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EVALUATION OF THE SPECIAL DEVELOPMENT ACTIVITIES FUND
FOR THE PROGRAM OFFICE OF THE
USAID MISSION TO PERU 14/66

PREPARED FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

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SECTION I: INTRODUCTION

A. The Peruvian Conflict

July 7, 1983 will always remain in the minds of the authors. Not only did this day characterize our experiences in Peru during the entire winter, but also it seems to represent the two vastly different lifestyles in the country. In the future, one can only hope that these lifestyles merge together in the ultimate hope of improving the lives of all people in Peru.

During the authors' first afternoon of travel, they visited Pueblo Joven "Jardín Rosa de Santa María" (See Annex II - Special Project No. 670 (83-1). "Huerta Perdida" ("The Lost Garden"), as the pueblo joven is commonly referred to, is certainly the exact opposite of a paradise. In fact, it is one of the poorest pueblos juvenes in Lima. Six hundred families (approx. 4,000 people) reside in a 34,400 m² area (8.6 m² per person). As we entered the pueblo, a large welcoming committee was waiting for us. Of course, we were quite surprised by how caring these people are. As we walked through the pueblo joven, we noticed how the entire area was filled with dirt--dirt roads, dirt in the homes, dirt all over.... The scent of human excrement (human wastes) permeated the air. Presently, they have no sewerage system, no bathrooms, and no light (the AID project is implementing a sewerage system). The people here reside in subaverage dwellings. Many people (primarily women and children) suffer from malnutrition.

Within five minutes after we arrived, we observed two children defecating into the dirt nearby. Then, during our discussions with the project coordinators, we observed a fight occur several steps away. An older woman had been robbed by a fourteen-year old child. Within seconds, thirty people were surrounding them and supporting each of them. Eventually, the "robber" fled the situation (his mother came and rescued him). This incident, like many pueblo joven scenes, will probably remain unsolved.

Do people actually live without water, light and bathrooms? Are people here without hope and without opportunity? Are these people destined to a life in a pueblo joven? All these questions filled our thoughts.

In any case, we left Huerta Perdida, changed into our gray three-piece suits for the inauguration of the Nuevo Museo de Antropología and Arqueología. It was quite a drastic change going from the poor masses of Peru to the political and social elite at the museum. Everyone was dressed quite traditionally, possessed fine jewelry, and seemed to have none of the problems found at Huerta Perdida. The President of the Republic of Peru was even in attendance, and he gave a speech. After the inauguration, we went to dinner at one of the finest restaurants in Lima. Although we ate heartily, we could not stop thinking about the lost garden.

This conflict between wealth and poverty continued throughout the authors' internship in Peru. Throughout the six-week period, we thought, "why do we have everything that we want, but the pueblo joven people have nothing?"

Peru, the third largest country in South America and the fourth largest country in Latin America, is characterized by a population of approximately 18.5 million people. Other facts concerning Peru include:

General Economic

Inflation rate	:	120%
Unemployment rate	:	7%
Underemployment rate	:	35%

Population

Total population, mid-1983	:	18.5 million
Average number of children per family	:	5.2
Urban population	:	65%
Rural population	:	35%
Less than 14 years old	:	43%
Less than 30 years old	:	70%

Social

Life expectancy	:	58
Population without safe drinking water	:	52%
Illiteracy, 1980	:	27.6%
Urban illiteracy	:	12.6%
Rural illiteracy	:	57.9%
Infant mortality per thousand	:	88
Children suffering from malnutrition	:	50%

These are just some of the basic facts which exemplify the great depths of the Peruvian poverty problem. Specifically, Peru's deep recession, combined with the natural disasters affecting much of the country, provide the thrust of the problem. In fact, the above figures are an average. Thus, in many areas of Peru, the figures here are much worse. For example, the infant mortality rate in the southern sierra is three times worse than the average.

Note: The information for this chart came from information provided by the Ministry of Economy, Finance, and Commerce, the World Bank's 1982 Summary on Peru, and various other documents.

B. Brief History of the Special Development Activities Fund

The United States Agency for International Development (AID) is directly attempting to combat Peru's social and economic problems. Specifically, the AID/Peru Mission, a division of AID/Washington (though responsible to the U.S. Ambassador in Peru), attempts to promote development among the poor people in Peru. Development activities are directed in the areas of agriculture, housing, health and education, and in orienting food distribution programs into development activities such as reforestation, construction of rural roads, etc. Development is an ongoing process which provides the input (dollars, technical supervision, etc.) for improving people's lives. It is help to help themselves. The idea is to provide assistance for many years.

In any case, the authors were given a small segment of AID to evaluate. Specifically, they evaluated the Special Development Activities Fund at the Mission. This Fund, in some Missions referred to as the Ambassador's Fund, received \$50,000 annually until fiscal year ending 1981 began. At that time, their budget increased to \$100,000. Presently, it represents .1% of the current annual budget. AID is responsible for obligating funds under the Special Development Activities Fund. However, the Ambassador may make requests to utilize the Special Development Activities Fund (i.e, Annex II - No. 649 (81-24). Currently, Peru's Ambassador makes few requests and leaves the Fund to the discretion of the Program Office at AID.

The general goal of Special Projects is to implement social-oriented or productive/income generating projects which have high general impact in Peruvian communities. Specifically, these grants should go to the "poorest of the poor" in Peru in order to improve living and economic conditions. Unfortunately, however, because of limited funds, Special Projects according to the Program Specialist, rejects 90% of their funding requests.

According to the Manual Order 1323.1.1, the Special Development Activities Fund is:

a. A device for permitting designated Mission Directors to finance quickly and with a minimum of procedural red tape small constructive activities which will have immediate impact in the cooperating country.

b. It permits authorized Mission Directors to respond immediately, and without reference to goal plans, sectors of concentration, or other elements of country assistance strategy, to requests for assistance to small, constructive activities that will have an immediate impact and will advance U.S. objectives.

c. It will be used for special development activities projects which are not supportable within the structure of current established projects. Such projects are ones which are likely to generate public awareness and support for U.S. assistance efforts, particularly in their self-help aspects, value, visibility and speed of execution.

The USAID Mission Handbook 3, Chapter 7, complements these basic guidelines making explicit the idea that the SDAF will be used to support small, worthy, high-impact activities aimed at improving the socio-economic status of the poorest majorities, and will comply to the maximum extent possible with the following criteria:

-- Priority will be given to projects of a productive nature (i.e., income employment producing) or organized groups. Some exceptions will be made on a highly selective basis, to include projects which are not strictly productive in nature, but which have an impact on community health, nutrition and overall well-being, e.g., potable water, sanitation, school kitchens, small dams, bridges, etc.

-- A significant self-help element should be present within the project.

-- Adequate local technical supervision and administrative capacity must be assured.

-- Except in unusual circumstances, USAID's grant will not exceed the amount of U.S.\$5,000.

However, past policies at AID have followed a different direction. In the past several years, most of the projects funded were Social-Oriented, and the remainder were Productive/Income-Generating. This evaluation considers and explains this apparent contradiction between rules/regulations and actual performance. This is not to imply that AID personnel are at fault, but, rather, the Manual may need to be revised (see Section III). It seems that the Manual does not consider the context of Peru's present poverty situation.

Special Note: The "Productive/Income-Generating" activities are defined, according to the authors (derived from discussions with AID personnel), as those activities designed to directly generate income and employment.

C. The Evaluation and the Assignment

The authors were provided with a "scope of work" for the evaluation. With this scope of work they formulated a methodology for completing the evaluation. In this section, discusses the "scope of work". In addition, the report's various sections will be briefly explained.

The authors received two general guidelines: one for social-oriented projects and the other for income-generating projects. As far as social-oriented projects are concerned, the report is to consider and evaluate "the impact that these projects have had in improving the living conditions of the areas where they were implemented. Factors to be assessed in the report include: (a) community participation in project implementation; (b) complementary support provided by other institutions; (c) operation of the project on a self-sustaining basis."

The "scope of work" concerning productive/income-generating projects indicated that the evaluation will: "(a) assess the impact these projects have had on employment generation and self-sustainability; (b) given the constraints affecting the implementation of these projects, identify problems confronting small income-generating activities; (c) assess the type of support required to enhance their future performance; and (d) outline the factors existing at the time of initiation which were necessary for their success..."

The evaluation will also provide answers to the following questions:

- (1) Which types of projects should be funded? Social-oriented or income-generating? And, which specific types of these projects should be funded (i.e., educational, medical, vocational)?
- (2) Were grant funds spent well and was spending potential maximized?
- (3) Did grant funds benefit the "poorest of the poor"?
- (4) Could the resources provided be spent better elsewhere?
- (5) What makes a good project?
- (6) Where should future funds be channeled?

In order to accomplish this, the authors employed a detailed methodology (see Annex I). In essence, they discuss all the procedures utilized in order to complete the evaluation during the six week internship. The authors outline the procedures which were implemented upon receiving the assignment to the completion of the final report.

Thus, the evaluation is divided into three sections: The Special Development Activities Fund, Conclusions and Recommendations, and the Annexes. The first section contains the general project implementation procedure, and analysis of the two types of projects. It covers the factors concerning the "scope of work." The Conclusion and Recommendation section explains the general positive and negative aspects with special projects, and conclusions/recommendations to make this division more successful in the future. The last section, the Annexes, contains the supporting data from which the authors develop their evaluation. Specifically, it contains the Methodology, the Social-Oriented and Productive/Income-Generating Case Studies, the Sample Questionnaires, the Charts and the Photographs. The authors believe that one must read the Annex in order to get a better understanding for the SDAF. In fact, since many of the conclusions and recommendations of the report are based on observations outlined in the Annex, the value of reading the Annex section (specifically the Case Studies) is even more important.

SECTION II. THE SPECIAL DEVELOPMENT ACTIVITIES FUND

A. 1. Introduction

Section II is the most detailed analytical and evaluatory section of the report. Specifically, the overall SDAF program is discussed. The section is broken up into two main parts:

II.B. Social-Oriented Development Activities

II.C. Income-Generating Development Activities

Basically, each subsection goes into the impact that the projects have had on the community, the implementation and the relative success or failure of projects.

In the Social-Oriented subsection, the authors discuss these types of projects in various ways. Some of the key points which are emphasized are the impact the project had on the community, community participation, specific types of projects and their value, overall supervision of projects, and the amount of technical assistance the project received.

The Income-Generating subsection also deals with the social implications of projects, but emphasizes the income generating value of the program: Whether the products produced were marketable; overall success/failure of projects; and, the economic value of the projects.

Both of these subsections deal with the question of which types of projects AID should fund. In addition, more detail about recommendations are provided in Section III of the report. This analytical section (II) is the authors' personal opinions based on facts (statistical information), observations, information gathered from the communities visited, and data obtained from AID personnel.

2. Project Implementation Procedures

In general, the Special Development Activities Fund has a simple project implementation procedure. The following steps summarize it clearly.

- (1) Initial Interview--The Special Development Activities Fund Program Officer meets with, receives direct correspondence, or is telephoned by the primary people involved with the proposed project.
- (2) Application--Depending on the interview or phone conversation, the Program Specialist gives or mails an application to these people.

- (3) Application is returned. With the returning of the application, the Program Specialist reviews the application and interviews the people once again. The application is returned to them for final revision.
- (4) When the application has been completely revised, they return and meet with the Program Specialist again. Of course, there is a great deal of correspondence and other interaction between AID and the project beneficiaries.
- (5) At this point, the Program Specialist confirms the data in the application. The quotations, technical supervision, and other backing is confirmed immediately after receipt of the application.
- (6) Perhaps, one or two more interviews are held. In addition, the Program Specialist and a technical officer from the AID Mission visit the project site (if it is in Lima). Otherwise, an AID Officer usually does visit the site and makes his report. The Program Specialist performs more detailed examination and scrutinization of the project.
- (7) The technical officer then submits a report to the Program Specialist who reviews this report.
- (8) The Program Specialist then discusses the project with the Program Officer. If their discussions are negative, the project is dropped.
- (9) If their discussions are positive, a Summary and Background project information sheet is prepared by the Program Specialist.
- (10) This is then circulated (in order) to the Program Officer, the Technical Office, the Accounting Department, the Deputy Director, and finally to the Director. Approval of the Technical Office indicates that the project budget, any designs, etc. are accurate. The Accounting Department's approval indicates funds are available and that the money is being reserved.
- (11) If approval is obtained by all offices, the Program Specialist prepares a letter and a contract to the project coordinators.
- (12) Once the contract is signed and returned to AID, there is a strong push for immediate project implementation.
- (13) Fund advances are gradually disbursed in order to facilitate equipment and material purchases.

- (14) The Program Specialist keeps in contact with the project coordinators (and, if the project is in Lima, makes occasional visits) to be sure that implementation is going smoothly. The technical officer also monitors the project.

Eventually, after the project is completed, an inauguration is held. A plaque is presented by the Program Specialist at the inauguration.

The authors have found that this procedure seems to be working. In general, it takes about three to four months from the time a project idea is submitted until the first allocation of funds. Then it takes an average of about four to six months for the project to be completed. This is within the goals of the Mission to have the SDAF make grants quickly and have immediate impact.

However, at the present time, the adoption of a committee approach to approving projects is being considered. The authors believe that this approach (done in many other USAID Missions), may offer some advantages over the present system. It will facilitate more discussions and more intensive review of the project and bring more AID expertise into project selection decisions. The committee can also formulate a concrete set of goals which should guide the committee in selecting projects.

B. Social-Oriented Development Activities

1. Background Information

The Manual pertaining to the Special Development Activities Fund specifies that Social-Oriented projects are to be financed on a non-regular basis and only because of extraordinary circumstances (see Section I.B.). However, in the past, this has not been the case. The reason for this is two fold. First of all, the other types of alternative projects (productive ones) are much more difficult to implement because of the many constraints inhibiting their success (see Section II.C.). Secondly, there is a great need for these types of social projects. So many communities lack the basic social services (education, light, water, medical care, sewage, etc.) in Peru that, in a way, AID has to grant these Social-Oriented projects. There is so much social need that it cannot be ignored. Moreover, these types of projects tend to be successful. Thus, in recent years, the majority of the projects have been of a social-oriented nature.

2. Community Participation

The amount of community participation is an important factor as to whether or not a project will be funded. For example, if a water system is to be built in a community, then the Special Projects division insists that most of the labor be provided for voluntarily by the project recipients. This is especially important in terms of Social-Oriented projects because usually the project involves some sort of large-scale labor which can be done by common laborers.

The authors found that, for the most part, there was high community participation in Social-Oriented projects. In fact, out of the seventeen Social-Oriented projects visited, thirteen demonstrated community participation (see Annex IV.1). For example, in the "Huerta Perdida" project (670 (83-1)), the community provided all the non-technical labor working weekends. This took them four months to complete.

However, community participation is not always limited to labor. Often community members are involved with the direct implementation of projects. One community leader from the Pacchac Water Project (650 (82-1)) came to Lima four times during the initial stages of the project. Sometimes, pobladores actually pay for part of the project in terms of technical assistance (which AID does not pay in most cases) or some other aspect.

The only major problem, in terms of community participation, was found to be in the area of maintenance. However, some projects did maintain their donated materials. The public pilones (faucets) at P.J. "Nueve de Octubre" were found to be very clean, for instance. But, for the most part, those projects which required maintenance had not been kept up. The bathrooms at School No. 2040 were a typical example. The bathrooms were filthy. However, the question of cleanliness and maintenance seem to be a cultural problem. Since most pueblos jovenes do not have basic sanitary services, people have little knowledge as to how to upkeep these systems. A maintenance agreement in project contract may alleviate this situation (see Section III).

3. General Impact

This subsection deals with the impact projects have had on communities in terms of the actual physical improvements, attitude changes, and practical changes. Physical improvements involve what the grant actually provided. Attitude changes deal with how people's outlook have progressed or worsened because of the implementation of a particular project. Practical changes involve activities or other initiative the community has taken as a result of incentive gained from the original SDAF grant.

The actual changes brought about by the projects have been very significant. For example, in the San Hilarión project (659 (82-10)) the AID fund aided the implementation of a medical post in an area in which such a post would have been built if it depended on the Ministry of Health. The health post will in all likelihood play a role in decreasing disease in the area. This is just one of many examples. In almost every case the authors examined, the direct social change brought about was a positive one.

These physical changes often lead to overall attitude changes in the community. For example, in the project coordinated with "Desarrollo de la Familia" the Director indicated that the women now "feel loved." Although there is really no concrete accurate measure of a change in attitude, in the majority of social-oriented projects the responses indicated that the overall community attitude had improved in terms of faith in established institutions and other factors. For example, community ties seemed to be strengthened.

These attitude changes should give the people incentive to further improve their situations. And, in some cases, it does. For example, at Huerta Perdida, the community is in the process of coordinating an urban renewal project with the mayor's office. However, for the most part, attitude changes do not directly result in productive change or is difficult to quantify. Approximately one-third of the Social-Oriented projects visited were still in the implementation stages or completed very recently. Out of the remaining two-thirds of projects visited, only a few communities exhibited any measurable change.

4. Project Supervision

The issue of project supervision is an important one in determining whether or not a project will be successful. Basically, there are two factors involved: outside supervision and internal supervision. Outside supervision involves the amount of support a community receives from other institutions, while internal supervision involves the extent a project is running on a self-sustaining basis.

The real question involves how much external supervision is needed and/or should be considered in a project. The issue is more important in terms of income-generating projects because there are more factors to control (see Section II.C.). It is also relevant, however, in terms of Social-Oriented projects.

There is no doubt that technical supervision should be provided. AID policy is usually to let the community take care of that aspect of the project, or coordinate some form of free assistance. This agreement is usually written down in the contract. For the most part, the authors found that projects which needed technical assistance received it free of charge and/or coordinated through AID. This is an important point because without a system being properly installed (such as an electrical system), the project may fail before it even has a chance to have some impact. For example, the Palca project (665 (82-16)) experienced some installation problems because the project sponsors claimed they knew how to properly install the system, though this apparently wasn't the case.

The current policy of AID, as expressed by the Program Officer, is to leave as much of the overall supervision as possible to the community. The authors agree with this point to an extent. In other words, if it is demonstrated that there is strong community participation and organized community leaders to run a project during the implementation stages, then indeed, it should be left up to the community to initiate. However, when this is not the case, coordination with other organizations should be considered. The authors found that many projects were successful in part because of strong support from outside institutions. For example, the Rural Leadership Training program in Tarma (663 (83-14)) would not be possible without the support of Caritas/Tarma.

The authors strongly feel that once the projects have been finished, the supervision should definitely be up to the individual communities. However, in some cases where the project is operated by a complementary organization, this is not possible. The leadership program in Tarma comes again to mind.

In summary, the authors believe there are three main points to the supervision issue. First of all, technical supervision should always be done by professionals. Secondly, supervision during implementation should be a joint effort between the internal and external groups. Finally, in all cases possible, supervision and maintenance should be the responsibility of the individual communities after project implementation.

5. Specific Types of Projects

The authors visited seventeen social-oriented projects. These specifically included six education-related projects, five water and sewage-related projects, three health-related projects, and four miscellaneous projects (see Annex IV.3). The project at School No. 2040 (633 (81-8)) was considered both an educational and a sewage program. This subsection discusses each type of project in terms of the important factors that were observed by the authors and the relative success or failure of the projects.

a. Educational Projects

Overall, the education-related programs were very good. They usually provided physical improvement to the project site, from rebuilding classrooms to adding a playground. The authors believe that these projects were successful for three major reasons. First, there were great efforts by AID personnel that helped insure projects success. Second, since the communities know that the projects will directly help them in terms of their children, community participation was no problem. For the most part, this support came from parents clubs who provided labor and other assistance. Finally, since the schools themselves are institutions, proper supervision of project during implementation stages and after completion is almost assured.

All of the educational administration at projects demonstrated strong approval of AID and its programs. Also, the issue of educational projects as a whole is an important one.

Why should AID fund projects which fall directly under the category of the Ministry of Education? The authors believe that even though public education should be the responsibility of the Peruvian Government, they often do not have the funds to rehabilitate, restore, or improve present facilities. Thus, for the Special Development Activities Fund to support such activities is positive. Not only will children probably receive a better education, but any effect AID has on the overall educational system of Peru will have an effect on Peru's future.

Another key issue is that some form of education might directly effect the success of income-generating projects (see Section II.C).

b. Water and Sewage Projects

These types of projects have been done frequently in the past (see Annex IV.5). The authors examined three sewage installations, and two potable water systems. One of the sewage installations also restored the public water pilones (670 (83-1)).

These projects were considered successful because they provided immediate impact to the community, provided an essential social service, and were relatively inexpensive (as far as cost per person helped).

The authors would like to point out the excellence of one particular project: Potable Water Provision for P.J. "Nueve de Octubre" (624 (80-13)). In this project the community was very active and the steps taken to ensure continued success were excellent. For example, the people decided that the pilones (faucets) would only be open four hours a day (two hours during the day and two during the night). In this way, the pilones would last for a longer period of time and thus the community will benefit for a longer time. Also, every month there is an overall cleaning of the entire system. This project might serve as an example in other water projects (see Section III.A.1).

On the other hand, although the Pacchac water project was excellent, several factors still concern the authors. First, the Pacchac project cost five times more than the "Nueve de Octubre" project. Pacchac also benefited one-third of the people. However, one must consider that Pacchac is a rural community (thus, costs are higher), but Pacchac received grants to install water into the community and then (with the second grant) to install two faucets into every home. The question is whether, given the immense needs of communities throughout Peru, and given the limited amount of funds available for SDAF activities, home faucets should be considered a "luxury" and not really fit into the SDAF program. This, at least is the view of the authors.

c. Health Projects

The authors saw two equipment donations and one restoration of a health center. With this very limited sample the authors are not able to evaluate the overall worth of medical-related projects; however, some ideas were developed during the three visits.

Equipment donations were observed to have two sides to them. On one hand, they are good in the sense that they often improve overall service and can actively initiate a post into operation (see Annex II -649 (82-10)). On the other hand, one should consider whether or not the equipment is actually necessary. For example, an X-ray machine would not be needed by a medical post which is set up to offer only the limited general services.

As far as construction of medical centers or posts is concerned, the authors can only discuss the one they saw (No. 659 (82-10)). It is currently operating very well and was a successful project due, in large part, to the tremendous effort exerted by the local mothers' club. More information is provided in the annex.

d. Miscellaneous Projects

The authors saw four other Social-Oriented projects. They ranged from a community kitchen to the donating of an electric generator. These projects are thoroughly discussed in the annex section of this report (see Annex II).

6. What Makes a Good Social-Oriented Project?

Basically, the authors have observed several criteria which aid in the success of social-oriented projects. First, there should be strong community participation. Not only does this give the particular community a sense of responsibility and thus increase impact, but it also cuts costs in terms of labor. In fact, a project is usually not approved if the community does not show a technical implementational plan. Second, there should be adequate external supervision when it is required. For example, all technical supervision should be done by professionals. Also, if a community shows that it cannot adequately supervise the implementation of a project, then outside institutional control should be called upon. Finally, the project should be left on a self-sustaining basis after its completion. The authors believe this should be the case because it will ensure the greatest community impact and the least cost to outside organizations. For example, an agency should not have to pay for the maintenance on a project when it is completed. This should be the responsibility of the community. Of course, in some projects, supervision after completion is unavoidable. The leadership training program in Tarma is an example. In that project the outside agency (Caritas) is the one who runs it.

In general, the authors found that in their small universe the SDAF was meeting these criteria as far as Social-Oriented projects are concerned.

7. Social-Oriented Projects in the Future

The authors believe that the SDAF should continue to fund Social-Oriented Development Activities in the future. Moreover, if the budget remains the same, the Mission might consider solely funding these types of projects. The question of what percentage of which types of projects depend on the context of the SDAF. This issue is discussed in the Recommendations Section (see Section III.A.). The main point when considering projects of a social nature in the future is to continue to follow the guidelines for Social-Oriented projects; especially, the consideration should be to have as much impact as possible as quickly as possible.

C. Income-Generating Development Activities

1. Background Information

AID regulations indicate that Income-Generating projects are preferred and should be initiated more than Social-Oriented projects. In fact, Social-Oriented projects are to be implemented only on a "highly selective basis," according to the AID Manual Order,* (see I.A. Introduction). The twenty-year history of Special Projects at USAID/Peru does not reflect this. In recent years, the majority of Special Projects are Social-Oriented. At this point, the definition of Productive/Income-Generating projects may be beneficial. According to various discussions with AID personnel, the authors defined Productive/Income-Generating projects to be those projects which generate income and provide direct employment. This section of the evaluation explains the intricate reasons surrounding the lack of Income-Generating activities. It discusses expected AID general impact, actual impact observed, and the internal and external problems that must be overcome in order to implement and achieve success with these types of projects in the future. The next section explains the specific projects visited in the context of the problems found with Income-Generating projects. Finally, the last section explains the future of income generating projects and their survival chances at AID.

This section of the report is primarily based on visits (30% of total projects visited) to seven specific projects, discussions with project coordinators, other institutions and AID personnel. Although the authors visited a relative low number of Income-Generating projects, it is believed that these provide some valid conclusions.

2. General Impact: Expected vs. Actual

Expectations and actual results are two highly different things. One may have certain anticipations, contemplations, and hopes. These are expectations. However, for one reason or another, the actual results and repercussions may be entirely different. In general, Income-Generating activities demonstrate a conflict between expectations and results. In this section, the authors detail the expectations and the results, and the next section provides the reasons for this problem.

The expected results after implementation concern the overall success achieved by the enterprise. There are several components to "overall success." Most importantly, AID desires to fund an enterprise that is going to be financially viable. AID desires to generate employment by implementing

* USAID/Peru Mission Handbook

these self-sustaining projects. In addition, AID expects the organization to implement a marketing strategy of their product. This marketing strategy will hopefully generate sales and thus, will strengthen them financially. Another component determining success involves the general impact on the community. Hopefully, the project provides a needy product/service to the community at a low cost. The optimal Income-Generating project would be to provide increasing amounts of employment to poor people over a period of time and, at the same time, provide a product/service to the community.

Unfortunately, in our project investigations, the authors discovered many contradictions. Specifically, only two of the seven projects can be considered successful (No. 623, No. 561). The other five projects provide no employment and have not even begun selling any products. Perhaps, this is because these five projects were implemented in 1981 (2), 1982 (2), and 1983 (1). In the next section, however, the authors detail all of the reasons for the lack of success in Income-Generating projects. In addition, these unsuccessful projects have little idea of where to channel sales, what to produce, and how to organize themselves.

3. Why are there so many problems with Income-Generating Activities?

There are many reasons why Income-Generating projects have not been successful in the projects which the authors visited. The best way to review these reasons is to consider general problems with Income-Generating activities, problems with AID policy and with project implementation at the project site. First of all, a \$5,000 grant (the usual AID grant) to initiate the present types of Income-Generating projects funded is relatively small. Most Income-Generating projects supported by AID require more funding, because expensive equipment and raw materials usually must be purchased, and there are also general business expenses that are incurred (such as salaries, rent, etc.). Perhaps, this is because AID has directed its efforts towards the implementation of undesirable projects. For example, the Industrial Bank provides commercial loans (through an AID program) of \$5,000 and often less (and more) to fund Income-Generating activities of small-scale entrepreneurs. Some PVOs successfully provide loans of lesser amounts. Thus, in order to facilitate better Income-Generating projects, AID policy must be changed (increase overall budget) or improve its selection criteria. In addition, the potential beneficiaries lack the resources to offer some counterpart contribution to the implementation of Income-Generating projects. Other AID policies must also be altered in order to implement better productive activities. Specifically, AID should attempt to coordinate with other voluntary institutions to provide technical assistance and supervision. In the past, AID policy has been that the project beneficiaries be completely responsible for providing technical supervision. But since these people are the "poorest of the poor", how can AID expect them to provide assistance alone? Another AID policy requires "immediate impact" to be achieved at these projects. However, as far as Income-Generating projects are concerned, much larger time periods are required to achieve impact. This occurs because these people are generally uneducated. Thus, one observes that, in general, Income-Generating projects require that the people have an education. If they

are going to operate a business, then, they need to have management, marketing and accounting skills to facilitate organization. In addition, they must be trained to produce a product. These problems (which appear in most Income-Generating projects) are consistent throughout most of the Income-Generating projects the authors visited.

4. Specific Types of Projects

This section examines some of the specific projects the authors visited in the context of the previous data in this section. It attempts to provide the reader with examples of the problems confronting Income-Generating projects by examining the individual projects visited. Essentially, each of the six specific projects chosen demonstrate one or two of the key productive activities problems.

Project No. 632 (81-7) Sewing Shop in Pueblo Joven Matazango

This project demonstrates that in many Income-Generating projects, education is a key component before even initiating the project's main goal to provide an income to women in this pueblo joven. This project, initiated two years ago, is still teaching the women how to sew. They have not even developed a marketing strategy and other needed inputs. When and if this project is going to begin remains questionable. The underlying problem is the lack of funds to pay teachers. Presently, they have a professor coming in three hours on Saturdays to teach a course. This certainly is not enough instruction in order to get this project implemented. AID should consider obtaining the support of other coordinating institutions to provide education to these people. Perhaps, better impact can be achieved.

Project No. 652 (82-3) Carpentry Workshop in School No. 3043

Project No. 667 (82-18) Fish Pond in Chulec

Project No. 675 (83-6) Carpentry Workshop for Handicapped Entrepreneurs

Each of these projects demonstrate the need for high levels of technical assistance and direction required to implement an Income-Generating project. For example, the carpentry shop in the education center (652 (82-3)) clearly demonstrates the need for strong direction and technical assistance. This project, which currently is not operating, lacks the necessary assistance. In addition, the fish farm in Chulec has progressed very little since its approval one year ago. Essentially, this has occurred because of little direction, little community motivation, and supervision (the people are essentially uneducated). The community motivation problem should have been further researched before proceeding the grant. In addition, the location of this project is quite rural (has very little access) and should have been considered by AID personnel. If AID could provide or obtain assistance for them, perhaps this project can reach its excellent potential. Lastly, Project

No. 675 (83-6), the carpentry shop for the handicapped entrepreneurs, has similar problems. They lack supervision and, as a result, do not know what products to produce and how to market their products.

It is clear that these specific examples of problems explained above demonstrate that additional funding, more supervision, and some sort of an educational program must be implemented to achieve success with these projects.

However, this should not imply that there is no possible chance for Income-Generating activities to survive, but that conditions and procedures utilized in projects No. 561 (76-9), the cuy farm in La Molina, and No. 623 (80-12), the prisoner rehabilitation center, must be used when implementing projects. In brief summary, the common characteristic of both projects concern the fact that other organizations were responsible for project implementation. Thus, there was plenty of supervision. In the La Molina project, the Ministry of Agriculture provided supervision and financial support, and in the workshop, the Asociación Privada de Patronato provided extensive supervision and got other financial support. Another way to improve Income-Generating projects is to consider channeling future funds to other types of activities that require less technical supervision, and less expensive equipment/materials. In addition, AID personnel may wish to contact the Industrial Bank in order to discuss their successful small loans to poor people attempting to start an enterprise. This advice can assist with SDAF future planning. It is clear that the project potential for income-generating activities is considerable. AID must simply institute additional policies and procedures to assure success of these types of projects in the future.

5. The Future of Income-Generating Activities

At this point, one must consider whether or not any of these policy changes are in line with AID goals. If AID is able and willing to infuse the Special Project division with more funds in the future, then specific Income-Generating projects should receive larger grants and more AID assistance in procuring technical supervision and education. In addition, AID should attempt to fund Income-Generating projects through large institutions. For example, the prisoner rehabilitation workshop (Special Project No. 623) which today continues to receive support from the Asociación Privada de Patronato, depicts a very good income-generating project. It maintains twenty employees at all times and has had good impact on the community and the prisoners.

However, if the AID SDAF budget receives only \$100,000 annually, the authors believe that Income-Generating project should be cancelled indefinitely. With such a limited budget, social-oriented projects demonstrate much more impact on more people for lower costs. In addition, most social-oriented projects are quite successful in terms of providing a social service for many needed people, strengthening community ties, and sometimes initiating them to continue helping and advancing their living conditions. On the other hand, Income-Generating projects are not as successful primarily because implementation time generally exceeds three

years. In addition, it has been difficult in the past to provide adequate supervision and education to these people. It also benefits very few people (compared to Social-Oriented projects) for a high average cost.

This is not to say that the idea of Income-Generating projects is bad; in fact, it may be a better idea than Social-Oriented projects. It provides a small group of poor individuals with an opportunity--an opportunity to reach out and improve their life. And it also can provide them with a definite solution to these problems in their lives if they exert effort. On the other hand, Social-Oriented projects provide a service for an indefinite period of time usually to many people.

D. General Findings

1. Greatest Need Project

One issue which has developed in a number of cases examined involves whether or not grants should have been funded when the project sponsor exhibited a relatively easy ability to obtain funds elsewhere. The authors realize that it is AID policy to check if potential project sponsors have applied for funds; however, this information could be misleading. The authors believe that this problem could easily be solved with volunteer workers checking the projects (see Section III.A.).

The authors believe that there are two main points one must consider before answering this issue. First of all, usually when groups can get support from many organizations it means that there is good overall supervision. Thus, a project is likely to succeed. Secondly, maybe AID should use those funds in implementing projects with groups who have no other means of obtaining money.

The answer to the question depends on which point one considers more important. The authors would like to suggest that the second point carries more importance. It is more beneficial to do a project in a community when no help would have been granted than in one where help is easily acquired. One particular project which comes into mind is the one coordinated through the "Desarrollo de la Familia" (647 (81-22)). The purpose of the project was noble: to provide machines for four new mothers' clubs. However, considering the fact that they could probably have gotten the funds elsewhere (the Director of the project told us this), a different project might have been appropriate. The authors realize that there were many other factors involved, but this is the most important one in this case. The key should be to try to help those in greatest need.

2. United States Recognition in Special Projects

Constrained by the fact that the authors visited twenty-four projects, some interesting observations may be established with respect to community recognition of U.S. support for the Special Development Activities Fund. Although the authors are unaware of AID's intentions with respect to Special

Projects, they have examined the present reactions to and knowledge of U.S. assistance efforts in the projects visited and set forth two conclusions.

In general, most of the communities were able to explain that AID donated the funds for the implementation of their projects. Few, however, knew that AID is funded by the United States Government. In fact, in one project (667 (82-18)), one of the community residents thought that Germany donated the funds. Moreover, the communities generally praised AID for their donation.

Presently, the Special Projects division at AID presents a plaque to the community (project site) upon completion of the project. In general, the interviewers did not see these plaques when visiting. This may be because often projects do not have proper place to put plaques, or the plaques have not yet been delivered. However, at the Pacchac project (650 (82-1)), has a plaque was framed on the wall of the reservoir and remains there all of the time.

There are two alternatives that are available, depending on AID's intentions. If USAID does not want any other recognition than at present, then it should continue the same policies. However, if more recognition is desired, the authors recommend to emphasize the United States at all times, in all meetings and other communications with the Program Specialist. In addition, a brief word about the United States during each inauguration is recommended (see Section III.A).

3. Fiscal Year-End Problems 1982

An examination of what occurred last year (1982) between AID and Washington is interesting. Washington did not send approximately 25% of the funds until the end of the fiscal year. Due to project procedures (see Section II.A.2) a lot of projects had to be approved at the end of the fiscal year. Thus, it appeared as if a lot of projects were donated at the end of the year. However, this was not due to a lack of planning but, rather, a bureaucratic mix-up in Washington.

The authors note that the lack of planning in recent years, has not been a problem. Most projects have been evenly spread out throughout the years. In the rare occasions when "last minute" projects were implemented, they were usually successful.

SECTION III. CONCLUSIONS AND SUMMARY OF RECOMMENDATIONS

A. Summary of Recommendations

The following are three lists of recommendations the authors believe will be beneficial to the SDAF grant program. The recommendations are based on the annexes, the main report, and the overall predictions of the authors. The recommendations are divided into three groups: Overall (1), Social-Oriented (2), and Income-Generating (3). The authors believe that these recommendations will assist AID in future planning of the SDAF program.

1. General Recommendations

1) The overall AID budget should be increased to at least \$500,000 or .5% of the overall AID budget (whichever is larger). The funds should then be split evenly between Social-Oriented projects and Income-Generating projects. The Social-Oriented projects should remain within the \$1,000 - \$5,000 range, while the Income-Generating projects should have a higher range, \$15,000 - \$25,000 (flexible).

2) With the budget increase, it is recommended that a personnel increase be implemented. Specifically, the program officer in charge of special projects should be given a permanent assistant as well as a permanent secretary. Other assistance should be sought in a voluntary form, such as seeking college students from the local Lima Universities.

3) If the decision to increase the budget is made, then follow-up work should be more frequent and thorough. This could be done under the direction of the permanent assistant. The volunteer college students could do the actual check-up work. The only cost to AID would be their travel expenses.

4) The overall AID manual should be altered to incorporate these changes if, indeed, they are made.

5) If the goal of AID is to have the United States highly recognized in the implementation of Special Projects, then a concentrated effort should be made to better acquaint AID with the United States. This could become a bigger issue if the SDAF budget is increased.

6) Sometimes AID should inform key control groups (such as Caritas/Tarma), which have had successful projects, that funds could be donated to another project in a different needy community. This carries high importance in rural areas where direct supervision and follow-up is often difficult.

7) In rural areas, the special projects division may want to fund projects near other AID major projects (given that the SDAF project meets the proper requirements). In this way, there can probably be greater supervision and follow-up.

8) AID should not grant funds to groups which have demonstrated relatively easy access to funds. AID should be absolutely sure that the project could not get the funds elsewhere before the grant is given. Again, the staff additions would help here.

9) There should be maps included in project files (when possible) to facilitate the location of projects.

2. Social-Oriented Development Activities

1) The Social-Oriented projects should account for 50-100% of the budget depending on the size of the overall SDAF budget. If the SDAF budget remains the same, then Social-Oriented projects should account for more than the majority of the \$100,000 budget, otherwise; see A.I. Overall Recommendations No. (1).

2) Social-Oriented projects should continue to have the three main characteristics outlined in section IIB of this report: Strong community impact, adequate supervision, and self-sustainability.

3) No Social-Oriented project should be funded when the entire success of the project depends on an external supervisor.

4) In maintenance-related projects, some form of upkeep agreement be required by contract. For example, in bathroom installations at schools the children should be responsible for cleaning the toilets every day. If the SDAF staff is increased, then one of the volunteers can check (once a month for instance) whether or not the children actually clean the toilets, etc.

5) Educational programs should carry high importance in the future. Specifically, vocational training should be emphasized because of the benefits this training could have on Income-Generating projects.

6) Considering the fact that 43% of Peru's population is under the age of 14, AID should implement many social-oriented projects which benefit children's education since these kids will be the future leaders of Peru. Hopefully, through education, these people can benefit the country in the future.

7) In potable water projects, there should be an emphasis on public pilones. Additionally, the procedures followed by P.J. "Nueve de Octubre" should be suggested to project receives: locking pilones when not in use, open only certain hours of the day, and general cleaning every month.

8) When implementing medical post projects there should be inspection of the surrounding area to make sure other medical areas are not already operating. This could be one of the tasks of the volunteer workers, if the program is enlarged.

9) Community kitchens should be given high priority because they directly benefit the community and provide some form of income to the project sponsors (assuming they charge a small fee).

3. Income-Generating Development Activities

1) If the Special Development Activities Fund budget is not substantially altered, then Income-Generating projects should be implemented much less in the future; otherwise they should account for 50% of the overall SDAF budget. The remaining recommendations are based on the premise that the SDAF budget will be changed.

2) There should be a high level of supervision in Income-Generating projects until self-sustainability with respect to marketing, production, and financial management is attained.

3) Cost per employee must be considered in funding Income-Generating projects. A dollar figure should be developed which determines if a project should be funded (maybe \$500-\$1,000/employee would be the optimal project grant).

4) Most importantly, Income-Generating projects should be able to generate and sustain employment.

5) Projects should have people who demonstrate a will to succeed and a will to learn.

6) Since there are usually a small number of people involved in Income-Generating projects, more priority should be given to those groups of people which demonstrate strong community unity.

7) AID may want to initiate some sort of vocational training program to coordinate with Income-Generating projects. Recipients of grants could go to the center to further sharpen these skills and possibly learn the basic business skills needed to run a small enterprise. Then, they will be better equipped to handle their enterprise.

8) AID may want to explore new fields of Income-Generating projects. The key should be a unique business which requires the least amount of training. Also, projects which do not require expensive heavy equipment.

B. Final Statements

In concluding this evaluation, the authors must say that the past six-week internship in Peru has been one of the most interesting, exciting and educational experiences we have ever had. The completion and handing in of this evaluation comes with much thanks to all of you at AID.

The investigations here allow us to conclude that the majority of funds have been allocated quite well.

Specifically, the Social-Oriented special projects have had strong community impact, adequate supervision, and have been able to sustain themselves indefinitely.

On the other hand, the Income-Generating projects that were reviewed have not reached their potential. Even though there has been limited community impact, the majority of Income-Generating projects fail because of the lack of financial viability. The authors believe this occurs because of the limited educational opportunities available to these peoples. Thus, they are unable to organize themselves, and/or produce and market their product. These reasons contribute to their inability to generate employment and sustain themselves for a long period of time.

In order to continue funding both types of projects in the future, the authors recommend to increase the Special Development Activities Fund budget to at least \$500,000 or .5% (whichever is greater) of the annual AID budget. In addition, these funds should be divided equally between Social-Oriented projects and Income-Generating projects. Also, the program specialist should be provided with a full-time assistant and a secretary to facilitate project review, project implementation, and other general administrative duties. Furthermore, the authors recommend AID to obtain voluntary assistance from the undergraduate students in the universities located in Lima. These students can also assist the program specialist in project review and implementation and other general administrative matters.

Overall, these conclusions are made because both types of projects could create such incredible and visible impact (Social-Oriented projects already do and Income-Generating projects could) and must be implemented in the future to continue helping the "poorest of the poor" in Peru. One must always remember that "Huerta Perdida" still exists...

A. Introduction

The annexes are composed of the following sections:

- Annex I. Methodology
- Annex II. Case Studies
- Annex III. Sample Questionnaires
- Annex IV. Charts/Tables
- Annex V. Photographs

The methodology explains the authors' approach and procedure from obtaining and compiling the data to the writing of the evaluation. Specifically, it discusses the overall strategy employed by the authors, and the development of the questionnaire. Thus, in general, it details the complete methodology employed in writing the report.

The next Annex, the case studies, discusses each of the twenty-four projects (seventeen Social-Oriented and seven Income-Generating projects) visited by the authors. Specifically, it provides the reader with Special Project numbers, a brief description, the AID grant amount, and location. To facilitate understanding, the entire project number should be divided into three parts. The first three numbers may be ignored, because they simply represent the number since the Special Development Activities Fund began 20 years ago. The next two digits represent the fiscal year and the last digit(s) represent which project it was (in terms of consecutive order) in that fiscal year.

Each annex entry is then divided into two parts -- general data (predominant facts) and evaluation/summary. The general data section of each annex entry contains general background information such as the specific purpose of the grant, direct community participants and their self-help efforts, any assistance by other institutions, the various beneficiaries after project implementation, any problems encountered during project implementation and execution, or any regular problems presently encountered. The evaluation/summary section details the authors' opinions and observations about the project. The main analytical information is contained in the main report. The key difference between the Social-Oriented and the Income-Generating entries is that the Income-Generating entries detail financial information whereas the Social-Oriented entries do not.

The last Annexes contain each of the questionnaires applied to the contact person at every project, charts and tables, and photographs. The questionnaire essentially was used to obtain all of the information (except the charts and photos) found in this report. In one sense, it is the basis of this entire report. The charts (see Annex IV) aid the viewer in compiling the past data. Specifically, the charts indicate various combinations of project type, location, dollars spent, and number of projects implemented since the first grant was given in 1963. In addition, there are charts on the specific projects that the authors visited. These charts contain information similar to the other charts. In addition, the authors rated the projects visited on a scale of excellent to poor (see Annex IV.4). Finally, the photographs contain visual information regarding the project and are categorized by special project number, project title, and page number in the annex (see Annex V).

ANNEX I

Methodology

The methodology that follows is an overview of the thorough process the authors used while compiling this report. It discusses the intricate details in the report process from the receiving of the assignment to the final results. There is also detailed description about the principal information gathering device used: the open questionnaire. Finally, the authors believe that the methodology provides an explanation as to the validity of the report.

1. Overall Strategy

Throughout the six-week experience, the authors tried to keep in mind the scope of work in order to, at the very least, fulfill its requirements (see Section I.C.). Within this framework, the process the authors used involved 7 steps:

1. Selecting the Universe
2. Open Questionnaires (see Annex III)
3. Survey Procedure
4. Discussion Between Authors
5. Case Studies
6. Annexes
7. Main Report

The first week of the study was spent examining the overall universe of 681 projects (step 1) and developing the questionnaires (step 2). The idea was to get a representative sample of the SDAF program with respect to both Income-Generating activities and Social-Oriented ones. Furthermore, the questionnaires were designed to be as free of bias as possible with an emphasis on attaining the relevant information.

The second, third, and fourth weeks of the assignment involved the bulk of the traveling. At this stage, the authors actually used the questionnaires developed earlier (step 3). The investigators would then make any and all notes necessary from the particular project file. The next procedure would be to interview one or two of the main persons involved with the creation and implementation of the project. Finally, the authors would speak with members of the community and/or other people involved in the project. The idea was not only to get the necessary data, but also to acquire a feeling for the relationships and effects the project had on the community. Additionally, photos were taken when possible.

After the information was gathered, the analytical segments of the report followed. Immediately after each project, the authors would discuss the level of success or failure of the particular project as well as any and all observations they had made (step 4). These discussions were written down for future use in the writing of the case studies. They were meant to get ideas flowing and to channel thoughts in a productive direction. When the

authors' opinions differed, a common ground was reached that depicted the most logical combination of ideas.

From these discussions and the interviewing process, the authors were then able to write the twenty-four case studies. A typical case study, as explained earlier, is meant (among other things) to give an accurate summary of what the authors encountered when they visited the project site, the success or failure of the particular project, and any analytical comments that are applicable. The writing of the case studies brought the authors to the end of the fifth week of their assignment.

From the case studies and all the other data, the authors could complete the annexes (step 6) and write the main report (step 7) during the last week and one half of their internship.

2. Questionnaires

The two sets of questionnaires for this report (see Annex III) involved many hours of writing and re-writing to develop. The goal was to come up with an instrument of measure by which information could be attained with as little bias as possible. There were three sets of questionnaires before the authors reached the level that they were searching for. Each new set brought them close to this level. For example, one of the questions involved any problems the particular group encountered at the start of a project. In a preliminary version, the question stated: What problems did you encounter in the initial stages of the Project? The revised version read: Did you encounter any problems in the initial stages of the project? One can see that the original version implied that there were problems, while the second version leaves it up to the interviewer to tell the authors if, indeed, there were any problems and what those problems were.

Additionally, the authors attempted to reduce bias by explaining to the person(s) being interviewed that the interviewers were university students and that they were not directly affiliated with AID. The investigators tried to put people at ease and use the same tone of voice at all the projects. Thus, some level of consistency was developed.

Although there were two questionnaires, the authors designed them so that each individual one could attain the similar basic information. Standard questions were placed in both sets. However, since Income-Generating projects involved more financial data, this questionnaire was longer. After asking the questions in the questionnaire, the authors asked miscellaneous questions that were not answered in the interviews.

The authors feel that there remains some unavoidable level of bias in the questionnaire and the overall interviewing process. For example, selection bias is involved in terms of whom the authors chose to interview and/or who was available. However, the value of the questionnaire as a reliable informational tool is not significantly impaired. Furthermore, the fact that there were high levels of collaboration with the AID staff as to

which way to phrase questions and the overall survey procedure can only strengthen the value of the questionnaire considering that these people have had ample experience in interviewing techniques.

3. Conclusions

In the methodology, the authors tried to explain the thought process by which this report was developed. Given all the problems they encountered, such as their personal situations and the time limitations, the report may have been somewhat hampered. However, overall, the report is an in-depth and thorough analysis of the Special Development Activities Fund at the Mission.

ANNEX II

Case Studies

The authors visited the following Social-Oriented Special Projects:

	<u>Project No.</u>	<u>Brief Description</u>	<u>Amount</u>
AREQUIPA	511 (72-3)	Assistance to the Secondary School "Esclavas del Sagrado Corazón de Jesús"	\$5,000
	681 (83-12)	School expansion for P.J. "Nuevo Perú" in Paucarpata	\$7,550
JUNIN	650 (82-1)	Potable water system for the Pacchac Community	\$ 6,300+ 5,500 <u>\$11,800</u>
	651 (82-2)	Artisan center for campesina women living in Tarma	\$4,300
	663 (82-14)	Rural leadership training for campesina women	\$3,000
	665 (82-16)	Petrol equipment for adult literacy programs in Palca	\$7,000
LIMA	624 (80-13)	Potable water provision for P.J. "9 de Octubre"	\$2,251
	633 (81-8)	Sanitary services and playground for school No. 2040	\$5,000
	643 (81-18)	Laboratory equipment for medical center, Las Flores, San Juan de Lurigancho	\$5,000
	647 (81-22)	Equipment for "Desarrollo de la Familia" extension programs for Mothers' Club	\$2,500
	648 (81-23)	Completion of sewerage system for the center "Niño Jesús de Praga" in La Campiña, Chorrillos	\$4,000
	649 (81-24)	Equipment for the health post for the youth center in La Victoria	\$5,000

	<u>Project No.</u>	<u>Brief Description</u>	<u>Amount</u>
LIMA	659 (82-10)	Health center completion for P.J. "San Hilarión" in San Juan de Lurigancho	\$1,500
	668 (82-19)	Support to rehabilitate the school "San Pedro de Chorrillos"	\$8,000
	670 (83-1)	Sewerage installations for P.J. "Jardín Rosa de Santa María"	\$6,200
	677 (83-8)	Rehabilitation of a Community Kitchen for P.J. El Carmen Bajo	\$4,000
	680 (83-11)	Carpentry workshop to expand the "Career Center" of the Callao Diocese	\$10,000

They are arranged according to department and project number.

SOCIAL-ORIENTED CASE STUDIES

A R E Q U I P A

Special Project No.: 511 (72-3)
Project Description: Assistance to the Colegio de Educación Secundaria
"Esclavas del Sagrado Corazón de Jesús"
Amount : U.S.\$5,000
Location : Arequipa, Arequipa

Secondary school "Esclavas del Sagrado Corazón de Jesús" has been in operation for over seventy years. In 1970, the all-girls school located in Arequipa had 250 students and charged 100 soles annually for each student. At this time, the school was in dire need of repair. The Peruvian Ambassador referred AID to these problems. The five-thousand dollar Special Development Activities Fund grant was used to assist in the building of a new complex for the school.

Many other organizations (mostly catholic) provided funds to help build the complex. In fact, the AID grant turned out to be a small percentage of the overall funds that were used. The building was finally completed two years ago. They now charge 19,000 soles/month for secondary schooling and 9,000 soles/month for the primary educational training. The school has one of the finest reputations in Arequipa. Thus, even though there are over 750 students, the waiting list to get into the school is 2 years long. Finally, it is one of the best looking schools that the observers have seen.

The fact that the school is esthetically pleasing is not necessarily a blessing. In 1970, the school was probably relatively needy. However, in today's poverty stricken environment, such a donation would be unjust. Today, the fact that there is any decent school site at all would be a surprise in most pueblos jovenes. Additionally, considering that the grant was 10% of the overall SDAF budget in 1970 dollars, a donation of that caliber (\$5,000) would mean at least \$10,000 in 1983 dollars (not taking into account inflation). Yet, in 1970 the school's problem was probably one of the most severe. Thus, if one looks at the situation from a 1970 viewpoint, then it was a very successful project.

Summary/Evaluation: The all-girls school is now serving 765 students a year. This is an increase of more than 200% over the 1970 figure. The complex is beautiful and the school's reputation is great. Thus, this project has been a truly successful one. However, in today's world this type of grant could never be justified. To use 10% of the SDAF budget to aid in the construction of a school which already had a site in operation would be ridiculous.

Special Project No.: 681 (83-12)
Project Description: School Expansion for Pueblo Joven "Nuevo Peru" in
Paucarpata, Arequipa
Amount : U.S.\$7,550
Location : Paucartambo, Arequipa

In Pueblo Joven "Nuevo Peru", they are attempting to cope with the lack of educational opportunities and facilities. Presently, they are providing limited programs to youth and women in the pueblo joven. However, they need more classrooms to provide for its high and always increasing population. The AID Special Project Development Activity Fund grant of \$7,550 will be used to build three additional classrooms to expand these services (the first Arequipa project in 12 years).

Reverend Carlos Pozzo, the project director, is presently involved (through his Catholic organization) in the construction of 30 other schools in Arequipa. This Catholic organization receives large amounts of funding from Germany and Belgium. As far as this particular project is concerned, this organization is going to provide any additional funds needed (that AID did not provide). In fact, this organization has already constructed six classrooms. The community (the pobladores, the mothers' club, and the children - approximately 300) is providing the majority of the labor. Reverend Pozzo claims that "if you give it to them (the community), they don't appreciate" or respect it. Thus, you have to "make them work for it". Minimal technical assistance on the classroom construction was contracted for and paid for with AID funds. Materials are provided by the Catholic organization (they actually manufacture the materials themselves).

The implementation of this project is going to benefit the entire community. Specifically, many children will be attending the school daily and some parents will use the school rooms even on the weekends. Some evening courses will be provided through the mothers' club. Hopefully, the pueblo joven children will become well-educated and will be able to locate a job after school and some may even be able to go to college.

Several other observations may be discussed here concerning pueblos juvenes in Lima and Arequipa. The Arequipa pueblos are much better. The housing structures are more durable and look esthetically nicer. In addition, the pueblos in Arequipa plan better for the future by leaving space for a medical post and education facilities. The pobladores also seem to be more aware as to what is happening in Peru.

The primary problem encountered in this project concerns the people in the pueblo joven. Initially, they were not able to believe that AID was going to provide funding. These people are continually lied to and, as a result, lack hope. However, after observing that the project was a reality, the people were overall supportive, especially by providing most of the labor (voluntary). Presently, they are two months away from completion and

implementation of this project. At this time, the Ministry of Education is providing the salaries of the professors. Any other funds needed will originate from Father Pozzo's organization.

Summary/Evaluation: In general, these education-related projects are ideal and should be considered in the future to solve the problems of Peru's poor people (see Section III). This specific project is perfect with the exception of one question - Could this organization have obtained the funds from another source? The authors believe that with the financial backing it has, it certainly could have. Thus, these funds could have been donated to the implementation of the same project in another area of Peru.

Special Project No.: 650 (82-1)
Project Description: Potable Water System for the Pacchac Community
Amount : U.S.\$6,300 + U.S.\$5,500 = U.S.\$11,800
Location : Pacchac, Tarma, Junin

Although the city of Pacchac is only sixty kilometers away from Tarma, the journey takes approximately two hours by car. The small community is located on the top of a large chain of hills. Thanks to the donations made by AID (totaling \$11,800), every house in the small village has full water services.

The project was coordinated through AID with the help of the CIPA Office of the Ministry of Agriculture. Due to the tremendous efforts exerted by them, AID, and the Pacchac Community, the project has been a success. The original grant (Six Thousand Three Hundred Dollars) was for the implementation of a main water system with several pilones (faucets) for public use. The second donation (Five Thousand Five Hundred Dollars) provided two individual pilones for each home in the town.

With respect to both donations, the community demonstrated tremendous cooperation. They provided all the labor as well as carrying a lot of the materials (rocks and sand) from a river in the higher valley back to Pacchac. Additionally, the people contributed money by paying the CIPA personnel per diems and any gasoline expenses. This would come as no surprise to people who are familiar with the community. The residents of Pacchac have built their own road among many other self-help efforts. Moreover, those efforts have always been successful.

The installation of the potable water system has had many effects in the community. First, it has given them clean water and, possibly, will reduce disease. This is a key point because Pacchac is the first community in the area to receive potable water services. Second, it has made Pacchac safer. Before the implementation of this project, the people would bring water from the river and the streets of the town were often wet and slippery. Consequently, many people suffered injuries. Third, water has given the people the incentive to improve other areas of their lives. According to Miss Angulo, the houses are better kept than before and many are now painted. Furthermore, it was observed that nine new complexes have been built recently. Miss Angulo suggested that these had been built by young couples who would have normally migrated to the cities, but stayed because of the availability of the water. It is interesting to note that any new facilities which are installed in the community are paid for by the entire community. Also, the system as well as the individual taps seemed to be well maintained.

The only negative point in this analysis is to question whether or not the second grant was necessary. Would it have been better to use that money to put in a similar water system in another community? In that way, twice as many people could have been helped. Given that Pacchac is fairly spread out in four major areas, one community pilon could have been built in each area.

However, in this case, there were extraordinary circumstances. First, the second grant was given at the end of the fiscal year, and, thus, the money was used in the best way possible. Secondly, considering the high altitude and difficult climate in Pacchac, individual pilones make more sense.

Overall, the project was extremely successful. The community demonstrated a great desire to help, there was proper local supervision (high community participation and coordination with AID), and the water is free (they think it comes from an underground river). Additionally, the community (mothers' club) is presently involved in a terrace farming project which is progressing well. They are receiving technical assistance from another branch of the U.S. AID Mission.

Summary/Evaluation: The people of Pacchac still have a great desire to help themselves. Their biggest need is electricity. One by one, the pobladores asked the authors for a donation to install an electrical system. Indeed, their desire is warranted and there is no doubt that they would carry out their end of the bargain if not more. However, donating funds to this community would seem unjust when there are so many other neighboring communities who do not have access to sanitary water.

It is recommended that water-related projects be of high priority in the future. Furthermore, it would probably be wise to limit such ventures to communal centers of water. In other words, pilones in each home do not seem to be a necessity, but a "luxury" in most areas in Peru. If one looks at it from an economic standpoint, then the cost per person helped in this project was (approx.) twice as much as it should have been since the second grant could have been used in a different community to provide water facilities. Conceivably, twice as many people would have been helped as well. It is understood that having water in one's own home is a human right; however, in a country such as Peru where having any type of potable water is extraordinary, personal faucets must sometimes be sacrificed. Of course, it is understood that this was an extraordinary situation considering the time in which the second grant was given (near the end of the fiscal year) and the particular community to which it was granted. Thus, the recommendation is not meant to criticize this particular project, but to consider when funding future grant proposals. The most important factor should be to help the greatest number of people.

Special Project No.: 651 (82-2)
Project Description: Artisan Center for Campesina Women Living in Tarma
Amount : U.S.\$4,300
Location : Tarma, Junfn

Caritas/Tarma, who has formed at least 130 artisan centers, believes that the development of an artisan center is the next step in assisting the Income-Generating activities of campesina women in Tarma and the surrounding areas. In general, the campesina women have been unable to sell their products at reasonable prices and are often forced to sell their products below production costs. The AID Special Development Activity Fund grant of Four Thousand Three Hundred Dollars was used to provide basic equipment to implement the Artisan Center. Eventually, resources in artisanry will be offered to these campesina women in an effort to promote their development. With the guidance of Caritas, this project intends to accomplish this feat through the 280 mothers' clubs throughout the area. AID approved this project on the basis of Caritas' experience with these mothers' clubs.

In addition to Caritas, this project received assistance from the 280 mothers' clubs and a Parish located in Tarma. Caritas, specifically Graciela Salazar, continues to provide technical and general supervision, books and materials. The mothers' clubs provide some financing and, most importantly, they supply the women to attend these classes in artisanry and bakery. The Parish donated the large building where this artisan center is located. Thus, this community has demonstrated a great deal of self-participation and enthusiasm.

In this project, AID seems to receive more recognition than in most projects. Specifically, AID is admired and accepted very favorably at this project. They admire the "objective that AID has in their special projects." AID has the desire to "help these people to help themselves," explained Graciela Salazar. In other words, AID is initiating the change by providing the financing. But, it is the community people who must carry out and implement the AID objective with the AID grant assistance. Furthermore, many of the women were well aware of the AID contribution. Although the project has not yet reached its potential (according to the center), one must remember that it is in the initial stages. Presently, the center is offering 6-8 week courses with 30-50 women in each course. These women are from any of 280 mothers' clubs in the area. In general, once the course is completed, the woman returns to her community and teaches other women the skills she has acquired.

There are several problems halting the project's progress. First of all, some of the sewing machines are not working well (parts are missing, etc.). Most importantly, there is excess demand from the Tarma community. In fact, non-club members are interested in taking courses. This is beginning to cause some tension between mothers' clubs within and outside Tarma. Excess enrollment results because there are limited funds to pay professors (they

receive a gratification salary only), care for the grounds, and the purchase of supplies. Presently, Caritas, the Parish and the mothers' clubs are financing this project. Specifically, each mothers' club pays One-Thousand soles each month. Additionally, each student pays Two Thousand Soles each month. The four professors are each paid Thirty Thousand Soles each month. Administrative costs account for at least Sixty Thousand soles/month. Although the other monthly expenses were unavailable, they account for more than the remainder of the monthly revenues. Thus, they are in need of more funding in order to solve some of their problems and to eventually carry out their main objective: that the Campesina women will be able to sell their products at reasonable prices in order to support themselves indefinitely; and simultaneously, they desire to improve the living conditions of these women. The authors confirmed the above information with Graciela Salazar, M. Morales (assistant) and the Priest in charge of the artisan center location.

Summary/Evaluation: Overall, the authors firmly believe that projects of this type are excellent and are very worthwhile. Furthermore, the authors believe that education is one of the most plausible solutions to the problems of these peoples. Perhaps, this project is on its way to a bright future because of the fantastic supervision of Graciela Salazar. She dedicates many hours to this project and seems to be one of the key reasons why this project is so successful. Furthermore, this project received great enthusiasm from the community and other institutions. The idea of constructing and developing an artisan center for 280 mothers' clubs with the intent to teach the women various skills and, in turn, that they teach their communities' members these skills is excellent. Eventually, these communities and families may be able to support themselves. From the authors' observations of these projects and other projects, they recommend to initiate education-related projects in the future as long as there is good internal supervision and external guidance during and after project implementation.

Special Project No.: 663 (82-14)
Project Description: Rural Leadership Training for Campesina Women
Amount : U.S.\$3,000
Location : Tarma, Junín

Caritas/Tarma undertook a program addressing the educational needs of campesina women. The idea of the program was that campesina women could come to the center and take small courses (from a week to two weeks in length) about such varied fields as nutrition, small animal breeding or bee farming (for honey). Then, in turn, the women would go back to their communities and teach what they had learned to other campesina ladies.

Graciela Salazar has directed the program ever since its creation in 1970. The AID funds were to be used to pay the fees the women themselves would normally have to pay, as well as to improve the quality of the courses in terms of professors and subject matter. The \$3,000 dollar grant has been used to implement four of the six cursillos (mini-courses) that were supposed to be funded with this grant (approximately eight courses are given each year).

The women who attend the courses come from one of the 280 mothers' clubs that Mrs. Salazar coordinates in and around the Tarma area. Mrs. Salazar explained that the clubs usually elect a representative to attend the course and the clubs pay their fees. In the case of AID funded courses, no fee is required. The women are encouraged to live at home during the length of the course if they reside in the Tarma area, while beds are provided for the women who come from outside the city of Tarma. All meals are provided for during the length of the course.

The director informed the interviewers that the program had encountered some problems through the years. At the very beginning of the program (early 70s) there was a basic lack of interest among the campesina women "I almost had to beg them to come." Today, however, the problem is the exact opposite. There is too much demand for the courses. Sometimes, they have to turn women away. Also, since most of these women have children, Mrs. Salazar said that the courses have to be limited to one or two weeks because the mothers cannot stay away from their kids too long.

The overall idea of the training program is splendid. The women came to learn some speciality, from raising small animals to basic business. Then, they go back to their rural homes and teach other women what they have learned. The "multiplier effect" then comes into play. For example, one woman can pass on her knowledge to five other women. Thus, the effect of the course is multiplied by five. Five times as many people receive whatever social and economic benefit that particular course provided. The real issue, as far as the authors are concerned, involves the question of whether or not the funds should have been donated considering the fact that the program had been running successfully for the past decade. More specifically, was it worth improving the courses? Although the program definitely benefits from

improved courses (the multiplier effect is greater increase), the investigators would like to suggest that the funds could have been used in a more productive manner. The fact that there is any such program is amazing. Therefore, possibly the funds could have been used to start a new rural leadership training program in another area. The program in Tarma originally cost \$2,000 dollars to implement back in 1970. Given that today it would cost a lot more money, it would not be out of the budget of the AID SDAF division to fund such a venture.

Summary/Evaluation: The rural leadership training program in Tarma has been a great success. There is no doubt that the multiplier effect is extremely important. Also, the director indicated that the level of courses, due to the AID grants, has improved. The course in accounting, for example, is exactly the kind of training that has to be increased in order for income-generating projects to succeed. Indeed, this type of course could not have been possible without the AID grant. However, the authors feel that this increase in quality is not enough to justify the grant. The project is an excellent one, yet with this money and perhaps another two or three thousand dollars, AID could have started the same type of program elsewhere. Also, it could have been accomplished with Mrs. Salazar or one of her colleagues in Huancayo or some other relatively close areas.

Special Project No.: 665 (82-16)
Project Description: Petrol Equipment for Adult Literacy Programs in Palca
Amount : U.S.\$7,000
Location : Palca, Tarma, Junín

Palca, a small agricultural community located 2,750 meters above sea level and about 150 kilometers from Huancayo in the department of Junín, had a dual problem to confront before AID funded their project. Most importantly, Palca, specifically the Parish there, directed by Father Humberto Unterberger, needed to provide educational opportunities to women; simultaneously, they needed light (power) in order to provide night courses to these women. The AID Special Development Activities Fund grant of Seven Thousand Dollars was used to purchase a diesel generator and to complete the mothers' club building, the location where the courses are being taught.

After observing this project site, the authors concluded that this project exhibited strong self-help efforts by finding other institutions to donate funds and materials and by obtaining the support of the community. Other funds were donated by a Catholic German organization and by the Parish itself. Furthermore, the members of the twenty-one mothers' clubs in the area engage in activities aimed at obtaining additional funds for the Parish. These women have even gotten their husbands to provide most of the labor voluntarily. As far as equipment is concerned, Caritas/Tarma donated several sewing machines and the women purchased several artisan machines with the money raised through various income-generating activities.

Although the mothers' club has light now and some courses are being taught, the primary beneficiary of this project is the Parish and its members, because now there is light in the entire complex. In fact, the mothers' club has classes that benefit sixty women each year. Although very few women actually took the courses, the town is actually able to see the improvement in these women. According to Father Unterberger, "women here are able to get ahead in the world." In fact, they are even influencing other illiterate women to take these classes. Furthermore, Father Unterberger indicated that not only the mentality of these women has changed, but also the human qualities of these women have been transformed. For example, these women are now more concerned with their families and their homes. Although the initial purpose of the project was to provide light to the mothers' club, it seems now that the AID funds were used to provide light to the entire Parish. Furthermore, approximately three hundred people benefit from the implementation of this project annually.

Some problems were encountered during the initial stages of the implementation of this project. Most importantly, the diesel generator broke fifteen days after installation. For three months the generator was not working. Poor installation on behalf of the Parish, lack of materials, lack of technical assistance, and lack of cooperation from the Lima-based company where the generator was purchased, were the key problems in this project.

Unfortunately, the Parish had to incur all of the expenses in the repairs. Although the interviewers believe that the generator should have been repaired by the Lima-based company, additional supervision in terms of installations was needed to implement this project (especially technical).

Despite the problems with the generator, Father Unterberger explains that current financing is becoming difficult. The project costs one-million soles annually to operate. Each woman in the Parish's mothers' club (approx. sixty) contributes Twelve Thousand Soles annually. The remainder of the financing (Three Hundred Thousand Soles approx.) is currently being absorbed by the Parish. Besides this problem, the Parish needs more funds to equip the mothers' club area.

Summary/Evaluation: Overall, projects of this type would be beneficial and very worthwhile if more people would benefit at a lower cost. Although the authors realize that there is no way to measure the benefits of each project by a number, because there are so many other factors to be considered (such as time of grant, community conditions, etc.), the project has a relatively high annual cost per person. The authors strongly feel that this project was too expensive for the benefits incurred relative to other projects. However, the authors wish to clarify that a project installing light into an entire area is excellent, but costs must be kept low, supervision (by a technician) must be extensive, and as many people as possible should benefit. If this is not possible, then other necessary projects should be implemented.

SOCIAL-ORIENTED CASE STUDIES

L I M A

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Special Project No.: 624 (80-13)
Project Description: Potable Water Provision for Pueblo Joven "Villa Nueve de Octubre"
Amount : U.S.\$2,251
Location : El Agustino, Lima, Lima

Pueblo Joven "Villa Nueve de Octubre" is located in El Agustino, one of Lima's poorest centers. El Agustino is characterized by a large population and a lack of sanitary services and other basic human needs. This pueblo joven was in dire need of water. An AID Special Development Activities Fund grant of \$2,251 was needed to purchase materials, piping, a pump, and technical assistance to complete a water system.

Before this pueblo joven came to AID, they researched and contacted various embassies. They received many remarks like "No...we will not be able to help you...good luck." The community had almost lost all hope until they approached the American Embassy. After their meeting with Verónica de Ferrero, "everything was easy." The community people had a reborn hope and new opportunities. They also received seven-hundred thousand soles from OFASA. The community provided manual labor and even purchased a great deal of materials and equipment. In addition, they hired a technical advisor to design the system. The manual labor for the project took six months (working Saturdays, Sundays, and some weekdays).

The project has clearly benefited the pueblo joven. Water, a necessity for any town, has been provided to 200 families (at least 1,000 people). In all likelihood, it has reduced illness in the pueblo joven and has changed the town's attitude to one of hope for the future. Presently, the water system operates four hours a day in order to conserve water and electricity. When it is not operating, the pilones (five in the community) and the main system are locked. Currently, one lady is responsible for daily operation and has the key to the pilones. Major problems with the system are handled immediately by the General Secretary. Each of the five pilones is cleaned weekly by the town's children. Every two months, a major cleaning of the entire system is done. Electricity costs (the only cost incurred by the community in the operation of this project) are paid for by each family and they run approximately five hundred soles annually per family--a very low cost.

The pueblo joven encountered several problems during installation and still faces some problems today. At the beginning of the project, the school below the pueblo feared the installation of the water system. The school felt that it would lose too much water pressure, but eventually agreed to the installation of the main water system. One other problem occurred in January and February of this year. They didn't receive water for this period because of the disaster in the North. Currently, they have no public bathrooms, no sewage system and very little light. These problems continue to contribute to serious health and nutrition-related problems.

Summary/Evaluation: The authors believe that this project (compared to other social-oriented projects the authors visited) is excellent, because it has benefited many people for a relatively minimal cost. Furthermore, the pueblo joven has implemented many control methods to take care of the system. In fact, it is one of the cleanest projects that the authors visited (compared to other pueblo joven areas). Lastly, this project is going to provide water for these people indefinitely.

Special Project No.: 633 (81-8)
Project Description: Sanitary Services and Playground for School No. 2040
Amount : U.S.\$5,000
Location : Comas, Lima, Lima

Before the implementation of this project, disease was prevalent at School No. 2040 in Comas because students would often defecate where they played due to a lack of proper sanitary services. The five-thousand dollar grant provided by the AID Special Development Activities Fund involved funding for new bathrooms and building materials for a new playground.

Upon inspection of the site, it was found that the project exceeded that which it had set out to accomplish. In large part, the effort exerted by one of the local teachers was the contributing factor. Through his frugal efforts, the school was able to restore the outside retaining wall and walkway in addition to repaving a greater portion of the playground than was originally planned. However, none of this work would have been possible if not for the volunteer labor provided by the parents of the students. At first there was a lack of confidence in the administrators of the school and a disbelief that the project would happen. But after initial weeks of limited action, the parents ended up providing most of the labor (working weekends) with CARITAS providing food. With the addition of the new bathrooms, the likelihood of illness was probably reduced. The school finally had sanitary services for both boys and girls.

The teachers' bathroom, girls' bathroom, and the boys' bathroom all seemed to be in good operating condition (although many were dirty--see below). It seemed as if the facilities have served their purpose.

There has developed one major problem, though. The bathrooms, and the whole school for that matter, were found to be filthy. The picture (see Section IV.G.) depicts a typical scene of a toilet at the school. This seems to be a community problem, however, as the whole area was not as clean as it could have been. Moreover, this is due to a lack of awareness about cleanliness in both the home and the school. Most of the children attending the school come from land invasion areas where they usually do not have any social services at home and, therefore, do not know how to care for these services. Perhaps the school can initiate some type of awareness program on cleanliness. As far as the playground is concerned, it seemed to be in relatively good condition considering "wear and tear" as a result of usage.

Overall, the project seemed to be successful. It directly benefits 2,500 students and 60 school representatives in addition to indirectly benefiting the families of all those involved and the community. The school director, teachers, parents, and students alike demonstrated their approval. The school received a second place merit award from the Ministry of Education as a result of the implementation of this project with AID.

Summary/Evaluation: With the help of AID this school is relatively well off when compared to other public schools in Peru. Furthermore, this type of project seems to be very successful. There was a strong control person on site (the teacher), and the community provided the labor. But, the problem of sanitation is a serious one. The bathroom at the school will lose many years of use if they are not taken care of better. The Director said that a man came to clean them everyday; however, this did not seem possible. AID should implement some sort of upkeep agreement for these kinds of sanitary projects and all projects where maintenance is a key factor. For example, an agreement that the children should clean the toilets could have solved the problem in this case. Additionally, the school mentioned a desire for having a science laboratory and library, among other things.

Special Project No.: 643 (81-18)
Project Description: Laboratory Equipment for Medical Center, Las Flores, San
Juan de Lurigancho
Amount : U.S.\$5,000
Location : Las Flores, San Juan de Lurigancho, Lima

The Benedictine Priests from England, in Las Flores, have been sponsoring a medical center there since 1976. An AID SDAF donation of \$5,000 was used to purchase necessary laboratory equipment for the medical post. The 50,000 persons living in the area will directly benefit from this equipment.

The interviewers were not able to find a person at the post who could give them the most complete information. All personnel who were directly involved with the grant had moved on. However, with the help of one of the Benedictine Priests, the authors were able to get the needed information. Medical services include care for women, children, and basic check-ups. At the time of the visit, the office was short-handed and could only see 25 patients a day. However, on a normal basis, 75 patients are cared for in a typical day. Patients are charged a symbolic 500 soles per visit. The authors were able to view the equipment which was purchased with AID funds. It seemed as if there was little equipment, but, on the assumption that medical equipment is very expensive, all the equipment seemed to be present and in good condition.

This project has many positive aspects. First of all, it was well supervised by the priests. This has made it very successful. Secondly, it is one of the few community health posts in the area and thus many people benefit from its services. Finally, the center was very clean, well built, and the staff seemed to be extremely organized.

Recently, however, the center has run into some severe problems. The priests decided to give the center over to the Ministry of Health so as not to have to incur the costs. Ever since this happened (a few months ago), the post has been understaffed. Normally there are three doctors, but for the past month there has only been one. Thus, the center has only been able to see 1/3 of the normal number of patients. The people at the center indicated that this problem will be resolved soon. Other problems are patient-related. The people do not seem to follow the course of treatment. This problem is not unique to the center, though. It is a problem encountered in most of the medical-related projects the authors have visited.

As far as AID is concerned as to whether or not this project was successful, one has to look at it in relative terms. Compared to other donations of this sort (medical), was this one a good one? Although the center benefits a lot of people, this grant may have not been used as well as it could have been. The authors believe this is the case for one major reason: the medical center could have probably gotten the funds elsewhere. The priests had been supporting the center for so long and could have probably paid for the equipment. A project such as the medical post found in San Juan

de Lurigancho (No. 659) would have been more appropriate. In that case, the community was extremely active in building the complex and they probably could never have gotten the funds anywhere but AID.

Summary/Evaluation: The medical center in Las Flores provides services for many residents and is operating very well. Even though there is a temporary problem with the Ministry of Health providing doctors, the center should be functioning for many years to come. It is true that implementing a project with an established group almost guarantees success. Also, considering the fact that the building was not there and the funds were only used to purchase equipment further ensured success. However, whether or not AID should have given funds for equipment where a center is already in operation when there are so many areas in Peru that have no medical posts is another issue. The authors would like to suggest that the funds could have been used to implement a new medical post project like the other one in San Juan de Lurigancho where community participation was high.

Special Project No.: 647 (81-22)
Project Description: Equipment for "Desarrollo de la Familia" Extension
Programs for Mothers' Clubs
Amount : U.S.\$2,500
Location : Rimac, Lima

"Desarrollo de la Familia" (ADEFA) is a group based in Lima working to alleviate the miserable conditions in which many poor families find themselves in Peru by "developing and strengthening the family institutions in the shanty towns of Lima." Its two principal projects are the mothers' club program and the children's club program. For the mothers, the emphasis is on culture, literature, bible studies, nutrition and handwork; while the children get school aid, nutritional advice, bible classes and celebrations (parties, etc.). The Two Thousand Five Hundred dollar AID SDAF grant was designed to implement a nutrition and sewing workshop in each of four pueblos juvenes.

In each of the four towns, the workshops are located in the mothers' clubs. Thus, the direct beneficiaries are the ladies themselves, many of whom did not know how to sew or were unaware of basic nutritional information.

In order to get a better feeling for the impact such workshops have on the mothers and the community as a whole, it is beneficial to examine the mothers' clubs themselves. Claire Adriance, Director of ADEFA, indicates that mothers participate in their programs because "we (ADEFA) make them feel loved." Besides sewing and other basic instruction, the ladies are taught miscellaneous things that make the home life better. For example, they are shown how to decorate tables with flowers and candles. These changes in attitudes and behavior are expressed in the home. Thus, an unmeasurable impact on the community is developed.

ADEFA receives a lot of funds from World Vision, as well as anonymous donors and other institutions. They have over 35 mothers' club (children's clubs) in operation. It is unquestionable that the social service this organization provides is essential. However, was it necessary for AID to give this grant when this particular group has so many other sources of income? As for other projects where communities are receiving funds from various groups, AID in the future should coordinate with other donors and determine whether AID funds are really necessary. Of course, by coordinating with such a positive group (ADEFA), success is almost certainly guaranteed. Yet, that they could have "probably gotten the funds elsewhere."

However, given that the donation did occur, it was successful. There was and continues to be a high level of community participation. Moreover, women are truly appreciative and thankful. The investigators were greeted with applause and picarones (a Peruvian dessert) upon inspecting one of the project sites. These women are extremely dedicated to their clubs and its programs. The authors were informed that the no-show rate at meetings were very low. The ADEFA project really gives hope to these women, many of whom have been in hopeless situations.

Summary/Evaluation: ADEFA truly benefits many people in disadvantageous positions in Peru. The nutrition and sewing workshops are two of the most important aspects of their programs. In the nutrition program, the women learn about the nutritional value of food and, more importantly, the optimal use of the available food supply. In an environment where a typical day involves stretching out a meal meant for four into a meal for ten, this is extremely important. The director of the program told the interviewers that malnutrition and improved health were direct results of this facet of their work. Regarding the sewing project, women learn a craft which can help clothe their families or even bring in a little extra household income.

Special Project No.: 648 (81-23)
Project Description: Completion of Sewerage System for the Center "Niño Jesús de Praga" in La Campiña, Chorrillos
Amount : U.S.\$4,000
Location : Chorrillos, Lima

"Niño Jesús de Praga," located in La Campiña, Chorrillos, Lima, is an orphanage aimed at improving basic services like education. This Catholic mission supports orphans living in the area by providing room and board and an education. The AID Special Development Activities Fund grant of \$4,000 was to be used for constructing a sewage system in the orphanage. However, because of guidance by Mr. Oscar Estrada (the teacher who directed project No. 633) and Sister Marfa Bertha Gomez, the orphanage director, the funds were also used for the construction of a dining room, bathrooms, and a kitchen (materials and equipment purchased by AID). This is a fine example of cost-cutting and intelligent purchasing policies.

Besides their excellent project implementation, they were able to obtain assistance from several other groups. In fact, Grupo Celeste, a ladies' group, provided them with one hundred fifty million soles for food; also Caritas donated food and AID provided technical supervision. Finally, Lufthansa gave bed sheets, clothes, and assisted in the construction of the dining room. In addition to the assistance from major institutions, the orphanage runs a kindergarten, which economically supports them today by charging its students (from the community), and which paid for contractors to do the labor for this project. The oldest kids in the orphanage also provided assistance, because they wanted to improve their living conditions. Lastly, two French individuals provided funding to purchase materials for the construction of the kitchen.

Now that the project is essentially completed, it is clear that this community has benefited. The children in the orphanage are now able to use the facilities. The day has finally come when they can wash themselves. AID has done a "great thing," remarked Reverend Gomez. These children have some hope in the future now that they have bathrooms, water and a kitchen. As a result of this new hope for the children, they clean the areas and keep the entire grounds well-groomed. They have developed a sense of ownership and responsibility for the property.

Summary/Evaluation: This project is a very good project. It exhibits the skills of fine supervisors who have maximized their spending power. Furthermore, the project received excellent efforts both within and outside the orphanage. The only drawback to this project is the question of whether or not the orphanage could have gotten the funds elsewhere, because they were able to get so much support from outside institutions. However, this AID Special Development Activities Fund grant was made in the last days of the 1981 fiscal year. It seems to the authors that this project was well

deserving when considering the time of funding of the grant. Additionally, this project was requested by the wife of the U.S. Ambassador and supported by the U.S. Women's Government Association. Thus, it may have not been possible for the SDAF not to grant these funds. Furthermore, this project is going to bring much happiness to many youngsters for a long time in the future.

Special Project No.: 649 (81-24)
Project Description: Equipment for a Health Post for the Youth Center in La Victoria.
Amount : U.S.\$5,000
Location : La Victoria, Lima

In the past, the Parish "San Antonio María Claret" has directed its efforts in the establishment of a youth center, consisting primarily of a health post, which provides medical, dental, and psychological services to the community of La Victoria (a community of 30,000 people). The Five Thousand Dollar AID Special Development Activities Fund grant was used to purchase medical equipment for this health post.

Father Joaquín Hernando Calvo, the director of this project and the Parish, explained that Ayuda con Amor ("Help with Love"), an organization comprised of the wives of all the ambassadors to Peru, provided additional assistance to fund the Youth Center. In fact, Ayuda con Amor introduced this Parish to AID through the wife of the U.S. Ambassador. Although AID always desires to involve many community residents in these projects in order to strengthen and enhance the community, Father Joaquín Hernando Calvo contracted most of the laborers and purchased most of the materials at second-hand locations.

According to Father Calvo, the health post is operating "very well." However, upon reviewing some of the post's records and interviewing the director, the authors observed that there have been only 854 patients in the past year (the post has been operating for only one year). This seems strange and unreasonable because the parish is staffed with four doctors (two general practitioners, 1 dentist, and 1 psychologist) and two nurses. All people involved work three hours every day. At the rate of 1 patient per doctor per hour (a very conservative estimate), at least 2,000 patients should have visited this past year. There are many reasons that help explain this lack of patients. Father Calvo claims that originally many people were reluctant to attend this Medical Post because they did not charge any fees. In general, people feel that in order to receive quality, you must pay for it. Furthermore, the community residents, composed of lower middle class persons, had little trust in the post. Recently, the post instituted a Five Hundred soles entrance fee (75% of the fee is remitted to the doctor; 25% of the fee is remitted to the Parish). It seems that this has increased the post's daily patient care. However, the primary problems, according to Father Calvo, are that the post is still essentially unknown and that there are several other highly reputable and more expensive medical centers in the area.

The interviewers were able to examine the health post (while it was closed, unfortunately). Of course, this is because the post only opens in the afternoons and the interviewers visited it even had some good ideas for expanding the medical post. Specifically, Father Calvo's records indicate illnesses of past patients. In fact, among the younger patients, respiratory

illness was the most common; however, among the older patients, cardiological-related problems developed. He is in the process of implementing an Alcoholics Anonymous program and a drug rehabilitation center.

Summary/Evaluation: In general the authors believe that health-related projects are very good. In fact, one of the most important needs of these marginal areas is health care services. However, in order to achieve maximum success with this specific project, the authors believe that Father Calvo must publicize the post's services all over the community in order to gain patients. Presently, these medical services are clearly not being used to the fullest extent. However, Father Calvo is planning to further advertise the services which the post offers. In fact, the authors are confident that, eventually, this post will be able to see at least 5,500 patients annually (computed at 2 patients per hour per doctor). In addition, AID should have considered the fact that there were already three medical centers in this area. Perhaps, it would have been better to implement this project in another area. Considering that there are so many lower class areas in Lima, the question arises as to why this project was funded since it benefits predominantly middle class people. This could have been due to the fact that the project had some connection with the Ambassador. Most importantly, the building for this medical post was already there (an expense that was not a burden for AID). Overall, the authors believe that for the dollars outlaid, this project is going to benefit many people for a long time.

Special Project No.: 659 (82-10)
Project Description: Health Center Completion for P.J. "San Hilarión" in San
Juan de Lurigancho
Amount : U.S.\$1,500
Location : San Hilarión, San Juan de Lurigancho, Lima

Pueblo Joven "San Hilarión" is located in San Juan de Lurigancho, one of the largest districts in Lima. The Pobladores have started a medical center in order to cope with the lack of health services. The AID Special Development Activities Fund grant of \$1,500 is to be used for completing the center started two years ago.

Although AID donated only \$1,500, the community (specifically the mothers' club) donated \$10,000 in order to initiate the project. In fact, the women provided all of the community labor, purchased materials and contracted a technical director. After the initial construction period (1981 and 1982), the mothers' club contacted Mrs. Belaúnde. She, in turn, directed them to AID. AID, within weeks, approved the \$1,500 grant to install light, doors, windows, and a sewage system. In addition to the assistance from the mothers' club and AID, this project received technical assistance from Cooperación Popular, the Municipalidad of Lima, other assistance from the mayor, and they also receive current funding (\$1,500 per month in expenses) and some medical equipment from the Ministry of Health. Finally, they received roof materials from OFASA. This poor community exerted great efforts in order to obtain a medical post and eventually, they succeeded. Presently, seventy patients are seen daily by the three full-time doctors and one dentist. A minimal 100 soles charge is imposed on the community residents in order to enter the post. The charge allows them to receive basic services. These funds are, of course, remitted to the Ministry of Health. Illness in the community continues to be reduced. The community is very appreciative of this AID grant and believes that it has had only positive impact. Presently, the mother's club does all of the cleaning and seems to take a strong personal interest in the center.

Several minor problems limit its full benefits. Primarily, a second floor is needed badly. Also, additional funds are needed to continue improving the medical services provided.

Summary/Evaluation: The authors believe that this project exemplifies a well-implemented project. It has directed its own efforts by obtaining help from other institutions and individuals. It also received strong community support and is currently being funded by the Ministry of Health. AID's minimal grant got the post functioning, and now the post sees at least fifteen thousand patients annually.

Although it is similar to the other medical post (No. 643 (81-18)) in Las Flores, San Hilarión clearly was a better project, because there was no doubt as to its need. In addition, the community helped themselves to get ahead;

however, in the project, much of the funds were donated by British organizations. Even though the latter project (Las Flores) was esthetically more beautiful and "classier", the former (San Hilarión) medical post was a much better Special Development Activities Fund project.

Special Project No.: 668 (82-19)
Project Description: Support to Rehabilitate the School "San Pedro de Chorrillos"
Amount : U.S.\$8,000
Location : Chorrillos, Lima

"Every Monday at the general school meeting, we give thanks to AID and the United States for our classrooms." The enthusiasm expressed here by the school director is typical of the attitudes demonstrated by students, teachers, and parents alike with respect to this project.

The school was virtually destroyed by an earthquake in 1974. The Eight Thousand dollar AID grant was used to restore six classrooms which had been unusable since the tremor. Cooperación Popular also donated a significant amount of money to the school.

Due to the building of the new rooms the children do not have to learn in a cramped environment. Furthermore, a small chicken coupe-like building which used to be jammed by young kids is not in use now. This was part of a written agreement with AID. Students come from the nearby communities which are mostly at the lower-class level.

The parents' provided all the labor by working weekends. Additionally, the club plans to raise funds to build second story classrooms atop the AID restored ones. They hope to be finished by mid-1985. The Peruvian Government also reconstructed two classrooms for the school.

Actually, there is not much to say about this project except that it was a total success. The community gave its full cooperation, many people were helped (over 2,000 students) and a responsible person was in control so as to supervise the project correctly. Moreover, all the people involved were so appreciative that it was a pleasure to visit this site. The authors were greeted with a round of applause by the students at each of the finished classrooms.

There were, however, some interesting footnotes that were noticed during the examination of this project. First of all, it seemed as if it would be extremely difficult to receive a proper education in an environment such as the one or ten minutes a military plane would land or take off from the local airbase. The noise was so loud that on more than one occasion the authors had to stop their interviews. The school director pointed out that the air traffic was unusually heavy this time of the interesting point is that almost all the persons whom the authors spoke with knew that AID was affiliated with the United States Government. When the students gave thanks to AID for the new classrooms they also acknowledged the United States. In contrast, the respondents in some of the projects visited were unaware which country had donated the funds.

Summary/Evaluation: Projects such as these are unquestionably positive. Due to the implementation of this project, classrooms are far less crowded and thus children have the opportunity to learn in a far better environment. It is recommended that projects such as this one (with these two characteristics) carry high priority in the future.

It is also suggested that if AID is ever involved in the construction of a new school, location of the project site should be a primary consideration. For the Peruvian Government to build a school so close to an airfield seems a little absurd. However, this was out of the control of AID. It was the fault of the Ministry of Education.

Additionally, if one of the goals of the Mission is to have AID synonymous with the United States, then more emphasis should be placed on connecting the two. For example, a clear explanation that funds are donated from U.S. AID and not just AID might be applicable.

Special Project No.: 670 (83-1)
Project Description: Sewerage Installations for Pueblo Joven "Jardín
Rosa de Santa Marfa"
Amount : U.S.\$5,505
Location : Lima

Classified by AID staff as one of the most dangerous pueblos juvenes in Lima, "Huerta Perdida" certainly exhibited this during the authors' visit (see section I.A Introduction). This pueblo joven has six hundred families living there in poverty. Furthermore, they receive very little resources from the local authorities. They lacked safe water and sanitary facilities for the disposal of human waste. This continued to contribute to illness and malnutrition in the pueblo joven. The AID Special Development Activities Fund grant of \$5,505 was used to install and purchase the sewerage system and to restore the public pilones (faucets).

This poor town, through hard work, contacted various organizations in order to get assistance. However, only three organizations have offered assistance: AID, The Mission of Lima, and SEDAPAL. The Mission donated funds to build a medical post (1978) and a church (1979). SEDAPAL provided all the technical assistance. Presently, the U.S. Women's Government Association, composed of the wives of the U.S. Officers, has promised to equip the medical post and repair the roofs of the post and the school.

Of course, the community has provided intensive assistance with respect to project implementation. Specifically, the community provided all of the labor. They divided themselves into committees and worked 1/2 days on Saturdays and full days on onths. Through their efforts, they have water now. This has given them confidence in themselves and in their society. They even intend to try to implement other projects (such as a housing urbanization plan).

Similar to all projects, this one did encounter some problems. Specifically, the women and the men began to quarrel because of various jealousies. However, it seems that they are able to work together. In addition, the rain caused some minor electrical problems. Most importantly, this project will provide water to 600 families at no cost forever.

Summary/Evaluation: Overall, the Huerta Perdida project has been a good one. There was proper technical supervision as well as strong community support. Although there were some problems, these are minimal when compared to the social value of the project. The people now have a sewage system and a revived hope for the future. In fact, there has been a new community push in trying to get an urban renewal project with the major's office. The authors would like to especially acknowledge the tremendous effort exerted by AID personnel in this project. Without all the meetings and time given to the special problems at Huerta Perdida, this project would not have been successful. In the future, it is recommended that projects with strong community participation and good technical supervision (such as this one) carry high priority at AID.

Special Project No.: 677 (83-3)
Project Description: Rehabilitation of a Community Kitchen for P.J. El Carmen Bajo
Amount : U.S. \$4,000
Location : El Carmen Bajo, Comas, Lima

Comedor Popular, a community kitchen in Pueblo Joven El Carmen Bajo, has been providing food for many of the families in the area for several years. However, rehabilitation was urgently needed. Thus, AID donated \$4,000 dollars for equipment and restoration of the building. The money was used for construction materials (cement, window frames, etc.) to restore the building, as well as pots, pans, and a new stove for the actual kitchen. Caritas/Lima provides the food for the kitchen. The ladies of the mothers' club (the ones who run the kitchen) have been using the kitchen equipment ever since they received it, while the construction phase of the project should be finished by mid-August of this year. Also, the community has provided voluntary labor in this project. In fact, some husbands of the members of the mothers' club help in the construction aspect of the project, while all kitchen services are performed by the members of the club.

During the interviewers' two visits to the site, it was found that the impact that this project has had on the community is important because of both the social and economic implications. Obviously, the nutritional value of this project is the most important. Each family is charged four-hundred soles a week for breakfast and five-thousand soles a week for lunch. The funds received are reinvested back into the kitchen in order to improve the quality of food. The fees are an extremely small price to pay considering that most of the families have over 10 members and they would probably go without eating many days if it was not for the program.

The women benefit in even more ways. Many of them have learned to cook. More importantly, they have acquired techniques on how to stretch out a meal for more people than it was meant to feed. Also, the women have developed organizational skills in terms of making a weekly schedule and handling money as a result of this project. Additionally, a lot of positive competition has developed within the club. Different cooking groups compete to see who can make meals better (more efficiently and tastier), and a lot of the women have shown interest in becoming leaders. Finally, the women seem to be very dedicated. The breakfast crew has to start cooking at three a.m. until noon, while the lunch group works from ten a.m. till about two p.m.

There were some negative aspects encountered when the authors visited the project, however. First, there seemed to be a lot of jealousy among the women. One woman even told the authors that she would come to the office and tell them about what "was really going on" (she never came). But, this is a problem found at all levels of society. Secondly, and most importantly, the project benefits about 60 families (= 660 people) for breakfast, but only 20 families (= 220 people) during the lunch sessions. The reason for this difference is price. A lot of families cannot afford the five-thousand soles

for lunch. Moreover, in order for a family to be eligible for the food program, the mother must be a member of the club. Thus, not all the members of the community benefit from these services. Hopefully, the kitchen will be opened to more people in the future.

Summary/Evaluation: Overall, this project has been very successful. The community was and continues to be an essential part of the project. The income earned by the club improves the quality of the food they serve. Considering all the benefits to the community and specifically to the women, the problems encountered seem minimal. However, the club might want to reinvest the revenues in providing more quantity of food so as to open up the kitchen to other residents whose wives do not belong to the mothers' club. The key point at all times should be to keep the cost to the pobladores (town people) as low as possible.

Special Project No.: 680 (83-11)
Project Description: Carpentry Workshop to expand the "Career Center" of the
Callao Diocese
Amount : U.S.\$10,000
Location : Playa Rímac, Callao, Lima

The Career Center of the Callao Diocese will soon be opening. Approximately 15,000 families subsist in extreme poverty near the new Center. The school will be open to any persons who are interested. The vocational training will include courses in jewelry, electronics, auto care, leather, and, thank to AID, carpentry.

The Special Development Activities Fund grant was used to purchase all the necessary equipment for the carpentry shop. Other donators have been Missionary (Germany) and the actual Diocese itself. The Director was not exactly sure how many students will enroll in the school, but she predicted that well over 400 students will go through each school year. Moreover, from 40 to 80 pupils should go through the carpentry phase of the program. All students will be charged a symbolic fee and the Ministry of Education will pay for the teachers. Any additional costs will be absorbed by the Diocese.

Playa Rímac, the community where the project is located, has provided about thirty laborers to build the site. They were all paid for their services. Furthermore, although the community has not had much direct participation in the project, the Director indicated that they have been very supportive and are looking forward to the opening of the school.

The only real problem the project has run into is the "economic need" to go faster. Each day the sol devalues, the project costs more. However, this does not affect the AID part of the project because the purchase of equipment was done all at the same time.

Although the school has not begun operating, the authors predict that their programs will be very successful. The Directors are well organized and benefit to the community will be immense. Not only will students learn a skill that can provide them with some form of income, but also the social implications of learning that skill will be tremendous. One's family will be economically better off. Thus, they can eat better and possibly live in a better home or improve their own house. Furthermore, since most of their people are unemployed or underemployed, will have a great impact. Social status and their overall outlook on life will probably be improved. Even though it is hard to measure these effects, there is no doubt that this project will have positive far-reaching social and economic implications.

There is one minor problem, however. The AID grant of \$10,000 is very high considering that only about 60 people will be helped each year. But when one looks at it in terms of social benefits, and that, in a way, this project is an Income-Generating one, considering that it should provide income for those who learn the trades, then the problem becomes less significant.

Summary/Evaluation: Even though the project was expensive and there was little community participation, it was very successful. When operations begin, the skills that students will be able to learn will provide employment opportunities and a reborn hope in the future. Furthermore, since different students will be helped each year, the benefits of the school programs will be felt for many years, past the inauguration day of August 15, 1983.

The authors visited the following Income-Generating Special Projects:

	<u>Project No.</u>	<u>Brief Description</u>	<u>Amount</u>
JUNIN	644 (81-19)	Completion of artisan center for campesina women	\$2,370
	667 (82-18)	Fish pond for the community of Chulec	\$4,800
LIMA	561 (76-9)	Assistance to increase production of improved cuy, Cria I, La Molina	\$10,000
	623 (80-12)	Workshop to manufacture cleaning tools in a school shelter for ex-prisoners	\$5,600
	632 (81-7)	Sewing shop for the Mothers' Club in P.J. Matazango, Vitarte	\$3,300
	652 (82-3)	Carpentry shop for educational center No. 3043	\$5,000
	675 (83-6)	Carpentry workshop for handicapped entrepreneurs at P.J. El Agustino	\$3,300

INCOME-GENERATING CASE STUDIES

J U N I N

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Special Project No.: 644 (81-9)
Project Description: Completion of Artisan Center for Campesina Women
Amount: U.S.\$2,370
Location: Ramón Castilla, Tajana, Junín

Ramón Castilla, located in the middle of nowhere between Huancayo and Tarma, in the Department of Junín, was in need of an artisan center to promote the campesina women to generate income for themselves and, thereby, to increase their economic well-being. Once this occurs, they will hopefully have the desire to improve the quality of their lives in the future. The AID Special Development Activities Fund grant was used to purchase artisan machines and raw materials, and to complete the artisan center building.

The community was able to get the support of a key Peruvian institution and exhibited strong self-help efforts. First of all, they coordinated with CIPA (under the Ministry of Agriculture), specifically Irene Angulo, to obtain the funds from AID. CIPA also provided technical assistance in order to resolve any problems that arose. The community built most of the artisan center. In fact, the center's structure was built out of a mud, clay and hay substance that seemed quite durable. In exchange for their labor, the community workers received food rations.

Despite the strong self-help efforts, the income-generating aspect of this project seems destined to failure because of lack of supervision, planning and control. According to Fausta Molina Maissari, President of SAIS Ramón Castilla, the artisan center has 15-25 women working daily (40 women participating via a rotation method). However, when the interviewers visited the project site, there were at most six women. Most of the machines were not in use. Furthermore, the women working there were unable to operate the machines. The primary problem is the lack of teaching staff (they hired one professor for a very short time period). Yet, they still believe that, eventually, . They believe that they are going to encounter high demand in the national market someday. Although they have these wonderful ideas, they do not know the intricate details of accomplishing this goal. Again, one observes the problem of lack of formal supervision. In addition to these problems, they claim a secretary at SAIS stole one-half of the AID grant (which has since been borrowed from the general fund). This has contributed to a lack of confidence throughout the community. Current financial conditions indicate losses of 240,000 soles annually (sales = S/.560,000; expenses = S/.800,000). Despite these problems, two key benefits have been observed in this community. First, the community is able to purchase products at 30% below market price, and, second, the women are learning the artisan trade.

Summary/Evaluation: In general, these income-generating projects have very strong potential. In fact, the artisan-related projects require less dollars than most income-generating projects. The key to success in this and other projects is to secure proper supervision with respect to the teaching,

financial management, and overall planning and control. In the case of the SAIS, these aspects were considered and included in the contract. Moreover, it was the SAIS' responsibility. The project implementation on the part of the SAIS was and continues to be poor. Two years after project implementation, there has been little improvement in living and economic conditions. Hopefully, this project will be successful in the future, but the authors are skeptical.

Special Project No.: 667 (82-18)
Project Description: Fish Pond for Community of Chulec
Amount : U.S.\$4,800
Location : Chulec, Junfn

After seemingly endless miles of long twisting, rough roads, the observers finally arrived at the small twenty year old town of Chulec in the Department of Junfn with a total of approximately one thousand inhabitants. AID funds have been used to purchase the materials in order for the members of the town to build a "piscigranja" (fish pond). The remaining part of the Four Thousand Eight Hundred dollars will be spent on the equipment and working capital (fingerlings, food, tools) in order to operate the fish farm once it is completed. The twenty-three workers that are currently building the project are volunteers from the community. The town also paid for the technical assistance. Future plans include coordination with the Ministry of Agriculture (they are not sure how) and marketing some sort of fish product. Initially, the income they hope to obtain will be reinvested back into the business. If and when any profits are generated, they will be given to the community as a whole. There will be no salaries paid to any workers in the project (except outside technical personnel). The projection is that the project will be completed by mid-1984.

The idea of starting a fish farm is original and could work. The farmers could breed popular trout, for example, and in that way, they could develop a profitable product (for the Sierra). Moreover, whatever type of fish they choose could probably be sold to restaurants, hotels, and other such organizations which are involved in the food business. The effect on the public as a whole and the community of Pacchac could be immense. The public would get a product that is normally scarce in the mountains--hopefully at a good price--while the individual community would receive additional income as well as many other benefits. In this case, the project has already had some direct impact on the community in terms of getting the people involved in a common interest project. This, indicated the director, has given them hope in the future. After the project is in operation, the community should receive a low-cost protein meat (fish) and common funds to use for other projects. However, with respect to the implementation of this project, the town people have taken on a little more than they can handle, at least by themselves.

The director of the project informed the investigators about two of the main problems which they had encountered. First of all, due to the disaster (mud slides, etc.) encountered up north, the materials for the project had just recently arrived at the site (about three or four weeks before the time of the interview). Thus, they are behind on their original schedule which had them finishing some time in late 1983. Secondly, a town, a mile or so below Chulec, claimed that the project site land was, in fact, theirs. Luckily, this did not turn out to be the case.

Besides these two technical problems, the authors observed some other negative factors in the fish farm. The president informed the observers that the laborers had worked two full days each week for the past couple of months. Considering that there are twenty-three workers and a great deal of the labor involves digging and other work where materials are not needed, much of the work should have been completed even though they had only received the materials within the past month. However, upon inspection, it was found that at most two to three days of labor could have been performed if, indeed, twenty-three men were working. Some of the trenches had not been dug and basic things such as cleaning out an old canal had not been finished. Basically, the men do not seem to be working as hard as they could. This opinion was shared by two other observers who traveled with us.

There could be many factors as to why the laborers have not been working as hard as they could. For example, they indicated that they had lost incentive while the materials were not there. This might have affected the work before the arrival of goods, but it should have given them extra incentive in the month after the materials had arrived (8 working days). A possible explanation to this labor problem could be a lack of supervision. The town contracted a technician who drew the plans, but now they are on their own. Moreover, the outside coordinator of the project, the one who put them in touch with AID, Father Humberto Unterberger (Palca Project), does not have as much time as he would like to devote to this case.

The problem of supervision is further intensified when one takes into account the background of the people. They are mostly poor, illiterate, migrant farmers. For the most part, they have had little formal education. Thus, these people lack the organizational skills necessary to manage money or strategically plan a money-making venture (such as the fish farm). This project might have a chance to succeed, but, without proper supervision, it seems as if without proper supervision, it seems as if it will not be prosperous.

Summary/Evaluation: The idea of starting a trout farm would be a great one if the proper supervision and training could be provided. The social and economic value it could provide to the community would be significant. In Chulec, the community demonstrated a great desire to make the project work in terms of initial excitement. However, due to unexpected problems and a lack of training and supervision, it does not appear as if the project will, indeed, prove beneficial to the community. Thus, it might have been better for the people of the town to implement a less complicated program where income could still be generated. The key point is that with most Income-Generating projects, the levels of technical supervision and training of the local people are often the most important components determining success or failure. In the future, AID might consider concentrating on projects which require less technical supervision.

INCOME-GENERATING CASE STUDIES

L I M A

6/2

Special Project No.: 561 (76-9)
Project Description: Assistance to increase production of improved cuy, Cria
I, La Molina, Lima
Amount : La Molina, Lima

Animales Menores, the organization which operates the cuy farm in La Molina, received a \$10,000 grant from the AID Special Development Activities Fund in order to construct a galpón (an enclosed area divided into many sections to house cuyes) in 1976. The cuy farm, located at the University of La Molina, is composed of an administrative building (containing several offices and a laboratory) and two other large galpones. Our investigations and discussions with Lily Chaucta, the Director of Animales Menores (and a past employee for thirteen years), revealed that, in her opinion, the project is operating smoothly and efficiently.

At the present time, the galpones are 85% (three thousand cuyes) occupied (Animales Menores had just consummated a sale of about five hundred cuyes). Before the execution of this project in 1976, Animales Menores had space for one thousand cuyes. Today, with AID assistance, Animales Menores has space for three thousand five hundred cuyes (3.5 times the original amount). Furthermore, because the cuy can reproduce three to four cuyes every three to four months, Animales Menores produces 15,000 annually. The cuyes are sold for both reproductive purposes (60%) and for consumption purposes (40%). The predominant buyers of both types of cuyes are the pueblo joven residents. Animales Menores charges 5,000 soles/kilogram for the cuyes sold for reproduction and 2,500 soles/kilogram for the cuyes sold for consumption. Lily Chaucta believes that the reproductive cuyes are the best breed of cuyes available on the market. However, those cuyes sold for reproduction usually do not continue on a reproductive line; instead, most of these cuyes are consumed. However, some cuyes that are sold for reproduction are successful and the offspring are sold. Chaucta believes that this occurs because of the lack of direct supervision of the cuyes sold for reproduction. Cuy consumption, on the other hand, has been successful and has reduced malnutrition in the pueblos juvenes, because of the high protein content in these animals.

This organization has even undertaken an economic study which determined the optional time when a cuy should be sold in order to achieve profit-maximization. Essentially, this decision to achieve profit maximization involves one of two possibilities: either the cuyes are allowed to increase their weight and, thereby, their sales price, or to sell them earlier at a lower weight and, therefore, a lower sales price (this requires less food and, therefore, less expense). Most importantly, this allows them to breed more cuyes. However, before the study, they had raised cuyes until they were twelve to thirteen weeks old. The study proved that the profit maximization point is not at thirteen weeks, but is at eight to ten weeks. This study has allowed them to increase their production in an effort to meet ever-increasing demand. It is clear that the key social implication of this

project is that the rate of malnutrition has decreased in the pueblos juvenes (because of cuy consumption). Hopefully, cuy reproduction in the future will become as successful as the cuy consumption line.

As far as this production-oriented project is concerned with respect to employee and income generation, it really was not intended for that purpose. Most importantly, the Ministry of Agriculture pays all the salaries of the employees, receives all the revenues and disburses all the expenses. Originally, Animales Menores had six employees (two engineers, one technician, and three workers) and today, it has nine employees (three engineers, two technicians, and four workers), an overall 33% increase in the number of employees. Monthly sales account for five million soles. Although monthly expenses are unknown, it seems that the Ministry of Agriculture must be absorbing substantial losses. In addition, Lily Chaucta explained that Animales Menores is in need of financial support to construct at least two more galpones in order to combat the ever-increasing demand from pueblos juvenes and even foreign countries (such as Ecuador and Bolivia). Not only was the information validated by Lily Chaucta, but also the interviewers discussed this with other employees and students.

Summary/Evaluation: The authors believe that this project is excellent. This project continues to reduce malnutrition in the pueblos juvenes. This project had several key factors which contribute to its success: first of all, it has direct technical and administrative supervision; it also has strong financial support from the Ministry of Agriculture. Lastly, it has a direct impact on the community. In general, it seems that Income-Generating projects require more financial backing and more technical supervision. These components are usually difficult to achieve.

Special Project No.: 623 (80-12)
Project Description: Workshop to Manufacture Cleaning Tools in a School
Shelter for Ex-Prisoners
Amount : U.S.\$5,600
Location : Callao

The Asociación Privada de Patronato was started in Callao in the area of prisoner rehabilitation. A major task achieved by this organization was to establish a workshop and shelter for the rehabilitation of prisoners. This will provide them with an opportunity for training that will assure these ex-prisoners of limited skills in order to acquire a job. The AID Special Development Activities Fund grant of \$5,600 will be used to implement one of their ten workshops (the home cleaning supplies workshop). Specifically, it will allow them to purchase equipment and tools.

Initially, this organization implemented a metal workshop and built the lot where the cleaning workshop is going to be located. In order to implement this, they contacted Campaña Contra el Hambre en el Mundo, a Spain-based organization, who provided them with five million soles between 1977-1979. They also held raffles and other social functions to raise money. Much of the labor was provided for by the prisoners (the government paid them). Eventually, they came to the American Embassy who referred them to AID. AID provided the funds as stated above. Furthermore, they contacted the Ministry of Agriculture two years ago in order to obtain fifteen acres of land in Surco. If the land is granted to them, they will grow straw (materials needed for their cleaning workshop). This will cut costs for them and provide them with an abundant supply of the material. According to the association, the Ministry of Agriculture is going to grant them the land within the next six months. As one observes, this organization has strived hard in order to obtain national and international assistance.

The implementation of this project provides many benefits to the community and the ex-prisoners. On the outerlying surface, it provides work to the former prisoners. In a short time (six to twelve months), it also teaches them a trade for their use in the future. Specifically, they learn how to use the metal shop (which was funded by other organizations) and the cleaning shop. Most importantly, this project has provided these people with a trade and has probably reduced the recurrence of crime. The work has become excellent rehabilitation for these past prisoners. In addition, the community benefits because they are able to purchase these products at a lower cost.

Unfortunately, this organization has begun experiencing financial problems (like many income-generating activities). Several years ago, they were able to obtain a three million soles loan from a bank. Presently, a one million soles debt remains. The servicing of this debt has become a problem. Another problem concerns their continual lack of materials. Many times, they lose work-time because there are no available materials to purchase in Lima. If the Ministry of Agriculture land grant is approved, they will be able to combat this problem quite easily. According to their organized bookkeeping

records, presently ten to fifteen ex-prisoners benefit annually from this venture. Each prisoner is paid between 72,000-121,000 soles per month. Annual sales account for five million soles. Annual expenses account for four million soles. The remaining one million soles is divided between other social programs in the association and the prisoners. Although they are making some profit, they need more capital in order to make some substantial profits and to benefit more ex-prisoners. Their future plans include the construction of eight more workshops (when they have the capital). In addition, five-thousand people will be moving into the community within the next two months. They plan to have a massive sales campaign at this time.

Summary/Evaluation: Overall, this income-generating activity rates among the best of the ones the authors visited. It demonstrates self-sustainability, continual benefits, and most importantly, it supports about 12 people annually. The authors believe that Graciela de Tello, the President of the Asociación Privada de Patronato, deserves much of the credit for its success. She provides many hours of voluntary assistance and her supervision is keeping the project operating well. The only problem with this grant is whether or not it should have been given to benefit 12 people annually when, for example, a sewage system could have been installed in a pueblo joven which would have helped at least several hundred people. This question is addressed in Section II and III of this evaluation. One must remember, however, that this is an excellent project.

Special Project No.: 632 (81-7)
Project Description: Sewing Shop for the Mothers' Club in P.J. Matazango,
Vitarte (Lima)
Amount : U.S.\$3,300
Location : Matazango, Vitarte, Lima

Pueblo Joven, Matazango, located on the left bank of the Surco River, is characterized by a lack of services and poor living conditions. In order to promote the women here, a mother's club has been organized. They desire to start a sewing shop which will have a direct and positive impact on the community. In fact, the women intend to learn how to sew and eventually make clothing for themselves and for sale to the wealthier people in the surrounding communities. The AID Special Development Activity Fund grant of \$3,300 was used to purchase sewing machines, materials, tables, other equipment, and pay the professor's salary for one year.

Mrs. Josefina de Villarón, the Director of Welfare and Community Development for "Consejo Nacional de Mujeres" and the director of this project, was able to get assistance from her organization. They built the present location of the mothers' club. The women themselves put in the windows, helped out wherever they could and paid the professor's fee for 1.5 years.

Although the project is still in the training stages (for five more months), it is well under way. The forty women who are taking the courses have already learned how to sew. In fact, soon, they will be ready to make, restore, and some day, sell clothing. Eventually, this project will provide them with a means to support themselves through their clothing sales. Presently, the mothers' club acts as a social institution for the mothers. In fact, lectures on health and child-rearing are provided.

Currently, the project faces several minor problems. Their primary problem concerns their inability to obtain information about the sewing machines provided by AID. The professor is unaware of some of the special designs and needs the booklet to learn how to make them. Another problem with the community is that it is about two to three miles long (extending from Vitarte to La Molina) and has only one main road. As a result, the mothers' club activities never reach the outer end of the Pueblo Joven; consequently, community ties are not strong between the two ends of the town.

Despite these problems, they have already made their future plans with respect to sales and financing and seem to be on the "thread" to success. Not only do they plan to market their products to the local wealthy communities, but also to the pobladores in their community. Although sales and expenses (other than the professor's salary and materials) are unknown, net income will be divided equally between the mothers' club and the working women. They are quite confident about their product's competence in the market-place and believe that it will be easy to make sales, because of the high quality and

low price of the clothes. Additionally, they plan to build a nursery, bathrooms and other sections to hold seminars in nutrition among various other courses.

Summary/Evaluation: The authors' believe that this project has strong potential to be quite successful. The direct supervision from "Consejo Nacional de Mujeres" and the fine sewing instructor account for the present success of the project. Furthermore, "Consejo Nacional de Mujeres" has sponsored this pilot project and intends to initiate more mothers' club-related projects in the future, if this one succeeds. Also, when considering that this is an Income-Generating project, one observes that it is even more successful because the grant was only for \$3,300--a minimal donation in order to develop an Income-Generating project. Most Income-Generating projects cost between \$5,000 - \$10,000, benefit less people and require more technical supervision. One must still keep in mind that this project receives extensive supervision from "Consejo Nacional de Mujeres".

Special Project No.: 652 (82-3)
Project Description: Carpentry Shop for Educational Center No. 3043
Amount : U.S.\$5,000
Location : P.J. Condevilla Señor, San Martin de Porres, Lima

Educational Center No. 3043 is located in one of the most populated pueblos juvenes in Lima. Unemployment rates are still quite high, particularly for youths, who are untrained for work. In an effort to cope with this situation, the school is engaged in the development of vocational training programs. However, the school is in dire need of materials, tools and machinery. The AID Special Development Activities Fund grant of \$5,000 will be used to purchase equipment and tools.

There was very little assistance from other organizations in implementing this project. The community, specifically the Parents' Association, did provide carpentry equipment and an instructor (one of the fathers) to teach the children how to use the equipment and construct the products. However, despite the help they received, the authors' investigation unfortunately discovered dusty equipment that had not been used for several months. The equipment was covered with sawdust. The director of the school (who was relatively new and seemed quite upset at this time) explained that some school zoning problems do not permit them to have an instructor for the shop; consequently, it was not being used. He further indicated that they were attempting to change the zoning with the Ministry of Education. However, the authors' investigations did not stop here. They reached the old director, Mr. Bazán, and he advised that the new director was not a strong-willed man and that this zoning problem was quite insignificant. According to Bazán, it should not have halted the progress of the shop.

Although the shop is not operating, the original goals of the project were to allow the school to build chairs and tables. Furthermore, it would have taught these students a fine trade which they could have used upon graduation. Eventually, the school planned to begin community sales to allow them to improve other areas of the school. It would also provide their community with nice products.

Summary/Evaluation: In general, education-related projects are ideal. Initially, they provide a practical skill to these people and an income which will support them. However, supervision is a key factor to consider before funding these projects. According to Bazán, the former school director, "success or failure of the project depends on the commitment" of the supervisor. Only time will tell us if the new director's promise that the equipment "will be operating in two months" is valid. The authors recommend that this project is examined again in two months; if the equipment is not working, the authors believe that it should be removed and donated to another location.

Special Project No.: 675 (83-6)
Project Description: Carpentry Workshop for Handicapped Entrepreneurs at
Pueblo Joven "El Augustino"
Amount : U.S.\$3,300
Location : El Augustino, Lima

The official ceremony to inaugurate the carpentry shop at Pueblo Joven "El Augustino" began with the singing of the Peruvian National Anthem. Among the speakers were two of the members of the workshop, an AID Program Officer, and the AID Director. All went well, with many members of the press in attendance. The experience of attending an inauguration was very enlightning for the authors. It demonstrated the symbolic significance these projects provide in the community. Many town residents were there and demonstrated their support.

The group of nine entrepreneurs (eight of whom are handicapped) organized their shop within the past year. Caritas agreed to loan the necessary equipment as long as the men could obtain the capital. Thus, the \$3,300 AID grant was used to buy tools and raw materials for the new firm.

The interviewers spoke with the president and another member of the group. Although the workshop is only in its preliminary stages, these men were able to articulate the feelings about the project and the future plans of the shop. The carpenters are going to specialize in the production of children's toys, thus the name: "Empresa Juegos Peruanos." Currently, the shop has a small contract with the Ministry of Education (=5 million soles). Furthermore, they plan to gear up for the 1983 Christmas season. They indicated that one of the advantages of owning their own shop is that they are free to experiment and be creative in their work, but the biggest advantage was that of securing self-employment. They estimate that sales for their first year will be approximately forty million soles (including salaries). The plan is to re-invest the profits back into the business in the form of added capital. The amount paid in wages will depend on the money generated from sales.

Additionally, the carpenters seem to think that their products will have little difficulty in entering the market because their toys will be of high quality and low cost. However, the authors tend to be a bit more skeptical. In a country like Peru where a toy is usually a luxury to most kids, it seems that the manufacturing of toys may not be the most lucrative business. A more conventional type of woodwork (doors, window frames, etc.) might make more sense. Yet, there seem to be two strategies which could make the production of toys profitable.

One possibility is marketing a fairly expensive, high quality, complicated toy to sell to the affluent people in Peru. This would probably generate a lot of funds, but it involves high risk. The toy would most likely have to be extremely well-made and original in order to sell.

Another possibility would be to produce an inexpensive toy that the poor market of Peru can purchase. The second option seems to be the more practical solution where Juegos Peruanos is concerned. For instance, the shop could manufacture a small toy train charging one or two thousand soles per unit. In Peru, where 44% of the population is less than fourteen years of age and the lower 50% of the population receives less than 20% of the income (see Section IV. E), it would make sense to produce an inexpensive toy for the lower classes. This second strategy seems to make even more sense because the average family size in the poorer areas of Peru tend to be larger than the average families in the middle and upper classes.

The problem at Juegos Peruanos is that these possibilities have not even been considered. When the people informed the authors of their plan to produce heavily for the holy season, they did not know which products they would produce, how many of these items would be built, etc. There was a definite lack of basic organizational skills. This problem is understood considering these men come from poorer areas and many are not educated.

Summary/Evaluation: The idea behind the project is a good one--a small business helping both the workers and the community by providing employment and a good product and hopefully expanding in the future--however, in practice, the idea has some drawbacks. The men show great desire. They all demonstrated dreams of a bigger shop with a display showroom. But desire is sometimes not enough. Only three out of the original six who were initially involved with the project remain a part of it. This would indicate that the human component (personal relationships) which has been seen in almost all the projects visited play an even greater role than usual here simply because there are so few people involved. For example, if this project would have been geared for 100 people instead of 9 then 3 people dropping out would only be 3% to replace while in the latter it means that 33% of the members would have to be replaced.

It is too early to determine whether or not this project will be a success. Unfortunately, probably the best chance it has for succeeding is through continual surveillance by AID or some other organization (making sure they keep books, etc.). The problem is that it is not the policy of AID to perform such activities. The solution would then be either to rely on other organizations or to take training into consideration when grants are made. For AID, to rely on other institutions such as ACUDE and Acción Comunitaria, would be a valid solution. Thus, providing more cash would seem to be the answer. But is it justified to give more money to such a small group? This leads to the problem the authors have encountered when evaluating Income-Generating projects with respect to the special projects division at the mission.

ANNEX III

Sample Questionnaires

The sample questionnaires were used to obtain the data necessary for this evaluation. The first one, "Cuestionario 1", was used in all Social-Oriented projects. The other one, "Cuestionario 2", was used in all Income-Generating projects.

0. Administrative Section

Date: _____

Project No.: _____

Project Description: _____

Amount: _____

Location (P.J., District, City, Department): _____

Picture Nos. (roll): _____

Contacts: _____

File Information: _____

Questionario No. 1

Social Oriented Development Activities

Introducción.-

1. Nombre de la Comunidad _____

2. Descripción del área antes de que se implementara este Proyecto:

3. Qué tipo de servicio a la comunidad brinda? Cuántas personas se benefician de esta actividad?

4. Cuánto dinero les fue proporcionado por otras instituciones para el proyecto? (personal, gobierno)

5. Qué apoyo financiero (mano de obra, materiales, etc.) aportó la comunidad en este proyecto?

6. En qué utilizaron el dinero de este proyecto?

7.Cuál es su relación con este proyecto? Qué hizo Ud. para la ejecución del proyecto?

8. Cómo obtuvieron la donación para este proyecto? Fue fácil o difícil?

9. Cómo tuvieron conocimiento de los programas de donación de la AID?

10. Quiénes han participado en la etapa inicial del proyecto? (mano de obra, administración, construcción)

11. Cuántas personas de la comunidad participaron en este proyecto? En qué forma? Cuándo?

12. Por qué participaron?

13. Cómo y dónde obtuvieron los materiales y/o equipos?

14. Obtuvieron alguna ayuda de otras personas u organizaciones para su proyecto? (del gobierno peruano u otros, etc.)

15. Se completó el proyecto? Si se completó, cuándo y cuánto tiempo tomó realizarlo. Si no se completó, por qué?

16. En su opinión, tuvo éxito el proyecto? Por qué? Si no lo tuvo, por qué no?

17. Han tenido algún problema antes de iniciar el proyecto y/o durante o después de su ejecución?

18. Cómo está funcionando el proyecto actualmente?

19. Quiénes están apoyando económicamente la ejecución de este proyecto?

20. Cómo se está manteniendo?

21. Cuánto cuesta tener el proyecto en funcionamiento? Si es aplicable, cobran algún cargo a beneficiarios por los servicios?

22. En su opinión, cuál es la actitud y/o receptividad de la comunidad hacia el proyecto?

23. Cuál cree Ud. que ha sido el impacto general de este proyecto?

24. En general, qué opina Ud. de la AID y sus proyectos especiales de donación?

25. Si AID no les hubiera donado los fondos, cree Ud. que alguna otra institución se los hubiera proporcionado?

26. Tiene algún otro comentario?

27. Evaluator comments:

Cuestionario No. 2

Income-Generating Development Activities

Introducción.-

1. Nombre de la Comunidad: _____

2. Descripción del área antes de que se implementara este proyecto:

3. Formó Ud. parte del grupo que consiguió los fondos para este proyecto?

Si su respuesta es afirmativa, contestar las preguntas 4, 5, 6 y 7

4. Cómo tuvieron conocimiento de la AID?

5. Explique los procedimientos que utilizaron para obtener los fondos (enviaron aplicación, tuvieron entrevista, etc.)

6. Cuál es su participación en el proyecto?

7. Después que mostraron a la AID su interés en la donación, cuánto tiempo les tomó obtenerla?

Pasar a la pregunta 10

Si su respuesta a la pregunta 2 fue negativa, entonces,

8. Sabe Ud. quién o qué organización dió el dinero para este proyecto?

9. Está Ud. familiarizado con los programas de la AID? (Si no, pasar a la pregunta 10).

10. Cuál es su opinión de los programas de la AID?

11. Qué tipo de actividad lleva a cabo el proyecto? Qué productos fabrican?
Qué servicios brindan?

12. Por qué se interesó la comunidad en esa actividad? (Oportunidades de empleo, mejora de negocios, participación de la comunidad, etc.)

13. Cómo surgió la idea para el proyecto?

14. Existía este proyecto antes de que recibieran los fondos de la AID? Si fue así, cuál era el propósito de la donación? (mejora económica, expansión del proyecto, etc.)

15. Explique los procedimientos que se tomaron para empezar el funcionamiento del proyecto (preparaciones para los fondos, materiales, mano de obra).

16. Después de que la AID aprobó el proyecto, cuánto tiempo fue necesario para que empezara a funcionar?

17. Cuánto dinero les proporcionó AID? Otras instituciones? Otras personas?

18. Cuál fue la contribución de la comunidad?

19. Cuántos empleados/obreros tenían antes de recibir la donación? Cómo estaban compuestos? (Pasar a la pregunta 20).

20. Cuántos empleados/obreros han tenido cada año desde que se inició el proyecto? Cómo estaban compuestos?

21. Quién compra y/o utiliza sus productos/servicios? Cómo se componen sus clientes?

22. Cuál cree Ud. que ha sido el impacto general de este proyecto? (Actitudes, condiciones de vida, condición económica, social).

23. Cuál cree Ud. que ha sido el impacto general de sus productos/servicios?

24. Hubo alguna dificultad al comienzo del proyecto? Cuáles fueron?

25. Normalmente, siguen surgiendo problemas? Cuáles?

26. De qué manera puede la agencia que financió su proyecto resolver los problemas surgidos al inicio de su ejecución?

27. De qué manera han aprendido Uds. a resolver estos problemas?

28. Han adquirido alguna habilidad especial como resultado del trabajo en este proyecto y de su desarrollo? Cuáles?

29. Explicar alguna otra ventaja o desventaja como resultado de la implementación de este proyecto en su comunidad.

30. Cree que este proyecto ha logrado cumplir el objetivo que se esperaba? Por qué? Por qué no?

31. Gozan sus empleados de un sueldo fijo? Si no es así, cuáles son sus arreglos con ellos?

32. Cuál es el volumen de ventas anuales (en Soles y unidades) durante la ejecución del proyecto?

33. Cuáles son sus gastos anuales (en Soles y unidades) desde el primer año del proyecto?

34. Qué hacen con los ingresos/pérdidas netas anuales del proyecto? Cómo se distribuyen los fondos? — resumen financiero, otros datos de ventas/gastos, etc.

35. Fue difícil que sus productos/servicios entren en el mercado? Explicar.

36. Sus productos/servicios tienen competencia en las tiendas de la comunidad? Explicar.

37. Fue suficiente la donación de AID para asegurar la estabilidad económica del proyecto como para que haya implicado algún tipo de éxito últimamente?

38. Comentarios adicionales.

ANNEX IV

Charts

The following charts are broken up into two sections. Specific charts about the projects we visited (charts 1, 2, 3, 4) and overall charts about special development activities since the SDAF originated in 1963 (charts 5, 6, 7, 8). The specific charts section examines the twenty four projects the authors visited in terms of location, type of projects, amount of community participation, cost per employee (only in Income-Generating projects), and the overall rating of each project. The overall charts split the 681 projects into location, type, amount spent, year-by-year comparison, dollars spent among other things.

Additionally, there are three charts in the main section of the report. In the Introduction Section there is a table depicting overall statistics about Perú. In subsections C and D of the Annex there are two charts. Social-Oriented projects are discussed in terms of grant amount, location, and project description. The same issues are discussed with respect to Income-Generating projects.

Each chart is now discussed:

1) This is the most elaborate tabular examination of the projects seen by the authors. There are six basic columns. In the first, the dollar amount of the grant is given. In the second column, the specific type of project is stated. The third column lists the department in which the project was implemented. In the fourth column the authors actually rate the amount of community participation. The rating is based mostly on the implementation aspects of a project but also takes into account community participation after completion. It rates participation on the scale of poor, fair, good, very good (V. Good) or excellent. The information for making these ratings comes from the information obtained when the authors visited the project site (practical application of the questionnaire). The fifth column only deals with Income-Generating projects. It computes the cost per employee. In four cases, this was not applicable (N.A.) because the projects had not reached the employee generating stage. The last column is probably the most important. It is the authors' overall opinions of the projects visited based on a scale of poor, fair, good, very good (V. Good), or excellent. The opinions are based on the amount of community participation, cost of the project, success of the project in terms of issues discussed in the main report, and information gathered from the case studies.

2) This is an overall breakdown of the special projects visited by the authors in terms of Departmental location and general type of project (social or income).

3) This chart examines the specific types of projects the authors visited. The terminology is consistent with that found in the overall charts.

4) This chart is a statistical analysis of the ratings the authors made in Chart No. (1). It breaks up projects in terms of Social-Oriented and Income-Generating.

5) This chart explains the total value of projects by department and category, and amount spent in each department and in each category.

6) The next chart explains the total number of projects by department and by category.

7) This chart provides summarized results of the previous charts. Specifically, it indicates the total number of projects (and total % of projects) and total amount of spending (and total % of spending) by category.

8) This chart provides information indicating the total number of projects (and total % of projects) and total amount of spending (and total % of spending) by department.

1.

<u>Project No.</u>	<u>Grant Amount U.S.\$</u>	<u>Type of Project</u>	<u>Location</u>	<u>Community Participation</u>	<u>Cost per Employee (I-G)</u>	<u>Rating</u>
511 (72-3)	\$ 5,000	Educational	Arequipa	N.A.	----	Good
561 (76-9)	\$10,000	Livestock	Lima	Poor	\$1,000	V. Good
623 (80-12)	\$ 5,600	Carpentry	Lima	Good	\$ 560	V. Good
624 (80-13)	\$ 2,251	Potable Water	Lima	Excellent	----	Excellent
632 (81-7)	\$ 3,300	Sewing	Lima	V. Good	N.A.	Good
633 (81-8)	\$ 5,000	Educational/ Sewerage	Lima	V. Good	----	V. Good
643(81-18)	\$ 5,000	Medical	Lima	N.A.	----	Fair
644(81-19)	\$ 2,370	Sewing	Junfn	Good	N.A.	Fair
647(81-22)	\$ 2,500	Misc.	Lima	Excellent	----	Good
648(81-23)	\$ 4,000	Sewerage/ Dining Hall	Lima	Good	----	Good
649(81-24)	\$ 5,000	Medical	Lima	Good	----	Fair
650(82-1)	\$ 6,300	Potable Water	Junfn	Excellent	----	Excellent
650(82-1)	\$ 5,500	Potable Water	Junfn	Excellent	----	Poor
651(82-2)	\$ 4,300	Misc.	Junfn	V. Good	----	V. Good
652(82-3)	\$ 5,000	Carpentry	Lima	V. Good	N.A.	Poor
659(82-10)	\$ 1,500	Medical	Lima	Excellent	----	Excellent
663(82-14)	\$ 3,000	Educational	Junfn	N.A.	----	Good
665(82-16)	\$ 7,000	Misc.	Junfn	Fair	----	Fair
667(82-18)	\$ 4,800	Fish Pond	Junfn	Fair	N.A.	Poor

<u>Project No.</u>	<u>Grant Amount U.S.\$</u>	<u>Type of Project</u>	<u>Location</u>	<u>Community Participation</u>	<u>Cost per Employee (I-G)</u>	<u>Rating</u>
668(82-19)	\$ 8,000	Educational	Lima	Excellent	----	V. Good
670(83-1)	\$ 6,200	Sewerage	Lima	Excellent	----	V. Good
675(83-6)	\$ 3,300	Carpentry	Lima	Good	\$ 367	Good
677(83-8)	\$ 4,000	Dining Hall	Lima	V. Good	----	V. Good
680(83-11)	\$10,000	Educational	Lima	Fair	----	Fair
681(83-12)	\$7,550	Educational	Arequipa	V. Good	----	Good

2. Number of Projects and Locations

	D E P A R T M E N T S			
	<u>Arequipa</u>	<u>Junfn</u>	<u>Lima</u>	<u>Total</u>
Social-Oriented	2	4	11	17
Income-Generating	0	2	5	7
Total	2	6	16	24

3. Types of Projects

	<u>Social-Oriented</u>		<u>Income-Generating</u>
Educational	6*	Carpentry Shops	3
Medical	3	Sewing Shops	2
Sewerage	3*	Livestock	1
Potable Water	2	Fish Pond	1
Dining Halls	2**		
Miscellaneous	3		
	<u>18 Total</u>		<u>7 Total</u>

* Project Number 633(81-8) was counted as both an educational and sewerage project.

** Project Number 648 (81-23) was counted as both a dining hall and a sewerage project.

4. Ratings

Community Participation:

	<u>Poor</u>	<u>Fair</u>	<u>Good</u>	<u>Very Good</u>	<u>Excellent</u>	=	
Social-Oriented	0	2	3	4	7	=	16 *
Income-Generating	1	1	3	2	0	=	7
	—	—	—	—	—		—
Total	1	3	6	6	7	=	23

Overall Rating:

	<u>Poor</u>	<u>Fair</u>	<u>Good</u>	<u>Very Good</u>	<u>Excellent</u>	=	
Social-Oriented	1	3	6	5	3	=	18 **
Income-Generating	2	2	1	2	0	=	7
	—	—	—	—	—		—
Total	3	5	7	7	3	=	25

* Three community participation cases were not applicable (see chart No. 1) and one project was divided into its two grants (No. 650(82-1)).

** This is one more than it should be because one project was split into two grants (No. 650 (82-1)).

The following four overall charts require some summary and interpretation in order to facilitate complete understanding.

The following fact can be derived from the four charts provided:

1. Although 68 (83-) was the last project considered in the data, only 614 projects had been implemented. The other 65 projects were either cancelled or there was a clerical numbering error during the past 20 years.

2. Since the establishment of AID in Peru in 1963, US\$1,191,157 has been granted.

3. Although 16.6% of the projects are categorized into the miscellaneous category, a large part of these were centered in the electricity-related field. Due to time constraints, the changes were not able to be made.

4. Interesting facts:

-- 21.5% of the implemented projects were education-related; 18.3% of the total funds granted were education-related.

5. Interesting facts:

-- 28.2% of the implemented projects were initiated in the Department of Lima; 40.2% of the funds were granted to Lima.

This would tend to suggest that Lima may receive excess funds.

6. The authors feel that the reader will not be able to interpret each chart.

5.

TOTAL SPENT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
35152		705	13050	7100	306	3420						9275	896			400		AMAZONAS
82459	1125		150	17905	10138	21727		539		4000		8999		13086		4790		ANCASH
14341				4000	5000					195		5146						APURIMAC
47053		1725	1930		3055	4460		5745			2547	19735	620	5000		1383	853	AREQUIPA
28433	240		2750	2552		5493						1544		6054			9800	AYACUCHO
54639			28708	1775		6210	550	550				5980		1176		5490	4200	CAJAMARCA
6230					2200					3000	400	630						CALLAO
84278		960	7404	4871	15467	14522		6000	3489			18998	754	618		5875	5320	CUZCO
9432			391	1420	1725	1461						4435						HUANCAVELICA
19545	4600		6800	2305		4845				335		430		230				HUANUCO
1970					600	230					1140							ICA
104189		78	11290	6080	16635	25794	473	2274		215	775	11598	3343	9774		15860		JUNIN
37747			432	5000	5000	2310			5000			3690		5000		9390	1525	LA LIBERTAD
28042				650	11142	5500					4750						6000	LAMBAYEQUE
478288	4871	9605	7750	26743	105696	64825	8055		3707	1630	49409	100294	10701	36797	22270	23910	2025	LIMA
26820			2000	850	1075	12140						3765	5000	995		995		LORETO
650					650													MADRE DE DIOS
1770								750				320				700		MOQUEGUA
4796		2000		554		2242												PASCO
55880			550	6500	7470	550	254				10590	6503	7253	7570		8640		PIURA
65698				12624	7385	21920		415		650	1140	15766	463	2257		58	3020	PUNO
2585			940									1195		450				SAN MARTIN
0																		TACNA
1160														610		550		TUMBES
1191157	10836	15073	84145	100929	193544	197649	9332	16273	12196	10025	70751	218303	29030	89617	22270	78041	32743	TOTAL SPENT

1. Dining Halls and Maters
2. Sanit. facilities
3. Agriculture
4. Livestock and breeding
5. Centers and clubs

6. Miscellaneous
7. Scholarships and Training
8. Bridges
9. Orphanages
10. Roads
11. Medical Posts

12. Schools
13. Civic Action
14. Cooperatives
15. Sewage and/or Garbage Disposal
16. Potable Water
17. Irrigation

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6.

TOTAL PROJECTS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
21		1	3	4	1	3						6	2			1		AMAZONAS
46	2		1	9	4	7		1		1		15		6		2		ANCASH
11				1	1					1		8						APURIMAC
35		3	1		1	2		7			3	10	1	1		4	2	AREQUIPA
15	1		1	2		3						4		2			2	AYACUCHO
27			4	2		3	1	1				11		1		2	2	CAJAMARCA
4					1					1	1	1						CALLAO
60		1	1	5	10	4		1	3			18	1	2		8	6	CUZCO
10			1	2	1	2						4						HUANCAVELICA
12	1		3	2		3				1		1		1				HUANUCO
3					1	1					1							ICA
66		1	4	7	10	14	2	2		1	1	8	2	9		5		JUNIN
17			1	1	1	1			1			6		1		2	3	LA LIBERTAD
9				1	4	2					1							LANBAYEQUE
173	2	4	4	12	37	31	5	4	3	12		16	4	12	8	13	3	LIMA
18			1	1	3	6						3	2	1		1		LORETO
1					1													MADRE DE DIOS
3							1					1				1		MOQUEGUA
5		1		1		3												PASCO
31			1	2	3	1	1				4	6	7	3		3		PIURA
42				9	5	6		1		2	1	13	1	2		1	1	PUNO
3			1									1		1				SAN MARTIN
0																		TACNA
2														1		1		TUMBES
614	6	11	27	61	84	92	9	14	8	10	24	132	20	43	8	44	20	TOTAL PROJECTS

1. Dining Halls and Mats
2. Sanit. facilities
3. Agriculture
4. Livestock and breeding
5. Centers and clubs

6. Miscellaneous
7. Scholarships and Training
8. Bridges
9. Orphanages
10. Roads
11. Medical Posts

12. Schools
13. Civic Action
14. Cooperatives
15. Sewage and/or Garbage Disposal
16. Potable Water
17. Irrigation

7.

<u>Project Dept.</u>	<u>No. of Projects</u>	<u>%</u>	<u>Total Spending (U.S. Dollars)</u>	<u>%</u>
AMAZONAS	21	3.4	35,152	3.0
ANCASH	46	7.5	82,459	6.9
APURIMAC	11	1.8	14,341	1.2
AREQUIPA	35	5.7	47,053	4.0
AYACUCHO	15	2.4	28,433	2.4
CAJAMARCA	27	4.4	54,639	4.6
CALLAO	4	.7	6,320	.5
CUZCO	60	9.8	84,278	7.1
HUANCAVELICA	10	1.6	9,432	.8
HUANUCO	12	2.0	19,545	1.6
ICA	3	.4	1,970	.2
JUNIN	66	10.8	104,189	8.7
LA LIBERTAD	17	2.8	37,747	3.2
LAMBAYEQUE	9	1.5	28,042	2.4
LIMA	173	28.2	478,288	40.2
LORETO	18	2.9	26,820	2.3
MADRE DE DIOS	1	.1	650	0
MOQUEGUA	3	.5	1,770	.1
PASCO	5	.8	4,796	.4
PIURA	31	5.0	55,880	4.7
PUNO	42	6.8	65,698	5.5

<u>Project Dept.</u>	<u>No. of Projects</u>	<u>%</u>	<u>Total Spending (U.S. Dollars)</u>	<u>%</u>
SAN MARTIN	3	.5	2,585	.2
TACNA	0	0	0	0
TUMBES	2	.3	1,160	0
T O T A L S	614	100	1,191,157	100

8.

<u>Project Type</u>	<u>No. of Projects</u>	<u>%</u>	<u>Total Spending (U.S. Dollars)</u>	<u>%</u>
Dining Halls and Maters	6	1.0	10,836	.9
Sanitary Facilities	11	1.8	15,073	1.3
Agriculture	27	4.4	84,145	7.1
Livestock and breeding	61	9.9	100,929	8.5
Centers and Clubs	84	13.7	193,544	16.3
Miscellaneous	92	15.0	197,649	16.6
Scholarships and Training	9	1.5	9,332	.8
Bridges	14	2.3	16,273	1.4
Orphanages	8	1.3	12,196	1.0
Roads	10	1.6	10,025	.8
Medical Posts	24	3.9	70,751	5.9
Education	132	21.5	218,303	18.3
Civic Action	20	3.3	29,030	2.4
Cooperatives	43	7.0	89,617	7.5
Sewage and/or Garbage Disposal	8	1.3	22,270	1.9
Potable Water	44	7.2	78,041	6.6
Irrigation	20	3.3	32,743	2.7
T O T A L S	614	100	1,191,157	100