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# Heifer Project International

MATCHING GRANT II

ANNUAL REPORT, 1986

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PDC-0258-6 - 437-00

BUDGET FOR COMING YEAR  
FISCAL YEAR 1987\*

Consultants	5,000
Technical Materials	8,000
Evaluation	6,000
Project Support	9,000
Livestock Institute	6,000
Latin Am/Caribbean Projects	259,000
Africa Projects	235,000
Asia Projects	204,000
Indirect Cost	168,000
TOTAL	\$900,000
AID	450,000
HPI	450,000

\*Based on signed Grant Number PDC-0258-  
G-SS-5137-01.

*425,000*

*HPI will pick up  
difference*

HEIFER PROJECT INTERNATIONAL  
MATCHING GRANT II  
ANNUAL REPORT 1986

*MG II - Sept 1986  
1st March 1985  
all p 14*

This report, covering the period of March 1, 1985 through September 30, 1986, provides a review of HPI/US AID Matching Grant PDC-0258-G-SS-5137-00 as outlined in your letter dated August 3, 1985 in reference to Periodic and Final Reports to FVA/PVC on Grant Accomplishments.

The HPI/US AID Matching Grant II provides support to 29 livestock projects in seven countries: Dominican Republic, Ecuador, Indonesia, Kenya, Uganda, Zambia, Zimbabwe, and, in addition, projects through the HPI Bolivia Country Program.

The total obligation of the grant as submitted on June 19, 1986 is \$3,045,283 of which US AID's share is \$1,350,000. The estimated expiration date of this grant is September 29, 1988. The Matching Grant was amended to provide \$425,000 in incremental funding by Amendment Number 1, dated Sept. 19, 1986. USAID funds obligated for 1986 under this grant now total \$875,000.

The purpose of the matching grant is to provide support to a three year development program as described on pages three through four of this report.

## BACKGROUND TO GRANT AND PROJECT CONTEXT

### HPI'S ROLE IN DEVELOPMENT

Heifer Project International (HPI) is a non-profit voluntary organization founded in 1944 for the purpose of helping people produce food and income for themselves through livestock and appropriate animal husbandry training. In addition to its national headquarters located in Little Rock, Arkansas, HPI has 7 regional offices positioned throughout the U.S. HPI's principal support is drawn from voluntary contributions from church-related groups and individuals, with a total income in 1986 of over \$7.5 million.

For over forty years HPI has assisted small farmers with livestock gifts, providing them with a means of economic and social betterment. In providing livestock of superior genetic quality, or by provision of improved crossbreed stock, HPI has provided small farmers a resource capable of producing greater amounts of food than native stock. Early in its history Heifer Project moved beyond the provision of dairy heifers to the point of providing dairy goats, sheep, hogs, beef, cattle, poultry, and draft animals, small animals such as rabbits, ducks, bees, and guinea pigs, as well as other species. Along with these animals, HPI provides training, supplies, equipment, veterinary supplies and technical information.

As HPI has provided its animal gifts to individuals, families and institutions in developing areas worldwide, it has sought to provide these gifts in a manner that enables recipients not only to improve their lot but also to assist others in need. In development efforts supported by HPI, those receiving animals agree to "pass on the gift" by sharing, in a variety of ways, the increase from the offspring with someone else in need. In the long run, the help that HPI provides can become a catalyst for the self-development of the individual, the family and the larger community.

### NEEDS OF BENEFICIARIES

In serving its target population (subsistence, marginal and small farmers), HPI recognized that project groups often are unable to assemble the resources and management skills necessary for successful livestock projects. Economic and environmental conditions under which small producers labor frequently present a range of problems that can be best resolved through a more comprehensive approach to the total animal production system with a focus on advancing animal husbandry practices and the genetic upgrading of breeds. The lack of a working system is evidenced

by low conception rates, low productivity and high animal mortality.

Traditionally, HPI has focused upon the need for genetically improved livestock and poultry, recognizing that substantial gains in productivity can be achieved with improved stock utilizing available resources.

There is a need for improved animal husbandry skills and applications of technology that are appropriate at the project level. This is often made worse by the project holders' isolation and is manifested in the lack of access to potential sources of help or contact with other projects struggling with the same problems. The obstacles to good communication and technical back-up are most strongly felt by those directly involved in projects.

#### RATIONALE FOR EXTERNAL FUNDING

In 1981 HPI initiated the "Comprehensive Livestock Development Program" which was funded by a three year AID Matching Grant. Activities carried out under this grant during the last three years have helped to set the basis for continued improvement in program development, monitoring and appropriate technical assistance and follow-up in projects.

HPI's understanding of the role of livestock in human development is that livestock projects require a medium or long term commitment, rather than one of a short term nature. In livestock projects we do not normally expect quick returns. A slow and steady process is needed to develop the human, organizational and technical capacity to utilize livestock productively. This, along with the production cycles themselves (allowing for some errors and false starts) requires our continued support to farmers and project groups for at least 3-5 years and probably longer.

HPI recognized that the ability to continue or expand many of the programs funded by the first Matching Grant would greatly increase the productivity of the existing projects due to both the benefits of continuity, and the increased effectiveness that comes with experience.

## II HPI APPROACH

### HPI PHILOSOPHY

In developing regions, livestock and poultry are a key factor to rural development. Livestock and poultry convert pasture, agricultural waste products and forage from marginal lands into much needed protein-rich foods, materials, by-products, fertilizers and traction power. Genetically improved livestock and poultry are capable of producing greater amounts of food, material goods and services than native stock.

The livestock or poultry component itself is but one aspect of the animal production system which requires several factors to sustain development. Greater attention to training, management services and follow-up assistance at the basic level will result in decreased animal mortality, increased production of food and offspring (for income as well as home consumption), and greater numbers of pay-back animals for distribution to new participants.

Through the provision of more comprehensive services, greater numbers of people can directly participate in community building and self-help activities and more people will receive benefits from these projects.

### STRATEGIES

The primary thrust of the program is in three major areas:

- Rural Development Project Support
- Technology and Information
- Human Resource Development

#### Rural Development Project Support

HPI support of locally defined and managed rural development projects is carried out primarily through three types of inputs:

- Project funding
- Shipments of supplies, equipment, and livestock
- Personnel

HPI specializes in the livestock development aspects of rural

programs. Inputs include project support grants to partner organizations. These are used for approved budget items such as local purchase of livestock, physical facilities and equipment, project personnel, administration, and training costs. Where required, HPI also makes shipments of livestock, semen, equipment and veterinary supplies, usually from the US. Coordination and follow-up are important aspects of HPI assistance, including planning and evaluation, working out the "passing on the gift" system, and exchange of experiences between projects and countries.

The Matching Grant Program is implemented primarily in countries where HPI has regional or country representatives or field coordinators, either as direct hire staff or under contracted arrangements with national organizations. HPI representatives have broad responsibilities for program development and follow-up in their countries of responsibility. In addition, in some cases HPI places staff technicians on two year terms or sends short term consultants (up to six months) to provide technical assistance to projects.

HPI responds to project requests received through counterpart agencies. Priorities and criteria for the selection of projects are already established in HPI's ongoing programs. Specific inputs are defined by counterpart organizations and local project committees. Local resources, trainers, facilities, foodstuffs and materials are utilized whenever possible.

Livestock inputs are purchased locally, or imported from the U.S. when genetically improved animals are not available within the country or region of the project.

Emphasis is given to strengthening the capacity of partner organization and of HPI itself to carry out livestock projects as a vital component of integrated rural development.

How is this done?

### Technology and Information

HPI has developed means for collecting, sharing and developing technical information and training materials.

One means of doing this is through the HPI "EXCHANGE," a practical technical newsletter produced six times a year. This newsletter has a mailing list which has grown from 560 subscribers in December 1985 to 684 subscribers in December of 1986. HPI receives over 350 requests for reprints and booklets offered in "EXCHANGE" each month. Appendix A includes the 1985 and 1986 series as well as a Spanish version. Appendix B is a table listing the training materials distributed which were charged to Matching Grant. This includes both "EXCHANGE" newsletters and technical information available through the "EXCHANGE".

Do this for HPI

Some of the events and activities designed to obtain and distribute technological information and carried out in this period have been:

- Fresh and brackish water aquaculture training and early production trials in Java Sulawesi, Indonesia.
- An Ecologically Balanced Cattle Project and a symposium on the ecological impact of agriculture-livestock farming systems in Ecuador, slated for mid-1987.
- A Bolivian Ecological Symposium in which 32 scientific papers were presented and later published in Impacto del Desarrollo en la Ecología del Trópico Boliviano. (Enclosed).

#### Human Resources Development(Training)

HPI has come to recognize that training is a necessary ingredient within projects to ensure the development of self-sufficiency. With training HPI not only provides a living gift, but also a gift that stays alive. Because HPI puts a strong emphasis on training and the development of human resources, training plays a major role in projects covered by the Matching Grant.

Most training takes place at the project level by local project workers and technicians. Projects are always designed to include training of project participants (the farmers, youth and women who are the intended beneficiaries). This training includes the basics of livestock production and management. Projects also usually involve training of community level extensionists and also local project personnel.

In addition, field level training events, courses, and workshops are planned and coordinated within countries or regions to help project personnel and leaders get together for "cross-project" exchange of experiences and training.

Finally, the HPI Matching Grant Program supports training for HPI program personnel, including a planned annual "Institute on Livestock in Development," and support for personnel to acquire specific skills and professional upgrading. On a case by case basis, HPI is equipped to offer on-the-job training at the HPI International Livestock Center in Arkansas or other appropriate sites.

Following are some examples of the local project training activities carried out in the 1985-1986 Matching Grant period:

- In Indonesia, nearly 1000 men and women have been involved in dairy training programs and extension follow-ups.
- In Bolivia 2,200 small farmers have been trained in livestock classes by UNAPEGA.
- In the Dominican Republic MPI's project holder, CAFESA, has trained over 300 participants in swine, goat and beehive management.
- In Zambia about 400 young people have learned to care for and use oxen.

## I. PROJECT RESULTS

### KENYA

Sixty-five families have been provided with a good quality dairy heifer and an additional six families have been provided with a heifer through the "passing-on-the-gift" system. Once these animals start to produce milk, family nutrition improves significantly and income also rises. Income from one milking cow often doubles a family's cash income and allows the family to pay school fees, improve their home or to invest in other productive enterprises.

Because many of the participants are women, the project contributes significantly to the improvement of the status of women and the strengthening of women's self-help groups.

The 1984/85 drought in Kenya resulted in the loss of many dairy animals including some purchased before the commencement of this project with HPI funds. One effect has been a rise in the purchase price of cattle above that originally budgeted. For the Nakuru area the drought was more prolonged which delayed the implementation of several projects.

The planned camel crossbreeding project has been delayed by problems in obtaining export permits from Pakistan and India which are the sources of the improved dairy camel stock.

### UGANDA

*Supply of dairy cattle in June*  
Despite continuing fighting and "disturbances" the projects have continued to develop and in general the cattle are doing well. During the past 18 months 80 families have been provided with a dairy heifer. Production ranges between 5 - 25 litres per day while the animals are milking. Average production is about 9 - 12 litres per day. Milk is sold for 1,200 Uganda Shillings (US\$0.80) per litre thus providing a substantial income. Most families consume 2 - 3 litres of milk therefore improving family nutrition. Interviews with participants indicate that they use income to pay school fees, purchase some animal feed and consumption items and to invest in other productive enterprises such as pig production.

Because projects in the Gulu, Kabale, and Tororo areas target the poorer families in a village, they have a dramatic impact on the participants' living conditions.

Heifers imported from the US have in general performed well although, as anticipated, they have proven more vulnerable to poor nutrition.

Problems faced in this program have been the continuing disturbances, particularly in the Gulu area. Reportedly some farmers have fled to Sudan with their animals. Earlier fighting around Kampala forced some farmers to abandon their farms. As a result animals died due to lack of necessary care such as regular spraying or attendance while calving.

Artificial insemination services have also proven to be unreliable. As a result breeding has been problematic for some farmers. To solve this problem some artificial insemination technicians are now being trained and bulls will be placed in other villages.

One result of these projects has been to strengthen the cooperation between government ministries and the local PVOs involved.

#### ZAMBIA

Since the beginning of the Twafwane oxen project 12 groups of trainees have been provided with 14 teams of oxen and the needed equipment. A total of 400 young men and women have learned to use oxen in land preparation, planting, weeding and to transport materials. The oxen project has added a significant dimension to the agricultural training of the "school leavers". Some who have graduated have since then acquired their own oxen.

Productivity at the centers where the training is being done has increased significantly because of the utilization of the oxen. This has provided increased income to the groups in training. Such income is used to meet training costs and to provide graduates with material such as seed and fertilizer to start farming.

Introduction of oxen into areas where people have little or no experience with cattle has, as expected, proven difficult. The lack of experienced extension workers in these areas is also problematic. Plans have been made to strengthen the training component of the project. It has been decided to initially expand the project in those areas where people have some cattle keeping experience. A second phase of the project is being planned to help selected graduates obtain teams of oxen.

The broiler project, totally funded by HPI, has experienced serious leadership problems due to a leadership dispute within the Kimbanquist Church. Due to the absence of Rev. Kangongo, guidelines for project implementation were not adhered to. The initial 10 farmers assisted in starting back-yard broiler production have as a result all stopped raising broilers due to lack of working capital. The project is currently on hold pending settlement of the leadership issue and assessment of the current profitability of broiler production.

## ZIMBABWE

The Chikore Dairy Project has provided dairy heifers to eleven families during the past 18 months. An evaluation of the project conducted by HPI's representative, Christian Care came to the following conclusions:

Milk production is about 3000 litres per cow per year.  
Calving rates are good - about 82%  
Calf mortality is too high - about 20%  
Pasture development needs greater attention.  
Farmers seem quite dependent on the project extension worker for advice.  
Farmers are enthusiastic about the project.  
Farmers willingly pass on the first female offspring.  
There seems to be no favoritism toward church members in distributing animals.

The Manyika Project has provided 36 pigs to farmers organized in three groups. One group has distributed the animals to be kept at the home of individual members. The second group decided on individual ownership while keeping the animals cooperatively. The third group has decided on joint ownership and management. The success of the different organizational patterns will be interesting to observe.

In the communal area of Mutasa this is the first project of this type. It has already demonstrated the viability of small scale swine production to farmers in the area and attracted considerable support from the local extension service. A number of farmers have applied to join the project and the Agritex service is considering possible assistance to allow other families to begin swine production.

Similarly, the dairy component of the project has attracted government attention. An assessment of the viability of small holder dairy production in the area has been conducted. The government controlled Dairy Board has now decided to make this a dairy expansion area which means that dairy development loans will be available to small farmers and a milk collection center will be established.

Availability of good crossbreed dairy cattle has proven problematic due to export of the same to Mozambique. This has slowed implementation of the dairy component of the program.

## INDONESIA

### Luwu

The Luwu project suffered a set-back due to the fact that the lo-

cal coordinator was in the hospital with hepatitis. Dr. Bryan Duncan, of ICA/Auburn University, through the WM/AP project, made two consultation visits. He has helped to identify problems and suggested solutions and has helped to choose a hatchery site.

### PUSPETA

A total of over 1000 men and women have been trained by the PUSPETA group. Three classroom courses were given, totaling 60 classroom hours each. Field extension/demonstrations were held at all cooperative areas. PUSPETA data shows that the trained farmers are producing more milk and have a higher income than untrained farmers.

Appropriate feed formulations have been developed which utilize local feedstuff and take into account price seasonality. The packets developed have improved both dairy and beef yields and have gained adoption at the farmers level through a significant increase in patronage of PUSPETA feed products.

Initial feed and marketing research have identified the Nile Tilapia as the most promising aquatic product. The ponds have gone through production trials and soon will function as a hatchery and nursery center for supply to local farmers who will receive training, stock, extension, feeds/fertilizer and marketing services from the project for commercial production of tilapia.

The PUSPETA project has had a positive effect on other local institutions. Some Indonesian pre-cooperatives have been chosen to import Dairy Termination Cattle provided by Land O' Lakes Company. Only farmers trained by the HPI supported PUSPETA dairy training program will get these cattle.

This project has enjoyed excellent relations with both the US Embassy and the Indonesian Government. President Suharto has visited the PUSPETA project site and recommends it as a model. In the first six months of 1986, over 80 groups toured the PUSPETA project.

### BOLIVIA

HPI has imported male Nubian milk goats from the US to be used as breeding stock for genetic improvement of the local stock. These have been rotated among the districts. In the planning stage are training situations where female Nubian hybrids can be in controlled places to assure the quality of males used in breeding and practice selectively breeding to increase the milk production capacity.

Under the UNAPEGA program approximately 2,200 small farmers will have been trained by the end of 1986. Five hundred families are now raising small flocks of laying hens (10, 20, and 30 bird projects). Over 200 dairy heifers were provided and bulls for artificial insemination services were made available to several communities. Grasslands are being recovered (re-seeded) as part of the preliminary training for livestock raising projects.

The Ecological Symposium, held in Santa Cruz, Bolivia in April of 1986 brought together 182 participants for the presentation of 32 scientific papers on the impact of Agricultural systems on the ecological balance of the lower Amazonian region. These were published in a book which we have enclosed.

#### ECUADOR

Due to problems such as floods and interrupted communications the Shuar Association Cattle Project and the Pastaza Livestock Project started purchasing local cattle in late June. The projects are expected to be established as planned by the end of the year.

The Totorillas Cooperative Dairy is developing pastures and buying cattle.

#### DOMINICAN REPUBLIC

In the "Los Llanos" project the first round of "passing-on-the-gift" has been completed for cattle and the second round for pigs. CEFASA has taught 65 families to care for dairy cattle. These 65 families have received pregnant heifers and are drinking milk which was not previously available. CEFASA assists over 100 community groups in 3 provinces and trains campesinos in its training center. This year CEFASA has trained over 300 participants in cattle, swine, goat and beehive management.

The Montecristi project now has 36 members, up from the original 6, holding a cow, goat, or sow.

The original 13 women who received goats in the SSID Goat Production Project have now distributed offspring to 27 families. Because this is in an area where livestock have almost disappeared these results are encouraging.

A new country representative, Mr. Jacinto Neftali Rosario, who previous worked with SSID, has been appointed.

#### IV. MANAGEMENT: REVIEW AND ANALYSIS OF HEADQUARTERS/SUPPORT FUNCTIONS

Planning and design of this program began in 1983 and resulted in the submission of a proposal in August 1984. Subsequent activities have emphasized major efforts to improve the financial reporting capability of H.P.I. Changes implemented are more fully described elsewhere in this report. Staff has been added to ensure compliance with USAID guidelines and reporting requirements. Organizationally, staff has been secured to design and install a more effective MIS system while training of all staff regarding use of the new system has been underway since August, 1986. Training, logistical support and technical assistance are integral components of all country programs and local projects. These activities plus monitoring and evaluation are coordinated and directed by appropriate headquarters staff. Each sub project listed in the budget have been screened and reviewed by a Program Area Director, a staff screening committee, and the Program Committee of the HPI Board of Directors in the Executive Committee. Once approved, funding is secured for each project through the HPI Regional Offices, Resource Development Office and volunteer committees nationwide.

Development education has been an integral part of the HPI communication effort for several years. This essential area of work has been given departmental status and a full time Director of Development Education began her services on October 1, 1986. Learnings from the CLDP and other projects illustrate and inform the HPI Development Education effort.

A major portion of HPI professional and support staff effort for the period June through December 1986 has been devoted to enhancing the Headquarters Support Capability with regard to the CLDP and all efforts to accomplish HPI's mission.

V. FINANACIAL REPORT

In August of 1984, HPI submitted to USAID a Matching Grant proposal for three periods, from 1985 to 1987. USAID requested HPI to scale down the request to \$1,350,000 and exclude some of the countries suggested in the proposal. The effective date of HPI's Matching Grant became September 27, 1985; thirteen months after the initial submission of the proposal. It was decided that the projects designated as matching grant projects would be funded by HPI even though funding was not available from USAID.

HPI reports all projects on a calendar year basis. For the first two months of 1985, the balance of \$75,664 was drawn from HPI's Federal Letter of Credit and spent on approved Matching Grant projects funded by HPI's Grant USAID/PDC-0151-G-SS-1146. From March 1, 1985 to September 30, 1985 HPI projects designated in its proposal were funded from various sources of HPI's unrestricted funds. Matching Grant II (USAID/PDC 0258-G-SS-5137-0) came into effect in September of 1985. Expenses charged during this time were only for those budget items that pertained to program-related support costs of the projects in the approved countries plus the direct costs for the technical assistance and training activities in the proposal.

*Handwritten notes:*  
MG II  
Sept 1985  
The  
HPI funding  
for March  
1 - Sept 29,  
1985  
account  
a part of  
the grant.

On September 27, 1985 USAID approved a grant for an estimated amount of \$1,350,000 and obligated \$450,000 for program expenditures from September 30, 1985 to September 29, 1986. The following countries were approved for support under the grant: Haiti, Dominican Republic, Bolivia, Ecuador, Indonesia, Thailand, Kenya, Uganda, Zambia and Zimbabwe. HPI removed Haiti from the Matching Grant.

*Handwritten note:*  
why?

The grant authorized HPI to use funds spent from March 1, 1985 to satisfy HPI matching funds requirements providing such costs were otherwise in conformance with the terms of the grant and Cost Sharing/Matching Principles of Handbook 13.

This Annual Report for the Matching Grant covers a period from March 1, 1985 through September 30, 1986. Also included for USAID purposes are the costs from January 1, 1986 through September 30, 1986 since projects are on a calendar basis and not on a federal fiscal year.

On the Matching Grants Expenditure Statement (next page) the second column (3-1-85/9-30-86) are the expenses charged to USAID and reported on Federal Form 269 to USAID on December 1, 1986. HPI overmatched the grant by \$175,000 but the amount was not used since the revised financial budget has not been approved by USAID.

Two budgets of the coming year are enclosed in this section. One is based on a Federal fiscal year as per the signed Matching Grant and the other is based on a calendar year and was submitted to USAID for approval on June 19, 1986.

On April 14, 1986 HPI received a letter from our contract officer Jean M. Hacken recommending that a detailed budget be prepared to show how grant funds will be used, emphasizing that the objectives and detailed budget for the country projects be reduced to writing and submitted to the AID Grant Office for approval. On May 13, 1986 HPI responded to Ms. Hacken's request providing a detailed Line Item Budget for the Matching Grant using USAID budget guidelines. (Enclosed).

Again HPI received a letter from our contract officer stating that the budget submitted does not coincide with the matching grant proposal and requested HPI to respond as soon as possible. Also USAID recommends to suspend payments to HPI until HPI submits a detailed budget for the country programs which were approved by the AID Office of Procurement.

On June 19, 1986 HPI submitted to USAID the three following attachments:

1. Heifer Project Accounting System
2. HPI Field Staff and Consultant Salary Review
3. Budget Detail - Illustrative Line Item Budget

Attachment III clarified the correlation among expenses as shown in the Project Opportunity Sheets and line item amounts as shown under country heading on the annual and total budget sheets sent to USAID on May 13, 1986.

HPI received a letter from our Contract Officer on August 15, 1986 saying that information submitted on June 19, 1986 appears to be thorough and complete. To this date HPI has not received an amended contract incorporating the changes HPI submitted to the Procurement Office. In September HPI received an amendment to the Matching Grant obligating \$425,000 for Fiscal Year 1987. The amendment used the line items in the original grant signed on September 27, 1985 which were not acceptable by USAID guidelines.

Existing confusion over budget line items caused problems with grant reporting. For this annual report HPI used the line items in the original grant signed on September 27, 1985. Also, this report covers expenditures for a nineteen month period (March 1, 1986 through September 30, 1986) instead of a twelve month report. Enclosed is the Illustrative Line Item Budget submitted to USAID on June 19, 1986 and the Illustrative Budget submitted on May 13, 1986. A copy of HPI Accounting and Reporting Systems

is also included.

As it now stands, HPI will use the September 27, 1985 grant and its amendment as the basis for reporting until an amendment is received from USAID incorporating the changes submitted to USAID as requested by the Procurement Office. It is imperative that the changes be approved as soon as possible.

MATCHING GRANTS EXPENDITURE STATEMENT

ACTUAL EXPENDITURES

AID GRANT COST	1/1/85 - 2/28/85	3/1/85 - 9/30/86	1/1/85 - 9/30/86
Element:			
Consultants	4,410	2,728	7,138
Technical Materials		10,718	10,718
Evaluation		6,006	6,006
Project Support		2,778	2,778
Livestock Institute		5,465	5,465
Latin America and Caribbean Projects			
Bolivia		109,210	109,210
Honduras	46,026		46,026
Ecuador	1,969	22,477	24,446
Dominican Republic	61,234	148,050	209,284
Latin Am/Carrib Training	685	11,748	12,433
African Projects			
Kenya	9,650	94,665	104,315
Uganda	10,223	91,999	102,222
Zambia		14,550	14,550
Zimbabwe		26,698	26,698
Africa Training		11,334	11,334
Asia			
Indonesia		181,565	181,565
Thailand		22,959	22,959
Asia Training		16,849	16,849
Indirect Costs	30,865	179,353	210,218
TOTAL	\$165,062	\$959,152	\$1,124,214
HPI	103,980	479,576	583,556
USAID	61,082	479,576	540,658

16a

BUDGET FOR COMING YEAR

CALENDAR 1987\*

Consultants	5,000
Technical Materials	8,000
Evaluation	12,000
Project Support	26,900
Livestock Institute	6,000
Training Outside US	48,500
Latin Amer./Caribbean Projects	280,925
Africa Projects	285,083
Asia Projects	85,650
Indirect Cost	174,253
TOTAL	\$932,311
USAID	456,704
HPI	472,757
OTHER (William Penn)	2,850

425

\*Based on the Illustrative Line Item Budget submitted to USAID, June 19, 1986. Line items vary to conform with Grant Line Items of Grant PDC-0258-G-SS-5137-01 signed on September 19, 1986.

#### IV LESSONS LEARNED

In many cases it is too early to measure project costs and benefits. Many projects have already yielded direct benefits to the local participants such as milk to drink and additional income. Families involved in the Tororo Cooperative Dairy Project in Uganda have had dramatic rises in their incomes, due to a high inflation rate and controls on competing enterprises such as coffee and cotton.

HPI, due to its commitment to working through local organizations, has been quite successful in strengthening local institutions. In Kenya and Uganda, women's groups have gained cohesion through HPI projects. In Uganda the cooperation between PVO's and government ministries has been enhanced. In Zimbabwe, Agritex has become more involved in small-holder extension. In Indonesia, work with PUSPETA has proved to be very successful and PUSPETA has received national attention for its work.

Dairy development projects have been shown to be sustainable. Dairy cattle have taken on an important role in the local farming system. The "Passing-on-the-gift" system is one way in which HPI programs ensure the continued benefits of the projects. The second round of animals has been passed on in some projects and the second year is expected to yield many more animals "passed on" to the second and third set of participants.

One of HPI's criteria for selecting a project is that it must directly help the poor. HPI, realizing the plight of women in the third world, has made a concerted effort to direct projects toward female participants.

HPI has found that local participation is one of the key factors in project success. Because local people are involved from the outset with the planning of the project HPI has encountered cooperation and involvement by the local people.

Another key factor in the success of projects is leadership. HPI has attempted to encourage leadership development of the local participants. One example is the teaching of accounting to members of the women's projects in Kenya. HPI has had some negative experiences with project leadership as in the Indonesian Luwu project. Progress greatly slowed while the local coordinator was in the hospital with Malaria.

In Tanzania and Kenya a zero grazing approach has proven to be a successful for very small scale limited resource farmers. The PUSPETA project in Indonesia has been successful so far in its tests of the viability of growing Tilapia fish.

HPI has had great success in working in partnership with local PVOs. This arrangement allays the necessity of placing US personnel in the country or trying to hire a local individual. This saves money, of course, and insures that the project coordinators have existing ties to the community.

The Zero Grazing techniques that were used in Tanzania and Kenya have been transferred to Uganda and new groups in Kenya. The positive experience with the raising of Hairsheep in Latin America has ramifications for other areas of similar climates.

## VII. RECOMMENDATIONS

### PROJECT LEADERSHIP AND PVO'S

A review of the first year work plan as found on page 16 of the proposal of August 21, 1984, shows that, to date, practically all targeted activities have been completed. The one exception to this highly successful accomplishment of year one objectives is the seeing of possible re-design of program strategy in the Eastern Caribbean. Unexpected departure from the field for medical reasons of the HPI representative in the Dominican Republic, a major evaluation and program restructuring of S.S.I.D. in the Dominican Republic combined with a total reassessment of priorities and strategies of the Caribbean Council of Churches necessitate postponement of the survey until a more expeditious time. Therefore it is recommended that point 5 of the First Year Work Plan, "Survey and possible re-design of program strategy in the Eastern Caribbean" be added to the work plan for Year Two of the program.

### COUNTRY AND LOCAL LEADERS

Continued improvement in measurement of project results through improved reporting and implementation of the new HPI financial system will suggest many opportunities for creative ways of increasing program effectiveness. Specific recommendations at the early stage of the grant are:

1. Determine and communicate to the HPI Area Program Director those measures of livestock productivity and project success which are most important at the producer and local project level. Timely receipt of such information will make an important contribution to the development of an improved project data base for utilization throughout the HPI program.
2. Expand program and project designs to reflect more fully the long term character of all livestock projects and the need for gradual multi-year movement to a condition of complete local funding within a reasonable period of time.
3. Determine and share ways in which all local projects can demonstrate economic, cultural and environmental sustainability within a reasonable period of time.

### TO DONORS OF OTHERS SEEKING SIMILAR IMPACTS

HPI's positive results in the field are largely attributable to careful adherence to a clearly articulated set of criteria, priorities and success principles. Those persons interested in achieving results similar to those documented in the final report of the first Matching Grant as in their annual report are en-

couraged to read carefully Appendix IV and V of the HPI Matching Grant proposal document of August 1984, "Criteria for Project Selection" is the subject of Appendix V. "Effectiveness Principles for Rural Development" which documents learnings identified and adopted by HPI program staff during a two day conference on this topic in May, 1986, is attached as Appendix C to this document.