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MATCHING GRANT
#PDC - 0251-G-SS-4148-00

Foster Parents Plan
Income Generating Project
Annual Report - Year I

A MULTIFACETED APPROACH IS NEEDED TO ELIMINATE HUNGER AND POVERTY AROUND THE WORLD. ABSOLUTE POVERTY CAN BE REDUCED BY ACCELERATING ECONOMIC GROWTH, BY RAISING THE INCOME OF POOR PEOPLE THROUGH IMPROVEMENT IN PRODUCTIVITY AND EFFICIENCY AND BY DRAWING POOR PEOPLE DIRECTLY INTO THE PROCESS OF ECONOMIC GROWTH. THERE IS NO MORE POWERFUL FORCE FOR PROGRESS AGAINST POVERTY THAN THE INITIATIVE AND INGENUITY OF THE POOR PEOPLE THEMSELVES.

"Poverty in the Developing Countries - 1985
A. W. Clausen
No.3 March, 1985

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EXECUTIVE SUMMARY

Foster Parents Plan signed a matching grant (NO. PDC-0251-G-SS-4148-00) agreement with the Agency for International Development, Office of Private and Voluntary Cooperation effective August 1, 1985, to expire July 31, 1987. The purpose of the matching grant, the second one awarded to Foster Parents Plan, is to strengthen, encourage, and initiate income generating projects as a basis for sustained development.

This first year report to USAID should be viewed from a developmental perspective i.e., it is a beginning to a long-term institutionalized program thrust. The grant was a little late in coming on-line, and the first year has primarily been spent in preparatory work. It is also extremely relevant to consider that small business development is a new programmatic thrust not only for USAID and private voluntary agencies in general but also for all the support mechanisms used to assist international development organizations with their programming in the field. Thus, Foster Parents Plan has approached the first year with an attitude that small business development is and should remain an integral part of our development efforts, and it is incumbent upon us to do the preparatory work to insure a long-term viable program rather than seeking a short-term or highly visible project. Hiring new staff, creating a new regional center, initiating a newsletter, sensitizing staff, training of staff nationals, locating regional support mechanisms, and technical resources; and in general, attempting to institutionalize this new program thrust have been the main emphasis during year one.

The initial objectives for year one are noted within and have for the most part been met. New objectives for year two are being developed, and we have noted some of those in this paper. In many ways the first year has been a tremendous catalyst, focusing attention on issues which are crucial for the success of later projects. For example, how should loans be structured in order to facilitate small business development? Are there country specific cultural sensitivities which impact the loan process? Initial data collection and analysis have already begun on these and related issues which we feel will have a positive impact on project design and project results at a later date.

Year one has also allowed us to identify those types of projects which should not be categorized as income generating projects or particularly small business development projects. This will allow for greater focus on experimentation and risk taking in the small business development sector.

We have learned that pre-requisites to more experimentation and risk taking are a greater awareness and concentration on staff training relative to the role of business in the development process, an orientation and emphasis away from social welfare and toward self-sufficiency, and a willingness to seek new sources for the transfer of managerial technology or training assistance oriented to business type activities. *

A rather striking and profound impact on PLAN staff was made by Dr. Malcolm Harper at the Bangkok workshop. Credit is gratefully due to USAID for funding this workshop. The proceedings are attached to this report in the separate Appendix. Dr. Harper rightly pointed out that income generating projects may be an extremely inappropriate name for this effort. These are not projects with a specific time frame which are oriented towards a specific expenditure of funds to accomplish a specific objective. Instead, these are businesses which have all the normal needs of any well managed economic enterprise and hopefully will last long after this particular effort to stimulate economic enterprises has ended. Labelling these efforts "income generating projects" connotes a sense of ownership and paternalism on the part of those seeking to stimulate these activities.

To call these efforts businesses or micro-enterprises requires staff to approach these activities in an entirely new light. Viewing our efforts as true businesses stimulates a view which is different from that normally undertaken by PLAN staff when designing and implementing projects. A business perspective orients staff more towards the necessity to look at different types of technical assistance, different types of training, and different types of organizations which are more relevant to business needs than project oriented activities.

The project to date can be characterized as under-spent. This is not remarkable and not a situation that is likely to persist into year two. The situation in Naga is probably a typical example. In Appendix I of this report, we have attached a copy of the PLOT - Pre-loan Orientation Training program. In our previous loan efforts, clients were not familiar with the roles and responsibilities of those who borrow money from PLAN for a particular project. Consequently, the return on these loans was extremely small. In order to correct that particular problem, all clients must now attend this pre-loan orientation course before they are eligible for a loan. We believe that this will significantly increase the return during year two and specifically for income generating projects during year two.

Obviously when you are in training you are not implementing. This was also followed by a period of staff retraining and reorganization in the office, so that again implementation suffered. This necessity to train not only our own international staff but the national field staffs in the design and implementation of small businesses, micro-enterprises, or income generating projects significantly slowed progress. It is now increasingly clear that we do need a substantial amount of training in all of these areas in order to carry out effective income generating projects during year two. In the three geographic areas of emphasis during year one, that training has at least been begun. Now that we know this particular area of concern, we can undertake those efforts early in the other countries which will be coming on-line.

Further, all seven new field posts coming into the project in year two have been visited at least once by October 15, 1985, so that we now have a running start in the second year of the income generating project.

The Bangkok Bulletin is a newsletter specifically designed to facilitate information flow to field staff and containing information about income generating projects. Requests have come in from all over PLAN world and from outside of the PLAN world as well.

Several other PLAN field offices have asked to be included in the project. We are asking specifically that Nepal be included but felt stretched too thin to cover any additional countries at this time. The point is that the matching grant has stimulated a substantial amount of interest in the field. It has increased the enthusiasm of both the national and the international staff as well as PLAN clients. It has enabled staff to look beyond just the way they have been "delivering services" for years.

In summary, the matching grant will make PLAN field offices better in the development of an improved program thrust and, consequently, have a better chance of fostering a sustained development than ever before.

FIRST YEAR OBJECTIVES:

By the end of the first year of the IGP, PLAN expects to have accomplished the following:

1. Recruitment of Project Director and Ass't Project Dir.

Response: The Project Director is E. Glenn Rogers who has been the International Program Director of Foster Parents Plan International for twelve years. The Assistant Project Director is Abeyrama, T., formerly a senior research analyst at the Asian Institute for Technology in Bangkok. Mr. Abeyrama is Sri Lankan and has had six years experience at AIT since graduation.

2. Establishment of a project office central to the field offices mentioned in the grant proposal. The office will be actively providing technical assistance to Naga, Mindoro and Yogyakarta and functioning as an administrative and informational center for the Matching Grant.

Response: The office is located in Bangkok, the property doubling as both director's residence and office. The address is P.O. Box 11-497, Bangkok 10110, Thailand.

3. Establishment of a roster of local technical resources (research institutes, agricultural research stations, small enterprise institutes, individual consultants, university research centers) upon which PLAN may call for training or other expertise as needed.

Response: The list is growing all of the time. In keeping with the goals of the project, in only one occasion was a non-Asian consultant utilized. See appendix VI for the list by country.

4. An evaluation and monitoring system will be in place in Naga, Mindoro and Yogyakarta and standardized data collection and routine data analysis underway. It is unlikely that any measurable impact will be evident at the end of the first year, the emphasis will be on hiring a project evaluator (assistant Project Director), the collection of baseline data and the training of local staff to collect routine data.

Response: Considerable progress has been made in project evaluation. Again in keeping with the objectives of the projects, evaluation expertise has been located in Asia and in all three field posts included in the project the first year, a great deal of data collecting is taking place under the supervision of local expertise, two thirds of whom have university affiliation. There will be no standardization of data collecting system, since all field posts are at different levels and it would be wasteful to insist upon the collection of baseline data, for example, if it has already been collected. We regret that there has been a most minimum utilization of clients in the evaluation process, but are encouraged by a proposal to involve clients as data collectors in Thailand. Individual approaches to evaluation will be covered in the individual country updates. We know that impact cannot be measured within the time frame of the matching grant and mention of this fact will be made under the "adjustment" section of this report.

5. Training of field staff in Naga, Mindoro and Yoyakarta to bring them to maximum level of competence.

Response: The orientation of local staff to the project in Cavite, Philippines, April, 1984, went a long way to help staff understand the project and to at least begin to reorient some of their thinking. This was enhanced by the presence of a Partnership for Productivity staffer. Continuity has been maintained through the presence of P for P at the orientation of staff from field offices coming into the project at the end of the first year. Also representatives from Naga, Mindoro and Yogyakarta, who attended the first workshop also attended the second workshop. The proceedings of the workshop are included in this report in appendix 1.

6. A second general workshop will be held in April of 1985 for field staff from all field offices interested in matching grant funds. That workshop will be modeled on Cavite workshop but would include representatives from more field offices.

Response: see appendix IV

7. Planning between the Project Director and field staff would be underway to determine the most judicious time to bring them within the technical and financial resources of the Matching Grant.

Response: The project was late in being approved by USAID, but PLAN was resolved to go ahead and planning was underway, some of the posts had already been visited and all USAID offices were visited before approval was granted.

8. At least two innovative projects will be underway in each of the field posts. These will be pilot projects for agricultural or manufactured products which have not been produced in the area before.

Response: In truth, the field offices are short of this objective. Naga has proposed opening a trade center with the purpose of bringing producers and buyers together in one location. Mindoro is setting up a saw mill for the purpose of utilizing lumber from coconut trees. Yogyakarta is doing an interesting study which will determine what is the best institution for funneling IGP funds to clients for income generating projects. Out of this study will come the best method for funding innovative projects.

9. Each of the field posts will have devised an outline for strengthening institutions in their area. These institutions may include local government agencies, bank lending programs for small businesses, agricultural extension services, local private voluntary agencies, church groups, civic groups or any other indigenous organizations which have the objective of improved economic development of the community.

Response: An emphasis has been placed on this objective. In at least three of the projects, local staff have approached the local bank about making loans to the small farmer, and if PLAN were to put up some collateral, most banks appear interested. In Yogyakarta, there is a movement to have credit unions to come into a federation of credit unions with an interlending capability among credit unions. Naga has a system of registered associations. Mindoro works hard to establish credit unions.

10. A thorough review of local PLAN policies affecting income generating projects will have been completed and a clear statement of each field offices' objectives in this sector will have been established. Policies to be reviewed include: participation, credit, groups vs. individual projects, working with non-PLAN families and the role of PLAN in motivation, training and the provision of technical and financial assistance.

Response: All of these issues were touched upon at the Bangkok Workshop. They are covered in the workshop proceedings - see appendix IV.

OBJECTIVES FOR THE SECOND YEAR OF THE
INCOME GENERATING PROJECT

- I. To more aggressively promote feasibility studies, that is, careful planning to increase product quality and to create, if they do not already exist, viable neighborhood markets.
- II. To seek out and encourage cross linkages, that is, promote businesses which compliment other projects such as a saw mill which can tie in with a housing project which, in turn, has as its purpose better health in the home; or vocational education course which also teach entrepreneurship.
- III. To promote staff retraining. As we have agricultural extension agents so do we desperately need small business extension workers (called in some places, Small Business Promoters) *PCUs?*
- IV. Increase and improve services related mainly to production raw material supply and market demand. The law of supply and demand applies to a social agency, a professional development agency and it applies to the rich and the poor without discrimination.
- V. Promote the use of the IGP to improve our evaluation capability, always documenting and sharing methodology with all PLAN field offices.
- VI. Conduct survey of handicraft production and where possible support PLAN/USA in its handicraft marketing efforts

LOAN POLICY AND CREDIT INITIATIVES

LOAN POLICY

Perhaps one of the best discussions at the Bangkok Workshop focused on the subject of grants and loans. A development agency coming out of a social welfare tradition, has its problems with this matter and the IGP staff see it as one of the most pressing constraints. Actually the problem is two-fold. There is the staff many of whom have had the traditional social work training and are service delivery oriented, profit being the last thing that even enters their heads. Then there is the client who has received cash from the social worker and cash gifts from his Foster Parent and now is told that the same Foster Parent no longer wants to give but really wants to make a loan.

While the situation is difficult, there is no intent here to describe it as hopeless or beyond repair. Naga has offered its pre-loan orientation training (PLOT) with positive emerging results. Mindoro deals with the problem through groups and only through groups on the first loan. Later the credit unions are making loans to individuals, those who were a part of a successful group income generating project. Yogyakarta has the best track record in the field of credit unions where people have been taught the saving habit and pay interest on loans from the credit union. The Yogyakarta staff needs re-training and while it is a large staff and many hours of training will be involved, the job can be done and has already started.

Rather than report here on the survey the IGP staff has carried out concerning loan policies in the IGP field posts this year, below is an outline of the information gathered. This information will be gathered yearly and actually can be assembled by the Bangkok staff from existing records or records which the normal course of events are created by all field posts. Another reason for not reporting now is the fact that only three field posts were in the project the first year. The information collected is as follows:

How is the loan program handled, that is, through what kind of institution?

Who are the recipients - groups, individuals or both?

For the past two fiscal years, by group and individual, what is the total number of loans made, what is the total amount loaned and what is the maximum and minimum amount of all loans?

What interest rate is being charged?

What is the interest rate on the open market?

How is the interest which is collected utilized?

What percentage of your overall budget is allocated to the Resource and Skills Development Sector? Is this a decrease or increase over the previous fiscal years? Within the sector, what percentage of the budget is allocated to small business development?

To whom are repayments made?

When do repayments start? State policy concerning late payments.

When does a late payment become a default?

What action is taken in the case of default?

Check if you are giving grants and have no loan policy

This survey was field tested with the staff in Kenya. They made slight revisions. All but two of the field posts have replied. The discussion of loans is a much more open subject than it used to be. The entrepreneur already knows the advantage a loan can make to his/her business and those now coming forward with proposals are serious and if not a new business, they are excellent candidates for what the ILO in Kenya calls IYB, improve your business

CREDIT INITIATIVES

"...PLAN will support a variety of credit mechanisms. PLAN's credit or funding schemes will be designed to bring target small enterprise projects into the formal economic sector by emphasizing savings and small loans through which individuals can learn sound financial planning and, within a reasonable period of time, develop credit-worthiness with banks, credit unions, cooperatives or whatever other formal sector credit schemes are available in the area."

(A Proposal to Strengthen, Encourage and Initiate Income-Generating Projects As a Basis for Sustained Development) p.6

To that end, the following steps have been taken:

- 1) Survey on loan policies in FY 1985 and FY 1986 in all participating IGF/PLAN offices. The survey has been field tested in Kenya and has been distributed to the Field Offices.
- 2) PLAN/Naga has instituted a program for prospective borrowers called Pre-Loan Orientation Training (PLOT) (Please see Appendix I for details). The training was completed for all PLAN participants in June 1985. Some preliminary (though inconclusive) findings are reported in Appendix II, pp 23-27.
- 3) PLAN/Mindoro provides loans for income-generation to groups initially. After successful participation in a group loan, individuals may then apply to credit cooperatives for individual loans.
- 4) PLAN/Yogyakarta has been developing credit unions and all loans are distributed and managed through these credit unions. Please see the Evaluation Section of this report for further action being undertaken.

In our first three Field Offices, steps have been taken to establish a secure source of credit, i.e., Naga, through the PLAN Associations; Mindoro and Yogyakarta, through credit unions and cooperatives.

With the additional Field Offices joining in FY 1986, we will see other avenues explored for securing credit sources.

Our thrust in this regard remains the same as stated above.

EVALUATION

Evaluation is a major theme in the IGP, and under the auspices of the Project considerable progress has been made in all three first-year Field locations.

The IGP initiatives are built upon and conform to PLAN's existing evaluation system, whose basic document is the Project Accountability Face Sheet (PAFS). The PAFS is a simple evaluation tool completed at the end of each project. Information from the PAFS is consolidated twice yearly in the Mid-Year and Annual Program Reports. PLAN's evaluation capability in the Field continues to be strengthened; recently, many Field Offices have added full-time evaluators to their staff.

The goal of evaluation in the IGP is to assess program impact as measured by increased income and improved standard of living among the target population.

During the preparatory stage of the project in 1983-84, a model evaluation system was developed by Dr. Anne Fleuret, as An Outline of Evaluation Procedures for Foster Parents Plan International.

Project evaluation capability was further strengthened in December 1984, with the hiring of Abeyrama Tilakasena as Assistant Project Director for Evaluation. Mr. Abeyrama is a senior research analyst at the Asian Institute of Technology (AIT) in Bangkok, Thailand, and has extensive background in evaluation. His function is to guide and coordinate Field Office evaluation systems.

In consultation with Dr. W. Timothy Farrell, who is PLAN Field Director in Egypt and has considerable expertise in evaluation, Mr. Abeyrama developed a

framework for IGP evaluation, which was presented to all participating Field offices in an evaluation workshop at the Bangkok Conference. Additional information on this evaluation framework is contained in the digest of the Bangkok Conference (see appendix III).

IGP staff have developed professional relationships with local institutions such as the AIT in Bangkok, the University of Naga and the Research and Service Center of the Ateneo de Naga in Naga, Dr. Uriarte, formerly of Mindoro, and Gadjah Mada University in Yogyakarta, Indonesia, to undertake or assist with evaluation in the IGP Field Offices.

Much of the focus in the first year has been on baseline studies. This will continue in the second year of the project, as more than half of the Field Offices coming into the IGP in the second year will be involved in baseline studies.

While the general evaluation model will be utilized in all participating Field Offices, each Field Office will develop its own individual evaluation system, responsive to its own needs and program approach. This can be seen more clearly in the individual descriptions of evaluation efforts in Yogyakarta, Naga and Mindoro, which are given below.

Yogyakarta, Indonesia

A preliminary evaluation, in the form of a case study, was written by Mr. Abeyrama, and is included within the Bangkok Conference proceedings attached to this report. Findings from the study included the need to focus more

attention on marketing, evaluation and the utilization of technical assistance and evaluation findings.

In Yogyakarta, most PLAN families belong to credit unions and finance their projects through them. It is intended that much of the IGP activity will be channeled and administered through the credit unions, as these are local institutions which will remain after PLAN phase-out. However, the credit unions had never been evaluated as a credit mechanism. Accordingly, in August 1985, an evaluation of the Yogyakarta credit unions was started. The purpose of this study is to determine the best mechanism/institution for the implementation of the IGP through loans. Four models will be tried and studied: (1) loans through the existing credit unions, (2) loans through an newly organized loan scheme through local banks, (3) loans in kind administered directly through the PLAN office and PLAN staff and finally (4) the establishment of a partnership with another agency which has more experience with provision of credit. This report is expected by March, 1986.

Naga (now known as Bicol), Philippines

A broad-based study is underway in Naga to assess the income-generating sector from several viewpoints. The objectives in the Naga research are as follows:

1. To evaluate the impact of income generating projects implemented by PLAN/Naga since 1982.
2. To disclose significant factors, socioeconomic and others, that would indicate the success or failure of income generating projects.

3. To focus on how income generating projects are viewed by PLAN families. What are their attitudes, their participation and roles in sustaining income generating projects.
4. To determine the financial viability of income generating projects and to measure their effects on income.

The study has not yet been completed, although preliminary results are available and have been included as Appendix II to this report.

Mindoro, Philippines

One of the most significant accomplishments of the IGP in 1985 in PLAN/Mindoro was the establishment of a Research, Monitoring and Evaluation Unit. Perhaps the most important goal of the Unit is to integrate progress and impact measures into the overall IGP process. As well, the PLAN/Mindoro PIE (planning, implementation and evaluation) process, is part of the evaluation system and identifies successful projects based on indicators of participation, financial management, technical skills acquisition and technical success. In the near future the PIE process is expected to identify the factors contributing to project success. The evaluation system also organizes present data collection and banking for the Field Office's use.

The Evaluation Unit and system were established in February 1985. They were preceded by a baseline survey which was administered to a sample selection of respondents in 1983. Results from the baseline study and a follow-up survey

provide impact data. Project evaluations accomplished at three, six and twelve month intervals provide progress data.

Conclusive findings about individual projects and their progress are not yet available. However, income generating impact findings are available in a separate report. This report also details several important program recommendations for PLAN/Mindoro.

Future directions include both a complete analysis of project progress and continuing investigation of impact findings.

NETWORKING

I. Technology Exchange

The purpose of the technology exchange component of the Income Generating Project was to provide a U. S. based resource for field personnel whose projects require technology available through U.S. sources. It is consequently primarily a networking function whose activities are reactive to field requests. Because of the high level of interest in the development community on ways in which to assist small and micro-enterprise development, the position has also sought to stimulate initiatives, identify training facilities, match appropriate technology resources with need and to pass on to the field information relative to these subjects.

The technology exchange function was the last to be added to the project and thus has a working time span of only six months. The first six months have been oriented toward becoming acquainted with the development approach of Foster Parents Plan, its staffing structure, organization procedures and management style. Additionally, much time has been spent in establishing linkages between our efforts and other initiatives being carried out in the U.S. development community. Staff attended a week long conference in Bangkok to meet directly with those responsible for our field efforts, to review some initial projects and to familiarize the field staff with the role and responsibilities of the U.S. based resource person. The following activities relate to the position:

II. General Small Business Development Resources

Identified for field financial revenues designated for small business development in Sri Lanka and the Philippines.

Established contact and began initial discussions with Control Data Corporation for a computer link-up to data base on technology exchange resources available to underdeveloped countries.

Established contact and procured training manuals related to small business development for Dobbs Associates, ACUA, Peace Corps and PACT's program on small enterprise development.

Identified financial resources for business cooperation grants from the Fund for Multinational Management Education - one grant proposal submitted and pending.

III Specific Sector Resource.

By far the most significant and potentially rewarding development during the first six months has been an effort to increase the profitability of small craft producers in the field. A three fold strategy to identify those products with long term stable markets, provide training for local marketing and secure a favorable relationship with a U. S. based multinational for export oriented activities was initiated during this period. It is far too early to speculate on the outcome of any of these initiatives all of which should be considered high risk for those in the field who decide to become involved. Initiating new business ventures whether in the developed or underdeveloped country requires a commitment to stay the course and reject a short term profit orientation. For a list of the contacts made see the following page entitled Tri-level Linkages.

In the areas of development education, staff has given a speech on small business development to international volunteers, distributed a small business development pamphlet to 20,000 U.S. residents and will give a presentation on international development to a business group in October.

All of these efforts should be seen as developmental in nature due to the brief time span involved. The response from the private business sector has been encouraging. Further, the results to date suggest that the conclusions of the report of the Presidential Task Force on Private Sector Initiatives is correct. " The most efficient way to transfer technology abroad is a direct business relationship between a U.S. firm and a developing country counterpart".

TRI-LEVEL LINKAGES

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UNITED STATES BASED AGENCIES:

Partnership for Productivity
World Education Inc.
Technoserve
Accion International
Peace Corps
Experiment in International Living
Heifer Project
Winrock International
Private Agencies Cooperating Together
Dobbs and Associates
Volunteers in Technical Assistance

→ A/D/W ?

FOREIGN BASED AGENCIES/ENTITIES:

International Labor Organization
Asian Institute of Technology
Ateneo de Naga, Research and Service Center
University of Peradeniya, Kandy, Sri Lanka
Gadjah Mada University
Ministry of Trade and Industry, Philippines
USAID Mission in each IGP country

UNITED STATES PRIVATE SECTOR

Pier 1	Balance of System Specialists
Control Data Corp.	Tri-solar Corp.
Land O'Lakes, Inc.	Western New England Solar
Jn-shorts	Wm. Lamb Co.
Asean Center for	Windlight Workshop
Technology Exchange	Ay McDonald Corp.
Fund for Multinational	Grundfos Pump Co.
Management Education	Jacuzzi Bros.
Camp, Dresser, McKee	Trojan Batteries Co.
Mattel, Inc	Zomeworks
R. I. School of Design	Domoa
Monsanta Chemical	Alternative Energy Engineers
Coke Cola Inc.	Independent Power Co,
Pragam Corp.	Photocomm Inc.
Amaco	Solar Electric Specialists

RESOURCES -- PHILIPPINES

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SMED - Small and Medium Enterprise Development
Ministry of Trade and Industry
Mr. Anthony Yap

SBAC - Bureau of Small and Medium Industries
Ministry of Trade and Industry
Mr. Manuel Imperial - Region V Legaspi City

US - Asean Center for Technology Exchange
Rm. 405 Maligaya Bldg. 237 Salcedo St.
Legaspi Village, Makati, Metro Manila, Philippines
telephone 818-7404
Mr. Philip J. Gielczyk, Country Manager

PHISLIHA - Private Sector Low Income Housing Association
P. O. Box 64, Greenhills
San Juan, Metro Manila
Philippines

APPROTECH ASIA - The Asian Alliance of Appropriate Technology
Practitioners
4th Fl. Yutivo Bldg. 270 Dasmarinas Street
Binondo, Metro Manila, Philippines
Lilia Oblepias-Ramos

IIRR - International Institute of Rural Reconstruction
Silang, Cavite, Philippines or
Rm. 38 Elena Apartments
512 Romero Salas Street
Ermita, Manila
telephone 58-26-59
Juan M. Flavier, President

NACIAD - National Council on Integrated Area Development

TRC Technology Resouce Center
 Ministry of Human Settlements
 TRC Bldg., fBuendia Ave., Ext.
 Makati, Metro Manila
 telephone 85-98-11 (26)

 KKK-NSTA ACTION GROUP
 Science Community Complex
 Bicutan, Taguig, Metro Manila
 telephone 845-09-61 (to 67) loc.282

NIST National Institute of Science and Technology
 P. Gil, Taft Ave, Manila
 Tagulg, Bicutan, M.M.

RESOURCES - INDONESIA

LP3ES - Institute for Social and Economic Research, Education and Information.

Jl. Pemuda Utara 75
Klaten

Mr. M. Zainuddin

PPM - Institute for Management Education and Development
Jalan Menteng Raya 9
Tromolpos 3027
Jakarta 10002
telephone (021) 375309

Ir. J. Sadiman, President Director

CUCO - Credit Union Coordination of Indonesia Nico Prana
Jalan Gunung Sahari III/7 Third Floor Sitanggang
P.O. Box 3460 Jakarta, Indonesia
telephone :021- 359700

- Bina Desa
Jalan Gunung Sahari III/7
Tromal Pos 456
Jakarta Pusat, Indonesia
telephone 416527

- Bina Swadaya Mr. Josef
same address as Bina Desa Mr. Em. Haryadi
telephone 354700

- Yayasan Dian Desa
Jl. Kaliurang KM 7
P. O. Box 19 Bulaksumur
Yogyakarta, Indonesia
telephone 87885

Prof. Dr. Subronto, MSC (Agricultural School
Bulaksumur D - 14, Yogyakarta Gajah Mada University)
Indonesia
telephone 86320

Training Center for Youth
Ministry of Manpower

Yayasan Purba Danarta
Bambang Jantje, Trg. Off.
Jl. Veteran No. 7
Semarang

LESSONS BEING LEARNED

PROPOSAL ADJUSTMENTS

BANGKOK BULLETIN

LESSONS BEING LEARNED AND
PROPOSED ADJUSTMENTS

It seems rather premature and presumptuous to talk of lessons learned at the end of the first year of a three year project. It feels better and more on target to write of lessons being learned for the learning process goes on and in fact will never be completed in three years. Perhaps there is no such thing as a completed learning process. In any event, below are some of the situations we face. They are not new, but have been brought into sharper relief through the matching grant.

1. PLAN's target population is selected on the basis of poverty and need for basic services and not on demonstrated entrepreneurial skills. We are aware that our initial involvement with these people in income-generating activities will require a great deal of preparation and training. *

2. As a sponsorship agency, many of our Foster Parents are concerned about the Foster Child and family that they sponsor to the extent that they provide additional funds to the family. This, coupled with PLAN's traditional approach of providing cash transfers to our PLAN families, presents a challenge to make these families aware of the normal channels of credit, especially in light of the fact that PLAN's assistance is of limited duration. This is being undertaken through education of our families. An excellent example is the Pre-Loan Orientation Training provided in PLAN/Naga. (loan or grant)

3. The need to be informed of what others are doing in the micro-enterprise field has been an important aspect of our activity. (Please see the Section on

Networking.) Some of this information is shared with our participating Field Offices through our Bangkok Bulletin, which is simply an information sheet about some aspect of income-generation among micro-entrepreneurs. The section on our Bangkok Bulletin lists the Bulletins issued thus far and two examples are attached as Appendices - November and December 1984.

4. It takes a business mind and business thinking to promote income generating projects. Social welfare thinking and orientation are not particularly helpful. But like teachers, and the educated but unemployed around the world, they are retrainable and this process maximizes our efforts to utilize and develop human resources and human skills. X

5. Our experience up to now suggests that in many instances entrepreneurship is an individual matter. We, as an agency, try to foster cooperation and mutual support among our families by organizing them in groups. What we have to continue to monitor is the relationship between families working together in groups and individuals in those groups working by themselves in income-generating activities. The area of group entrepreneurship also requires attention. *indiv. vs. group.*

ADJUSTMENTS

A. In the first year of the project, Naga, Mindoro and Yogyakarta were the project sites. In the second year, we include Bali, Indonesia; Sri Lanka; Thailand; Bombay; H.D. Kote and Madahasira, India; Kenya and Egypt. Thus, the sites jump from three to seven without additional project staff. We have requested that Nepal be added to the project. The formalities for this addition have been observed. More thought should be given to the possibility

of adding a small business advisor, handicraft promoter and additional administrative support. All can be put in place without the need for additional funds, but with the rearrangement of some of the budget line items.

B. The Bangkok office would like to encourage a joint evaluation with AID/Washington anytime after January 1, 1986, and at that time, to reach a decision concerning the need for an overall project workshop on evaluation. A year into the project, we believe that the majority of earlier decisions and the original proposal are still sound. The decision to have the IGP office in Asia was correct. Basically, the staffing pattern is good. Field response is very encouraging. We enter the second year with more momentum than the first year. The Bangkok Workshop served many purposes, but among others, it reaffirms that among "PLAN People", one finds some of the most dedicated and knowledgeable people in Third World development.

COUNTRY UPDATE

The source of the information for the COUNTRY UPDATE is three-fold; namely (1) the annual program report from each country at the end of the fiscal year which ended June 30, 1985, (2) the budget for the new fiscal year which begins July 1, 1985 and (3) selected budgetary information from the original proposal made to USAID.

The opening paragraph or paragraphs of the COUNTRY UPDATE deals with the purposes or objectives of the program approach focused on human resource and skill development. Because Naga and Mindoro (both in the Philippines) and Yogyakarta, Indonesia were in this project the first year, more information is included than is given for the countries just now coming into the project, that is, in the second year of the grant.

The second section of the COUNTRY UPDATE lists projects completed this past fiscal year. It shows the title of the project, the activity required to implement the project, the actual input and the number of beneficiaries or recipients.

The final part of the COUNTRY UPDATE, is a budget vs. actual report. In terms of recipients, it shows how many it was anticipated that the project might benefit when the project was designed and then actually how many people or families benefited when the project was completed. The final section of this report also shows the original budget submitted to USAID at the time the proposal was made. By showing the budget adjustments and the actual amount of money spent, we reveal an absurdity of some of our assumptions and the unpredictability of constraints which lurk behind each and every typhoon, earthquake and project to which little or no appropriate technology has had an opportunity to shed enlightenment. Then, perhaps more for the purpose of next years report than for any other reason, we have included the budget for the coming fiscal year. Thus trends will begin to emerge and our Income Generating Project (IGP) can actually monitor more or less program emphasis on this human resource and skills development sector.

While the old adage that figures don't lie is true, the fact is that the figures may sometimes do little to help explain the reality of a given situation. Naga, for example, could be criticized for underspending, yet Naga is the only program which has installed staff devoted totally to marketing. Naga has designed a training course for all clients prior to their making application for a loan and Naga has actually produced a product catalog. Yet, Naga has budgeted nothing for handicrafts next fiscal year. Thus, project success will not depend on the amount of money spent and as some great entrepreneur once said you better be more concerned about making money than spending it and why it is that a social agency can only talk about the money they spend?

YOGYAKARTA, INDONESIA

YOGYAKARTA, INDONESIA

RESOURCE AND SKILLS DEVELOPMENT

Our efforts to bring about more process-oriented, participatory development, as opposed to mere implementation of projects, have shown positive results in FY '85. There has been improved project design with greater client involvement.

The year's activities began quite slowly due to needed staff training and orientation provided by YIS (an Indonesian agency which PLAN has contracted to provide staff training), but village work did get well underway during the second half of the year and fair progress in the realization of program goals has been achieved. Nevertheless, the reorganization of PLAN/Yogyakarta will have to continue for greater administrative efficiency and better field work supervision of staff and clients to further program effectiveness.

We are presently considering a contract for follow-up training with YIS for assistance to our field staff in working with affiliated communities to develop Group Development Plans. This would provide training for both staff and clients and perform a useful service at the same time.

We would like to eventually replace direct financial assistance with guaranteed client services such as school fees and catastrophic health assistance. This would free our staff to devote more time to working with communities on other projects which focus on education, infrastructural development, income generation, and preventive health services.

Our goal is to enhance agricultural production in order to increase the earning power of farmers, to provide vocational education courses relevant to the skills needs of the communities and to encourage alternate forms of income generation.

Overall results are encouraging, especially considering the late start due to staff training. Only in the Fruits and Vegetables and Fisheries projects did we fall far short of anticipated results.

Project	Activities	Actual Input	Actual Recipients
Salaries and Program Support	Salaries & benefits paid to R&SB Staff	On Schedule	19,000 — <i>how counted?</i>
Animal Husbandry	To increase the earning powers of villagers and to enhance the village livestock population through training and the provision of goats, sheep, rabbits and ducks to PLAN families through the "Kelompok Tani", the village Agriculture Committee. Offspring from the animals will be given to other needy villagers through the "gaduh" system of sharing.	Assisted in the purchase of: 741 goats/sheep 28 cows 939 ducks 2500 quails 1 unit of cattle feed making machine	777
Fruits & Vegetable	To provided motivation, training and seeds/seedling for home gardens.	Assisted in the purchase of - 2402 orange seedlings - 3306 clove seedlings - 216 coconut seedlings - 283 rambutan seedlings	202
Fisheries	To build/stock 40 community fish ponds and to provide motivation and training in fish cultivation management, in order to increase income and enhance diet.	Trained people on how to cultivate fish and assisted in building 6 fish ponds.	183
Vocational Education	To provide motivation, training and tools necessary to use skills learned	Assisted PLAN families in the following activities:	23,854

- | | |
|---------------------|------------------------|
| (where applicable) | - joining driving |
| for the following: | class 17 people |
| - Batik - 100 part. | - baby-sitting |
| | class(2) |
| - Carpentry 170 " | - Purchase of 1 set |
| - Tile making 95 " | of carpentry tools |
| - Soya bean 60 " | - Purchase of 2 sets |
| - Baby sitting 42" | of motor cycle |
| - Bamboo 60" | repair tools |
| - Leather 60" | - Purchase of 2 |
| - Sewing 60" | bicycles for work |
| - Ceramics 40" | - Purchase of 3 becaks |
| - Bricklaying 33" | - Purchase of 100 sets |
| - Driving 30" | of Encyclopaedia for |
| | High School |

Although implementation began fairly late in the year fair success in carrying out most of the activities was realized. This is due to a great extent to the capable and pragmatic assistance of Dr. Subronto with the Animalusbandry projects which accounted for well over half of all expenditures in sector 16.

Similar technical consumtancies are needed for 16.14 and 16.16 and we are looking for suitable people. The aim is not to make PLAN "self sufficient" in technical expertise but to provide a minimum of direction and competent advice for better integration with substantial existing extension services in order to assist clients in successfully undertaking projects.

Budget FY 85 - Actual

" FY 86

Yogyakarta, Indonesia

Particulars	Recipients		Original Budget to USAID	Adjusted Budget	Actual Spent	Budget FY 1986
	Budget	Actual				
Feeder Roads					-0-	27,153.-
Bridge Construction				33,291.-	32,574.-	38,846.-
Lighting					-0-	5,384.-
Coops/Cr. Unions				14,583.-	18,241.-	8,441.-
Sub-total				47,874.-	50,816.-	79,824.-
Salaries and Program Support	97,150	19,195	9,340.-	6,967.-	6,906.-	6,364.-
Erosion & Refo	-	-	-	-	-	615.-
Animal Husbandry	7,500	745	46,630.-	34,333.-	30,460.-	33,743.-
Fruits and Veg.	3,400	162	14,000.-	9,791.-	3,017.-	10,398.-
Irrigation						15,807.-
Fisheries	2,000	121	6,700.-	8,541.-	1,479.-	4,461.-
Agr. Implements	1,200	-0-	5,450.-	-0-	-0-	11,853.-
Small Bus. Deve.						16,504.-
Voc. Ed.	2,400	2,331	48,000.-	14,333.-	11,288.-	-
Sub-total			130,120.-	73,966.-	53,490.-	113,469.-
TOTAL				121,840.-	104,306.-	193,293.-

MINDORO, PHILIPPINES

MINDORO

GENERAL LOCAL CONDITIONS WHICH SPECIFICALLY AFFECT OPERATIONS AND

HOW

The development programs of PLAN/Mindoro continue to experience rising costs (mostly in construction, office supplies and utilities), reluctance of suppliers to provide firm quotations, diminishing stocks in the provinces and reduced inventories. PLAN is forced to do much of its purchasing in Manila out of necessity. A senior staff member has been assigned in Manila for two weeks of each month to carry out purchases and follow-up. However, on a positive note, a decrease has occurred in fuel prices and in public vehicle fares, which in the past has led the way for price reductions in other areas.

The high inflation rate has taken its toll on PLAN families. PLAN/Mindoro's thrust is in income-generating projects, coop development and institution building; even in these difficult economic times, we believe that significant progress can be made.

It continues to be a difficult time for PLAN program and administration alike. In spite of that, though, there is some feeling that the "clouds are lifting and visibility is improving somewhat."

PROGRAM APPROACH AND STATUS IN RELATION TO SAGE GOALS

SIGNIFICANT ACCOMPLISHMENTS

1. Conscientization in PLAN/Mindoro's Program - Throughout all applicable sectors, PLAN/Mindoro's community workers have been implementing PLAN/Mindoro's human development package through relaxed extended home visits. This facet of PLAN/Mindoro's programming emphasizes accepted "good health" daily activities, community development, the history and goals of PLAN overall, as well as other activities related to conscientizing the attitudes of PLAN families. PLAN/Mindoro noted last year that this had been a significant problem. PLAN/Mindoro is now able to report that last year's problem is this year's success (or at least, partial success).

The PLAN/Government Tie-Up Program - The provincial governments of Mindoro and Marinduque have asked PLAN to assume some responsibility in terms of funding those projects which the government cannot afford to implement. Such projects took the form of three-room school buildings, rural/barangay health facilities and general multi-purpose buildings. The total number of projects which PLAN has and is in the process of implementing is 15. These projects are scattered throughout Mindoro and Marinduque where present existing facilities are no longer considered safe, or no present facility exists at all. All of the projects follow PLAN/Mindoro's program approach and are implemented only when the community displays organization and willingness to work.

3. The Implementation and Integration of PLAN/Mindoro's Evaluation Unit into PLAN/Mindoro's Program Approach - From the beginning of PLAN/Mindoro program implementation in 1981, PLAN/Mindoro has been involved in project fund disbursement for income-generating projects without any real objective evaluation tool. Now with the help of the Income-Generating Matching Grant Project (IGP) in making a complete and separate monitoring and evaluation unit, PLAN/Mindoro will soon be able to tell what kind of variables within a project may lead to overall project success. When referring to income generating type projects, this basically is translated into measuring significant, sustainable income. Presently, PLAN/Mindoro believes that our income generating projects do not produce significant sustainable income. Preliminary computations have given some surprising and unexpected results, although admittedly it is too early to tell. In addition, the PLAN/Mindoro monitoring/evaluation unit will help PLAN/Mindoro classify certain projects more accurately. Or, in other words, we will be able to have low or non-income producing projects which are presently classified as IGPs, be re-classified as Education of Community Development type projects. Basically, the unit will provide useful and helpful information which will allow PLAN/Mindoro to better ascertain both project and overall program value.

SIGNIFICANT PROBLEMS

1. Uncertainty Concerning the Actual Income Produced by Income Generating Projects - As stated above, PLAN/Mindoro cannot be sure whether or not PLAN/Mindoro's IGPs are actually producing sustainable and significant income for PLAN families. Many presently classified income generating type projects may be somewhat misleading. PLAN/Mindoro suspects that some IGPs do not actually produce increased income for PLAN families. However, since the monitoring and evaluation system cannot yet fully and objectively produce results for measuring such impact, PLAN/Mindoro will have to continue to be patient before any accurate re-classification of projects, or any change in the components of IGPs can be undertaken.
2. Transportation - PLAN/Mindoro has experienced and is presently experiencing problems in staff mobilization and specifically technical assistance transportation. Due to the age and low number of PLAN/Mindoro's current vehicles, combined with the poor quality of local road conditions, PLAN/Mindoro finds that much of the time our vehicles cannot be used to serve the program as they are under repair. PLAN/Mindoro is currently engaging in measures to try and extend the life of the existing vehicles which presently serve the program. However, the time involved in major vehicle overhaul is detrimental to program implementation, and of course, the vehicles are not as reliable as if PLAN/Mindoro were to have more contemporary vehicles.

Sectoral Objective:

To assure that by June of 1985, between 85-90% of PLAN clients have participated in 190 permanent working groups in all PLAN locations.

Results Toward Objective:

X 71.9% of PLAN clients have participated in 550 permanent working groups.

Validity of Assumptions:

Economic conditions and corresponding market prices will not drop so low as to render economic programs unsuccessful. This assumption needs clarification. Economic conditions have stabilized although the prices of commodities remain high. Wage increases have been instituted; however, more time is needed to be able to fully consider the validity of this assumption.

Host government will continue to provide needed technical expertise. This assumption is valid. NACIAD, the Ministry of Agriculture, the Bureau of Cooperative Development and others continue to provide support and cooperation.

PLAN families with continuing motivation and human development training from staff members can sustain income production. This assumption appears to be valid but admittedly it is a little early to tell.

PLAN/Mindoro can monitor all projects successfully with a simple inexpensive system. This assumption needs further study. PLAN/Mindoro's monitoring system is new, and PLAN/Mindoro would benefit from an additional year for us to be able to make an accurate statement.

Summary Regarding Implementation, Effectiveness and Prospects:

PLAN/Mindoro cannot accurately state how many permanent working groups have been established up to June of 1985. However, we can mention the number of permanent working groups and the percentage of PLAN clients who have participated in them up to December of FY' 85. Although PLAN/Mindoro has over-achieved in the number of permanent working groups established (currently 550) we have not reached our percentage goal (currently 71.9%). This indicates that more work is left to be done.

In FY '85 itself, 95 permanent working groups were formed and are participating in projects which have an income-generating emphasis. One of PLAN/Mindoro's significant accomplishments in this sector is the implementation of the Research, Monitoring and Evaluation Unit, or PLAN/Mindoro's PIE process (planning, implementation, evaluation). This newly installed unit will in time be able to help PLAN/Mindoro streamline and better implement projects which currently have unanswered questions, usually taking the form of "are groups really permanent?" "do IGPs really produce not only significant, but also sustainable income for PLAN families?", and "what kind of variables contribute most to project success or failure?".

Prospects for the future in this sector include second group projects, project expansion and some new alternative, larger projects falling under the IGP. In addition, PLAN/Mindoro will integrate findings of the evaluation unit and consider their suggestions concerning improved project design.

Project	Activities	Actual Input	Actual Recipients
Salaries+ Prog. Support	Provided salaries transportation & equipment	13 technical assistants	7290
16.10 Basic Grains	To provide 5 rice groups, 2 corn groups and 7 mongo/ peanut groups with agricultural supplies.	Agricultural supplies for 4 rice and 4 mongo/ peanut groups provided.	493
	To provide 14 groups with technical assistance during project process	Technical assistance to 8 groups during project process provided	
	To encourage per- manence of 14 groups	8 groups appear to be permanent.	
	To investgate or attempt 2 crop federations.	1 crop federation established.	
16.13 animal Husbandry	To provide 42 groups with:	1. Groups provided with:	336
	a. 30 carabaos for farm use and cara-calf produc- tion.	a. 51 carabaos for farm use and cara-calf production to 14 groups.	
	b. 36 cattles for fattening and calf production.	b. 79 cattles for fat- tering and calf production to 15 groups.	
	c. 40 piglets for swine fattening.	c. 16 piglets for swine fattening to 5 groups	
	d. 192 poats for kid production.	d. 42 goats for kid pro- duction to 2 groups.	
	e. 1 horse for horse raising.	e. 6 horses for horse raising to 1 group.	
	f. 300 ducks for broiler and egg production.	f. 113 ducks for broiler and egg production to 2 groups.	
	To provide 42 groups with technical assis- tance during project process.	2. Technical assistance during project process to 39 groups provided.	
	To encourage permanence of groups.	3. Groups appear to be permanent.	
	of groups.	permanent.	

16.14 Fruits and Vegetables	To provide 7 groups with agricultural supplies for fruits and vegetable pro- duction.	Tools and agricultural supplies for fruits and vegetables production to 9 groups provided	175
	To provide 7 groups with technical assistance during project process.	Technical assistance during project process to 9 groups provided.	
	To encourage permannce of groups.	Groups appear to be permanent.	
16.15 Irrigation	To provide 2 groups with 2 water pumps for irrigation.	No groups provided with water pumps for irrigation.	0
	To provide 2 groups with technical assistance during project process.	No groups provided with technical assistance during project process.	
	To encourage permannce of groups.	Previously existing groups appear to be permanent.	
16.16 Fisheries	To provide 8 new	Groups provided with:	54
	a. 8 units fishing boats and nets.	a. 6 units fishing boat and 12 units fish net for 5 new groups, provided.	
	b. To provide 2 on- going groups with 2 fish nets.	b. Preparation of Balangkas ng Balak na Proyekto (Project Planning for project expansion) is still going on.	
	c. To provide 2 new groups with seminars on fish culture.	c. Training design, and identification of possible site is still going on.	
	To encourage permanence of groups.	d. 1 unit fish shelter to group provided.	
		6 groups appear to be permanent.	

Budget FY 85 + Actual

" FY 86

Mindoro

Particulars	Recipients		Original Budget to USAID	Adjusted Budget	Actual Spent	Budget FY 1986
	Budget	Actual				
Com. Centers				7,600.-	6,286.-	-0-
Leadership trg.				5,400.-	8,172.-	-0-
Coops/Cr. Unions				8,885.-	13,192.-	9,600.-
Sub-total				21,885.-	27,650.-	9,600.-
Sal & Prog. Sup	6350	7290	25,562.-	37,754.-	60,271.-	41,949.-
Grain Cultivation	17/291	8/493	18,009.-	12,770.-	9,453.-	12,446.-
Animal Husbandry	28/320	39/336	43,221.-	18,270.-	24,750.-	24,609.-
Fruits & Veg.	20/163	9/175	2,613.-	980.-	938.-	2,520.-
Irrigation	-	-	-	-	-	400.-
Fisheries	16/310	6/54	23,113.-	6,400.-	2,428.-	3,200.-
Agr. Implements	12/115	8/67	11,367.-	6,465.-	7,637.-	3,800.-
Age. Land Lease	-	-	-	-	-	7,054.-
Agr. Training	7/58	18/843	1,132.-	2,000.-	5,143.-	2,320.-
Sm. Bus. Dev.	16/340	28/244	9,831.-	13,900.-	10,803.-	16,120.-
Handicrafts	12/270	6/196	5,603.-	2,000.-	3,107.-	-
Voc. Ed.	3/130	-	283.-	-	-	4,000.-
Evaluation	-	-	-	-	74.-	460.-
Training				2,000.-	3,260.-	1,680.-
Sub-total				102,539.-	127,694.-	120,692.-
TOTALS						129,692.-

NAGA, PHILIPPINES

NAGA

GENERAL LOCAL CONDITIONS WHICH SPECIFICALLY AFFECT OPERATIONS AND

HOW

Although floods and typhoons hit the country during the fiscal year, none of these severely affected this region or caused grave effects on operations. The eruption of the Mayon volcano near Legaspi caused disruptions to normal PLAN operations (i.e. staff were not able to get to work during a two week period) and delayed some projects. 484 Foster Families (F.F.s) in the Albay area were forced to leave their homes but only one family had their house destroyed by the lava/mudflows. The evacuated families were sheltered in schools converted by the government for that purpose. The roads leading to five locations were impassable during the eruption and are still cut by mudflows every time it rains. To date, 11 months after the eruption, the roads and bridges damaged by the lava/mudflows have still not been repaired.

The spending power of F.F.s has been affected by inflation in the first half of the fiscal year. Thirty-five percent more than the targeted F.F.s requested assistance with the educational expenses of their children. Tuition fees have again increased by 20 percent. Some projects have been affected by the at times extreme fluctuations in prices of materials. The projects did not necessarily cost more to implement but were sometimes delayed while staff searched for reliable price quotations. Gasoline and office supplies did increase in price. Consequently, we are going to share with PLAN/Mindoro the cost of maintaining a purchaser in Manila during FY '86 and aim to cut operating costs by purchasing in bulk directly from distributors.

PROGRAM APPROACH AND STATUS IN RELATION TO SAGE GOALS

There has been a significant slowdown in program activity during the fiscal year and this slowdown will continue during the next six months.

During the second half of the fiscal year all program staff were involved in the process of reviewing the overall objectives of PLAN/Naga and relating their functions to those objectives.

The clear sectoral delineation of projects and staff assignments was no longer viewed as the most effective or efficient way of promoting self-sustaining development. A more holistic programming and spatial staffing approach is being called for. By the end of the year new job descriptions were developed for location community workers and their supervisors.

The Senior Staff then underwent a process called "LENS" in order to focus on and prioritize Plan/Naga's objectives and encourage, through understanding, a greater commitment on their part to PLAN's objectives. With this program assessment in mind, it was decided that the whole of PLAN/Naga will enter into a transition mode within the next six months, during which time all staff members, plus a minimum of six members of each of the current Foster Family Associations, will attend an intensive ten-day Community Development Methods Colloquy (CDMC), to be facilitated by the resident staff of the Institute of Cultural Affairs. The CDMC has the following objectives:

- (a) All supervisory program staff will be taught basic training and facilitating skills.
- (b) All location workers will acquire basic community development facilitating skills.
- (c) The location workers and Associations will learn how to facilitate the creation of a Community Development Plan (CDP) by each Association within six weeks of the completion of the CDMC.

In the process, the program staff will test their new job descriptions and the new organization structure and even further revisions may be made in December, 1985. The CDPs will be developed concurrently with the collection of baseline data in each location.

The fiscal year also saw the development of an evaluation capacity on the part of PLAN/Naga. We now have a research assistant who can help staff conduct research and evaluation activities and an EDP unit where program data can be processed quickly and efficiently. We are also retaining the services of an evaluation consultant, who is a member of the staff of the Ateneo de Naga. His function is to assist PLAN's research assistant and other staff in designing and implementing research and evaluation activities. The most significant evaluation activity that commenced during the reporting period was in the income generating sector. Mr. Oliva and his team are conducting an evaluation of income generating activities over a two-year period. One of the outcomes of this evaluation will be a set of measurable indicators of good income generating activities. We will then, and only then, be able to use these indicators when establishing objectives in the Resource and Skills Development sector. For a whole variety of reasons, both income and expenditure are not reliable indicators in the Bicol region, so we will not attempt to use them at the moment. More importantly, we have been conducting a campaign to make PLAN staff and Foster Family project committees aware of the value and necessity of evaluation as an integral and continuous part of the project process.

As a result of the above there will be minimal new project activity in the coming six months as we concentrate on the following:

1. Participation in the CDMCs.
2. Collection of baseline data.
3. Implementation of essential, on-going projects only, e.g., Barangay Health Promotor functioning, Scholarships, etc.

<u>PROJECT</u>	<u>ACTIVITIES</u>	<u>ACTUAL</u>	<u>ACTUAL BENEFICIARIES</u>
Animal Husbandry	To provide animals/poultry to 708 foster families in 35 locations.	Provided 301 foster families with animals/poultry in 35 locations	301
Fruits & Vegetable Production	Provision of farm inputs in the form of seeds, fertilizers and agrichemicals for increased yield in 1 CS location.	23 families were provided with farm inputs like seeds, fertilizers and chemicals.	23
Irrigation	To provide materials for the construction of 1 irrigation system.	Implementation held in abeyance pending availability of counterpart from the local gov't.	0
Fisheries	To provide fishing equipment to 402 foster families.	Provided materials for the construction of 1 communal fishpond to 37 foster families.	37
Agricultural Implements	Provision of farm implements to 1502 foster families.	380 foster families provided with farm implements.	1080
Agricultural Land Purchase/Lease	To purchase agricultural land for 22 foster families in 2 locations.	Not implemented.	0
Agricultural Credit	To provide loans to 598 farmers to buy seeds, fertilizers, etc.	180 farmers provided with loans for purchase of seeds, fertilizers, etc.	180
Small Business Vendors	To provide loans to 1157 foster families to enable them to establish small scale business.	296 foster families provided with loans to enable them to establish small scale business.	296
Handicraft	To provide loans to 327 foster families to enable them to develop handicraft enterprise.	60 foster families provided with loans to enable them to develop handicraft enterprises.	60
Vocational Education	To provide vocational or skills training for 742 students.	576 students received vocational education training.	576

Job Counselling Placement	To provide vocational counselling to 140 students.	Being implemented through the National Manpower and Youth Council.	0
Training	To provide pre-loan orientation Training (PLOT) and other income-generation-related trainings to foster families and PLAN staff through IGMG II.	8237 families attended the Pre-Loan Orientation Training.	8237
	To participate in the Buyers Fair II for the promotion of foster families' products to domestic and international market.	Attended and participated in the promotion of foster families' product to domestic and international market.	

Budget FY 85 + Actual

FY 86

Naga (Bicol)

Particulars	Recipients		Original Budget to USAID	Adjusted Budget	Actual Spent	Budget FY 1986
	Budget	Actual				
Feeder Roads				21,185.-	12,312.-	35,709.-
Bridge Constr.				5,750.-	13.-	9,845.-
Lighting				9,798.-	2,839.-	11,641.-
Comm. Centers				19,730.-	23,648.-	41,215.-
Flood control				2,600.-	-0-	20,286.-
Leadership Trg.				22,902.-	5,992.-	12,307.-
Coops/Cr. Union				6,160.-	-0-	4,624.-
Sub-total				88,125.-	44,780.-	135,627.-
Sal. & Prog. Sup	55,500	-	21,415.-	18,526.-	16,450.-	19,657.-
Animal Husbandry	634	301	52,646.-	26,977.-	8,195.-	39,648.-
Fruits and Veg.	108	23	8,362.-	1,349.-	-0-	2,256.-
Irrigation	20	0	271.-	1,250.-	-0-	-
Fisheries	137	37	11,311.-	8,783.-	788.-	29,156.-
Age. Implements	1,250	380	18,498.-	5,945.-	6,777.-	6,580.-
Agr. Land Lease/Pur	3,660	0	26,603.-	14,018.-	-0-	9,400.-
Agr. Credit	494	180	39,050.-	20,612.-	13,037.-	-
Sm. Bus. Vendors	1,161	296	69,491.-	21,382.-	2,143.-	51,327.-
Handicrafts	1,102	60	72,771.-	16,396.-	1,155.-	-
Voc. Rd.	523	576	12,295.-	53,526.-	35,728.-	52,588.-
Job Counseling/Place Training			1,018.-	1,750.-	1,011.-	2,912.-
Other				900.-		275.-
Sub-total			337,726.-	191,424.-	85,275.-	213,524.-
TOTAL						349,151.-

SECOND-YEAR FIELD OFFICES

EGYPT

BOMBAY

H.D.KOTE

MADAKASIRA

BALI

KENYA

SRI LANKA

THAILAND

NEPAL

EGYPT

GROUP DEVELOPMENT PLAN

PURPOSE: PLAN clients, organized in groups of about 15 persons, will plan and implement small scale projects in order to improve living conditions or to generate more income. Program Assistants and clients will try through conscientization to come to a new social awareness which will lead to better participation in Egyptian society.

PROJECT	ACTIVITY	ACTUAL INPUT	ACTUAL BENEFICIARIES
Group Development Plan (1)	Assist clients with identification of needs and implementation and evaluation of projects. Provide instruction and motivation in group dynamics and achievement of social change.	L. E. 18 deposited accounts quarterly	4356

(1) see attached evaluation of the Family Development Plan

Summary regarding Implementation Effectiveness and Prospects:

The implementation and effectiveness of this SPO is poor. There are two principle reasons for this. The first is that the goals were over ambitious given the infrastructure and the environment. The second is that we emphasized the development of small projects in house repair. Staff time was therefore not available to concentrate on this. We did, however have limited success on income development projects using special services as a base. Since January we have been negotiating with a Vocational Technical School that will provide training for up to 100 PLAN older siblings per year in construction skills, award an official diploma. A training agreement has been signed for a variety of skills training courses in sewing, cooking, home budget management, bookkeeping with CFPA, and a training Center built (Kasr El Sham) for similar skills. Another local PVO (people's Friends) is anxious to develop a program in handicrafts and industrial sewing.

An IGP work group has been developed and formulated policy to review and oversee all projects submitted. Several projects are pending approval ranging from very small to up to \$22,000. Many should be funded by 1 September.

Overall we are disappointed by the FY 85 performance in this sector, but encouraged by FY 86 prospects.

PLAN INTERNATIONAL EGYPT

TABLE I - SUMMARY OF FAMILY DEVELOPMENT PLAN BY SUB OFFICE

Table I summarizes the activities conducted with FDP (11.08) funds, which represent 46 percent of the total A&S budget for FY-85. The sample was 30% of all active cases from 1 July 1984 through 30 May, 1985. All files ending in "2", "6" and "8" were reviewed, yielding a sample size of 128, reasonably evenly distributed over the three offices.

As has been stated elsewhere, one of PLAN/Egypt's priorities this year was on house repair (13.45) projects to which families agreed to participate with cash, labor or both. This activity is clearly reflected by the data from the FDP RECORDS IN WHICH 16.3% of those sampled used FDP funds to supplement their cost of house repair (if "Nothing Achieved" is dropped from the table, this percent for house repair increases to 24.6%, or a quarter of all funds used).

Other categories, such as furniture purchase (12.2%) and "upholstery" indicate that there is a strong desire to improve the house environment. It should be noted that the term "upholstry" covers a multitude of items such as mattresses, bed covers, etc.

Education is also seen as a high priority with 11.5% of the families making some use of the FDP for educational purposes. This ties in with PLAN's Remedial Education (14.17) project, which like house repair, requires direct participation in cash. A system has been worked out with Accounting in which families take a "credit" against the FDP bank deposits to pay for their share of the remedial classes. Thus, when the quarterly FDP deposits are made, the cost of the remedial classes are deducted from the normal amount the family would receive in their Saving Account.

CASP/PLAN PARTNERSHIP

BOMBAY, INDIA

RESOURCE AND SKILLS DEVELOPMENT

Employment-related activities receive second priority (next to education) within CASP/PLAN programming. This is because a) the clientel is assessed as lacking adequate income and material resources for meeting basic needs, and b) change in the economic situation is seen as an essential change for "development"

Since employment is an area where results can be seen only through skills development, vocational training will receive maximum attention. Most programs will be targeted at women and young people.

PURPOSE: 1. to raise the family income to bring it above Government of Maharashtra poverty line; 2. to influence change in the expenditure pattern of Foster Families so as to help families appropriately prioritize needs; 3. to train unemployed and underemployed members in Foster Families and other needy families in skills which will raise their employability.

TARGET AREA: CASP/PLAN project area.

PROJECT	ACTIVITY	ACTUAL INPUT	ACTUAL BENEFICIARIES
Salaries and Program Support Services	Pay salaries and program support services to Resource and Skills Development staff	1 Econ. Proj. coord. 1 Sm. Bus. Promotor 1 Vic.Ed. Promotor 1 Grp. 1 GP Organizer 1 Admin Asst.	14,282

Small Business/Vendors	Provide training programs for small businessmen to increase profitability. Assist and guide group activities of small businessman/vendors.	Secured contract for safety pin bunching 41 women Sewing Uniform contract 42 women Mgf. exercise books 13 employees Community kitchen 20 beneficiaries	211
Handicrafts	Train women in handicrafts to raise earning potential. Provide training in management of handicrafts projects as income-generating activities.	-0-	-0-
Vocational Education	Refer individual clients to outside vocational training courses. Organize vocational training programs for youths. Assist and guide local communities in sponsoring tailoring classes in collaboration with a vocational training institute.	Local committee now operates 5 vocational training courses	41
Job Counseling/ Placement	Provide guidance and training for raising employability of clients. Operate a small scale employment bureau in collaboration with nearby industries.	Guidance and counseling given all participation VOC. Ed. Courses	62

SUMMARY REGARDING IMPLEMENTATION, EFFECTIVENESS AND PROSPECTS :

During FY-85, the main effort was to consolidate the activities that were started in FY-84. During the year several

problems were faced such as harassment by the Government and the Municipal office for registration, lack of place to store note-books that are manufactured, and inadequate staffing. The

co-ordinator for income generation activities could not be identified and appointed.

On the other side, efforts for the organisation of the beneficiary women into strong groups and on a co-operative basis, to takeover the present group programmes and run on their own, met with great success. The committees are formed and constitutions are also prepared. The women have also gained preliminary experience in purchase, production, sales and administration matters.

A study of the vocational training programme was conducted. The study revealed that a lot of follow-up efforts were required for better results of this programme.

The follow-up and recovery of the Bank Loan cases showed tremendous success and on the spot cash collections were encouraging not only to CASP-PLAN staff but also the Bank Officers.

It should be very satisfactorily noted that all the women working in these units have increased their monthly income. This has contributed towards the increase of their purchasing power and better quality of life.

MYRADA/PLAN PARTNERSHIP

H.D. KOTE, INDIA

RESOURCE AND SKILLS DEVELOPMENT

The major problem in the project area is the poverty of the rural masses. The government's goal is "to evolve an operationally integrated strategy, which aims on the one hand, at increasing food production and productivity in agricultural and other sectors, and on the other, at the resource and income development of the vulnerable sections of the population". MYRADA/PLAN assists this government program. Its programming efforts are directed at assisting vulnerable rural families to raise their incomes and so rise above the poverty line. One of the most important activities for MYRADA/PLAN will be non-formal education activities and organizing people through community action programs. The level of social awareness, the momentum of development and the participation of people will largely depend on the impact the non-formal education programs make on the community. Emphasis has been given to the organization of non-formal educational classes, which will be directly related to the people's problems and social, economic and living conditions.

PURPOSES: The main purpose are to increase agricultural production and productivity, and to increase the opportunities for self-employment and other income-generating activities by organizing people into groups/associations, so as to bring them above the poverty line. Core groups, village development associations, young farmers' associations, and youth and women's clubs will be actively involved in the planning and management to the activities. The method and techniques of community organization through core groups, village development associations and non-formal education programs that would include community action projects which would be used to bring about social awareness among the people to promote and sustain lasting improvement in their living conditions.

<u>PROJECT</u>	<u>ACTIVITIES</u>	<u>ACTUAL INPUT</u>	<u>ACTUAL RECIPIENTS</u>
Salaries and Program Support Services	Pay salaries and provide program support services to Resource and skills Development	1 agr. officer 2 ed. organizers 1 engineer mtr 6 motor- cycles	2960

	staff	and 6 mopeds purchase 4 motorcycles and 3 moped	
Erosion Control and Reforesta- tion	Distribute seeds/ seedings to 6,500 families		
Animal Husbandry	Set up 1 stockman's center		
Irrigation	Contribute towards drilling 7 borewells and water works systems for irrigation and drinking water	Investigation completed	70
Fruits and Vegetales	Aid in starting 1 school and 1 college community garden		
Agricultural Traning	Train 50 farmers in 3 separate courses	6 training courses completed	382
Demonstration Plots	Organize 2 agriculture demonstrations on 85 acres	Evaluation of previous year demon. done and 44 acres are under demon. in 44 villages	530
Model Farms	Organize 2 model farms on dry farming, nursery, compost, crop rotation, etc.	Completed for total of 4 new operative + 5 agro service centers	2960
Handicrafts	Pottery for 25 families, incense- making for 17 families, bee- keeping for 55 families	1 weaving center established 5 functional groups operative	2840

Vocational Education	Organize 34 non- formal education centers and 2 community projects per center	90 NEF centers est. 90 animators trained and functioning	2840
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Summary Regarding Implementation Effectiveness and Prospects: With a largest allocation of funds the Resources and Skills Development Sector plays a key role in terms of enhancing the income levels of Foster Families and Target Group Families. Under-employment and Unemployment being the major constraints for FC/Target Group Families, introduction of new skills and improving the prevailing skills made substantial contribution towards self reliance. The NFE Centres played a key role in identification, motivation and implementation of such income generation activities.

While implementing various programs utilization of locally available and feasible resources was taken into consideration. This helped to mould the attitude of the beneficiaries towards self help projects.

Greater stress and more intensive programs are envisaged for FY-'86. In view of giving all the FC/Target Group Families an opportunity to bring themselves above poverty line. More intensive activities for income generation for at least 1350 families are being planned and this would give measurable impact in the field.

MADAKASIRA
INDIA
RESOURCE AND SKILLS DEVELOPMENT

PROGRAM APPROACH

MYRADA/PLAN Madakasira is a new program started in July, 1985 aimed at alleviating the hardship of the Landless Agricultural Labourers mainly belonging to the weaker sections of society. For MYRADA/PLAN Madakasira Project SAGE is yet to be prepared and it is currently under preparation. However every effort was made by the Project staff to understand the direction in which we move and the people with whom we work.

Through the Madakasira Habitat Development Program, we aim at creating a new habitat ecologically balanced and environmentally sound for the Landless Agricultural Labour Families, who so far have been subjects of exploitation over generations. The Project began its operations by identifying the landless labourers in Madakasira Taluk. 400 families of landless labourers were identified and their children are sponsored to receive benefits. We started out programs with a batch of 50 families and another 50 families were moved into the settlement during the course of the year.

The Health aspect in the settlement has been taken care of with the undertaking of a ground water supply of the entire 2,200 acres of land and drilling five borewells for providing the settlers clean, potable water through the provision of handpumps at convenient locations in the settlement. The settlers medicare requirements met through the conduct of a Health Camp where 250 of them were medically examined, and 60 children were immunized against common infantile diseases besides distributing medicines and tonics for those found sick and anaemic. Health related house construction has also been taken up, with 36 permanent houses constructed this year. These houses have a floor space of 240 sq ft and are built with bricks and stone with a roofing of stone slabs to keep the place cool in summer.

Education is being provided to 60 children in the settlement from temporary improvised class rooms made of mud and thatched roofing, they will now move into a newly built school constructed in bricks and tiled roofing. One male teacher and one female teacher teach the boys and girls seperately. The majority of the children being sponsored received two pairs of uniforms, books and a school bag. Besides children of the 50 families in the settlement, children of another 350 sponsored families are also being assisted.

The Community Development programs centred round the bringing together of the first batch of 50 families in the settlement and identifying skills available with them for the programs to be undertaken for them. The Community participation was initiated in them with the laying of an approach road 4 kilometers in distance in the settlement.

Resource and skills have been well exploited among the settlers, and the families have been provided with agricultural credit from Banks through our intervention. Fertilizers and seeds of High yielding varieties of crops are supplied to cover 228 acres of land. This comprises 76 acres of cash crop and 152 acres food crops. All these settlers have been provided with technical guidance on the use of fertilizers and seeds of high yielding varieties by our qualified technical staff.

Objectives

- i) To identify 400 landless agricultural labourer families who have eligible children for sponsorship from 40 surrounding villages for resettlement in Madakasira Resettlement and Habitat Development Project.
- ii) To do an intensive reconnaissance of 2,200 acres of land to be used for resettlement to make full use of all resources for the development of the habitat.
- iii) To construct 100 temporary huts for the settlers to be moved into the settlement, lay approximately 7 kilometers of approach road and install 2 protected drinking water supply systems.
- iv) To create adequate social and economic infrastructure which include a functional organization of the families being resettled and co-operative society for such families, to build up a new community.
- v) Establish a school for the education of the Foster Children and all their siblings, to enable the settlers to develop a self contained community.
- vi) Taking up preventive and curative health care, former through 4 health camps and latter through the existing Primary Health infrastructure of the Government.
- vii) Reclamation of 400 acres of land and cultivation of 200 acres of reclaimed land.
- viii) Procurement and distribution of 50 pairs of plough bullocks, credit for inputs and implements to 100 families for gainful agriculture.

Results Toward Objective:

i) 400 children from landless agricultural labourer families were identified and sponsored during FY-85 from about 30 surrounding villages of the settlement. At end of FY-85 we have 100 families in the settlement area who are either living in the permanent houses constructed by us or in temporary huts.

ii) Entire area of 2,200 acres is surveyed for underground water resources and 8 borewells have been drilled at different locations. To alleviate the problem of clean drinking water to the settlers, handpumps and deepwell pumps have been installed. Settlers have been educated to use only potable water available in the borewell.

iii) The Community participation is initiated among the settlers by laying an approach road in the settlement running to a length of 4 kilometers.

iv) A settlement school has been started in temporary improvised class rooms and it is attended by about 60 children who otherwise would not have joined schools. A new school building is constructed with spacious class rooms and it can accommodate about 200 children. Majority of the children in the school are sponsored and they received 2 pairs of uniforms, books and a school bag. Besides 350 Foster Children who are studying in the schools in the surrounding villages are provided with uniforms.

v) Two Health Camps were conducted in the settlement and about 250 men, women and children were examined by the Government Doctors. Medicines and Tonics were distributed to the needy. 60 children were immunized against common infantile diseases.

vi) Resources and skills have been well exploited among the settlers, and the families have been provided with agricultural credit from Banks through our intervention. Fertilizers and seeds of High yielding varieties of crops are supplied to cover 228 acres of land comprising of 76 acres of cash crop and 152 acres of Food Crops.

Project	Activities	Actual	Actual Beneficiaries
Potable Water	2 Drinking Water Wells	Drinking water system completed and another borewell is drilled and system being established	120
Cooperative/Credit Unions	Formation of two Cooperatives for settlement	One Cooperative established at Brahmagiri is functioning well.	170

		Appropriate management systems and procedures developed together with the people	
Special Services C.D.	Construction of 100 temporary sheds	50 temporary sheds are being constructed for 50 scheduled caste families who have been allotted with land by the Government.	50
Erosion Control & Reforestation	Land Reclamation & Soil Conservation of 200 acres of Land	Reclamation of 200 acres of land is completed and land survey for soil conservation work is being done.	120
Irrigation	Reconnaissance Land & Water Survey in 200 acres	Survey completed in 360 acres and proposal has been formulated for irrigation of 360 acres of land. Tubewell yields are just enough for drinking water purpose.	120
Agricultural Implements	25 Pairs of Plough Bullocks & Agricultural Implements	45 pairs of plough bullocks purchased and 56 families were assisted with Agricultural Implements.	120
Fertilizers & Seeds	Agricultural Inputs for Cultivation of 200 acres of Land	Crop plan for 360 acres finalised and inputs seeds, fertilizers and pesticides distributed through the cooperative. Standing crop is good.	120

Note: Apart from the originally planned activities a school building, were completed.

a common workshed and community centre.

Summary Regarding Implementation, Effectiveness and Prospects

During the first year of our operation, the programmes were taken up as per schedule with the full participation of settler community. 100 FC families who are moved into the settlement

during the course of the year are living as a group in unison, setting a target of achieving objectives for the betterment of their children, family and community. For MYRADA/PLAN, a beginning has been made in bringing together these families and inculcating in them community awareness. It is planned to move another batch of 100 settler families into the settlement in the coming year.

We are confident of enlisting full Government support in distributing the lands to settler families and transforming those once landless labourers into self supportive and financially viable small farmers.

Project	Activities	Actual	Actual Beneficiaries
Animal Husbandry	To provide animals/poultry to 708 foster families in 35 locations.	Provided 301 foster families with animals/poultry in 35 locations.	301
Fruits & Vegetable Production	Provision of farm inputs in the form of seeds, fertilizers and agricultural chemicals for increased yield in 1 CS location.	23 families were provided with farm inputs like seeds, fertilizers and chemicals.	23
Irrigation	To provide materials for the construction of 1 irrigation system.	Implementation held in abeyance pending availability of counterpart from the local gov't system.	0
Fisheries	To provide fishing equipment to 402 foster families.	Provided materials for the construction of 1 communal fishpond to 37 foster families.	37
Agricultural Implements	Provision of farm implements to 1502 foster families.	380 foster families provided with farm implements.	1080
Agricultural Land Purchase/	To purchase agricultural land for 22	Not implemented.	0

Lease	foster families in 2 locations.		
Agricultural Credit	To provide loans to 598 farmers to buy seeds, fertilizers etc.	180 farmers provided with loans for purchase of seeds, fertilizers, etc.	180
Small Business Vendors	To provided loans to 1157 foster families to enable them to establish small scale business.	296 foster families provided with loans to enable them to establish small scale business.	296
Handicraft	To provide loans to 327 foster families to enable them to develop handicraft enterprise.	60 foster families pro- vided with loans to enable them to develop handicraft enterprises.	60
Vocational Education	To provided vocational or skills training for 742 students.	576 students received vocational education training.	576
Job Coun- selling Placement	To provided vocational counselling to 140 students.	Being implemented through the National Manpower and Youth Council.	0
Training	To provide Pre-Loan Orientation Training (PLOT) and other income-genera- tion-related trainings to foster families and PLAN staff through IGMG II.	8237 families attended the Pre-Loan Orientation Training.	8237
	To participate in the Buyers Fair II for the promotion of foster families'	Attended and participated in the promotion of foster families' product to domes- tic and international market.	

products to
domestic and
international
market.

BALI, INDONESIA

RESOURCE AND SKILLS DEVELOPMENT

PURPOSE: To improve rural income through the development of agriculture and human resource.

TARGET POPULATION: Farming families in rural areas - average 11,700 families.

PROJECT	ACTIVITY	ACTUAL INPUT	ACTUAL RECIPIENTS
Livestock	Provide 200 pigs for breeding	80 goats and 53 cows provided	170 families
Fruits and Vegetables	Provide 16,500 salak seedlings, 400 papaya seedlings, 1200 lonotoro & 75 coconut seedlings	Provided 4000 salak trees, 200 grape, 486 orange, 3020 rambutan, 502 cloves and 1920 mango trees	1164
Irrigation	Construct one water channel 60 meters in length, with water control system	9 water channels constructed with 25 control gates	1061
Adjustment added during the year:			
Erosion control Reforest-	provide 10,000 cucaena to 300 families plus training	provided: 4900 lamtoro and 70,800 gamal trees.	338
Fisheries	cancelled		
Vocational Education	cancelled		

Summary Regarding Implementation Effectiveness and Prospects:

Reforestation livestock, fruit tree and irrigation channel projects were completed, while grapes, oranges, fisheries and skills training projects were cancelled. The reforestation project was expanded to increase land coverage in dry areas with poor soil fertility. PLAN has one technically trained staff member and the active assistance of community response has been positive. As this is only the second year for implementing this type of project, long term success cannot be evaluated however PLAN will continue regreening in all areas of need with the aim of improving the agricultural potential of the land and integrating their project with cash cropping and livestock, which are the spin-off activities.

The provision of fruit trees and livestock will continue, however in FY'86 PLAN will attempt to implement these projects based on more appropriate data and specific selection criteria. In the past random selection of families and 'dropping' of materials has decreased the potential development impact of these activities. Often, important project components such as training and follow-up plans, were missing. This FY a consultant will evaluate livestock projects and develop a simple project design, immediately usable by field staff, that will ensure all criteria are met and all components are considered and included if necessary. This combined with the banjar history and Social Workers increased familiarity with individual families should result in carefully planned and implemented projects which are integrated into a sequential development program for families and communities.

Implementation of several of these projects has been initiated via the Credit Unions. The results are being monitored and it is planned to implement part of this sector using the credit unions in fiscal year 1986.

All irrigation projects were completed and PLAN continues to foster an effective partnership with local subak, a community group responsible for water distribution to the rice fields, in meeting irrigation needs. These subak projects demonstrate clearly PLAN's mission in Bali, to assist communities to help themselves in developing local resources and therefore these activities will continue in the coming FY.

Generally, in this sector the aim is to put programming on a more formal and definable basis and ensure integration of individual project activities with PLAN's mission, other sectors, and with individual and community development plans. As PLAN/Bali begins phasing out and as Bali becomes more developed, this sector will become increasingly important as one of the most appropriate interventions for FPPI in Bali.

KENYA

RESOURCE AND SKILLS DEVELOPMENT

PLAN will focus its assistance on improving the economic base of the area. This means assisting individual small holders to increase their agricultural productivity including both crops (food and cash crops) and livestock production. PLAN programs should not only increase productivity of the small farmer, but at the same time, improve the quality and types of crops grown and livestock raised, thus improving the diets and perhaps the overall health of this largely rural population.

PURPOSE: Projects in the Resource and Skills Development sector are aimed at increasing employment and income in the agricultural sector and supporting non-farm or related rural activities.

<u>PROJECT</u>	<u>ACTIVITY</u>	<u>ACTUAL INPUT</u>	<u>ACTUAL BENEFICIARIES</u>
Erosion Control and Reforestation	Provide terracing and community tree nurseries	5,000 seedlings produced in 3 old tree nurs- eries, 9 new nurseries started - 16,000 seed- lings	300
Fisheries	Provide support to local fisher- men.	Cancelled.	0
Fertilizer/ Seeds	Supply improved seed and ferti- lizer trials.	Incorporated into animal husbandry	1,500
Dipping Tanks and Vaccinations	Construct live- stock dip and conduct vacci- nation campaign	4 cattle dips 10 rabbit demo. 2 goats breeding 1 pig demo. 3 pultry projects	

Kenya continued:

PROJECT	ACTIVITY	ACTUAL INPUT	ACTUAL RECIPIENTS
Agricultural Training	Provide agricultural training to local farmers	Trained 20 village level agr. volunteers classes by agronomist	20 1500
Demonstration Plots	set up demonstration plots	6 demonstration plots initiated	3000
Agricultural Credit	Provide assistance to farmer's coop.	2 coops given credit	350
Handicrafts	Assist women's groups in production	cancelled	-0-

SUMMARY REGARDING IMPLEMENTATION, EFFECTIVENESS AND PROSPECTS:

Implementation:

PLAN Project Units prioritized their project proposals and discussed them with PLAN Promoters who advised them accordingly with regards to PLAN assistance. Basic data was submitted and Project Identification Forms completed in a joint exercise. The completed PIFs were forwarded to the Donor Services Co-ordinator who checked the authenticity of the FC figures and in turn distributed them to the relevant Departments. RSD Field Extensionists scheduled meetings with the Project Units to discuss further, the project proposals and ascertain financial and technical viability. If the projects were considered viable, implementation roles and responsibilities between the project units, PLAN and where necessary concerned relevant Ministries.

Budgets were then completed and PDOs written with specific stated, measurable, consistent and attainable objectives. PLAN provided the expensive construction project materials, equipment, improved breeding animals, relevant training, farm inputs, credit assistance, supervision and skilled labour. PLAN Project Units provided all the unskilled labour and locally obtainable project materials and then took over the responsibilities of managing their own projects. Technical Ministries were kept informed of the project progress, where necessary. Project Accountability Facesheets (PAFs) for the evaluation of the project performance and impact was a participatory exercise between the Representatives of PLAN Project Units and PLAN.

Effectiveness:

By October, the prolonged spell of drought had destroyed 90% of food crops and 70% of the existing livestock. The short rains came on time in the beginning of October but my Mid-November crop eating army worms destroyed again approximately 15% of the new crops and the short rains ended prematurely in our program areas.

The search for food, land preparation and desperate planting seriously affected community participation in PLAN projects during the first six months of this FY.

Some major budget revision at Mid-Year diverted our attention from small enterprises, animal husbandry and irrigation with the aim of putting heavy emphasis on a food production program during the long rains in March.

These long rains came on time and in abundance and full attention was given to food-production to make up for the losses resulting from the drought.

Farm inputs (seeds, fertilizer and farm implements) with appropriate agricultural training and extension were provided during the long rains. As a result 1,500 FC Families are expected to raise crop yields of 10% over the normal harvest. Our animal husbandry program introduced improved breeds and upgraded the quality of indigenous livestock.

The setting up of small enterprises was very limited as a result of the deteriorating economic situation. 8 groups were assisted in setting up 7 farm related enterprises and one building stone production unit.

Prospects:

With the coming of both the short and long rains, the food situation did not improve as had been anticipated. Even with the availability of pasture, the livestock breeding base had been completely destabilised and the indications are the revitalization of the livestock population will be a long term process.

RSD Department will continue with the same implementation procedures adopted during FY'85. The provision of farm inputs with agricultural training and extension, the livestock improvement program, the establishment of the tree nurseries, the irrigation projects and the agricultural extension services offered by RSD staff are likely to boost agricultural productivity in the future. More preparatory work for RSD projects for FY'86 has been done with PLAN Communities and this will lead to faster implementation of projects. RSD projects take a longer period of time to bring about long term solutions and as a consequence, most of the FY'85 projects are still on-going and will form part of FY'86 RSD Project magnitude. Income Generating Projects are expected to perform better as a result of the strengthened planning skills acquired in the Bangkok Workshop in which the RSD staff participated and the improved economical conditions in the program areas. The IGP will add the interesting concept of individual loans to the existing group enterprise activities.

PLAN-Kenya's RSD sector will need further training in evaluation. A workshop is planned for in the next FY.

SRI LANKA

RESOURCE AND SKILLS DEVELOPMENT

PURPOSE: Our projects in this sector are intended to improve the income of our families so that they will move closer to the point where they will not need PLAN to fund projects designed to raise their overall standard of living.

TARGET POPULATION: All well-motivated PLAN family group members who can, with the assistance of PLAN staff and other leaders, produce reasonable project proposals - average 4220 families.

PROJECT	ACTIVITY	ACTUAL INPUT	ACTUAL RECIPIENTS
=====			
Erosion Control & Reforest.	Assist Government to distribute seedlings and ensure they are planted and nurtured	plants, fertilizers pesticides: provide horticultural training & plants	20
Animal husbandry	distribute livestock to families which participate in the training provided	4 families purchased cows; 3 families assisted to build cow sheds	7
Fruits and vegetables	Provide seedlings/cuttings and advice: incl. flowers	fertilizer, seedlings and training in horticultural	28
Irrigation	Improve and extend existing public channels	-0-	-0-
Model Farms	Establish model farm focus on training	the farm has been readied for demon. and training	-0-
Small Business vendors	Assist with purchase basic supplies and equip. needed for home based processing packaging and vending	supplies and funds provided to begin and expand businesses	91
Vocational education	Provide carpentry & masonry tools for trained to use them. also placement service	not implemented	-0-

SUMMARY REGARDING IMPLEMENTATION, EFFECTIVENESS AND PROSPECTS;

In spite of difficulties and lack of adequate monitoring and evaluation systems, we have been able to ascertain that there has been a definite increase in the incomes of about 70% of our families funded. As a result, the living standards of many have improved. We are able to see this as many families have made purchases that they were not able to do previously (i.e. beds, clothes, etc.)

Paybacks through the system of group savings accounts have been satisfactory.

Through the IGP/Bangkok MGII Program, we are making numerous adjustments to our IGP funding procedures. Viability studies will be done before funding any projects. We have discussed the possibility of funding through a bank which would grant loans at a very minimal interest. Group guidelines will be adjusted to include specific means of dealing with defaulters of payback. With the assistance of local technical assistants, we will be developing an effective monitoring and evaluation system.

With the intended changes and improvements in our funding procedures, we feel that the number of families receiving loans will be less, but think the overall IGP component will be more effective. Therefore, we feel the prospects are very good for a successful income generating program as we will have the assistance of guidance of the MGII resources for the present and next fiscal year.

THAILAND

RESOURCE AND SKILLS DEVELOPMENT

PURPOSE: To enhance and augment the Thai Government's efforts and those of other indigenous agencies to increase the productivity of rural families in the North East of Thailand through promotion of skills development resulting in group activities and individual activities which will supplement the income of clients, and to lesser degree, that of other members of the community. It is intended to promote Resource and Skills Development through training and/or assisting the villagers to increase their productivity through income-producing activities, improved farming methods, or through obtaining full time employment resulting from the acquisition of additional marketable skills.

TARGET POPULATION: PLAN clients and community members will form the target population with the emphasis placed upon the former. The family members involved will likely be adults and those in their teens - average 5,400 families.

PROJECT -----	ACTIVITY -----	ACTUAL INPUT -----	ACTUAL RESULTS -----
Rice Bank	Construct a granary. Establish a revolving fund using shares to purchase rice.	4 Rice banks were established	1,117
Fruits and Vegetables	Organize a group for planting fruits and vegetables	fruits & vegetables were planted in 16 locations	1,031
Irrigation (Pumps)	Contribute water pumps for irrigating farms, gardens, and fishery	3 ponds constructed 2 artesian wells installed	1,372
Fertilizer/Seeds	Establish 3 groups for operating fertilizer banks'	1 location 3 fertilizer banks were	2,074

established

Vocational Traning	Provide training courses in weaving, cooking, and repair of radios, motorcycles and water pumps	voc. trg. imlemen- ted in 4 locations in hollow blocks concrete posts water pipes weaving knitting	192
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Summary Regarding Implementation, Effectiveness, and Prospects:

The budget was reduced by a total of Baht 815,697 (30%) because, at mid year, our staff were uncertain as to which projects would be implemented and which would not. Consequently we overspent the revised budget slightly, but expenditures amounted to only 60% of the budget as originally approved.

Cooperative endeavours were generally very successful, although our staff see a continuing need for training of villagers in cooperative theory and bookkeeping. Handicraft projects tend to produce only small, supplementary income. While interest in training in the production of concrete products (especially hollow blocks) remains high, the market for these products is rather limited in our target villages. It appears at this point, therefore, that assistance with agriculture (the source flivelihood for almost al of our client families) is the most effective route by whichto help people increase their income.

As demonstrated by the decision not to implement some of the projects planned for new locations in FY'85, our staff are now fully aware of the importance of involving villagers in all aspects of project identification, implementation and management. This bodes well forfuture activities in this sector, and it is likely that FY'86 will see a significant improvement in the quality and effectivvveness of income-generating projects. It is highly probable that the number of activities within this sectorwill increase sharply with the budget for FY'86.

NEPAL

RESOURCE AND SKILLS DEVELOPMENT

(We have requested that Nepal be added to the project, that request has been sent to Washington and is pending. Also the project Director has called on the mission in Kathmandu and briefed AID staffer Mr. Don Clark on the project. In this country update, we are including only a background statement related to income generating projects, since officially Nepal has now been accepted into the project)

BACKGROUND STATEMENT/RELATIONSHIP TO SAGE.

The majority of the economically active population in the region is directly engaged in agricultural activities. The produce from the land is usually not sufficient to feed the number of people dependent upon it for the entire year. Therefore, the people have to struggle hard to find other sources of income to improve their livelihood. Most commonly, the men try to seek employment outside of agriculture which is seasonal. Because it is very close to Kathmandu city the socio-economic situation of this area is very much affected by the socio-economic activities of the city itself. Nearly all of those who acquire some education go into the city to work in government offices, banks, industries, hotels, etc., although the specific kind of work depends on opportunities and their educational qualifications. A number of people who have some skill such as carpentry or masonry do maintain small trades in the local areas, but they also prefer to go to the city where they can usually find better prospects of work. Another trade found in this area is weaving handloom cloth which is marketed through wholesale dealers in the city. This type of work generally does not go beyond the household level. Still the great majority of these people do not have particular education or skill. They work in the local areas as well as the city as common labourers.

Some of the specific employment opportunities in the area include cottage industry crafts in the Balaju Industrial Dis., manual labour in the brick-making kilns and the rock-crushing quarry, and the occasional construction project. Some local people run local business such as small retail shop and tea shops. There are no organized market in the region since Kathmandu is so close by, but it has been decided to run co-operatives in the Community Centre, and there is the possibility of Agriculture Credit system in order to loaned the co-operatives, specially for handlooms. Still the people prefer to go to Kathmandu for virtually all of their consumer goods. Some people also earn money by selling seasonal fruit or firewood from the nearby forests, though exploitation of the latter is severely restricted by the government in attempt to protect what remains of Nepal's once

vast forests.

One advantage derived from the near proximity to Kathmandu city is that the farmers in this area to be conseious of changes made in the fields of agriculture. There is no office in this area, but information and services are available from he avrious ministries and government offices in the city. Agriculture credit is available, but is generally not accessible to small farmers because of socio-economic situation. Progressive farmers and landlords have been able to adopt modern agricultural technology to some extent, but for the vast majority of the population the agriculture remains traditional and primitive. However, production seems to have increased some by the introduction of new varaities of rice, maize and wheat as well the use of chemical fertilizers and pesticides. Possibilities for additional extension/education activities may be investigated.

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-PRODUCING MATCHING GRANT PROJECT

PROJECT MANAGEMENT BUDGET

YEAR I

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
<u>PERSONNEL</u>			
<u>Project Director</u>			
Salary		\$ 30,000	\$ 30,000
Salary-Related		6,000	6,000
Housing		12,000	12,000
House Furnishings		<u>15,000</u>	<u>15,000</u>
		\$ 63,000	\$ 63,000
<u>Assistant Director/Evaluation</u>			
Salary		\$ 16,000	\$ 16,000
Salary-Related		3,200	3,200
Housing		9,000	9,000
House Furnishings		<u>15,000</u>	<u>15,000</u>
		\$ 43,200	\$ 43,200
<u>Assistant Director/USA*</u>			
Salary	\$ 8,000	\$ 16,000	\$ 24,000
Salary-Related	<u>1,600</u>	<u>3,200</u>	<u>4,800</u>
	\$ 9,600	\$ 19,200	\$ 28,800
Total	\$ 9,600	\$125,400	\$135,000
<u>TRAVEL</u>			
Project Director		\$ 22,000	\$ 22,000
Assistant Director/Evaluation		22,000	22,000
Assistant Director/USA	\$ 5,000	<u>10,000</u>	<u>15,000</u>
	\$ 5,000	\$ 54,000	\$ 59,000

PROJECT MANAGEMENT BUDGET

YEAR I

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
<u>PROJECT OFFICE</u>			
Secretary/Accounting Clerk		\$ 2,000	\$ 2,000
Driver/General Services		1,500	1,500
Salary-Related		350	350
Office Rent		9,000	9,000
Utilities		500	500
Equipment		4,000	4,000
Supplies		2,500	2,500
Postage/Cables/Telephone		1,500	1,500
Vehicle		15,000	15,000
Vehicle-Related		1,500	1,500
Other		1,000	1,000
		<u>\$ 38,850</u>	<u>\$ 38,850</u>
<u>ORIENTATION WORKSHOP</u>		\$ 35,000	\$ 35,000
<u>INTERNATIONAL HEADQUARTERS</u>			
Travel		\$ 7,000	\$ 7,000
Supplies/Equipment/Other		1,000	1,000
		<u>\$ 8,000</u>	<u>\$ 8,000</u>
Grand Total	<u>\$14,600</u>	<u>\$261,250</u>	<u>\$275,850</u>

FOSTER PARENTS PLAN AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-PRODUCING MATCHING GRANT PROJECT

PROJECTED FUNDING - YEAR 1

FIELD BUDGETS

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
<u>Yogyakarta</u>			
Social Services *	\$ 70,537		\$ 70,537
Salaries	48,588		48,588
Program Support Services	1,395		1,395
IGP Support Projects	52,041		52,041
Technical Assistance		\$ 19,600	19,600
Income-Generating Projects	<u>79,498</u>	<u>60,000</u>	<u>139,498</u>
	\$252,059	\$ 79,600	\$ 331,659
<u>Mindoro</u>			
Social Services *	\$ 18,293		\$ 18,293
Salaries	19,058		19,058
Program Support Services	22,926		22,926
IGP Support Projects	17,130		17,130
Technical Assistance		\$ 15,600	15,600
Income-Generating Projects	<u>78,742</u>	<u>65,000</u>	<u>143,742</u>
	\$156,149	\$ 80,600	\$ 236,749
<u>Naga</u>			
Social Services *	\$ 21,749		\$ 21,749
Salaries	20,954		20,954
Program Support Services	3,700		3,700
IGP Support Projects	122,962		122,962
Technical Assistance		\$ 15,600	15,600
Income-Generating Projects	<u>231,696</u>	<u>163,000</u>	<u>394,696</u>
	\$401,061	\$178,600	\$ 579,661
Grand Total	<u>\$809,269</u>	<u>\$338,800</u>	<u>\$1,148,069</u>

* Not included in PLAN match.

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

SUMMARY

ACTUAL EXPENDITURES

YEAR I - PLAN FISCAL YEAR 1985

1 AUGUST 1984 - 30 JUNE 1985

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
Project Management	\$ 26,873	\$151,853	\$178,726
Yogyakarta	140,110	272	140,382
Mindoro	146,557	14,126	160,683
Naga	<u>135,247</u>	<u>68,959</u>	<u>204,206</u>
Total	\$448,787	\$235,210	\$683,997
10% Overhead	<u> </u>	<u>23,521</u>	<u>23,521</u>
GRAND TOTAL	<u>\$448,787</u>	<u>\$258,731</u>	<u>\$707,518</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

PROJECT MANAGEMENT BUDGET

ACTUAL EXPENDITURES

YEAR I - PLAN FISCAL YEAR 1985

1 AUGUST 1984 - 30 JUNE 1985

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
<u>PERSONNEL</u>			
<u>Bangkok Staff</u>			
Salaries and Salary-Related	\$ 2,450	\$ 34,718	\$ 37,168
Housing		8,682	8,682
House Furnishings		1,427	1,427
Ship Personal Effects		2,845	2,845
Travel		34,724	34,724
Total	<u>\$ 2,450</u>	<u>\$ 82,396</u>	<u>\$ 84,846</u>
<u>Assistant Director/USA</u>	<u>\$ 4,496</u>	<u>\$ 8,992</u>	<u>\$ 13,488</u>
Total-Personnel	<u>\$ 6,946</u>	<u>\$ 91,388</u>	<u>\$ 98,334</u>
<u>PROJECT OFFICE</u>			
Staff Salaries		\$ 2,413	\$ 2,413
Office Rent		5,934	5,934
Equipment	\$ 19,927	1,431	21,358
Supplies		1,073	1,073
Repairs/Maintenance/Service		1,302	1,302
Postage/Cables/Telephone		1,628	1,628
Vehicle-Related Costs		1,197	1,197
Insurance		630	630
Bank Charges		143	143
Other		875	875
Total-Project Office	<u>\$ 19,927</u>	<u>\$ 16,626</u>	<u>\$ 36,553</u>
<u>ORIENTATION WORKSHOP</u>		\$ 39,538	\$ 39,538
<u>FIELD PROGRAM SUPPORT</u>			
Training		\$ 2,840	\$ 2,840
Evaluation		978	978
Other		483	483
Total-Field Program Support		<u>\$ 4,301</u>	<u>\$ 4,301</u>
<u>GRAND TOTAL</u>	<u>\$ 26,873</u>	<u>\$151,853</u>	<u>\$178,726</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

YOGYAKARTA

ACTUAL EXPENDITURES

YEAR I - PLAN FISCAL YEAR 1985

1 AUGUST 1984 - 30 JUNE 1985

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
Salaries and Salary-Related	\$ 42,048		\$ 42,048
Bridge Construction	32,574		32,574
Coops/Credit Unions	17,998		17,998
Erosion Control/Reforestation	63		63
Animal Husbandry	30,460		30,460
Fruits and Vegetables	3,017		3,017
Fisheries	1,479		1,479
Vocational Education	11,288		11,288
Training		\$272	272
Vehicle-Related	<u>1,183</u>		<u>1,183</u>
Total	<u>\$140,110</u>	<u>\$272</u>	<u>\$140,382</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

MINDORO

ACTUAL EXPENDITURES

YEAR I - PLAN FISCAL YEAR 1985

1 AUGUST 1984 - 30 JUNE 1985

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
Salaries and Salary-Related	\$ 20,281		\$ 20,281
Leadership Training	8,206		8,206
Coops/Credit Unions	12,188		12,188
IGP Projects *		\$ 3,265	3,265
Grain Cultivation	8,057		8,057
Animal Husbandry	23,469		23,469
Fruits and Vegetables	809		809
Fisheries	1,301		1,301
Agricultural Implements	7,637		7,637
Agricultural Training	5,057		5,057
Small Business/Vendors	10,129		10,129
Handicrafts	3,107		3,107
Vehicle Related	7,057		7,057
Travel	3,226		3,226
Evaluation	74	8,726	8,800
Equipment	32,699		32,699
Training	3,260	1,881	5,141
Other		254	254
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$146,557</u>	<u>\$14,126</u>	<u>\$160,683</u>

*IGP Projects

Cocoa House Sawmill project, funded for	\$48,000
Agri-Based Inter-trading, funded for	2,500
Model Farm, funded for	<u>36,000</u>
	<u>\$86,500</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

NAGA

ACTUAL EXPENDITURES

YEAR I - PLAN FISCAL YEAR 1985

1 AUGUST 1984 - 30 JUNE 1985

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
Salaries and Salary-Related	\$ 18,147		\$ 18,147
Feeder Roads	12,006		12,006
Lighting	2,839		2,839
Community Center Construction	23,648		23,648
Drainage	5,018		5,018
Leadership Training	5,992		5,992
IGP Projects *		\$ 7,412	7,412
Animal Husbandry	8,195		8,195
Fisheries	788		788
Agricultural Implements	6,777		6,777
Agricultural Credit	13,037		13,037
Small Business/Vendors	2,143		2,143
Handicrafts	1,155		1,155
Vocational Education	33,433		33,433
Travel	1,468		1,468
Training	601	34,500	35,101
Technical Assistance		7,075	7,075
Evaluation		19,948	19,948
Other		<u>24</u>	<u>24</u>
Total	<u>\$135,247</u>	<u>\$68,959</u>	<u>\$204,206</u>

*IGP Projects

Product Catalogue, funded for \$ 5,000
 Naga Trade Center, funded for 15,200
\$20,200

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET SUMMARY

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
Bangkok Project Office		\$ 177,449	\$ 177,449
Assistant Director/USA	\$ 10,440	31,560	42,000
Egypt	55,614	100,000	155,614
Kenya	300,335	82,000	382,335
Bombay, India	82,731	37,000	119,731
H.D.Kote, India	270,579	87,000	357,579
Madakasira, India	45,341		45,341
Bali, Indonesia	184,239	70,000	254,239
Yogyakarta, Indonesia	150,135	122,000	272,135
Bicol, Philippines ¹	228,168	227,000	455,168
Mindoro, Philippines	129,695	94,000	223,695
Sri Lanka	48,419	87,000	135,419
Thailand	<u>134,975</u>	<u>50,000</u>	<u>184,975</u>
Total	\$1,640,671	\$1,165,009 ²	\$2,805,680 ³
10% Overhead		<u>116,501</u>	<u>116,501</u>
GRAND TOTAL	<u>\$1,640,671</u>	<u>\$1,281,510</u>	<u>\$2,922,181</u>

¹ PLAN/Naga became PLAN/Bicol effective 1 July 1985.

² Does not include \$364,840 in unspent funds from FY '85, which have not been allocated yet.

³ Total does not include figures from Nepal. Nepal is requesting little or no AID funding for FY '86. Funds will come from FY '85 carryover. We are awaiting AID approval for inclusion of Nepal in grant.

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

PROJECT MANAGEMENT BUDGET

YEAR II - PLAN FISCAL YEAR 1986

1 JULY 1985 - 30 JUNE 1986

	<u>PLAN</u>	<u>AID</u>	<u>TOTAL</u>
<u>BANGKOK PROJECT OFFICE</u>			
<u>Field Program Support</u>			
Technical Assistance		\$ 4,955	\$ 4,955
Project Costs		26,013	26,013
Training		2,065	2,065
Evaluation		7,432	7,432
Other		826	826
Total		\$ 41,291	\$ 41,291
<u>Personnel</u>			
Salaries and Salary-Related		\$ 37,378	\$ 37,378
Rent		8,540	8,540
Home Furnishings		3,893	3,893
Travel		62,291	62,291
Total		\$112,102	\$112,102
<u>Project Office</u>			
Program Support Salaries		\$ 1,708	\$ 1,708
General Services Salaries		1,494	1,494
Bookkeeping Salaries		1,167	1,167
Administrative Salaries		1,708	1,708
Vehicle-Related Costs		1,557	1,557
Office Rent		6,404	6,404
Utilities		486	486
Equipment		2,433	2,433
Repairs/Maintenance/Service		1,459	1,459
Postage/Telephones/Cables		2,041	2,041
Office Supplies/Stationery		1,946	1,946
Insurance		583	583
Bank Charges		97	97
Other		973	973
Total		\$ 24,056	\$ 24,056
Total Bangkok ¹		\$177,449	\$177,449
<u>ASSISTANT DIRECTOR/USA</u>			
Salary and Salary-Related	\$ 8,700	\$ 20,760	\$ 29,460
Travel	1,740	10,800	12,540
Total - USA	\$10,440	\$ 31,560	\$ 42,000
GRAND TOTAL	<u>\$10,440</u>	<u>\$209,009</u>	<u>\$219,449</u>

¹In addition, there is \$364,840 in unspent funds carried forward from Year I of the Project, which have not been allocated yet.

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
 INCOME-GENERATING MATCHING GRANT PROJECT
 BUDGET - YEAR II

Field Office: EgyptPLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
16.01 Salaries	8,658	\$ 5,971
16.02 Salary-Related	2,395	1,652
16.13 Animal Husbandry	3,000	2,069
16.31 Small Business Development	21,500	14,828
16.33 Employment Opportunity	17,000	11,724
16.50 Special Services-R&SD	5,000	3,448
16.61 Vehicle-Related	2,060	1,421
16.68 Equipment	1,225	845
16.80 Training	<u>1,000</u>	<u>690</u>
	61,838	\$ 42,648
<u>Support Project</u>		
15.12 Lighting	5,000	\$ 3,448
15.14 Community Centers/Public Buildings	10,000	6,897
15.21 Leadership Training	<u>3,800</u>	<u>2,621</u>
	18,800	\$ 12,966
Total PLAN	<u>80,638</u>	<u>\$ 55,614</u>

AID:

16.90 Technical Assistance	\$ 12,000
16.91 Project Costs	63,000
16.92 Training	5,000
16.93 Evaluation	18,000
16.94 Other	<u>2,000</u>
Total AID	<u>\$100,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
 INCOME-GENERATING MATCHING GRANT PROJECT
 BUDGET - YEAR II

Field Office: Meru, KenyaPLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
16.01 Salaries	389,675	\$ 22,525
16.02 Salary-Related	40,916	2,365
16.11 Grain Storage/Cereal Banks	29,750	1,720
16.12 Erosion Control/Reforestation	34,000	1,965
16.13 Animal Husbandry	200,000	11,561
16.14 Fruits and vegetables	72,250	4,176
16.15 Irrigation	637,500	36,850
16.26 Agricultural Training	375,000	21,676
16.31 Small Business Development	180,000	10,405
16.61 Vehicle Related	134,805	7,792
16.62 Travel	14,900	861
16.68 Equipment	64,000	3,699
16.73 Supplies	4,000	231
16.80 Training	21,150	1,223
16.81 Other	<u>5,425</u>	<u>314</u>
	2,203,372	\$ 127,363
<u>Support Project</u>		
15.14 Community Centers/Public Buildings	650,000	\$ 37,572
15.21 Leadership Training	<u>135,000</u>	<u>7,804</u>
	785,000	\$ 45,376
Total PLAN	<u><u>2,988,372</u></u>	<u><u>\$ 172,739</u></u>
 <u>AID:</u> (combined budget)		
16.90 Technical Assistance		\$ 9,840
16.91 Project Costs		51,660
16.92 Training		4,100
16.93 Evaluation		14,760
16.94 Other		<u>1,640</u>
Total AID		<u><u>\$ 82,000</u></u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Embu, Kenya

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
16.01 Salaries	410,185	\$ 23,710
16.02 Salary-Related	43,071	2,490
16.11 Grain Storage/Cereal Banks	90,000	5,202
16.12 Erosion Control/Reforestation	21,600	1,249
16.13 Animal Husbandry	179,100	10,353
16.14 Fruits and Vegetables	9,000	520
16.15 Irrigation	90,000	5,202
16.26 Agricultural Training	405,000	23,410
16.31 Small Business Development	261,000	15,087
16.61 Vehicle Related	147,550	8,529
16.62 Travel	14,900	861
16.68 Equipment	14,500	838
16.73 Supplies	4,000	231
16.80 Training	21,150	1,223
16.81 Other	5,425	314
	1,716,481	\$ 99,219
<u>Support Project</u>		
15.14 Community Centers/Public Buildings	171,000	\$ 9,884
15.21 Leadership Training	319,928	18,493
	490,928	\$ 28,377
Total PLAN:	2,207,409	\$127,596

AID: (combined budget)

16.90 Technical Assistance	\$ 9,840
16.91 Project Costs	51,660
16.92 Training	4,100
16.93 Evaluation	14,760
16.94 Other	1,640
Total AID:	\$ 82,000

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Bombay

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
15.30 Co-ops/Credit Unions	547,930	\$ 45,661
16.01 Salaries	89,880	7,490
16.02 Salary-Related	9,310	776
16.31 Small Business Development	200,000	16,667
16.33 Employment Opportunity	25,000	2,083
16.62 Travel	3,000	250
16.68 Equipment	3,650	304
16.80 Training	<u>4,000</u>	<u>333</u>
	882,770	\$ 73,564
<u>Support Project</u>		
15.21 Leadership Training	110,000	\$ 9,167
 Total PLAN:	 <u>992,770</u>	 <u>\$ 82,731</u>

AID:

16.90 Technical Assistance	\$ 4,400
16.91 Project Costs	23,310
16.92 Training	1,850
16.93 Evaluation	6,660
16.94 Other	<u>780</u>
 Total AID:	 <u>\$ 37,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: H.D. Kote

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
15.30 Co-ops/Credit Unions	370,000	\$ 30,833
16.01 Salaries	257,640	21,470
16.02 Salary-Related	55,100	4,592
16.12 Erosion Control/Reforestation	114,000	9,500
16.13 Animal Husbandry	310,000	25,833
16.16 Fisheries	20,000	1,667
16.26 Agricultural Training	20,000	1,667
16.28 Demonstration Plot/Model Farm	20,000	1,667
16.30 Agricultural Credit	1,350,000	112,500
16.31 Small Business Development	270,000	22,500
16.61 Vehicle-Related	108,180	9,015
16.62 Travel	21,500	1,792
16.64 Evaluation	10,000	833
16.68 Equipment	15,500	1,292
16.73 Supplies	5,000	417
16.80 Training	5,000	417
16.81 Other	4,000	334
	<u>2,955,920</u>	<u>\$ 246,329</u>
<u>Support Project</u>		
15.10 Feeder Roads/Street Repair	50,000	\$ 4,167
15.14 Community Centers/Public Buildings	216,000	18,000
15.21 Leadership Training	25,000	2,083
	<u>291,000</u>	<u>\$ 24,250</u>
 Total PLAN:	 <u>3,246,920</u>	 <u>\$ 270,579</u>
 <u>AID:</u> (combined budget for H.D. Kote and Madakasira)		
16.90 Technical Assistance		\$ 10,440
16.91 Project Costs		54,810
16.92 Training		4,350
16.93 Evaluation		15,660
16.94 Other		1,740
		<u>87,000</u>
 Total AID:		 <u>\$ 87,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Madakasira

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
15.30 Co-ops/Credit Unions	15,000	\$ 1,250
16.01 Salaries	59,100	4,925
16.02 Salary-Related	25,300	2,108
16.11 Grain Storage/Cereal Banks	66,000	5,500
16.12 Erosion Control/Reforestation	60,000	5,000
16.13 Animal Husbandry	25,000	2,083
16.14 Fruits and Vegetables	9,000	750
16.18 Agricultural Implements	86,000	7,167
16.28 Demonstration Plot/Model Farm	18,000	1,500
16.30 Agricultural Credit	30,000	2,500
16.61 Vehicle Related	44,400	3,700
16.62 Travel	7,300	608
16.68 Equipment	27,100	2,258
16.73 Supplies	3,000	250
16.80 Training	1,500	125
16.81 Other	500	42
	477,200	\$ 39,766
<u>Support Project</u>		
15.21 Leadership Training	66,900	\$ 5,575
Total PLAN:	544,100	\$ 45,341

AID: (combined budget for H.D. Kote and Madakasira)

16.90 Technical Assistance	\$ 10,440
16.91 Project Costs	54,810
16.92 Training	4,350
16.93 Evaluation	15,660
16.94 Other	1,740
Total AID:	\$ 87,000

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Bali

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
15.30 Co-ops/Credit Unions	51,300,550	\$ 39,462
16.12 Erosion Control/Reforestation	5,190,000	3,992
16.13 Animal Husbandry	28,250,000	21,731
16.14 Fruits and Vegetables	16,545,000	12,727
16.15 Irrigation	67,974,000	52,288
16.33 Employment	<u>22,850,000</u>	<u>17,577</u>
	192,109,550	\$ 147,777
<u>Support Project</u>		
15.11 Bridge Construction	37,000,000	\$ 28,462
15.13 Marketplaces/Slaughterhouses	<u>10,400,000</u>	<u>8,000</u>
	47,400,000	\$ 36,462
 Total PLAN :	 <u>239,509,550</u>	 <u>\$ 184,239</u>

AID:

16.90 Technical Assistance	\$ 8,400
16.91 Project Costs	44,100
16.92 Training	3,500
16.93 Evaluation	12,600
16.94 Other	<u>1,400</u>
 Total AID:	 <u>\$ 70,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Yogyakarta, Indonesia

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
15.30 Co-ops/Credit Unions	10,974,000	\$ 8,442
16.01 Salaries	7,102,739	5,464
16.02 Salary-Related	1,172,000	902
16.13 Animal Husbandry	10,000,000	7,692
16.14 Fruits and Vegetables	13,518,000	10,399
16.15 Irrigation	20,550,000	15,808
16.16 Fisheries	5,800,000	4,462
16.18 Agricultural Implements	15,410,000	11,854
16.61 Vehicle-Related	4,623,000	3,556
16.73 Supplies	2,225,000	1,712
16.80 Training	10,948,000	8,422
16.81 Other	<u>48,000</u>	<u>37</u>
	102,370,739	\$ 78,750
<u>Support Project</u>		
15.10 Feeder Roads/Street Repair	35,300,000	\$ 27,154
15.11 Bridge Construction	50,500,000	38,846
15.12 Lighting	<u>7,000,000</u>	<u>5,385</u>
	92,800,000	\$ 71,385
 Total PLAN:	 <u>195,170 739</u>	 <u>\$ 150,135</u>

AID:

16.90 Technical Assistance	\$ 14,640
16.91 Project Costs	76,860
16.92 Training	6,100
16.93 Evaluation	21,960
16.94 Other	<u>2,440</u>
 Total AID:	 <u>\$ 122,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Bicol (Formerly PLAN/Naga)

<u>PLAN:</u>	<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>			
15.30	Co-ops/Credit Unions	115,600	\$ 4,624
16.01	Salaries	419,110	16,764
16.02	Salary-Related	9,526	381
16.14	Fruits and Vegetables	56,400	2,256
16.16	Fisheries	588,700	23,548
16.18	Agricultural Implements	164,500	6,580
16.25	Agricultural Landlease/Purchase	235,000	9,400
16.31	Small Business Development	733,150	29,326
16.33	Employment Opportunity	<u>788,850</u>	<u>31,554</u>
		3,110,836	\$ 124,433
<u>Support Project</u>			
15.10	Feeder Roads/Street Repair	892,742	\$ 35,710
15.11	Bridge Construction	246,126	9,845
15.12	Lighting	116,414	4,657
15.14	Community Centers/Public Buildings	1,030,392	41,216
15.21	Leadership Training	<u>307,684</u>	<u>12,307</u>
		2,593,358	\$ 103,735
Total PLAN:		<u>5,704,194</u>	<u>\$ 228,168</u>
<u>AID:</u>			
16.90	Technical Assistance		\$ 27,240
16.91	Project Costs		143,010
16.92	Training		11,350
16.93	Evaluation		40,860
16.94	Other		<u>4,540</u>
Total AID:			<u>\$ 227,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Mindoro

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
15.30 Co-ops/Credit Unions	240,000	\$ 9,600
16.01 Salaries	737,623	29,505
16.02 Salary-Related	52,037	2,082
16.10 Grain Cultivation	311,000	12,440
16.13 Animal Husbandry	615,243	24,610
16.14 Fruits and Vegetables	63,000	2,520
16.15 Irrigation	10,000	400
16.16 Fisheries	80,000	3,200
16.18 Agricultural Implements	95,000	3,800
16.25 Agricultural Landlease/Purchase	176,360	7,054
16.26 Agricultural Training	58,000	2,320
16.31 Small Business Development	403,000	16,120
16.61 Vehicle Related	109,900	4,396
16.62 Travel	137,700	5,508
16.64 Evaluation	100,000	4,000
16.68 Equipment	11,500	460
16.80 Training	42,000	1,680
	<u>3,242,363</u>	<u>\$ 129,695</u>

AID:

16.90 Technical Assistance	\$ 11,280
16.91 Project Costs	59,220
16.92 Training	4,700
16.93 Evaluation	16,920
16.94 Other	1,880
	<u>94,000</u>
Total AID:	<u>\$ 94,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Sri LankaPLAN:

<u>Project</u>	<u>Amount Local Currency</u>	<u>Amount US Dollars</u>
<u>Income-Generating Project</u>		
16.01 Salaries	70,326	\$ 2,512
16.02 Salary-Related	33,282	1,189
16.62 Travel	8,460	302
16.81 Other	<u>115,233</u>	<u>4,115</u>
	227,301	\$ 8,118
<u>Support Project</u>		
15.10 Feeder Roads/Street Repairs	88,000	\$ 3,143
15.11 Bridge Construction	122,000	4,357
15.14 Community Centers/Public Buildings	786,054	28,073
15.16 Flood Control	47,370	1,692
15.21 Leadership Training	<u>85,000</u>	<u>3,036</u>
	1,128,424	\$ 40,301
Total PLAN:	<u>1,355,725</u>	<u>\$ 48,419</u>

AID:

16.90 Technical Assistance	\$ 10,440
16.91 Project Costs	54,810
16.92 Training	4,350
16.93 Evaluation	15,660
16.94 Other	<u>1,740</u>
Total AID:	<u>\$ 87,000</u>

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT
INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: Khon Kaen, Thailand

PLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
15.30 Co-ops/Credit Unions	417,657	\$ 14,863
16.10 Grain Cultivation	112,669	4,010
16.11 Grain Storage/Cereal Banks	215,000	7,651
16.13 Animal Husbandry	643,235	22,891
16.15 Irrigation	135,229	4,812
16.16 Fisheries	70,710	2,516
16.18 Agricultural Implements	225,712	8,033
16.26 Agricultural Training	122,557	4,362
16.28 Demonstration Plot/Model Farm	248,037	8,827
16.33 Employment Opportunity	222,116	7,905
16.51 Special Projects	50,218	1,787
16.64 Evaluation	20,000	712
	2,483,140	\$ 88,369
<u>Support Project</u>		
15.10 Feeder Roads/Street Repair	237,824	\$ 8,464
15.11 Bridge Construction	49,655	1,767
15.12 Lighting	105,181	3,743
15.14 Community Centers/Public Buildings	99,967	3,558
15.21 Leadership Training	816,980	29,074
	1,309,607	\$ 46,606
Total PLAN:	3,792,747	\$ 134,975
 <u>AID:</u>		
16.90 Technical Assistance		\$ 6,000
16.91 Project Costs		31,500
16.92 Training		2,500
16.93 Evaluation		9,000
16.94 Other		1,000
Total AID:		\$ 50,000

FOSTER PARENTS PLAN/AGENCY FOR INTERNATIONAL DEVELOPMENT

INCOME-GENERATING MATCHING GRANT PROJECT

BUDGET - YEAR II

Field Office: NepalPLAN:

<u>Project</u>	<u>Amount</u> <u>Local Currency</u>	<u>Amount</u> <u>US Dollars</u>
<u>Income-Generating Project</u>		
16.15 Irrigation	600,000	\$ 27,273
16.16 Fisheries	85,000	3,864
16.26 Agricultural Training	80,000	3,636
16.30 Agricultural Credit	220,000	10,000
16.33 Employment Opportunity..	<u>126,000</u>	<u>5,727</u>
	1,111,000	\$ 50,500
<u>Support Project</u>		
15.10 Feeder Roads/Street Repair	2,722,000	\$ 123,727
15.14 Community Center Construction	622,000	28,273
15.21 Leadership Training	<u>50,000</u>	<u>2,273</u>
	3,394,000	\$ 154,273
Total PLAN:	<u>4,505,000</u>	<u>\$ 204,773</u>

AID:

No AID Budget Assigned

FINANCIAL

UNDEREXPENDITURE RATIONALE

1. Our first year ran eleven months with the Project Director arriving in the field at the end of August. Establishing a new Field office was a time consuming affair. The initial visits to the first 3 Field Offices took place in the fall of 1984. Abeyrama, the Assistant Director, was not hired until December with orientation through the end of January.
2. The Assistant Director for Technology Exchange and Networking was not hired until May, 1985, with orientation and training lasting through July, 1985.
3. In Yogyakarta there was little AID funding in the first year because E. Glenn Rogers desired to evaluate the Credit Union funding mechanism which would be the primary funding vehicle for Income Generating Projects in that region. Yogyakarta should get off to a fast start in the second year.
4. Much time and effort went into the planning for the Bangkok Conference.
5. Thus, planning, training and orientating the field was the primary first year focus - activities which will be rewarded in years two and three.
6. For the second year, ten Field Offices not seven will be on-line; and, these new Field Offices have a head start having attended the Bangkok Conference. Staff trained during year one will be implementing in year two.

BANGKOK BULLETIN

BANGKOK BULLETIN

1. NOVEMBER, 1984 PISCES - PROGRAM FOR INVESTMENT IN THE SMALL CAPITAL ENTERPRISE SECTOR - INTRODUCTION
2. DECEMBER, 1984 PISCES - SOME COMMON CHARACTERISTICS OF A 'GOOD' PROJECT.
3. JANUARY, 1985 GROUP VS INDIVIDUAL APPROACH TAKEN FROM ENTREPRENEURSHIP FOR THE POOR WORKSHOP BY MALCOLM HARPER IN THE PHILIPPINES
4. FEBRUARY, 1985 THE YOUNG PRESIDENTS ORGANIZATION - 18 RULES TO PROFIT AND SUCCESS FOR THE ENTREPRENEUR
5. MARCH, 1985 SMALL BUSINESS IN THE THIRD WORLD BY MALCOLM HARPER
6. APRIL, 1985 "BANKERS IN THE SERVICE OF THE POOR; IFAD CREDIT PROGRAM - DEVELOPMENT 1984:2
7. May, 1985 IMPACT OF INCOME GENERATING PROJECTS - EGR
8. JUNE, 1985 EVALUATION OF THE BANGKOK WORKSHOP
9. JULY, 1985 THE ROLE AND PERSPECTIVE OF SMALL INCOME GENERATING PROJECTS IN KENYA
10. AUGUST, 1985 GIVING CREDIT WHERE IT IS DUE - BANKING ON THE LANDLESS IN BANGLADESH
11. SEPTEMBER, 1985 VOLUNTEERS IN OVERSEAS COOPERATIVE ASSISTANCE
12. OCTOBER, 1985 PROCEEDINGS OF THE BANGKOK WORKSHOP - SMALL ENTERPRISE DEVELOPMENT AND THE PRIVATE VOLUNTARY AGENCY

APPENDICES

APPENDIX I

PRE-LOAN ORIENTATION TRAINING

THE PROJECT SUPPORT AND MARKETING SYSTEM - NAGA

PLAN/Naga's Pre-Loan Orientation Training Program and
Project Support and Marketing System

One of PLAN/Naga's primary goals is to build up local institutions to the point where they can play an active role in the social and economic development of the community when PLAN support is phased out. To this end, associations composed of approximately 9,000 families currently or formerly associated with Foster Parents Plan have been organized in Camarines Norte, Camarines Sur, and Albay as nonprofit corporations and registered with the Securities and Exchange Commission. It is through these associations that PLAN implements its program. As the associations gain confidence and experience, they will take on more and more direct responsibility for the program.

To insure grassroots involvement, health, education, community development, and employment project committees have been elected within these associations to serve each of PLAN/Naga's 39 locations. The function of these committees is to identify and prioritize community needs and, in concert with PLAN staff and other relevant public and private agencies, to plan, implement, monitor, and evaluate development projects.

One strategy for strengthening these associations is for PLAN to use them as a channel for loans supporting family and group income generating projects. The loans are then repaid not to PLAN but to the associations with the profits earmarked for additional loans and projects of benefit to the community. Unfortunately, loan repayments have in the past been low and many of the funded projects have failed. PLAN staff and members of the family associations spent a major part of FY 1984 examining the reasons for this poor showing. Though there were many external factors contributing to the poor economic environment-- interest rates of 40 percent, 60 percent inflation, a shortage of imported raw materials, a 117 percent devaluation of the peso, and natural disasters, they found a significant number of loan failures were the result of:

- A poor understanding of credit.
- Little understanding of the market.
- Low family income.
- Misuse or diversion of loan funds.
- Inadequate business management skills.
- Poor planning.
- Inadequate orientation and motivation.
- Poor sales and low prices for products.

As a result of these findings, a number of changes were made in the loan approval process and in the project support and monitoring systems. This report will focus on two of these changes: the Pre-Loan Orientation Training program (PLOT) and the marketing and project support network now being established.

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Though starting a business or initiating an income generating project will continue to be a chancey undertaking, the PLAN staff and family associations hope to provide the training, motivation, and support necessary to turn the gamble into a calculated risk.

PRE-LOAN ORIENTATION TRAINING

After experience taught that loans had frequently been given prematurely, the PLOT program was designed to provide a basis for the effective use of production loans. It consists of 24 hours of workshops, audio-visual presentations, lectures, role playing, case studies, and discussions for groups of about 30 at a time. During the course of the three-day program the various forms used to apply for and monitor production loans are presented and explained and participants learn the basic techniques necessary for project feasibility studies. Members of all of the more than 9,200 PLAN/Naga Foster Families will have completed this program by June 1985.

The general objectives of the program are both ideological and practical. At the end of the program, participants are expected to:

Have a clearer understanding of their roles as individuals, as members of families, and as members of family associations..

Understand the uses of a community-based credit association and the mutual rights and obligations involved in membership.

Have a stronger awareness of the importance of thrift, savings, and the wise use of money.

Understand a simple accounting system.

Understand some of the factors involved in planning a successful income generating project.

Day One

Morning

After registration and a brief overview of the program by a member of the local PLAN staff, the participants discuss the program, loans, and income generating projects. The discussion focuses on their expectations of the training program, themselves, the trainers, and the other participants. These individual expectations are then synthesized to serve as objectives for the group as a whole.

Afternoon

The afternoon is spent identifying factors affecting local credit. These factors, positive and negative, include specific strengths and weaknesses of the individuals and of the group as a whole. Community resources and infrastructure which might influence a project are also considered. For example, a fishing community with access to transport and good roads might

consider the feasibility of getting a loan to buy an insulated fish box to transport the fresh fish to market. In the absence of good roads or transport, they would have to dry or process the fish. Similarly, the availability and price of raw materials would have an impact on both the handicraft project and on the economic situation of the community.

At the end of the day the participants should be able to:

Demonstrate an understanding of the orientation program and show how it can or cannot meet their expectations.

Identify some of the strengths and weaknesses influencing their individual and collective credit.

Demonstrate some understanding of the problem solving and decision making process.

Establish their respective credit profiles based on their identified strengths and weaknesses.

Day Two

Morning

After a review of the lessons learned the first day, the group examines the concept of credit and its application to their individual goals and the goals of their family association. The mutual rights and responsibilities of membership in a credit association are presented first in a short lecture and then developed through group discussions. Hypothetical projects are presented and their chances for success or failure are discussed. These discussions cover the questions which must be asked to determine whether or not the loan is likely to be repaid and includes not only the specifics of the project but also the characters and credit histories of the people asking for the loan.

In effect, these discussions introduce the group to the idea of the feasibility study, the basis upon which the elected officers of their association will recommend that the loan be either granted or denied.

Topics covered include:

Personal Data: Is the applicant (or applicants) a responsible member of the community? Does the applicant have a good credit history? Can the applicant repay the loan?

Socio-Economic Data: Will the project generate employment? How will it influence the local environment and culture? Are other sources of funding or support available?

Financial Data: How does the family's present income compare to its expenses? How reliable are the sales forecasts? Are the projected profit margins realistic? Will the loan provide sufficient working capital?

Technical Data: Does the applicant have the skills to manage the project? Is the project realistically planned? Is technical assistance available? Have equipment maintenance and/or replacement costs been considered in the planning? Is the production capacity relevant to the anticipated demand? Is there a reliable source of raw material?

Marketing Data: Is there a demand for the products or services? What percentage of the market will be exposed to the product or services? Is the product or service competitive with other similar ventures? Have the channels of distribution been organized?

Afternoon

The afternoon is spent on practical details--how the loan application is processed and the roles of the association's officers, project committee, and PLAN staff in the loan approval and project support process.

By the end of the day the participants should have a basic understanding of the credit system, feasibility studies, loan application processing, and the roles of the association members and PLAN staff involved in approving loans.

Day Three

The third day is devoted to money--how to use it, how to save it, how to keep track of it, and, most importantly, how to borrow and repay it. The morning is spent role-playing, with the objective of learning to use money wisely. The afternoon begins with simple budgeting, accounting, and record keeping. The envelope system and the two box system of budgeting are presented and the advantages and disadvantages of each are explained.

Finally, the participants are introduced to the promissory note and the "Loans Receivable Control Sheet," a form used by the family associations to monitor loans which details the amount of the loan, the terms of payments, actual repayment made, and the balance due.

By the end of the pre-loan orientation program the participants will have been exposed to all of the information, techniques, planning needs, and available resources required to plan an income generating project. Clearly the program covers too much too quickly for the participants to remember everything and no one expects them to. The hope is that they will gain a general understanding of what is required to plan a project and get a loan and that they will see PLAN and the family association as resources to help them improve their income and community rather than simply a source of money.

The PLAN/Naga loan criteria reflect the emphasis placed on this training--completion of the preloan orientation is now the first of the four basic loan criteria. The remaining three are:

1. Applicants should have no previous loan, or,
2. If there is a previous loan, there should be no arrearages.

3. Applicants should have signified in the Family Development Plan their intention to implement a specific income generating project.

THE PROJECT SUPPORT AND MARKETING SYSTEM

The marketing system now being organized by PLAN/Naga and the Bicol family associations arose from the same review process responsible for the preloan orientation training program and, like it, has the goals of strengthening the family associations and helping to assure the success of PLAN supported family and group income generating projects. The goal is to foster small enterprise development by creating a systematic program incorporating training, market identification and development, product and skills development, supply and distribution, and project evaluation.

Until now, marketing in the Bicol region has been firmly in the hands of middlemen. It is they who know the buyers, sellers, producers, and distributors, and they who make the greatest profit. A basket weaver, for example, may buy her raw material from one middleman and sell her finished baskets to another. The basket she sells for 15 pesos may double or triple in price by the time it reaches the consumer in Manila. The individual basket maker working at home is bound by her other responsibilities and limited frame of reference. She has little choice but to accept the price offered by the middleman. With direct access to raw materials and markets she could substantially increase her income. Similarly the farmer with a surplus of produce and the fisherman with more fish than can be immediately sold must turn to the middleman.

The point of the PLAN/Naga marketing system is to reduce the power of the middleman, to see to it that the people who do the work receive an equitable share of the profits. To do this, the PLAN staff and family associations have taken the production, distribution, and marketing model made infamous by the multinationals and scaled it down to serve the needs of the small producer. PLAN and the family associations hope to give their producing families substantial control of the supply, production, distribution, and marketing of their products through a simple but comprehensive marketing and support network. If successful, this network will institutionalize an ongoing, independent, and effective resource and skills development program based on village-level organization.

Organization

When PLAN staff in the Camarines Norte provincial office first thought about a marketing system, they considered forming marketing committees in each of the 39 PLAN locations. Preliminary meetings with the project committees of the family associations quickly showed that there was no need to create new committees. The project committees were already involved in income generating activities in their locations and welcomed the opportunity to be strengthened by having a greater role in marketing. Thus, the project committees were involved in planning the marketing structure from the beginning.

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The organizational and operational details of the marketing system were worked out in a series of meetings between Antonio Dames, the Marketing Coordinator in PLAN's Camarines Norte provincial office, and the project committees. The final plan called for the election of marketing representatives by the project committees in each location. Since there are two distinct types of projects, the first intended to stimulate agricultural productivity and the second to create or promote off-farm employment for those not currently engaged in agriculture, it was only logical that there be agricultural and non-agricultural marketing representatives be elected by the people. These representatives are currently serving on a voluntary basis but, as the demands on their time increase, the associations expect to pay them.

Once the marketing representatives were elected, each province was divided into four districts to be served by District Marketing Committees composed of the location marketing representatives. The elected chairmen of the District Marketing Committees will be organized into the Provincial Marketing Committee and also elect a chairman.

The final organization step in the system will be the Regional Marketing Committee composed of the chairman of the Camarines Norte, Camarines Sur, and Albay Provincial Marketing Committees.

Operation

Location Marketing Representatives

The Location Marketing Representatives are responsible for channelling information to and from participants in income generating projects and facilitating the exchange of products and services. They will:

Monitor the supply, demand, quality, and price of products and services in their locations.

Maintain a product distribution program in coordination with other marketing representatives through the District and Provincial Marketing Committees.

Submit reports to the family associations, project committees, and PLAN staff on the status of projects in their areas.

Assist the project committees in the selection, development, monitoring, and evaluation of income generating projects.

District Marketing Committee

The four District Marketing Committees in each province will serve as information brokers, providing product, marketing, and technical information within the district and transmitting information on district needs, products, and services to and from the Provincial Marketing Committee.

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Provincial Marketing Committee

The provincial marketing committees will be responsible for the overall coordination of the provincial marketing programs. They will:

Consolidate information received from the District Marketing Committees.

Submit reports on provincial products and services to the Marketing Coordinators.

Facilitate product transfer and provincial commerce.

Organize a provincial marketing center when and if it is feasible.

Maintain contact with public and private agencies concerned with cottage industry, agricultural development, marketing, and product and skills development.

Institutional Networking

Though there are many agencies in the Philippines concerned with regional economic and agricultural development, cottage industry, technical assistance to small enterprises, trade, and vocational training, many of the needy families who could use their help do not get it. There are two reasons for this. The agencies have limited budgets and manpower, and the families have limited frames of reference. The microeconomic scale of the PLAN-sponsored projects can sometimes add another barrier to outside assistance. NACIDA, the government agency responsible for the development of cottage industry, does not have the resources to provide services for everyone who needs them. The woman who makes seven or eight baskets a week in her spare time is not likely to receive or even ask for technical assistance. If, however, a member of a district or provincial marketing committee who represents 200 basket weavers asks for assistance, the chances for success will be much better.

Two promising networking ideas are already in the works. The first involves the printing of a product catalog to be distributed to relevant agencies and potential commercial outlets. The idea for the catalog grew out of the favorable response to Foster Families' products at a 1984 buyers' fair in Manila. The second project, now in the preliminary planning stages, involves a proposed trade center in Camarines Sur.

If these projects are successful, they will provide a base for the systematic linking of the family associations to the Philippine business community. As the quality of the products and the production capacity improve, the export market will also be explored.

The Role of the Marketing Coordinators

Each of the three PLAN/Naga provincial offices has a Marketing Coordinator with broad responsibilities in marketing, technical advice, skills and resource identification, and training. Their job description, summarized below, gives a clear picture of the scope of their responsibilities.

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Duties and Responsibilities:

Assisting the location marketing representatives of the project committees in the identification, development and evaluation of opportunities through which PLAN families' products and services may be marketed.

Facilitating the identification of market outlets and the development of a marketing program for PLAN-funded projects through coordination with appropriate public and private agencies or individuals on a provincial, regional, national, and international basis.

Recommending training programs to the Training Coordinator at PLAN/Naga Headquarters and providing direct training to PLAN family members in the identification of business opportunities, product development, pricing, supply and demand analysis, distribution, and promotion.

Assisting the location marketing representatives in the evaluation of marketing programs.

Submitting narrative and statistical reports to PLAN/Naga senior staff to enable them to monitor and evaluate the impact of PLAN/Naga's marketing strategies.

Identifying and attending marketing and trade fairs relevant to the PLAN families products and services and channelling pertinent information to project participants through the location marketing representatives.

Determining the immediately marketable skills of affiliated families and providing them with employment counsel directly, through the location marketing representatives, or through their PLAN social workers.

Most of these duties are intended to be temporary. As the system develops and the family associations, project committees, and marketing representatives gain confidence and capability, they will gradually assume the duties and responsibilities now held by the marketing coordinators.

Expected Results

When fully established, the PLAN/Naga marketing system should provide family association members participating in or contemplating income generating projects with:

The chance to make more money.

A viable alternative to the present domination of the market by middlemen.

Such supporting services as provincial markets, access to transport, and opportunities for product promotion through trade fairs and craft exhibits.

Access to relevant public and private agencies concerned with trade, product development, design, packaging, and marketing.

Access to technical and vocational training.

An integrated linking of related projects, from the gathering or growing of the raw materials to the final sale of the products.

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The system should also help to assure the family associations of better loan repayment rates which, in turn, will provide funds for additional production loans. This growth may provide the incentive for families not affiliated with Foster Parents Plan to join the associations.

Henry D. Molumphy

February 1985

HM/pe

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APPENDIX II
IGP IMPACT/EVALUATION RESEARCH - NAGA
PROGRESS REPORT

THE IGP IMPACT/EVALUATION RESEARCH
(PHASE I) FOR THE SECOND QUARTER
JUNE - AUGUST 1985

Progress Report

Research and Service Center
Ateneo de Naga

I. Introduction

In mid-April 1985, the Research and Service Center (RSC) of the Ateneo de Naga embarked on a research study to evaluate the Income Generating Project (IGP) of the Foster Parents Plan International (PLAN - Bicol). The focus of the evaluation are the seven types of IGP which are now on the third year of implementation in all the 37 PLAN locations.

Following the RSC schedule for this research undertaking, the first progress report was presented in late May 1985. It covered the results of the initial analysis made on the secondary data for the first 278 foster families. The present report builds on the same kind of information in addition to those gathered from the records of another 427 families. Supplementing the findings are relevant information gathered from interviews with key officials of community-based association of PLAN clients. They provide some of the bases for the conclusions and suggestions found in the last part of this report.

II. The Study Coverage

Analyzed for this second report are the IGP official records for 705 families. This number includes the first 278 families about whom the initial analysis was conducted. Due to the limited size of the earlier sample and because only a few locations in each of the three provinces were represented, no conclusions were drawn for the entire population of families participating in the IGP.¹ The present analysis would describe the PLAN foster families both as beneficiaries of the entire program and as participants to the IGP. For the most part, however, the report would touch on the system of financing used by PLAN to support the IGP, the allocation of credit by type of project, the credit situation of participating clients and the factors that were identified to be contributing to the success or failure of given project types.

RSC activities June-July 1985

The initial plan of achieving a sample size of 1,000 families for the second study was not realized owing to the failure of PLAN to turn over the targeted number of forms for processing and analysis by the RSC. After the analysis of the first 278 sets of forms, additional forms began coming in only

¹The study area includes the provinces of Camarines Sur (CS), Albay (AL), and Camarines Norte (CN).

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during the last week of June when PLAN location staff apparently concentrated on updating needed records. Although an improvement in the turn out was observed, still not every location is represented in the present report. A total of 705 sets of forms were processed and analyzed for this report and they represent only 25 out of the 37 locations. The distribution of families and locations are given in Table 1, below.

Table 1. Distribution of sample families and represented locations by province.

Province	Location ^a		Families	
	N	%	N	%
Camarines Sur	10	40%	293	41.6%
Albay	9	36	255	36.2
Camarines Norte	6	24	157	22.2
Total	25	100%	705	100.0%

^aThe following locations are not represented in this study: Bombon, Gainza and Canaman in Camarines Sur; Malilipot, Malinao and Jovellar in Albay; and Mantagbac, Bagasbas, Mercedes, San Miguel, San Vicente, Talisay and Labo in Camarines Norte.

In addition to the processing work, the RSC conducted some in-depth interviews with knowledgeable officials of the association in at least two locations in every province. In most cases, the treasurer or the president and the PLAN social worker were the key informants.

The investigation of the effect of the pre-loan orientation training of PLAN clients on their credit status was also made possible with RSC's receipt from PLAN provincial offices of the check list of those who have undergone the training.

Conducted also during the period is the analysis of the financial status of IGP associations findings for which are contained in a separate report.

As evident in the above Table, the sample families are not equally distributed among the three provinces. There is an apparent over-representation of clients from Camarines Sur and serious under-representation of those from Camarines Norte. Location-wise, the same picture seems to evolve with Camarines Norte represented by only 6 out of its 12 locations. These limitations should be considered in evaluating the content of this report. Nevertheless, the statistics of the findings would suffice for generalizations given the sampling error of 5 to 10 percent. This report, therefore, should provide evidence to confirm or negate the findings presented in the earlier report which was based on a much smaller sample size of 278 families. Moreover, the additional data provided by key informants from PLAN associations should substantiate the interpretations and conclusions drawn from the present analysis.

III. Background Characteristics of Foster Families

It should be noted that about three-fourths of the families in Camarines Sur and Camarines Norte became PLAN members before the start of the IGP program in 1982 (62 and 63 percent, respectively) while the rest were entered sometime during the period following 1981. In Albay, the great majority of the members (93 percent) were found to be PLAN beneficiaries before the IGP year of implementation and only a few (7 percent) are recent entrants. In spite of the differences in the period of enrollment, PLAN families, as new members, exhibited similar socio-demographic characteristics. Described below are these background information as gathered from the case history files of the respective families.

The average male family head is about 40 years old with nearly six years of formal education and a farmer by occupation. The typical female head, on the other hand, is usually younger than the spouse (36 years old) with an almost completed elementary education and a non-working mother. Among the working women the modal employment is either sales work or some skilled jobs.

A foster child has usually four other siblings although a wide overall range is observed (0-12). Given this, the size of an average foster family may be estimated to be about seven members (including the parents and the foster child). This also finds support from the EGLAF data where the reported family size puts the overall average at 7.1

Income and occupation

That the foster families are poor finds evidence from the income data obtained from the EGLAF for the first IGP project that they participated in. They show that the average PLAN family in CS accumulates only as low as P478 a month; in AL, P383; and in CN, P535; or an overall estimate of P460. Assuming the average size of seven members, these families would easily fall below PLAN's income criteria for assistance.

The poverty of these families springs mainly from two basic characteristics of the family heads. One is their low educational attainment that prevents them from gaining access to opportunities for better income and the other is the relatively large number of dependents that they need to support. The latter is especially significant since the average size of these families is larger than the regional figures. On the other hand, the occupational characteristics of the household heads reflect their lack of sufficient education to engage in better paying jobs. Even as a slight improvement is observed with respect to their employment over time, that is, from the time when they qualified to receive PLAN assistance to the period when they became IGP participants, their incomes appear to have remained dismally low as will be found in the later section of this report (see Table 2).

Data in Table 2 reveal that the majority of the family heads, upon enrollment, are found at the extreme bottom of the occupational scale (unskilled non-farm jobs down to farm labor)

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Table 2. Percentage distribution of foster family heads by occupation upon enrollment in PLAN and participation in the IGP in the respective provinces.^a

Occupation	Camarines Sur			Albay			Camarines Norte		
	0	1	2	0	1	2	0	1	2
Administrative/ supervisory	0.7%	0.49%	-	-	-	-	0.67%	1.9%	4.16%
Clerical	0.7	0.49	-	0.42%	0.92%	-	-	-	-
Skilled (upper)	3.16	2.94	2.78%	2.09	3.70	-	2.68	2.86	8.33
Transportation	5.61	3.92	2.78	6.69	5.56	-	10.74	9.52	-
Skilled (lower)	7.37	5.88	12.50	7.11	1.85	8.89%	5.37	9.52	29.17
Sales worker	6.32	4.90	12.50	6.69	13.89	11.11	7.38	9.52	12.50
Service	0.7	1.47	4.16	2.09	0.92	2.22	3.36	1.90	-
Unskilled (non-farm)	18.59	12.75	18.06	13.81	15.74	17.78	13.42	14.28	12.50
Fishing	1.40	6.86	1.39	8.8	0.92	24.44	14.77	13.33	4.16
Farmer	39.3	54.90	44.44	21.34	43.52	33.33	36.24	35.24	29.17
Farm laborer	14.04	3.92	1.39	26.78	10.19	-	2.68	0.95	-
(Jobless/disabled)	2.11	1.47	-	4.18	2.78	2.22	2.68	0.95	-

^aThe symbol zero represents the time of enrollment; 1, at the time of participation in the first project; 2, at the time of participation in the second project.

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with no significant variation by province (71 percent in CS; 66 percent in AL; and 63 percent in CN). Note that the distribution is in close agreement with the findings in the earlier report for the 278 families. Moreover, these jobs, as in any other rural areas, are highly seasonal if not sporadic and characterized by low wage and profit. Ironically, they are the most common primary sources of income in such communities.

A comparative assessment of the employment situation of these families upon participation in the IGP shows a decrease in the frequency of jobless clients and farm laborers while a marked increase in sales work and lower skilled jobs is also evident. The change is more pronounced in Camarines Norte where there is an apparent shift from fishing and farming occupations to sales work and lower skilled employment (ibid.).

The implications of these findings are quite clear: that PLAN has focused its initial assistance effort on the most deprived and poorest segment of the rural population, notably the farmers and farm laborers and seems to be gaining headway toward the improvement of the overall employment condition of this group through its IGP sector. The training services that form part of its employment program and the opportunities offered by the IGP may have much to do with the observed change. However, since the improvement of the employment situation is expected to contribute to the ultimate objective of improved quality of life through increased income, the analysis need not stop at this point. The income aspect of the IGP warrants further discussion in the succeeding sections of this report.

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As disclosed in the earlier report, the predominance of small business projects results from the equally diverse skills and environmental resources found in rural communities like those assisted by PLAN. This is readily gleaned from the distribution of these families engaging in small business in Table 4 below, and the specific types listed in Appendix A (for loans 1 - 3 combined).

Table 4. Distribution of foster families with small business loans by province.^a

Type of business	Cam.	Sur	Albay		Cam. Norte	
	N	%	N	%	N	%
Service	5	3	3	2	1	1
Trade	137	74	121	72	75	81
Manufacturing	42	23	29	17	12	13
(Unspecified) ^b	-	-	14	8	5	5
Total	184	100%	167	99%	93	100%

^aThe "unspecified" business originates from incompletely accomplished EGLAF.

^bThere were some overlapping buy and sell business that accounts for the slight discrepancies in the overall counts.

The most preferred type of small-business is trade with Camarines Norte scoring the highest proportion (81%) followed next by Camarines Sur (74%) and Albay (72%). Manufacturing is engaged in by less than one fourth of these families while service is favored only by a handful. Moreover, trade business includes

The most frequent shifts in Camarines Sur and Albay are from a given project type to one of small business, while small business holders shifting to another is more common in Camarines Norte.

Table 3. Percentage distribution of families by project type and province for loans 1 and 2.

Project type	Cam. Sur		Albay		Cam. Norte	
	N	%	N	%	N	%
<u>Loan 1</u>						
Animal Husbandry	73	25%	37	15%	51	32%
Fruits & Vegetables	5	2	1	*	14	9
Fish Enterprise	10	3	4	2	5	3
Agri-implements	35	12	3	1	7	4
Small-business	127	43	139	55	80	51
Handicraft	7	2	32	13	-	-
Crop Loan	36	12	39	15	-	-
Total	293	99%	255	101%	157	99%
<u>Loan 2</u>						
Animal Husbandry	15	19	3	6	5	18
Fruits & Vegetables	-	-	-	-	5	18
Fish Enterprise	-	-	6	12	-	-
Agri-implements	3	4	2	4	3	11
<i>Small Business</i>	50	63	24	50	12	44
Handicraft	2	2	1	2	1	4
Crop Loan	9	11	12	25	1	4
Total	79	99%	48	99%	27	99%

* Less than one percent.

Project types and
level of borrowing

Of the 705 families who have acquired an initial loan with the IGP, about 22 percent were able to avail of a second loan (CS, 27 percent; AL, 19 percent; and CN, 17 percent). Four of these families (1 in CS and 3 in AL) are now repaying a third loan.

Some similarities and differences are readily observed with respect to project type by province for both the first and second loans.² As shown in Table 3, below, the largest proportion of families have availed of a first loan to finance small business ventures (CS, 43 percent; AL, 54 percent; and CN, 51 percent). The same holds true for the second loan even with a slight reduction in Albay to 50 percent and in Camarines Norte, to 44 percent. A significant rise in the incidence of this type of project is found in Camarines Sur for the second loan (from 43 to 63 percent).

Handicraft and crop loans are almost non-existent in Camarines Norte but the same projects are engaged in by an appreciable number of families in the other two provinces.

Overall, shifts in project types are common in the three provinces, but these are most prevalent among the families in Camarines Sur (CS, 58 percent; AL, 40 percent; and CN, 44 percent).

²Due to the small frequency of families with third loans (4) data for these were excluded from the analysis.

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IV. The Foster Families as
IGP Participants

Specifically referred to as the income-generating projects, the employment sector of PLAN was created as part of its programs and services and premised on the awareness of the seasonality and sporadic nature of rural jobs and of the low income that accompanies such types of employment. An important feature of the program is that it encourages the participation of all members in the financing scheme introduced by PLAN to assist them in starting small projects or to provide additional capital to finance their usual source of income. By utilizing the participatory approach, the involvement of the members in the planning and decision-making is elicited through the PLAN associations which at present exist in all the 37 locations. True to form, PLAN has channeled the management of finances through these organizations and has succeeded thus far in eliciting the broad participation of all its members.

The foster families under study have all received financial assistance through these associations to undertake projects of their choice. The discussion that follows describes these projects, the credit mechanism that operates to finance them, and the credit situation of the participants.

associations visited, many of the policies concerning credit extension were found to be uniform for all. Credit users go through the same process of screening with the involvement of both the association officials and certain personnel of PLAN's. On the association level, recommendations for the approval of loans are decided upon by the Recommending Approval Body (RAB) with the EGLAF score sheets of the respective loan applicants used as basis for the evaluation. The technical aspects of the project for which a loan is applied pass on to the PLAN's technical assistants before final approval.

All associations follow the same terms and conditions in the granting of project loans. A minimal interest of four percent per annum is charged to the loan in addition to a one percent per month penalty for every overdue amortization. The analysis, however, of the Loan Receivable Control Sheets (LRCS), the chief monitoring device for loan repayment does not reflect such penalties even for loans which are long overdue.

Several options are open to loan applicants in deciding the mode of repayment. Thus, amortization of loans may be made on a monthly, quarterly or even semi-annual basis. The last is particularly granted to rice production loans based on a twice a year cropping cycle, otherwise, monthly repayment is recommended. Actual inspection of the LRCS, however, indicates other special arrangements availed of by a few. Although less common, repayments are allowed to be made every two, four, eight months or even annually.

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In Albay, the largest loans went to crop production (average of ₱656) while the smallest allocation was credited to fruits and vegetables growing and handicraft manufacturing.

Projects in Camarines Norte had about equal shares of loans although fruits and vegetables growers and fish enterprisers got a bit more, on the average (₱697 & ₱691, respectively).

With respect to the second loan, a consistent increase in the sizes of loans by project is observed for the three areas resulting in high overall average figures (CS, ₱ 771; AL, ₱757; and CN, ₱960). Evident also is the apparent decline of fruits and vegetable growers in Camarines Sur and Albay, and of fish enterprisers in Camarines Norte and Camarines Sur.

The first observation again agrees closely with the KIIs' report that much larger financial assistance is extended to those availing of the second loan. If one further considers the KIIs' statement about the association's standing policy of not extending another loan to members with arrears on the first loan, it would appear from the number of families with second loans that only 27 percent in CS, 19 percent in AL, and 17 percent in CN have either fully paid or have no outstanding obligations for the initial loan. The situation is more or less reflective of the credit status of the rest.

The IGP credit system

As stated earlier, the financing scheme offered by the PLAN employment sector to assist the members is coursed through the associations. From the interviews with KIIs of the nine

Table 5. Mean values of loan by project type and province

Project type	Cam. Sur Mean	Albay Mean	Cam.Norte Mean
<u>Loan 1</u>			
Animal Husbandry	P 672	P 575	P 674
Fruits & Vegetables	531	351	697
Fish Enterprise	481	576	691
Agri-implements	756	517	593
Small-business	675	610	654
Handicraft	722	441	-
Crop Loan	792	656	-
Total	P 691	P 596	P 684
<u>Loan 2</u>			
Animal Husbandry	P 866	P1,250	P 711
Fruits & Vegetables	-	-	861
Fish Enterprise	-	1,001	-
Agri-implements	830	1,251	951
Small-business	710	651	835
Handicraft	1,001	651	1,251
Crop Loan	951	917	901
Total	P 772	P 757	P 960

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a wide range of specific items sold either in retail or wholesale. The preponderance of trade may probably be explained by the fact that little skills are required to learn its mechanics and profit may be realized within a relatively short period of time.

Given the types of projects open for financing by PLAN, an investigation of the level of borrowing of these families shows certain variations by province (Table 5). The first loans for instance, are generally smaller than the second, and as with the first loan, the average sizes of loans vary by province but not by project. These findings, moreover, attest to the data provided by key informants (KIs) disclosing the policy of granting the maximum of ₱1,500 regardless of the type of project and subject to the members' needs and paying capacity as assessed by the association officials in conjunction with PLAN staff. The variance, therefore, that appears in the sizes of loans may be construed as the approved amount of loans rather than as the prescribed loan ceiling for given project types.

With respect to the first loan, data in Table 5 show that Camarines Sur obtained a relatively larger fund allocation for credit, the size of loans averaging ₱691 with the rest of the two provinces, Albay and Camarines Norte getting an average of ₱596 and ₱684, respectively. In terms of project type, handicraft, crop production, and agri-implements loans got the largest share in Camarines Sur, the mean size of loans ranging from ₱722 (handicraft) to ₱792 (crop production). The smallest loans accrued to fish enterprise with an average of ₱481.

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Period of maturity for all types of loans is 19-24 months on the average, an empirical fact that closely conforms with the KIIs' reported policy of granting loans to be paid within a maximum of two years. Again, actual data revealed some borrowers who have apparently arranged for a 25-30 month maturity period.

Actual repayment situation

Overall a total of 863 project loans were granted to the 705 families under study. Of this number, about one-half (49 %) have reached maturity and should be expected to have been fully amortized at the time of the analysis. The distribution of these loans according to maturity status is given in Table 6 below, and shows that Albay province has the largest proportion of loans that are now past maturity.

Table 6. Percentage distribution of IGP loans by maturity status and province.

Status of loan	Cam. Sur		Albay		Cam. Norte		Overall	
	N	%	N	%	N	%	N	%
Matured	154	41%	188	61%	81	43%	422	49%
Unmatured	219	59	118	38	104	56	441	51
Total	373	100%	306	99%	184	99%	863	100%

Theoretically, one may expect a 50 % recovery on investment given the same proportion of matured loans. This, however, is not borne out in the analysis as shown in Table 7, where it is

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observed that fully paid accounts constitute only about 14% of these loans while the rest remain unsettled. Further, only 75% of the loans have been partly paid while the remaining 10% apparently have made no effort to even settle a single payment. The same picture is projected in all the three provinces with no significant variation. Examining further the actual balance of payment for these delinquent loans, the overall average figures fall within the range of ₱371 in Camarines Norte to ₱448 in Camarines Sur. The worst part of it perhaps is that 70% of these unpaid accounts are more than six months overdue.

Table 7. Repayment status of matured loans and mean values of balance on loans by province.

Repayment status/ mean balance	Cam. Sur		Albay ^a		Cam. Norte		Overall	
	N	%	N	%	N	%	N	%
Fully paid	22	14%	26	14%	11	14%	59	14%
Partly paid	114	74	144	78	58	72	316	75
No payment	18	12	15	8	11	14	44	11
Total	154	100%	185	100%	80	100%	419	100%
Mean Balance	₱448		₱398		₱371		₱415	

^aThree sets of forms in Albay are with incomplete data and were excluded from the analysis.

The analysis of repayment for loans that have not matured lends further proof to this borrowing trend among IGP loan recipients. As shown in Table 8 below, loans released in 1983

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Table 8. Repayment rate for unmatured loans by year and by province.

Rate	1 9 8 3						Total	
	Cam. Sur		Albay		Cam. Norte		N	%
	N	%	N	%	N	%		
0	41	25%	9	11%	9	16%	59	19%
1 - 20	39	24	34	43	18	31	91	30
21 - 40	37	23	16	20	15	26	68	23
41 - 60	18	11	13	16	8	14	39	13
61 - 80	17	10	4	5	5	8	26	9
81 - 100	11	7	3	4	3	5	17	6
Total	163	100%	79	99%	58	100%	300	100%
Mean repayment rate	26%		25%		27%		26%	
<u>1984</u>								
0	22	45%	19	83%	33	73%	74	63%
1 - 20	6	12	4	17	3	7	13	11
21 - 40	17	35	-	-	3	7	20	17
41 - 60	3	6	-	-	4	9	7	6
61 - 80	-	-	-	-	2	4	2	2
81 - 100	1	2	-	-	-	-	1	1
Total	49	100%	23	100%	45	100%	117	100%
Mean repayment rate	12%		0%		3%		5%	

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which may be presumed to be nearing maturity at the time of the analysis have an overall repayment rate of 26 percent, on the average.³ Once more, a fifth of the loans (20%) have no initial amortization with the highest default registered in Camarines Sur (25%). Very recent loans like those made in 1984 have as low as 5 average repayment rate for the three areas. Significant differences is also found by province with zero as the average for AL; 3 for CN; and 12 for CS. Such low repayment rates may be explained by the unusually large proportion of the loans (45% in CS; 83% in AL and 73% in CN) that, as of now, have no initial payment.

Given this unfavorable trend in borrowing, a re-evaluation of the existing monitoring system for repayment seems warranted. The LRCS which is the only individual record of repayment should be the focus of concern. Even a cursory glance on these forms would immediately identify the delinquent borrowers so that appropriate measures for follow-up or assistance may be carried out. That serious defaults in payment exist in the three areas and in almost all types of projects suggest further a general picture of ineffectiveness of program management policies.

³For the purpose of this study, repayment rate is interpreted as the proportion of the amount paid in relation to the total amount borrowed. Thus a 100 percent repayment rate represents fully paid loans while a "0" percent means that the first payment has yet to be made and that the outstanding obligation of the borrower remains to be the full principal amount.

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Actual mode
of repayment

The earlier report for the 278 families disclosed the tendency of credit users to follow different schemes for repayment. A similar pattern is revealed for the present analysis. As shown in Table 9, the good borrowers generally make payments on a regular basis according to the terms and conditions of the loans. They may even pay in advance or if they fail to pay what is due, settle past arrearages with a single payment. Such good borrowers make up only a small proportion of the sample (CS, 12%; AL, 6%; and CN, 10%). The second group (Irregular I) represents those who fail to pay according to the schedule and have accumulated arrears. The highest proportion of such delinquent borrowers is found in Albay (80%). Whereas, in Camarines Sur and Camarines Norte, this type of borrowers represent 64 and 61 percent of the families, respectively. Differences by project type and province are also evident. In Camarines Sur, delinquent borrowers appear among those engaged in fish enterprise, handicraft, small business, and fruits/vegetables. In Albay, these borrowers occur mostly among clients with loans for fishing, agri-implements, small business and handicraft. Less delinquent in Camarines Norte are those with animal husbandry and fruits/vegetable loans and those with small business. The third type of borrowers (Irregular II) is the least common and found only in Camarines Sur. They refer to those who pay on time although the amount is insufficient to cover what is due. Borrowers of the fourth type (Irregular III) appear in 23 percent of Camarines Sur

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Table 9. Percentage distribution of families according to repayment characteristic of project type and province.^a

Characteristic	AH %	F&V %	FE %	AI %	SB %	H %	C ^b %	Total %
<u>Cam. Sur</u>								
Regular	19	25	-	-	13	-	7	12
Irregular I	44	75	90	53	73	100	65	64
Irregular II	2	-	-	-	*	-	-	*
Irregular III	34	-	10	47	13	-	28	23
Total (N)	(84)	(4)	(10)	(38)	(168)	(5)	(43)	(352)
<u>Albay</u>								
Regular	6	-	-	-	5	3	15	6
Irregular I	65	-	100	100	81	91	69	80
Irregular II	-	-	-	-	-	-	-	-
Irregular III	29	100	-	-	14	6	17	14
Total (N)	(17)	(1)	(8)	(4)	(154)	(33)	(48)	(265)
<u>Cam. Norte</u>								
Regular	9	11	20	20	8	-	-	10
Irregular I	34	44	80	50	84	100	-	61
Irregular II	-	-	-	-	-	-	-	-
Irregular III	57	44	-	30	8	-	100	29
Total (N)	(56)	(18)	(5)	(10)	(85)	(1)	(1)	(176)

^aFifty-seven sets of forms do not contain sufficient data for analysis and were excluded. Another 23 were not included since the first payment for the loans do not fall due yet.

^bCodes for project/loan type

AH	Animal Husbandry	AI	Agri-implements
F&V	Fruits & Vegetables	SB	Small Business
FE	Fish Enterprise	H	Handicraft

C Crop Production

* Less than one percent

100

families and 29% of those in Camarines Norte. They are, however, least common in Albay (14%). Such type of borrowers, for some reasons have failed to make even a single payment to amortize their loans. In absolute figures this last group is composed of 82 families in Camarines Sur, 37 in Albay, and 51 in Camarines Norte.

The highly irregular manner of repayment that characterizes the majority of these families leaves room for questioning their perception about the IGP loan assistance. One gets the impression that clients view PLAN as a philanthropic institution which can absorb the risks in the implementation of IGP for humanitarian considerations. Otherwise, only the failure of the projects could spell the difference between good and bad credit. PLAN seems to be quite aware of this misconception that is ventilated by the high incidence of defaults on repayment. It is probably in response to this adverse development that a new policy was introduced to the IGP participants. Under this policy, all members are required to undergo the pre-loan orientation training (PLOT), the purpose of which is to orient them with the scheme with which the IGP is operating and to encourage credit consciousness among those who avail of the IGP loans. The effect of this PLOT using the repayment data as indicators may be understood in the succeeding section.

PLOT vs. non-PLOT recipients

At the time of the analysis of loan data for these families (June 1985), the large majority of the members (92%) have already attended the PLOT, or a total of 652 out of the 705 families.

The distribution of the PLOT recipients by year of attendance is given in Table 10 below, and shows that they have attended the PLOT at various points in time during the calendar years 1984 and 1985. Less than half of them (47%) have attended the course in 1984 while the remaining 53% were able to undergo the same training early this year. The distribution by province further shows that 61% in Camarines Sur and Camarines Norte had obtained the requirement in 1984 while only 22% in Albay had the same opportunity.

Table 10. Distribution of PLOT recipients by province and year of attendance.

Year of attendance	Cam. Sur		Albay		Cam. Norte		Overall	
	N	%	N	%	N	%	N	%
1984	166	61%	53	22%	87	61%	306	47%
1985	108	39	183	78	55	39	346	53
Total	274	100%	236	100%	142	100%	652	100%

Since a large proportion of the families under study have acquired loans during the calendar years 1982 and 1983, it may be inferred that the majority of these families had no PLOT at the time. With this discrepancy considered, many of the families with outstanding obligations would have been non-PLOT recipients but are now classified otherwise. The repayment data, therefore, that have been discussed so far include PLOT and non-PLOT recipients before or after acquiring IGP loans. The few clients

falling under the non-PLOT category at the time of this analysis will not permit a meaningful assessment of the effect of PLOT on repayment. A time series analysis would be a more appropriate approach under this condition. This, however, is not possible given the timing of the present study in relation to the period when the PLOT was introduced. Nonetheless, a very rough picture of the trend in repayment taking into consideration the PLOT factor is presented in Table 11 below.

Table 11. Mean values of repayment rates for matured and unmatured loans by PLOT status and by province.

Status of Loan		Cam. Sur		Albay		Cam. Norte		Overall		
		P	N-P	P	N-P	P	N-P	P	N-P	
<u>Matured Loans</u>	\bar{X}	38.9	55.5	39.4	30.5	49.1	50.5	40.8	41.3	
	N	146	8	173	9	73	7	392	24	
<u>Unmatured Loans</u>										
	1983	\bar{X}	25.6	36.2	24.1	33.4	27.0	24.8	25.6	33.6
		N	156	7	72	7	51	7	279	21
	1984	\bar{X}	13.1	2.8	- 6.6	- .5 ^a	-27.5	- .5	5.8	- .61
		N	46	3	21	2	41	4	108	9

^aThe negative sign pertains to a mean value of less than 0 which may be taken as zero payment.

As shown in the above Table, clients with matured loans do not differ significantly with respect to the PLOT (40.8 vs. 41.3%). When disaggregated by province, the data even suggest that PLOT

holders in Camarines Sur and Albay have greater inclination to default than those with no PLOT. The situation in Camarines Norte reflects, on the other hand, no significant difference in repayment for those with PLOT or without PLOT.

For the 1983 unmatured loans, the non-PLOT clients, again appear to be better borrowers than those with PLOT (repayment rates 33.5 vs. 25.6%, respectively). The same picture is projected when taken by province, that is, the favorable performance of non-PLOT in relation to the PLOT holders. However, unmatured loans released in 1984 indicate more or less the tendency of PLOT holders to improve (repayment rate 5.8 for PLOT and -.61 for non-PLOT). The rather low repayment rates for both groups is understandable given the fact that the loans are relatively recent. More significant difference in favor of PLOT holders is found in Camarines Sur and Camarines Norte, but not in Albay, where PLOT and non-PLOT clients appear to exhibit the same repayment performance.

One may surmise from the foregoing discussion that the effectiveness of the PLOT would hinge on certain conditions under which the training is introduced. In this case, the timing of the PLOT seems to be a very important factor. Judging from the preceding findings, PLOT clients who have acquired their loans in 1984 when the PLOT was also started exhibit some signs of improvement over those without PLOT. This would probably imply that PLOT is more effective when introduced to those who are

about to apply for a loan. On the other hand, a significant number of clients with loans obtained in 1983, although unmatured, and of those with already matured loans would seem to have greater difficulty, at this time, to pay their arrears if the accumulated amount is entirely beyond their means. This inference may likely be borne out later, when the 1984 loans will have reached maturity, therefore still subject for confirmation.

V. Welfare Situation of
Foster Families

Although the system that PLAN adopts for measuring changes in the welfare situation of foster families (FFs) has been discussed in the previous report, it is worthwhile summarizing them again to serve as reference for the analysis that follows.

The progress of FFs is evaluated by means of the social welfare indicators form (SWI), the basic monitoring tool for PLAN's Case Management System (CMS). Essentially, it identifies at certain points in time the assistance needs of every FF. These are determined using a three-level scale which classifies the welfare status of a PLAN family according to the criteria set by PLAN for the different welfare indicators. Thus, the first, second, and third level categories are used to indicate the status of the family as it moves through the different stages of development and ultimately towards self-sufficiency. The two major indicators of the family's overall well-being are measured in terms of the social and economic aspects. To use the SWI terms for these indicators, economic sufficiency is determined using the income and employment criteria, while the social adequacy is measured using a set of nine other indicators, namely, health, nutrition, living condition, education, vocational skills, recreation, self-functioning, family role performance and barangay role performance. The nine social indicators have been defined by PLAN according to the family development scheme formulated in line with its various programs and services.



Table 12 provides a comparative assessment of the families' welfare situation within a 12-month period. The consistently high mean scores for the second assessment (1984) vis-a-vis the first suggest an overall improvement in the families' level of well-being. However, the small increments in the scores may not suffice to declare a family in the next level given the scaling used by PLAN (see Table 12 footnote). Following, therefore, PLAN's definition of first, second, and third level families, and the scale established to assess them, most of the families who were already classified in the second level in 1983 were still placed under the same category upon second assessment in 1984. One may view this with justification for two reasons: first, changes in the social conditions may not be felt within a short span of time given some natural forces affecting the development cycle of a family (e.g., births, deaths, marriage, etc.). Second, many of the measures used to determine the level of social adequacy would hinge on the economic aspect, specifically, income. With the types of PLAN assisted projects and the level of borrowing allowed for the families, there is hardly an opportunity for them to realize a sufficiently higher income to fully satisfy social needs in so short a time.

The cruciality of the income factor in the improvement of the overall welfare condition of families finds support from the SWI scores provided in Table 12. The overall scores put all these families in the second level at present. Within this level, mean

Table 12. Mean scores for social welfare measures over a one year period (1983 to 1984) by province.

Welfare indicator*	Cam. Sur		Albay		Cam. Norte	
	1983	1984	1983	1984	1983	1984
<u>Social adequacy</u>	<u>2.25</u>	<u>2.45</u>	<u>2.26</u>	<u>2.33</u>	<u>2.06</u>	<u>2.16</u>
Health	2.34	2.42	2.40	2.46	2.27	2.24
Nutrition	2.72	2.80	2.53	2.59	2.46	2.46
Living condition	1.96	2.03	1.92	1.96	1.81	1.98
Education	2.22	2.31	2.17	2.17	2.15	2.31
Vocational skills	1.64	1.96	1.99	2.15	1.82	1.99
Recreation	2.36	2.61	2.28	2.40	1.97	2.11
Self-functioning	2.62	2.90	2.49	2.72	2.04	2.19
Family role performance	2.41	2.77	2.48	2.42	1.96	2.14
Barangay role performance	2.06	2.24	2.07	2.10	2.03	2.06
<u>Economic sufficiency</u>	<u>1.46</u>	<u>1.68</u>	<u>1.52</u>	<u>1.69</u>	<u>1.44</u>	<u>1.53</u>
Income	1.42	1.67	1.41	1.43	1.25	1.27
Employment	1.49	1.70	1.64	1.95	1.63	1.79
<u>Overall well-being</u>	<u>1.85</u>	<u>2.06</u>	<u>1.89</u>	<u>2.01</u>	<u>1.75</u>	<u>1.84</u>
Total N	293		255		157	

* The scale used for rating the families' welfare status is as follows: 1 - 1.79, 1st level (survival); 1.8 - 2.79, 2nd level (subsistence in process); and 2.8 - 3, 3rd level (sufficient).

scores for Albay and Camarines Sur do not differ significantly (2.01 and 2.06, respectively). The score for Camarines Norte is lower (1.84) and places the families in this province closer to level one, the survival stage. Examining the 1984 scores for the social and economic indicators show the consistently lower ratings for the latter. Once more, the similarity of the Camarines Sur and Albay families in terms of economic status is evident (1.68 and 1.69, respectively for 1984), with Camarines Norte farther below (1.53). The figures further show that all the families have remained in the survival stage after the second assessment. Relating these findings with the social adequacy scores, one easily arrives at the conclusion that the relatively low average scores for economic sufficiency accounts much for the correspondingly low ratings for the overall well-being.

Level of income
and employment

Further reference to Table 12 reveals that the mean scores in economic sufficiency result largely from the higher ratings for employment obtained by the families particularly in Albay, where a significant difference in the first and second assessment is recorded for employment but not for income, (1.41 vs. 1.43 for income; and 1.64 vs. 1.95 for employment). In Albay and Camarines Norte, while the significant increase in the employment scores implies an improvement in the employment status of the families and the members with the introduction of the IGP, a corresponding increase in income is not reflected. This finding apparently cast

doubts on the viability of the project in which these families are participating.

Table 13. Mean SWI scores for level of income over a one year period (1983 to 1984)

Project type	Cam. Sur		Albay 6		Cam. Norte	
	1983	1984	1983	1984	1983	1984
Animal Husbandry	1.37	1.74	1.35	1.35	1.14	1.12
Fruits & Vegetables	1.20	1.40	1.00	1.00	1.00	1.07
Fish Enterprise	1.20	1.80	1.00	1.50	1.40	1.80
Farm Implements	1.28	1.74	2.67	2.33	1.29	1.14
Small Business	1.46	1.59	1.34	1.32	1.36	1.39
Handicraft	1.28	1.71	1.19	1.38	-	-
Crop Loan	1.58	1.72	1.79	1.82	-	-
Total	1.42	1.67	1.41	1.43	1.25	1.27

The situation in Camarines Sur more likely shows the expected trend. Average SWI scores for income and employment are in close agreement as evident from the 1983 and 1984 assessments (Income 1.42 vs. 1.67; Employment, 1.49 vs. 1.70) and supports the implication of profitable projects.

1.8

Further examination of income scores in relation to the types of projects funded by the IGP reveals the positive tendency of Camarines Sur families to get better income than those in either Albay or Camarines Norte. As shown in Table 13, Camarines Sur clients who have obtained loans for animal husbandry, fish enterprise, farm implements and handicraft scored high, on the average in 1984 more than in 1983. Those with loans for the other projects similarly show higher scores on the second assessment although the differences from the previous ratings are smaller.

IGP families in Albay tend to fall on the same income level as in the previous assessment particularly those engaged in animal husbandry, fruits/vegetable raising and small business (SWI scores in 1984, 1.35, 1.00 and 1.32, respectively). While increase in income is reflected for fishing equipment credit users (SWI scores from 1.00 to 1.50), handicraft (1.19 to 1.38) and crop loans (1.79 to 1.82), those with loans for farm implements had apparently suffered a declining income (SWI scores from 2.67 to 2.33).

Families in Camarines Norte seem to be in the same situation as those in Albay, where many registered no significant improvement. Increased income, however, is found for fish enterprisers (SWI scores from 1.40 to 1.80) with farm implements credit users showing a drop in income from 1.29 to 1.14.

In spite, therefore, of a significant improvement in the employment rates, the incomes of the majority of these families remain dismally low to even move them to level 2 (subsistence in

process) according to PLAN's family development program. While many of them have exhibited some improvement in terms of social adequacy through the other benefits extended by PLAN, their economic sufficiency rating obviously has remained in the survival level in 1984 and probably until this time.

VI. Summary of Findings and
Selected Conclusions

Discussed below are some of the salient findings of the analysis and tentative conclusions that may be drawn from them.

Socioeconomic conditions
of foster families

The PLAN enrollment criteria deserves approval as the same have enlisted the participation of the poor majority of the rural sector. These groups are found to be composed chiefly of small farmers and farm laborers who live on incomes barely sufficient to even meet the most basic requirements in life. As in other farming households, the highly seasonal nature of farming occupation and the extremely low wage rates for such employment create the condition of people who are short in material things while having plenty of idle time to spare for work.

The SWI assessment for these families describes them as wanting in terms of the key areas of life concern such as education, nutrition, health, housing and, above all, income. Although, in general, the first four concerns have improved through PLAN's separate assistance effort in social services, the area of income which is the focal point of the IGP has shown no tangible evidence of change. Thus, it will probably take a longer time for the overall socioeconomic conditions of these families to reach a point when self-sufficiency may be established.

Participation
in the IGP

Given the state of well-being that the FFs are in, additional cash income seems to be a basic need most felt by these families. That they perceive the IGP as an immediate solution to this problem finds evidence in the wide participation that they have demonstrated for the projects.

In choosing a project, clients generally tend to undertake small business ventures. Three reasons may be offered here to explain the pattern of preference. First, little or no skills are required to carry out the project, particularly, the trade business. Second, the business is viewed by the clients as a secondary source of income and as such, requires only a portion of their time. Third, profit may be realized in a relatively short period of time compared to other projects which may take months to complete. Moreover, the wide participation shown for small business projects seems to indicate that clients would rather take the risk of investing money for an additional source of income rather than participate in a project which would tap their resources for their primary source of income. Given the risks involved in farming, spreading the investment may be viewed as a normal decision among these clients.

The above considerations must be kept in mind in evaluating the assistance needs of IGP loan recipients. The need for additional skills to carry out projects outside their usual income source and probably marketing assistance to those engaged in manufacturing

may be suggested.

Credit status of
IGP loan recipients

Regardless of project types, the majority of the clients do not project a good credit standing with the IGP. Serious defaults are found even for loans that have matured for more than six months while overdue amortization appears to be the modal pattern for both loans obtained in 1983 and 1984. Even more distressing is the significant number of borrowers who failed to pay even a single amortization although a large portion of the loan or even the entire amount is already past due.

Several factors may account for this discouraging development. The first has to do with the income situation of these families. Even the analysis of SWI, it is clear that a positive change in the social aspects of the families' welfare has been brought about by the various services that PLAN has extended to them. The income aspect, on the other hand, which is the focus of concern of the employment sector, appears to be the least affected -- a condition that places most of these families to remain in the survival level. Given this predicament, it is easy to understand the poor repayment performance of these clients. The same finding may also suggest the non-viability of most of the projects for which these people have used credit.

* The list of small businesses found in the appendix may provide an idea of the extent of diversity of such projects and the specific skills that may be enhanced to support them.

A second factor that may likely contribute to this unfavorable trend in repayment is attitudinal and may involve the perception of the clients regarding the objectives of the IGP credit scheme. Surrounded by various types of services that are extended free of charge, it is likely that they view the IGP as another forms of assistance such that credit consciousness is low among them. The situation may be aggravated by the awareness that the proceeds of repayment accrue to the association, while additional funds for credit are continuously allocated by PLAN. Under the circumstances, the repayment of loans may not be perceived as a contractual obligation.

A third factor which was empirically confirmed from key informants is circumstantial and has to do with family emergencies (sickness or death in the family) or force majeure (crop loss due to typhoon, flood, or drought). The need for extra cash under these conditions is even greater than that required for everyday subsistence.

The social welfare indicators

The welfare indicators used by PLAN to assess the status of the families deserve some comments here to identify some of the weaknesses that render some of the measurements less accurate.

One relevant point is the equal distribution of weights for all the key areas particularly those for social adequacy. Taking the average of the scores to yield a measure of the overall well-

being of the family seems to be based on under or over estimation. The assessment, for instance, does not give way to the primacy of the areas of health, nutrition, and living conditions. Similarly, and as found in the present analysis, the economic level of the family tends to be overestimated by the inclusion of the employment factor. The mere increase in the employment rate of these families, therefore, contributed greatly to the score in economic sufficiency. The importance of income, more than employment is, again, apparently not considered in the measurement.

Finally, some of the indicators used to measure social adequacy make use of several sub-indicators that make the scoring seemingly unwieldy. For living condition indicator, alone, several factors are included in the measurement (housing, water supply, toilet facilities, lighting and cooking facilities, etc.). Moreover, some of the facilities included are easily dependent on the taste and preferences of the family, and may not necessarily project a picture of insufficiency.

APPENDIX A

TYPES OF SMALL BUSINESSES

	<u>Camarines Sur</u>	<u>Albay</u>	<u>Camarines Norte</u>
Service	Sound System Auto Repair Shop Welding & Iron- Works Shop Beauty Shop/ Hairculture	Engine Repair Shop Radio Repair Shop Photo Studio	Beauty Parlor
Trade	Sari-sari Store Buy and Sell Fruits & Vegetables Slippers Dried & fresh fish Meat Clothes/pants Junks/empty bottles/scraps Pigs Palay Snake skin Firewood RTW Furnitures(wood) Copra	Sari-sari Store Buy and Sell Rice Firewood Fruits & Vegetables Rootcrops Dried & fresh fish Smoked fish RTW Tupperware Chicken Peanuts/Pili/ coffee Cigarettes "panutsa" coconut Old coins/antiques Eggs Sugar, oil, soap Mats Abaca, abaca slippers Lambanog Burlap	Sari-sari Store Buy and Sell Pineapple Pigs RTW Chicken Fruits & Vegetables Firewood Palay Wine Dried & fresh fish Balao Nipa Sweepstakes Gold Watch Rootcrops
Manufacturing	Food Processing Candy making Cooked food Instant salabat Tosino & Longanisa Snacks Bread making Peanut butter "iscramble" Hollow Block making Bra making	Food Processing Carenderia Candy making Rice cake Ice cream Siopao & Chakoy Pili candy Dress Shop Tailoring Furniture Shop	Food Processing Cooked food Chocolate making Baking/bread making Balut making Snack Tailoring

APPENDIX III

BANGKOK BULLETIN

November and December 1984





FOSTER PARENTS PLAN INTERNATIONAL

Inter Office Memorandum

November 7, 1964

To : NAGA, MENDOHO, YOGYAKARTA, NEW DELHI
KANDY, THAILAND, BALI, NAIROBI
CAIRO.

From : E. Glenn Rogers, Director Special Projects-Asia

Re : Income Generating Project

As I wonder what you have been doing as it relates to income generating projects, I am sure you are wondering what I am doing in Bangkok and how that might affect your operation. This simply means that there is a need to share information not only among field posts in the project from the first year, but also those field posts coming into the project the second year. I have decided one of the ways to share information would be through a bulletin which I would like to issue monthly. Some will deal with experiences I have learned about through other agencies. Some will deal with information I have learned while visiting PLAN field offices. In either event, I shall try to make the information pertinent to what we are doing as well as interesting reading. At the end of the project I will probably ask you whether or not the bulletins have been helpful.



FOSTER PARENTS PLAN INTERNATIONAL

35-4/2 Soi Ekamit (off Ekamai 63) Bangkok 10110, Thailand.
Phone: 491 5840 Telex: 84626 CRS TH

From time to time, you will hear me refer to the PICSES project. It is a USAID funded project and PICSES is the acronym for Program for Investment in the Small Capital Enterprise Sector. I attended a seminar in Washington, D.C. in June 1984, to hear a presentation of lessons learned from the PICSES project to date. If it is not obvious, I should state that the reasons for passing this particular information on to you is our mutual desire not to reinvent the wheel. There are experiences available which should be helpful to us in such a way that we do not make the same mistakes someone else has already experienced.

Three agencies have been involved in the PICSES project since its inception. There is ACCION International with most experience and responsibility for Latin American ACCION is headed by Jeffrey Ashe. Secondly there is Partnership for Productivity with major responsibility for Asia and therefore you will probably hear more about PFP than any other agency in the field. Lastly there is the Development Group for Alternative Policy (DGap) with major emphasis in Africa and the Middle East. Another agency not in the PICSES project, but with a great deal of good experience is Technoserve with major emphasis in Africa. Shirly refers to most of these agencies in her report.

PICSES credits itself with catalyzing the following changes:

- PICSES seems to have contributed to a dynamic that is abroad in the PVO and NGO community characterized by a shift out of rehabilitation and other kinds of non-economic oriented approaches.
- Similarly, USAID projects have gone very heavily into this kind of small enterprise/micro-enterprise assistance.
- PICSES has also stimulated some government-to-government projects in several countries.
- The Peace Corps is now cooperating with USAID on a joint program of Micro-enterprise assistance.
- There have been, already, second-generation projects that have gone beyond the demonstration projects.
- These approaches have contributed strategically to USAID Women in Development policy, and many beneficiaries of this project have been women.

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goes a long way - in the PISCES demonstration project in Costa Rica, a revolving loan fund of \$65,000 served the needs of 447 enterprises. The result of loans given to these businesses was more than a doubling of income and the creation of over 100 new jobs.

If an organization is contemplating working with the informal sector, it is important to define clearly the level of enterprises that is to be reached. Something we've learned in the PISCES project is to distinguish two levels of clients. One group consists of owners of existing businesses, whose income is roughly equivalent to the minimum wage in their country, and the other group is what we call the "pre-entrepreneurs," people with no business or extremely low-productivity activities. Those in the entrepreneurial group are entrepreneurs by choice. Many had been construction workers or factory hands before and had saved up to invest in their tiny businesses. They often have several years of experience, are skilled within the context of their activities, and often work long hours. The pre-entrepreneurial group have a business often because there is no alternative. Activities are extremely unproductive - activities such as the selling of a few tomatoes or oranges a day. Income from these activities, not surprisingly, is much below minimum wage.

For each of these major sub-groups, there is an appropriate type of intervention. For the pre-entrepreneurial group, the integral community-based efforts, which have both business and non-business inputs, work better. These tend to be more complex and costly per participant, but poorer people are reached and the social impact is much greater. The PISCES demonstration projects in Kenya and Egypt are examples of this type of effort. For the entrepreneurial group, we have what we call "micro-enterprise" projects, such as the PISCES demonstration projects in the Dominican Republic and Costa Rica. Finally, the PISCES Project has experimented with "umbrella organizations" that can broker funds to a large number of small local organizations. Projects in Bangladesh, Indonesia and the Philippines are examples of this.

Before discussing the details of these types of projects, it is important to sum up the characteristics common to successful programs. Micro-enterprise projects are not easy to do well. Successful programs have:

- good leadership;
- concern about shaping program to clients' needs;
- conscientious, dedicated staff interested in progress of clients' business;
- community-based mechanisms for selection;
- outreach to reasonable number of clients without exhaustive analysis or undue delay;
- seriousness about payback and efficient administration.

Programs with these characteristics have a good chance for successfully reaching the micro-enterprise clients.

The first speaker at the seminar I attended in Washington, D.C. was Jeff Ashe of ACCION. He presented an overview of the issues which I think we, too, have discussed at least raised questions; therefore I think his comments will be in interest and for that reason I quote his comments in full as follows:

"The informal sector is divided into three categories:

- (1) the petty commerce sector - street food vendors, market stall holders selling pots and pans, etc.
- (2) the service sector, made up of radio repairmen, laundry women and so forth and
- (3) the micro-industry sector, including brick-makers, seamstresses and shoemakers.

The most important characteristic of these businesses is, of course, their extremely small scale. They are also very labor-intensive, and need little capital input - it might take as little as \$15 or \$20 to start up a business. A staggering 30% to 70% of the labor force in developing nations, depending on the country, is absorbed in informal sector activities: for example, half a million people are involved in micro-business in both Lima and Jakarta. This sector, far from disappearing, is growing both in terms of numbers and percentages in many Third World nations.

What is their role in the economy? Because this sector absorbs so many, these businesses are of vital importance for employment; 780 million new jobs need to be created in the Third World by the year 2000, and a majority of these are likely to be created in the informal sector. These businesses are also important as a source of employment for women, because the smaller the businesses, the more women business owners there are. Their importance in skill and entrepreneurial training is central - a survey of micro-business employees in Santo Domingo showed that 75% had learned to operate a new machine or how to make something in their present job.

Micro-businesses are also the major source of goods and services in a form the poor can consume - where else can you buy half an onion or one cigarette? - and are the main distributive channel of goods for the formal sector. They provide the optimal mix of capital, labor and energy within the context of poor communities, and their ability to recycle waste materials is phenomenal - a tuna fish can be converted into a small lamp, broken bottles into glasses, and old mattresses can be stripped, restuffed and resold.

These businesses face many problems, prime among them being almost total lack of access to institutional sources of credit. What credit they do get is usually obtained from moneylenders who charge up to 20% a day and who lend in very small amounts, leading to chronic shortages of raw materials and merchandise. Business owners are more likely to be harassed by authorities than helped, and seldom benefit from industrial development policies which tend to favor larger businesses.

An important finding of PISCES is that donor contributions to micro-enterprise programs make a sound social investment. Peter Kilby, in his recent report Searching for Benefits 2 states that investment in micro-enterprise effort has a higher cost-benefit ratio than investment in modern industry - more income for poor people is created. A little money invested in these programs

²Peter Kilby and David D'Zmura, Wesleyan University, May 1984

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Bangkok Bulletin

No. 2
DATE DEC., 1984

Assisting the Smallest Economic Activities
of the Poor: Major Conclusions of Phase
I and II - Implications for Donors
Jeffrey Ashe

To summarize the PISCES findings, there are two basic levels of enterprises:

1. The "entrepreneurial" group, with established businesses and
2. The "pre-entrepreneurial" group, with extremely low-productivity activities or none at all.
For each level there are distinct approaches to providing assistance which have proved to be most appropriate:
 - 1) for the entrepreneurial group - enterprise development projects, which focus on credit, management and organizational assistance; and
 - 2) for the pre-entrepreneurial group - integral community - based projects, which include a wide range of both social and enterprise - related services. Whatever type of project, however, there are common problems that cut across all levels of micro-enterprises, such as a hostile policy environment, lack of institutional credit, high prices for raw materials, and limited markets.

There were also common lessons learned in all of the PISCES demonstration projects, whatever level of enterprise they were working at, and the following list describes for donors and practitioners some common characteristics of "good" projects:

PHILOSOPHICAL UNDERPINNINGS:

Micro-enterprise projects have what might be called a "Jeffersonian bias" - that is, they make the assumption that it is important to work with the smallest enterprises for reasons of equity.

PROJECT DESIGN:

The design process should begin with a feasibility study to make its services congruent with client needs, and the project should continually re-design its services and management systems.

PROMOTION AND OUTREACH:

For the entrepreneurial group in urban areas, and to a lesser degree in rural areas, outreach is done by word of mouth. With a well-designed program there is no lack of demand for these services; if clients are hard to find or require considerable convincing, it is probably the fault of the project design. The pre-entrepreneurial group needs intensive promotion, requiring first the gaining of trust and development of self-esteem, because the clients have a very limited experience with formal sector institutions.

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SELECTION AND QUARANTEES:

How do you select from among clients with no collateral? One way is for the promoter to get to know candidates individually, but a less costly way is to use the solidarity group mechanism or various kinds of community selection mechanisms. Once again, there is a difference between levels of enterprise, with the most intensive work done with the pre-entrepreneurs and the various types of community selection most appropriate for the entrepreneurs.

CREDIT:

There is a debate among practitioners about the importance of credit, but from the beneficiaries' perspective credit is very often the most important and immediate need. Even if the program has other objectives, credit is the carrot that attracts clients. In fact, credit by itself often stimulates progress in the areas of new job creation and increased income. Should credit be given before management training or other inputs? For the entrepreneurial group the answer is often yes - if you start with a small short-term loan to test the enterprise and the business owner. This way there is little risk for the client or the program. For the pre-entrepreneurs, there often needs to be considerable training and orientation before a loan is given, especially in the case of collective enterprises. The same is true of larger long-term loans to the entrepreneurial group.

It is important to make credit congruent with the client's needs. The most common problems of loan programs are loans that are too big and payback periods that are too long or too infrequent. At this level, people are used to thinking in terms of one-day or one-week paybacks to moneylenders, so the loan package should reflect this. Another problem faced by programs procuring good rates of loan payback; one of the most effective incentives is the immediate availability of subsequent loans. If loans are not being paid back, quick action is needed to prevent the payback problem from getting out of hand and compounding itself.

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One other point that needs to be considered in structuring a credit package is whether or not credit should be given in cash or in kind. From the perspective of the clients, cash is generally preferred to in kind payments, because clients, with their contacts and knowledge, can, quite frankly, generally work out better prices than the staff can - getting materials from pawn shops, using odd pieces and recycled materials and the like.

SAVINGS:

There is a great untapped savings potential among loan clients. Savings are important because with savings, clients can lessen their dependence on moneylenders. Another advantage of savings is that there is a real possibility that the programs can gain independence from donors by using savings to capitalize the loan fund, at least in part.

INTEREST RATES:

This subject is hotly debated. The main argument for subsidized rates is that micro-businesses are too unprofitable to pay the higher rates. Yet this argument is called into question by the fact that people pay from five to twenty times the commercial rate to the moneylenders already. Unsubsidized rates encourage independence of the clients and the self-sufficiency of the program. Various evaluations have shown that interest rates are not as important a factor to clients as quick and easy access to funds. It should be recognized, however, that subsidized rates may be essential when dealing with the start-up of businesses or collective enterprises, at least in the short term.

CREDIT ADMINISTRATION:

Loan programs need simple procedures (one-page application forms), a quick decision-making process, and good follow-up to prevent problems from emerging later. Administering a credit program is inevitably complex and time-consuming, and this should be carefully considered before a PVO decides to begin loaning money.

MANAGEMENT ASSISTANCE:

Not all clients need management assistance. Many abandon bookkeeping when not supervised and go to courses because it is required, and, at least with the entrepreneurial group, considerable progress can be made initially with no management assistance at all. Once a business begins to expand significantly, then management assistance is often called for. Management assistance is vital to the pre-entrepreneurial group, especially in the case of start-up or collective businesses.

Once it is decided to have a management assistance component, what should be taught in the courses? The worst approach is to give watered-down business administration lectures appropriate for an educated audience. The best approach seems to be to present concrete, specific examples of problems that micro-entrepreneurs can identify with and give opportunities to owners to exchange ideas and assist each other. Also, the common assumption that management assistance begins and ends with bookkeeping is being contested. Time may be better spent talking informally about how the businesses can expand. Bookkeeping is not in itself a practical planning tool and requires a more formal conception of how to run a business than people at this level are easily able to accept.

MONITORING:

Few programs have adequate monitoring systems; often there is adequate data but inadequate access to it for planning purposes. A good monitoring system probably will force a definition of the objectives of the program and how they are to be measured. It is important to emphasize that a monitoring system, if it is not integrated into the decision-making process, is useless. Finally, monitoring need not be complex; it can be kept simple by building it into the credit application and loan record systems.

PROJECT MANAGEMENT:

The key components of good project management are:

1. focused goals;
2. commitment to the goals by leadership and staff;
3. streamlined procedures;
4. a good internal monitoring system;
5. specific goals for staff;
6. inclusion of field staff in decision-making;
7. inclusion of beneficiaries in assessment of program; and
8. continual fine-tuning of management.

STAFF EFFICIENCY:

To keep staff efficiency high, good moral is indispensable, and for this staff needs to be imbued with a sense of social mission, and to identify with clients.

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IMPLICATIONS FOR DONORS

Good micor-business projects are notable for what they are not. They are not scaled-down small business projects, with one-on-one assistance, complex financial analysis, traditional guarantees and training systems. They are not social welfare programs, because they foster independence and are businesslike. A good project walks the fine line between these two approaches and synthesizes the best ideas of each.

One direction micro-enterprise development needs to take in the future lies in institution-building-assisting the many small private agencies interested in these efforts but with little knowledge of how to go about it. Another major new area is thinking about increasing the size of programs. Programs need to be scaled up if they are to have any appreciable impact. Finally, methodologies need to be fine-tuned, and the most proven methodologies need to be packaged. Training programs will make these approaches accessible to PVOs, cooperatives, banks and other financial institutions.

What PISCES Phase II has demonstrated is that it is possible to reach the informal sector, and that these programs can be effective. Also, recent research by Peter Killby shows that micro-enterprise assistance is one of the most successful categories for AID programs. But the donor machanisms, with their cumbersome procedures, are often ill-suited for stimulating a large number of small NGO efforts, which is essential if these programs are going to be more important in the future. It is generally the case that government institutions are too bureaucratic for efficient micro-enterprise assistance, and banks usually aren't interested. Some kind of intermediary "wholesaler" mechanism is needed if donors are to effectively reach the sector.

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If a major donor has a commitment to reaching micro-enterprises similar to its commitment to agricultural or health programs, the following is an outline of a three-phase strategy for a donor agency interested in doing this:

1. In Phase I, it would identify interested local institutions - some with enterprise experience, some not - and involve them in the design process.
2. In Phase II, it would create an umbrella structure with perhaps \$2 or \$3 million, making funds available to capitalize loan funds. It should focus on training of organizations and give out small grants at first to test its methodologies.
3. The most developed PVOs would be funded with larger grants in Phase III, other projects would continue being funded at their previous level, and new projects could be added. Experiments could also be made with direct funding to larger PVOs or with funding and training to banks or other financial institutions.

In conclusion, the PISCES Project has found that micro-business programs can be effective; the problem now lies in reaching enough tiny enterprises to make a difference. The major donors, such as AID, need to have a commitment to reaching this sector and to train more field staff. Most importantly, project assistance needs to be tied into policy changes, so that economic benefits will go to smaller enterprises as well as the larger ones.

PICSES

1. Philosophical underpinning
2. Project design - feasibility
3. Promotion + outreach
4. Selection + quarantees
5. Credit
6. Savings
7. Interest rates
8. Credit administration
9. Management assistance
10. Monitoring
11. Project Management
12. Staff efficiency

BUZZARD

1. Profit
2. Forward + backward linkages
3. Contribute to community
4. Sound business principles
5. Feasibility study
6. Equity
7. Multiplier effect
8. Quality
9. Plans for diversion + expansion
10. Sustainability