

I. PROJECT IDENTIFICATION

1. PROJECT TITLE **PD-AAK-015-D1** **9320030**
PACT General Support Grant

2. PROJECT NO. (H.O. 1025.2)
921-13-950-030

3. RECIPIENT (specify)
 COUNTRY _____
 REGIONAL _____ INTERREGIONAL _____

4. LIFE OF PROJECT
 BEGINS FY **1972**
 ENDS FY *****

5. SUBMISSION **2/11/72**
 ORIGINAL _____ DATE _____
 REV. NO. _____ DATE _____
 CONTR./PASA NO. _____

APPENDIX ATTACHED
 YES NO

II. FUNDING (S) AND 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	
1. FRICTIONAL ACTUAL FY												
2. OPRN FY							149					
3. BUDGET FY							460					
4. BUDGET +1 FY							527					
5. BUDGET +2 FY							606					
6. BUDGET +3 FY							686					
7. ALL SUBD. FY							*					
8. GRAND TOTAL							*					

9. OTHER DONOR CONTRIBUTIONS

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

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER P. O. Sellar <i>705</i>	TITLE Private Development Officer	DATE 2/15/72
2. CLEARANCE OFFICER J. A. Ulinski	TITLE Deputy Director, O/PRI	DATE

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

2. CLEARANCES

FOR OFF.	SIGNATURE	DATE	FOR OFF.	SIGNATURE	DATE
AA/AFR	S. Adams		AA/SA	R. O'Connor	
AA/IA	H. Kleins		AA/TA	J. Bernstein	
AA/ASD	D. Mitchell		AA/PSD	E. Barkman	

* Not applicable. See discussion, page 4.

TABLE OF CONTENTS

	<u>Page</u>
A. The Project Goal	1
B. The Project Purpose	2
C. Project Outputs	3
D. Project Inputs	4
E. Rationale	5
F. Course of Action	9

ATTACHMENTS

- A - Summary Projection of Costs and AID Obligations, FY 1972-74.
- B - Description of PACT Member Agencies.
- C - Partial Illustrative List of Projects Suitable for PACT Support for which Member Agencies are Seeking Funds
- D - PACT's Project Selection Criteria
- E - PACT Member Agencies' Annual Foreign Assistance Expenditures
- F - Imputed Annual Value of PACT Members' Voluntary Services
- G - PACT Administrative Cost and Income Projections through FY 1974
- H - Implementation Schedule
- I - Benchmarks of Progress

A. The Project Goal

1. Goal Statement

The goal is to provide, through a consortium of private agencies called PACT (Private Agencies Cooperating Together), increased economic assistance to development programs which will enable people, especially in the lower levels of the social and economic order, to meet their own and their communities' needs through improved self-help capabilities and increased employment and income.

2. Measurement of Goal Achievement

Though PACT's project criteria require attention to economic as well as social development criteria, PACT projects are generally people-to-people, grass-roots projects, small in dollar magnitude, aimed at the poorest countries and/or the poorest sectors within LDC's where development is feasible, and concerned with distributive and social as well as aggregative economic benefits. Priority is given to projects that (1) maximize local participatory and financial involvement, (2) use intermediate technology and other employment-generating approaches, and (3) improve those sectors of society often overlooked, such as agricultural and rural development. Quantitative indicators are

	By end of FY (Cum.)	
	<u>73</u>	<u>74</u>
Number of projects in agricultural/rural sector	18	40
Number of lowest-income persons assisted	1800	4000
Net jobs created	225	525
Net increased income (\$000)	90	200
Beneficial income distribution (\$000)	27	63
Number of persons mobilized into improved self-help posture	650	1450

3. Assumptions of Goal Achievement

PACT projects will adhere to stated criteria and will continue to resemble members' present projects in their predominately grass-roots developmental approach.

B. The Project Purpose

1. Statement of the Purpose

The purpose is, through PACT, to engage private U. S. organizations more effectively in the application of U. S. technical/scientific, managerial and capital assistance capabilities to help the LDC's, by

(1) increasing the quantity of developmental assistance flowing to the LDC's from certain private voluntary agencies, and by

(2) improving the quality of this assistance through coordination and integration of members' programs and by applying common standards of project selection, implementation, and evaluation.

2. Conditions expected at the end of the project

The following indicators will measure progress in achieving the stated purpose:

By end of FY

73 74

(a) PACT supports the following number of projects annually

22 32

(b) These projects, added to the program expenditures of member agencies, represent an annual dollar increase of 50% in private funding over what the members would otherwise have achieved.

(c) 85% of PACT projects involve the joint efforts of two or more member agencies.

(d) Evidence of PACT's effectiveness as an information and policy center, and as a coordinating mechanism. Evidence of the value of PACT projects as measured by the quantitative indicators above and qualitatively. Quarterly reports on all PACT projects and activities will capture this evidence and stimulate improved programming - in itself an improvement in some members' present methodology.

3. Basic Assumptions

- Private support to PACT will be substantially in addition to, not instead of, support to member agencies.
- PACT members find it advantageous to implement projects through PACT rather than bilaterally.
- Joint efforts result in more comprehensive and effective projects.
- The quality of project selection and implementation will be improved by the existence of PACT as an information/policy center and coordinating mechanism, by PACT's stated project criteria, and by the requirement for systematic evaluation of all PACT-supported projects.
- Inherent in all the above: PACT has capable leadership and staff.

C. Project Outputs

1. Outputs.

PACT moves toward becoming a viable organization, capable of making a significant contribution to the above-described purpose.

2. Output Indicators

	By end of <u>FY 72</u>	<u>73</u>	<u>74</u>
PACT membership increases to	11	18	23
Size of PACT professional staff increases to.....	2	5	6
Level of annual private support of PACT increases to (\$000).....	23	665	881
Percentage of AID support required by PACT declines to.....	67%	40%	35%

3. Basic assumptions

- PACT offers sufficient incentives to attract a larger membership.
- A sufficient number of competent staff can be recruited despite somewhat low wage levels.

- An OPIC guarantee is obtained for the PACT Capital Fund.
- The projected level of private support is obtainable.

D. Project Inputs

1. Inputs and Implementation Schedule

(a) Kind of inputs	(b) Magnitude of Inputs and Delivery Schedule <u>1/</u>			
	FY	(\$000)		
		<u>72</u>	<u>73</u>	<u>74</u>
<u>U. S.</u>				
AID: financial support, program evaluation and guidance.		29	444	513
PACT and member agencies: technical, managerial and financial assistance		23	665	881
<u>Cooperating Country:</u> Local participatory and financial involvement <u>2/</u>		--	1300	1600

No total project cost is shown, since open-ended AID support is considered justified, subject to favorable evaluation, so long as PACT programs accord with AID's concerns and priorities. The level of AID support beyond FY 1974 will be determined by these considerations, in relation to competing demands for AID funds, and by the ability of the private sector to assume an increasing percentage of PACT's costs. In general, we project a gradually rising level of AID support, as PACT's membership and absorptive capacity increase, but a decreasing percentage of total PACT support by AID, on the assumption that PACT's ability to attract private-sector support will increase more rapidly than its financial requirements. Beyond FY 1974, if one assumes (1) that PACT's administrative costs and project funding requirements (both loan and grant) each grow by 25% annually, (2) that AID's contribution to the Capital Fund remains at a constant 16.5%, to the grant project fund declines each year by 10% of the total annual funding, and to administrative costs declines to 50% in FY 1975 and remains 50% thereafter, then total AID funding will increase by about \$30,000 annually. Total private funding would be increasing annually by a significantly larger, yet realistically-attainable amount.

2. Basic Assumptions

Projected financial requirements through FY 1974 are based on the following assumptions: (1) Membership will increase at the rate projected in the table below. (2) Each member will submit requests for PACT funding of two projects per year, on average, equally divided between loan and grant projects. (3) One man-month of PACT project-officer staff time will

1/ Expenditures basis. See attachment A for details and for projected AID obligations.

2/ Assumes \$50,000 value of local contributions in cash and kind per project assisted.

be required per project submitted for review, analysis, processing, and post-approval evaluation. (4) Two-thirds of the projects submitted will be approved for funding, equally divided between loans and grants. (5) The average annual cost of a grant project is \$25,000; of a loan project, \$50,000. Using these assumptions, the following projections are reached regarding project funding requirements and PACT project personnel requirements.

	<u>FY 72</u>		<u>FY 73</u>		<u>FY 74</u>	
	<u>New</u>	<u>Cum</u>	<u>New</u>	<u>Cum</u>	<u>New</u>	<u>Cum</u>
Members	11	11	7	18	5	23
Grant projects } submitted			18		23	
Loan projects }			18		23	
Total Projects to be Processed			36		46	
Number of man months needed to process projects			36		46	
Project officers needed		1	3		4	
Projects approved =						
} grant			12		15	
} loan			12		15	
@ \$25,000 per grant project, required funding =			\$300,000		\$375,000	
@ \$50,000 per loan project, required funding =			\$600,000		\$750,000	

The project personnel requirements are translated into administrative funding requirements on Attachment G.

E. Rationale

1. Background

PACT is a consortium of service-motivated agencies engaged in developmental programs in lower-income countries. It was formally established in July, 1971, after a year and a half of preparatory work. Since that time PACT has continued, with the encouragement of PRI, to develop to the point where consideration of AID support is now possible. AID support will help expand the quantity and improve the quality of PACT members' developmental programs in rural development and other areas of AID priority and concern. At the same time, AID support will help implement the new AID policy emphases on (1) programming economic assistance more directly to meet basic human needs, especially among the lower social and economic orders, and (2) engaging American private organizations more effectively in the application of American capabilities to help the LDC's.

2. Member Agencies

Membership in PACT presently consists of the following eight agencies: Congregational Christian Service Committee, Emerging Economies Corporation, Heifer Projects, International Educational Development, Meals for Millions, Partnership for Productivity, Technoserve, and Vita (see Attachment B for thumbnail descriptions of the agencies and their programs). Several other agencies have expressed interest in joining. Membership of Canadian and other foreign agencies, as well as U. S. agencies, is also being sought.

PACT members represent a diversity of constituencies. Some members are sponsored by religiously-motivated bodies, and these represent a broad spectrum of Catholic and Protestant creeds. Other members are secular. PACT states, however, that its "criteria for considering membership application ... emphasize talent and leadership for development rather than constituency," and PACT's project selection criteria specify that "a PACT project or program may not discriminate in favor of any particular racial, ethnic, political or religious group ..." PACT's purposes are developmental, not evangelical.

3. PACT's Purposes

PACT embodies the recognition that the member agencies' programs could expand constructively and be more valuable developmentally if the agencies systematically coordinated and, to some extent, integrated their programs. PACT's purposes are therefore (1) to coordinate the programs of member agencies in given areas, so as to increase their effectiveness and broaden their scope; (2) to serve as an information center for the exchange of expertise regarding members' activities and developmental concerns; (3) to establish common program selection criteria and priorities, and standards of evaluation and management; (4) to provide project funds (both grant and loan) for member agencies' projects, allocated according to these criteria and standards; and (5) to provide economies of scale to members in fund raising and public relations, and a focal point for obtaining involvement and support from both the private and public sectors for member agencies' developmental programs.

4. Justification for AID Support

AID has an interest in supporting PACT for the above purposes, as well as for the reasons given below.

First, support of PACT will serve as a potentially important step toward realization of AID's new policy emphasis on "programming economic assistance more directly to meet basic human needs, rather than primarily for economic growth," to ensure that "genuine benefits accrue to those in the lower levels of the social and economic order." 1/

1/ "Reform of the U. S. Economic Assistance Programs," John Hannah et al, January 24, 1972

PACT members' present programs, as Attachments B and C will suggest, are predominately grass-roots, people-to-people programs aimed at rural communities and other most-disadvantaged areas. In addition, PACT states as its policy that in selecting projects for PACT support, priority will be given to "development programs which will enable people, especially in the lower levels of the social and economic order, to meet their own and their communities' needs through improved self-help capabilities and increased employment and income." PACT's basic purposes, then, are squarely in accord with AID's new policy emphasis on concern with the distribution as well as the aggregation of economic benefits.

Support of PACT will also, of course, be a way of implementing the new AID policy emphasis "to engage American private organizations more effectively in the application of American ... capabilities to help the ... LDC's." 2/ As such, it is a potentially important step by the new Bureau of Population and Humanitarian Assistance to "formulate an improved program of support to help voluntary agencies plan development-oriented programs in collaboration with developing country objectives and institutions." 3/

To implement its above statement of policy, PACT further states that it will give priority to "projects that (1) maximize local participatory and financial involvement, (2) use intermediate technology and other employment-generating approaches, and (3) are aimed at agricultural and rural development." Since these are also areas identified by AID as being of priority and concern, PACT's projects will support specific sectors of AID priority as well as more general AID policies. See Attachment D for a full statement of PACT's project criteria.

AID support will also enhance the developmental value of an already-significant aid resource. Small as many PACT members are, they expend over four million dollars of private sector funds per year on the needs of developing societies (see Attachment E). Estimating that these same agencies mobilize annually another \$200,000 in U. S. government resources (surplus commodities, PL 480 products, ocean freight costs, contracts and grants) and at least \$500,000 in donated services, PACT represents a total annual developmental enterprise of about \$5 million. PACT members are also a meaningful technical assistance as well as financial resource. The spectrum of program talent initially on the PACT team includes the following:

- (a) Livestock development.
- (b) Food processing and high-protein produce development.
- (c) Engineering and scientific practical problem-solving.
- (d) Technical, managerial, and capital assistance to small enterprises.
- (e) Educational, institutional and community development.

A further feature of PACT members is their low cost and the vitality of their humanitarian, service-oriented motivation. Many of the services provided by PACT members are by unpaid volunteers. See Attachment F for a tabular indication of the annual imputed value of the contributed services provided through member agencies. This value must be considered in computing the full value of PACT members' annual privately-financed efforts. In addition, paid personnel generally work for a lower rate of remuneration than in the commercial, university, or government sectors. This value has not been quantified, but is also significant in considering PACT members' value as a low-cost developmental resource.

Despite the significance of PACT members as an aid resource, the present level of private funding is sufficient to support only a small percentage of the worthwhile project requests they receive. Attachment C presents only a partial list of projects for which members are presently seeking funds. AID support would permit funding of a greater number of these projects.

AID support will also stimulate private financial support, and will influence it toward areas of AID concern and priority. AID support to PACT will be provided on a matching basis, requiring raising of private dollars for each AID dollar contributed. This is a stimulus to private fund-raising efforts, and generally makes such efforts more productive since the potential private donor knows that every dollar he contributes is worth the matching AID contribution as well. Devoting heavier AID support to PACT's administrative costs than to project costs, as well as being essential to PACT's viability initially, will further stimulate private support. This is because the private support can then be attributed to project costs, which are easier to raise money for than are administrative costs.

AID support to PACT is also justified because it is in AID's interest to encourage the continued involvement and participation of the private non-profit U. S. sector in development work and concerns, and the trend toward professionalization of this involvement. Such participation is an important element in AID's constituency. Of greater importance, it is part of the fabric of a healthy, concerned, outward-looking, responsible society. PACT is expected, if the stimulus of AID support is provided, to function synergistically in dramatizing and obtaining support for the role of private voluntary-type agencies in overseas development. This is not only because of the administrative and other economies of scale, but also because conceptually, PACT represents an important step forward in the quality of aid-giving by the voluntary sector. PACT is the first substantial effort of service-motivated agencies in foreign development to form a working consortium for actual application to developmental projects in the field. As such, PACT represents the first tangible translation into action of the growing recognition by this sector that fragmentary programs are often of little permanent value unless part of a more integrated, comprehensive approach; that the mere desire to be of service is not good enough -- rather, what is needed is sustained, professional, multi-faceted assistance to deal with complex and stubborn problems. In addition, the formation of PACT represents

a difficult decision by its members to cooperate rather than to compete -- for influence overseas, for funds domestically. AID support should help accelerate these pioneering trends and help bring other useful agencies into the PACT fold.

Finally, AID has an interest in supporting PACT as a mechanism whereby AID and other donors can support developmental activities of the smaller service-motivated agencies through one organization, thereby avoiding both the arbitrary rejection of good small-organization proposals and the impracticable task of responding to all of them individually. PACT should increase the effectiveness of its members in obtaining support from other public agencies (OPIC, ISDI, Peace Corps, UN) as well as AID. In this respect, as in the increased volume of private assistance that will be made possible, AID support to PACT will increase the volume of useful development assistance delivered per man-year of direct AID staff time.

F. Course of Action

1. Implementation Plan - See Attachment H.
2. Narrative Statement

Upon recruitment by PACT of an Executive Director acceptable to AID, AID will disburse funds in a lump sum sufficient to enable PACT to operate for two months (\$29,000, per Attachment G).

During this 60 day period, PACT will perform the following tasks in a manner satisfactory to AID:

- (1) develop a detailed project evaluation system (for grant and loan projects).
- (2) develop final details on the structure, policies and procedures of the PACT Capital Fund, grant project operations, and their relationship.
- (3) engage at least one additional professional staff member.
- (4) publish a prospectus describing PACT and any PACT affiliated entities (e.g., the PACT Capital Fund).
- (5) begin processing project funding applications from members.

Upon a determination by AID (PRI) that the foregoing matters have been satisfactorily accomplished, AID will commit an additional ten months administrative funding, and grant and loan project funds. These funds will be disbursed on a per capita basis, including private funds.

PROJECT TITLE:	PROJECT NO.	Submission Date	February 11, 1972
PACT (Private Agencies Cooperating Together)		Original	X Revision Page 10 of 10

During this first year, PACT will seek increased membership and financial support, will begin processing project applications (loan and grant), and will recruit additional project officers as demand warrants and fund-raising efforts permit. PACT will submit quarterly progress reports to AID indicating progress against the benchmarks outlined in Attachment I, and describing narratively the status and accomplishments of each ongoing project. AID will perform regular evaluation, based on these reports, using contract evaluation services as necessary. A PAR will be prepared after one year, on the basis of which a determination will be made whether to support PACT for a second year. Assuming a favorable determination, actions will proceed as indicated in Attachment H.

AID implementation of this project will be in the passive mode; its relationship to PACT will approximate that of a foundation in relation to a grantee. AID funding will be via a grant, not a contract. Country-by-country clearance for attribution of AID funds by PACT to its programs will be required, to ensure conformity to statutory requirements and U. S. foreign policy considerations. However, prior AID approval of individual PACT projects, either in AID/Washington or the field, will not be required, nor will AID seek to influence PACT policies or programs except in evaluating and commenting on PACT's quarterly reports. These reports will be given to all concerned USAIDs or Embassies as well as to AID/Washington, and PACT will be required to consult with - but not clear its activities with - field missions and AID/Washington as requested. The direct-hire AID staff time required to implement this project will consequently be minimal.

SUMMARY PROJECTION OF COSTS AND AID OBLIGATIONS, FY 1972-74

COSTS (\$000)	FY 72	73	74
<u>REQUIREMENTS (Expenditures)</u>			
<u>LOAN PROJECTS</u>			
AID grant (16.5%)		100	125
Matching private (16.5%)		100	125
OPIC-guaranteed debentures (67%)		400	500
Total loan funds		600	750
<u>GRANT PROJECTS</u>			
AID grant	(67%)	200	(60%) 225
Matching private	(33%)	100	(40%) 150
Total grant funds		300	375
<u>ADMINISTRATIVE COSTS</u>			
AID	29 (70%)	144 (60%)	163
PACT	23 (30%)	65 (40%)	106
Total	52	209	269
<u>TOTAL</u>			
AID	29 (40%)	444 (35%)	513
Private	23 (60%)	665 (65%)	831
Total	52	1109	1394
<u>AID OBLIGATIONS (TC/DG)</u>			
Administrative	149 ^{1/}	160 ^{2/}	177 ^{3/}
Loan Project		100	125
Grant Project		200	225
Total	149	460	527

^{1/} FY 72 = \$29,000 + 10 mos. FY 73 @ 12,000 p. m. = \$120,000

^{2/} 2 mos FY 73 @ 12,000 = \$24,000 + 10 mos FY 74 @ 13,600 = \$136,000

^{3/} 2 mos FY 74 @ 13,600 = \$27,000 + 10 mos FY 75 @ 15,000 = \$150,000

DESCRIPTION OF PACT

MEMBER AGENCIES

1. Congregational Christian Service Committee

Headquarters: 475 Riverside Drive, New York, New York.
Incorporated 1947.

Program emphasis: disaster and emergency relief to refugees and migrants, rehabilitation and social welfare, food production and nutrition, family planning, self-help industry, and community development. CCSC is "synonymous with the Division of World Service of the United Church Board for World Ministries" of the United Church of Christ.
Program locations:

7 countries in eastern and southern Europe, 16 countries in Africa, 9 countries in Asia, 10 countries in Latin America.

Principal sources of support: private and church contributions.

2. Emerging Economies Corporation

Headquarters: 2 East 45th Street, New York, New York.
Incorporated 1970.

Program emphasis: investments in joint ventures either in loan or equity form with useful enterprises in depressed or developing overseas economies, with management training.

Program locations: South Korea.

Principal sources of support: registered capital of \$1,000,000, all thus far from the Presbyterian Church.

3. Heifer Project, Inc.

Headquarters: 1720 Chouteau Avenue, St. Louis, Missouri.
Incorporated 1953.

Program emphasis: provision of breeding livestock and poultry and related agricultural services in areas of malnutrition with a view to the long-range potential of supplying food requirements from local sources.

Program locations: 12 countries in Latin America.

Principal sources of support: church groups, foundations, granges, private contributors, government contracts.

4. International Educational Development, Inc.

Headquarters: 924 West End Avenue, New York, New York.
Incorporated 1962.

Program emphasis: educational and training assistance to programs and projects in communications, community development cooperatives and credit unions, food and agriculture, industrial development, management, medicine and public health, population and family planning, and social welfare.

Program locations: 6 countries in Latin America, 5 countries in Asia, 2 countries in Africa.

Principal sources of support: private contributions in equipment, commodities and cash; government excess property and ocean freight. Associated with the Society of Jesus (Jesuit Missions).

5. Meals for Millions Foundation, Inc.

Headquarters: 1800 Olympic Boulevard, Santa Monica, California.
Incorporated 1946.

Program emphasis: production, distribution and management training and marketing of multipurpose high-protein food products in developing food-short countries.

Program locations: 3 countries in Africa, 5 countries in Latin America, 12 countries in Asia.

Principal sources of support: private contributors, licensing arrangement with General Mills, and 10 percent from church organization.

6. Partnership for Productivity, Inc.

Headquarters: Annandale, Virginia.
Incorporated 1969.

Program emphasis: development and expansion of local small-scale enterprises through loans and provision of management guidance in needy areas.

Program locations: Kenya.

Principal sources of support: Society of Friends (Quakers) and other denominations, foundations, banking and commercial firms.

7. Technoserve, Inc.

Headquarters: 309 Greenwich Avenue, Greenwich, Connecticut.
Incorporated 1969.

Program emphasis: managerial, technical and capital assistance to help low-income peoples in developing countries create, own and operate their own small profit-making businesses, principally in the fields of food, clothing and housing, which would be of benefit to communities in which they are located.

Program locations: several countries in Latin America, and 2 countries in Africa.

Principal sources of support: 55 percent from church organizations, 45 percent from foundations, corporations, and private contributors.

8. Volunteers for International Technical Assistance (VITA)

Headquarters: Schenectady, New York.
Incorporated 1960.

Program emphasis: voluntary engineering and scientific problem-solving technical assistance to developing countries and to domestic anti-poverty programs.

Program locations: organization works through and for other technical agencies and institutions requesting technical help; is involved at many points overseas but in no permanent program format.

Principal sources of support: foundations, private industry, individual contributors; fees and grants from government agencies for specific R&D services.

PARTIAL ILLUSTRATIVE LIST OF PROJECTS SUITABLE
FOR PACT SUPPORT, FOR WHICH MEMBER AGENCIES ARE SEEKING
FUNDS
(OCTOBER 20, 1971)

CONGREGATIONAL CHRISTIAN SERVICE COMMITTEE

1. Guatemala: organizational, training and technical adviser support for a program of assistance to small dairies to improve milk production and quality
Three-year phased grant \$70,000
2. Honduras: managerial personnel for initiating animal feed plant in the central sector during first full-scale year of operations \$15,000

EMERGING ECONOMIES CORPORATION

1. Korea: professional and technical assistance inputs for expanding an already existing medical equipment production facility, with special emphasis on prostheses, braces, wheelchairs, etc. for which Asia-wide marketing possibilities are being developed \$25,000

HEIFER PROJECT

1. Bolivia: support for volunteer co-director, supply and transportation of breeding stock and of some equipment for a livestock reproduction center, under a contract with the new veterinary school of the university at Santa Cruz. Program trains local farmers and supplies young livestock at concessional prices to them. Two-year phased grant \$76,000
2. Guatemala: technician support and additional shipments of cattle for expanding three already established livestock reproduction centers, in cooperation with the Fundacion Centavo (Pan American Development Foundation), to which Heifer Project already supplies livestock, equipment and a technician. One-year grant \$51,000

MEALS FOR MILLIONS

- 1. Ecuador: in cooperation with other PACT agencies, support for training cooperative leaders and supplying seeds, tools, pumps, etc. for a cooperative development program in the Daule Valley to provide high-protein food supplements to the area \$50,000
- 2. Travel and maintenance support for other nationals undertaking specialized nutritional training at the Meals for Millions school in Santa Monica which is equipped with modern instructional facilities and is multi-lingual, and where each class builds a small sample food plant. Grant support \$25,000
- 3. India (Andhra Pradesh): physical expansion of an already existing multi-purpose food plant which can be particularly supportive of nutritional needs of refugees from East Pakistan. Loan \$20,000

TECHNOSERVE

- 1. Zambia: feasibility study, interim manager, and short-term personnel (with PACT member cooperation) to develop food processing plant and marketing plan in Kalulushi. Loan or grant \$18,000
- 2. Zambia: base-line studies, interim manager, and short-term personnel for developing an oil processing mill at Monze and for organizing a marketing cooperative among area farmers. Loan or grant \$18,000
- 3. Honduras: support for a marketing and a cooperative specialist and for plant and equipment inputs for a wholesale produce market in Tegucigalpa, in cooperation with an already existing federation of farmer co-ops. Two to three-year phased grant \$57,000
- 4. Ghana: personnel support for development of local farmer organization in connection with the Farmex Rice Mill at Tamale, a rice milling and storage enterprise offering preferential sales contracts to low-income farmers using Grade 1 rice. Personnel expenses for 2-3 years would total about \$30,000; additional fixed capital of \$170,000 will be 75% supplied from Ghanaian sources while the other 25% is sought from outside (\$42,500). Grant and loan together. \$72,500

VITA, Inc.

1. Philippines: support for local staff and for travel from the U. S. in a program for the development of village technology centers through VITA's Philippine counterpart organization, VITAPHIL. Annual need . . .	\$ 15,000
2. Nigeria: in cooperation with Abak University, support for local staff and travel from the U. S. in a program for development of village technology centers. Annual need	<u>\$ 15,000</u>
Partial Total	\$527,000

PACT PROJECT SELECTION CRITERIA

The following is PACT's statement of its priorities and project selection criteria:

PACT seeks to provide "economic assistance to development programs which will enable people, especially in the lower levels of the social and economic order, to meet their own and their community's needs through improved self-help capabilities and increased employment and income. Priority is given to projects (1) maximizing local participation and financial involvement, (2) using intermediate technology and other employment generating approaches, and (3) which will improve those sectors of society often overlooked, such as agricultural and rural development."

Projects must:

1. Be related to the particular competency of the sponsoring agencies;
2. Involve two or more member agencies;
3. Receive realistic levels of local support as a demonstration of local commitments, and involve local persons in project conception and implementation;
4. Be geared toward total local control and operation within a specified time;
5. Lead to self-sustaining benefits, and/or have a meaningful local multiplier effect;
6. Not discriminate on the basis of any irrelevant factors, though able to give special consideration to members of hitherto-disadvantaged groups;
7. Be designed with measurable objectives so that progress toward their achievement can be evaluated.

Preference is given to projects with the highest indicated rate of economic return, although health, educational, and other "social" projects are also permitted within the context of the above criteria.

PACT Member Agencies'
Annual Foreign Assistance Expenditures

Member Agencies	SOURCES OF SUPPORT				EXPENDITURES		
	Private Sector	GOVERNMENT SECTOR		TOTAL	PROGRAM	Admin. & Operations	TOTAL
		Commodities, Freight, etc.	Contracts & Grants				
Congresational Christian Service Comm. (1971)	\$1,513,000			\$1,513,000	\$1,259,000	\$ 137,000	\$1,396,000
Emerging Economies (1970)	400,000			400,000	280,000	55,000	335,000
Heifer Projects (1971)	1,138,000	\$ 47,000	\$ 18,000	1,203,000	1,061,000	143,000	1,204,000
International Educational Development (1971)	379,000	16,000	7,000	402,000	370,000	33,000	403,000
Meals for Missions (1970)	587,000			587,000	349,000	137,000	486,000
Partnership For Productivity (1970)	45,000			45,000	16,000	29,000	45,000
Technoserve (1971)	89,000			89,000	77,000	42,000	119,000
VITA (1970)	277,000		66,000	343,000	156,000	85,000	239,000
TOTALS	\$4,428,000	\$ 63,000	\$ 91,000	\$4,582,000	\$3,568,000	\$ 659,000	\$4,227,000

IMPUTED ANNUAL VALUE
OF
PACT MEMBERS' CONTRIBUTED VOLUNTARY SERVICES
(1970)

1. Congregational Christian Service Comm (CCSC)	\$ 20,000
2. Emerging Economies Corporation	10,000
3. Heifer Projects, Inc.	30,000
4. International Educational Development (IED)	38,000
5. Meals for Millions Foundation, Inc.	48,000
6. Partnership for Productivity, Inc.	5,000
7. Technoserve, Inc.	46,000
8. VITA, Inc.	<u>360,000</u>
	\$ 570,000

The CCSC estimate includes field volunteer service and is based on their 1970 report filed with the American Council of Voluntary Agencies (ACVA).

The IED figure includes:

(1) Contributed services of volunteer executive staff in 1970 estimated at \$18,000, and (2) fund raising efforts of 10 Jesuit Mission offices in the U. S. which contribute some funds to IED, and many volunteers involved in projects overseas, which may be roughly estimated at a value of \$20,000.

The Meals for Millions figure reflects overseas volunteers. According to their report filed with ACVA in September 1970, no less than 242 volunteers were used. If a value of only \$200 is placed on each volunteer's services (since many were only short-term), the total imputed value is \$48,000.

Imputed Value of Contributed Voluntary Services (Cont'd)

For Technoserve, the imputed value of contributed volunteer services is very conservatively estimated at \$15,000 per man-year.

VITA's work depends to a large degree on volunteer professional services of scientists and engineers. Estimated voluntary professional time records, with a modestly imputed value of \$50 a day, indicate that this contribution to VITA international work is valued at \$360,000.

Figures for Emerging Economies and Heifer Projects are "guesstimated" on the basis of the size and nature of their operation and comparable donated services by other agencies.

PACT ADMINISTRATIVE COST AND INCOME PROJECTIONS

	Actual		Estimated		Total (13 mo) FY 1972	FY 1973	FY 1974
	1/70-5/31/71	6/1/71-2/29/72	3/1 - 4/30/72	5/1-6/30/72			
PACT EXPENSES							
Executive salaries		5400	1700				
Exec. Director				4200 <u>1/</u>		25,000	27,500
Asst. Exec. Dir.				3000 <u>2/</u>		18,000	19,800
Projects Director (start July 72)						18,000	19,800
Loan Officer (start July 72)						18,000	19,800
Grant Officer (start Sept. 72)						15,000	19,800
Evaluation Officer (start Jul 73)							19,800
Secretarial salaries		1800	1000	1333		17,250	23,100
Employee taxes & benefits (10%)						6,975	17,000
Office rent		1350	300	1333 <u>3/</u>		10,000	12,000
Telephone		250	100	500		3,000	3,000
Furniture & equipment				1500		500	---
Office supplies				<u>4/</u> 200		1,500	1,800
Postage & printing (& prospectus)				<u>4/</u> 1500		1,500	1,800
Travel (re projects)		450	500	2500		18,000	22,000
Meetings		550	400	800		3,600	3,600
Accounting & audit			-	1250		7,000	10,000
Public relations			-	500			
Consultant services			500	3500		10,000	10,000
Recruiting expenses		100	500	1500		4,000	4,000
Fund-raising expenses			-	6000		15,000	15,000
Misc. & contingency			400	6000		16,000	20,000
EXPENSES, TOTAL	21,300	9900	5400	36,500	51,800	209,000	269,000
INCOME							
PRIVATE							
<u>c/</u> Existing member's initiation fees <u>a/</u>	2000	6000			6000		
Existing members dues <u>b/</u>	500			3500	3500	27,000	36,000
New members' initiation fees <u>a/</u>			1000	2000	3000 <u>d/</u>	7,000 <u>e/</u>	5,000 <u>f/</u>
New members' dues <u>b/</u>			500	1000	1500 <u>d/</u>	8,000 <u>e/</u>	10,000
Contributions from other sources	18,800	9000			9000	23,000	55,000
TOTAL PRIVATE	21,300	15,000	1500	6500	23,000	65,000	106,000
AID	---	---	---	28,800	28,800	144,000	163,000
TOTAL INCOME	21,300	15,000	1500	35,300	51,800	209,000	269,000

PACT ADMINISTRATIVE COST AND INCOME PROJECTIONS

PACT expenses, footnotes

- 1/ 2 mos @ \$25,000 p. a.
- 2/ 2 mos @ \$18,000 " "
- 3/ 2 mos @ \$8,000 " "
- 4/ Included in rent and secretarial for this period only.

PACT income, footnotes

- a/ initiation fee = \$1,000
- b/ dues = 1% of members' budget, but not less than \$500 or more than \$3,000 per year
- c/ eight initial members
- d/ 3 new members projected by 6/30/72 = 11 tot
- e/ 7 new members projected by 6/30/73 = 18 tot
- f/ 5 new members projected by 6/30/74 = 23 tot

IMPLEMENTATION SCHEDULE

Attachment H

Quarter # After Signature
of Grant Agreement

	Est. Year	(1)												(2)												(3)												(4)												(5)												(6)												(7)												(8)												(9)											
		Est. Month	FY 72			FY 73			FY 74			FY 75			FY 76			FY 77			FY 78			FY 79			FY 80			FY 81			FY 82			FY 83			FY 84																																																																						
			11	12	13	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12																																																																				
PACT																																																																																																													
Professional staff recruitment																																																																																																													
Exec. Director		x																																																																																																											
Assoc. Exec. Dir.			x																																																																																																										
Project Dev. Director				x																																																																																																									
Loan Officer					x																																																																																																								
Grant Officer							x																																																																																																						
Evaluation Officer								x																																																																																																					
Develop project eval. system																																																																																																													
			x																																																																																																										
Develop details re PACT loan fund																																																																																																													
				x																																																																																																									
Publish a prospectus																																																																																																													
					x																																																																																																								
Obtain OPIC guarantee for loan fund																																																																																																													
						x																																																																																																							
Submit quarterly reports to A.I.D.																																																																																																													
					x																																																																																																								
Increase membership and private financial support																																																																																																													
							x																																																																																																						
Process and assist members' projects per Attachment E																																																																																																													
A.I.D.																																																																																																													
Release 3 mos. admin. funds ^{1/}																																																																																																													
			x																																																																																																										
*Release 3 mos. additional admin. funds (2) + project funds (loan & grant) (3)																																																																																																													
				x																																																																																																									
**Release 12 mos. add. admin. fund (3)																																																																																																													
							x																																																																																																						
**Release 12 mos. add. admin. funds + project funds (loan & grant) (4)																																																																																																													
Perform continuous evaluation based on PACT quarterly reports																																																																																																													
				x				x						x																																																																																															
Prepare PAR																																																																																																													

(1) 1st tranche, FY 72 funds (2) 2nd tranche, FY 72 funds (3) FY 73 funds (4) FY 74 funds

* Subject to fulfillment by PACT of conditions precedent.

** Subject to favorable evaluation of PACT's progress and performance

PACT - BENCHMARKS OF PROGRESS

Attachment I

BY END OF QUARTER # AFTER SIGNATURE OF GRANT AGREEMENT

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
	Est. date 6/30/72		Q Cum		Q Cum		Q Cum		6/30/73		Q Cum		Q Cum		Q Cum		6/30/74	
	This	Q Cum	Q	Cum	Q	Cum	Q	Cum	Q	Cum	Q	Cum	Q	Cum	Q	Cum	Q	Cum
Professional staff recruited	2	2	2	4	1	5	-	5	-	5	1	6	-	6	-	6	-	6
FACT membership	3	11	1	12	2	14	2	16	2	18	2	20	1	21	1	22	1	23
Level of annual private program funding (\$000)			125	125	165	290	200	490	200	690	200	200	200	400	240	640	271	911
Additionality (assumes 50%)			63	63	82	145	100	245	100	345	100	100	100	200	120	320	135	455
Number of loan projects supported			2	2	3	5	4	9	4	13	4	17	4	21	4	25	4	29
Number of grant projects supported			2	2	3	5	4	9	4	13	4	17	4	21	4	25	4	29
Total projects supported			4	4	6	10	8	18	8	26	8	34	8	42	8	50	9	58
Number of low-income persons assisted ^{1/}			300	300	400	700	500	1200	600	1800	500	2300	600	2900	500	3400	600	4200
Net jobs created ^{2/}			25	25	50	75	75	150	75	225	75	300	75	375	75	450	75	525
Net income increase (\$000) ^{3/}			15	15	20	35	25	60	30	90	25	115	30	145	25	170	30	200
Value of beneficial income distribution ^{4/} (\$000)			3	3	6	9	9	18	9	27	9	36	9	45	9	54	9	63
Number of projects in ag./rural sector ^{5/}			3	3	4	7	5	12	6	18	5	23	6	29	5	34	6	40
Number of persons mobilized into improved Self-Help posture ^{6/}			100	100	150	250	200	450	200	650	200	850	200	1050	200	1250	200	1450
Number of projects involving two or more members ^{7/}			4	4	5	9	7	16	7	23	7	30	7	37	7	44	7	51

^{1/} Assumes an average of 100 persons assisted per project (2/3 of projects aimed at poorest countries, sectors)

^{2/} Assumes 25 jobs created per job-creating project (1/3 of total projects)

^{3/} Assumes \$200 per capita annual income increase x 25 persons benefitting per income-increasing project (2/3 of total projects)

^{4/} Assumes \$100 per capita beneficial income distribution effect x 30 persons per income-distribution project (40% of total projects)

^{5/} Assumes 2/3 of total projects

^{6/} Assumes 50 persons per self-help - mobilizing project (1/2 of total projects)

^{7/} Assumes 85%