudes, opinions, and desires. These studies form the bases for establishing an integrated plan of action to attack the problems of this poor area.

5. AITEC and the local agencies would devise a comprehensive plan to deal with the development of the poor. Said plan is worked out by AITEC in conjunction with the agencies which work in the area under study. This should insure that the plans are practical and that they will have some degree of acceptance among these agencies. The plans must be highly operational, concrete, and feasible within the economic constraints under which the country works. It is here the AITEC role as broker and coordinator becomes crucial. AITEC,

as in Ecuador, can help provide a channel between the government and the appropriate international agencies, such as UNICEF and the Inter-American Development Bank. AITEC at the same time, by having access to a series of organizations and agencies working in the country, becomes coordinator of, at the practical level, the studies and plans. This has worked in Ecuador very well, and is crucial to the success of the projects.

6. Once an integrated approach has been established, then the different components of the plan have to be funded and have to be operationalized. For this, AITEC technical assistance is essential to get the projects underway. AITEC will most probably not be able to provide technical assistance in all the areas of the plan, since integrated plans tend to cover areas outside those of our competence. In these cases, AITEC recommends the use of national consultants or other international groups which may be able to provide the needed technical assistance.

Based on the Ecuador experience, the following are the types of specific projects which would result from this effort: a) a community organization and leadership training program, i.e. community development; b) a community social infrastructure project, i.e. building health centers, nutrition centers, schools, etc.; c) employment and vocational training centers; d) a specialized service and training program which would utilize the community infrastructure for programs of nutrition, health, family planning, etc.; e) a small business development program; f) a food distribution program, i.e. the rationalization of retail and wholesale markets, and the utilization of surplus foods; g) a nutritional program which would imply the development of foods high in protein content; and h) a physical infrastructure (public works) program, which provides jobs and also much needed infrastructure, such as roads, water, sewage, housing, electricity, etc. The exact program components would be developed with the participating local agencies, which will determine priorities, possibilities and resource availability.

7. From the beginning of the program, AITEC will be involved in training of local personnel in all phases of the activity. People will be trained in how to do feasibility studies; how to do in-depth social and economic studies in poor communities; in how to elaborate integrated plans; in how to provide technical assistance for operational programs; and in how to carry out practical programs of socio-economic change.

8. In carrying out the concrete programs, AITEC becomes involved in institutional development. Many times, many of these projects can be carried out through institutions which already exist. AITEC must identify the organizations which have the capacity for work, and must then provide technical assistance to the various organizations to enable them to work effectively. In many cases, however, organizations do not exist to undertake specific program components. In this case, as in the case of Brazil, AITEC would create new private organizations to undertake specific tasks. It is important in this institutional development stage to work both through the private and public sectors; in fact, AITEC has had very good results with mixed enterprises which combine both private and public sectors.

9. An evaluation and feed-back system must be established in all program components. The system must be relatively simple and flexible to enable the institutions to undertake the task internally without disrupting operations. AITEC experience in evaluation systems in Costa Rica, Bolivia, Venezuela, Brazil, and most recently Ecuador, shows that this is necessary and feasible.

10. AITEC must begin to withdraw from the projects once they are functioning and have proved their viability. Throughout the whole life of the project, AITEC must be engaged in local fund raising both from the public and private sectors, to insure that the projects will have financial independence when AITEC withdraws.