



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
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ACTION MEMORANDUM FOR THE MISSION DIRECTOR

DATE: June 8, 1989
THRU: DD, Mr. Steven P. Mintz *Steve H*
FROM: PDS/PSI, Lawrence M.E. Brown *Lawrence M.E. Brown*
SUBJECT: PVO Co-Financing Project (AID Project Number 493-0296)
Completion Report

Background:

The PVO Co-Financing Project (AID Project Number 493-0296) was completed on September 30, 1985, with final issuance of bill of collection on December 21, 1988. AID Handbook 3 requires the preparation of a "Project Assistance Completion Report".

Discussion:

The attached Project Assistance Completion Report follows the guidance for preparing such reports as contained in Handbook 3, Chapter 12, Appendix 14 A. It includes, among other things, a brief review of project accomplishments, a statement of lessons learned in implementing the project, and the summary of project history.

Recommendation:

That you signify your acceptance of this completion report by signing below.

Accepted: *John R. Erickson*

Rejected: _____

Date: 6-19-89

Attachment: a/s

Drafted: PSI:GSuwannarat:jj 06/06/89 (# 3618 R)
Clearances: PSI:LBrown (draft) 6/5/89
PSD:THammann (draft) 06/07/89
PDS:WBAum (draft) 06/07/89
FIN: (draft) 06/07/89

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Project Assistance Completion Report
PVO Co-Financing Project (493-0296)

1. Purpose and Goal

The purpose of the project was to multiply and improve local-level development efforts in Thailand within the priority sectors of AID assistance (Food and Nutrition, Health and Population, and Education and Human Resources Development) by promoting PVO development activities consistent with and in support of AID strategy.

The project's goal was to support self-help development efforts within the priority sectors of AID assistance which would improve the lives of approximately 400,000 of the poor majority and increase their capacity for their own development.

Sub-projects under the PVO Co-Financing I Project were to be launched at a pace of about 5 sub-projects per year. The project purpose was achieved as planned.

2. Accomplishments, Actual and Projected

At the end of the project, 25 sub-projects had been completed (plus 18 projects previously funded under Operational Program Grant (OPG) procedures). Projected numbers of participating PVOs and sub-projects designed and implemented were achieved with only slight deviations, as reflected in Table 1.

Table 1.

Projected versus Actual Project Accomplishments, PVO Co-Financing I
(Cumulative by fiscal year)

<u>Projected</u>	<u>FY 79</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>85</u>
Participating PVOs	14	15	16	17	18	19	20
Projects begun	19	21	26	31	36	41	43
Projects completed	7	12	16	19	25	35	43
 <u>Actual</u>							
	<u>FY 79</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>85</u>
Participating PVOs	14	17	17	18	19	20	20
Projects begun	22	26	31	37	40	43	43
Projects completed	9	12	14	23	28	29	43

3. Summary Project History

During the period of 1976-79, AID funded 18 PVO projects in Thailand under the Asia Regional Project, "Private and Voluntary Organizations." In 1979, the PVO Co-Financing Project was initiated to continue this program (Project No. 493-0296: \$5 million over 4 years). The PVO Co-Financing permitted project review, approval and funding at the Mission level, thus giving USAID flexibility to respond to PVO proposals in less time. Each USAID-supported PVO project was reviewed by the RTG through the Department of Technical and Economic Cooperation (DTEC) which, in turn, cleared it with the appropriate Ministries and governmental agencies.

The inputs during the life of the project were provided by USAID/PVO contributions of 39% co-financing, i.e. \$4,266,597 from USAID and an estimated \$2,785,000 from PVOs (cash or in-kind). According to the PVO Policy Paper, a minimum of 25% co-financing of project costs by PVO contributions was required.

All of the sub-projects under the PVO Co-Financing I Project addressed concerns of the Royal Thai Government's (RTG) Fifth Five-Year Plan (1982-1986). Ten of the twenty-five sub-projects under PVO Co-Financing I Project focused on community development activities in an effort to build up self-sustaining development capabilities at the village or tambon level. Approaches concentrated on self-help methodologies and included leadership training; home interventions in malnutrition; training in technical topics such as poultry raising, swine breeding, and vegetable farming for farmers and school children; development activities for school teachers; establishment of work groups and clubs for community action; and vocational training.

USAID took the lead in encouraging and providing opportunities for U.S. and indigenous Thai PVOs to participate more actively in the economic development of Thailand during the period of FY 76 through FY 79 under Operational Program Grants and during the period of FY 79 through FY 85 under the PVO Co-Financing I Project. A Non-Governmental Organization (NGO) Desk was set up in the RTG National Rural Development Center (NRDC) in 1983. The RTG has now recognized the importance of PVOs and integrated PVO activities into the Sixth Five-Year National Economic and Social Development Plan. A working paper on the roles of PVOs in national development was also prepared, jointly by a PVO and the RTG National Rural Development Center (NRDC), for use as a basis for a preparatory meeting on the Sixth Five-Year Plan.

4. Beneficiaries

The mid-term evaluation of this project found that of the 15 sub-projects reviewed, all beneficiaries were in the lowest 30% as ranked by income and wealth. Of these, nine sub-projects involved working with the landless rural population ("the poorest of the poor"), and five reached groups classified as otherwise disadvantaged or unreached. As examples, beneficiaries included the deaf, hilltribes and other minorities, Bangkok slum families, unemployed rural youth, women, and remote villagers.

Direct beneficiaries under this project were estimated at 400,000 persons. Table 2 below summarizes cumulative numbers of direct beneficiaries of the funded sub-projects.

Table 2. PVO Co-Financing I Beneficiaries (Cumulative Totals)

<u>FY 79</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>85</u>
280,845	292,645	295,734	325,062	400,650	430,547	460,444

Families and neighbors of those actual direct beneficiaries also benefited from this project.

In addition, the PVO sector gained by lessons learned from the sub-project activities. PVOs developed skills, methodologies, and strengthened conceptualizing powers in designing and implementing community development activities, self-help approaches, leadership training, malnutrition, training in technical topics such as agriculture, motivation for development activities, establishment of work groups and vocational training.

5. Lessons Learned

The PVO Co-Financing I Project was effective and has received full support from the RTG. It was recommended by the Evaluation Team that this project be carried on into a second phase. USAID-supported PVOs in Thailand were effective in reaching the rural poor and many worked with the poorest of the poor. This project enabled beneficiaries to realize both monetary and non-monetary returns, including increased individual and family incomes, greater confidence among women leaders, increased motivation for development activities among villagers, improved literacy, and improved nutrition and health.

Although the project design, implementation, and management were largely successful, several shortcomings were identified during the PVO Co-Financing I Project. Among those are the following:

8. Summary Financial Statement

A. USAID Funds (as of 03/24/1989)

	<u>Grant</u>
Life of Project funding	5,000,000
Obligated	4,266,597 <u>1/</u>
Earmarked	4,266,597
Committed	4,266,597
Total amount expended	4,266,597
Pipeline	0
Deobligated <u>1/</u>	502,787
 B. RTG Contribution	 0
 C. Other Donor's Contribution N/A	
PVO Co-Financing Contribution	2,785,000
(estimated total, cash and in-kind)	

Remarks: 1/ Excludes deobligated funds in the amount of \$223,000, reobligated into PVO Co-Financing II.

Drafted: PDS/PERE:GSuwanarat:jj 03/27/89 (# 3618R)
Clearances: PERE:LBrown (draft) 05/01/89
 PDS:THammann (draft) 05/23/89
 PDS:WBaum (draft) 05/24/89
 FIN:RHammersley (draft) 05/31/89
 PRO:GDonnelly (draft) 06/05/89

- PVOs continue to be weak in project design and evaluation as well as project management. Indigenous PVOs (IPVOs), particularly, are generally weak in financial management. Thus, workshops, PVO consultants and a CPA firm were planned to help PVOs strengthen their capabilities in these areas during the life of the PVO Co-Financing II project.

- Some methodologies used meriting replication were not replicated due to a lack of dissemination of "lessons learned." A conference among PVO management staff and key RTG officials concerned was held in July 1986 to give them the opportunity to discuss and exchange views. "Lessons learned" and test models were documented and disseminated among PVOs and those concerned with PVO activities.

- Selection criteria as well as funding consideration criteria were not well defined. Thus, the Mission developed "Prerequisites, Criteria, and Preferences for PVO Sub-project Selection" for inclusion in the PVO Co-Fi II project, and signed a Memorandum of Understanding with DTEC concerning the PVO sub-project approval process.

- Delayed submission of progress and financial reports to USAID was noted in some cases. This problem was solved by requiring that reports be received before releasing additional project funds. However, U.S. PVOs who received project funds under the LOC (formerly FRLC) mechanism submitted their vouchers directly to AID/W. Under this system, the Mission was unable to keep track of the PVO's current accounts and financial status as well as the management of the project. This problem was solved by providing subsequent recipient PVOs with periodic advances payable upon submission to USAID of periodic (quarterly or bi-monthly) financial reports. It is recommended that future PVO projects be financed with Mission disbursements.

We believe the above measures have provided a stronger and more resourceful PVO sector capable of having a more direct impact in development activities.

6. Review of Warranties and Project Covenants

There were no covenants under this project. The project was funded under individual grants.

7. Post-disbursement Reporting and Residual Monitoring Requirements

All disbursement actions were completed after the issuance of a Bill of Collection to the 4-H Council on December 21, 1988.

MACS-P062

OPTION NO.: 6

COUNTRY CODE: 493

OFFICE CODE: 510

USAID / THAILAND
 SUMMARY PROJECT FINANCIAL REPORT BY PROJECT ELEMENT
 AS OF 03/24/89

DATE : 03/24/89
 REPORT PAGE NO.: 1
 MISSION PAGE NO.: 1

OFFICE NAME : PROJECT SUPPORT DIVISION

PROJECT NO./ ELEMENT NO.	PROJECT TITLE/ ELEMENT DESCRIPTION	FUND TYPE	START DT/ PACO	LIFE OF PROJ FUND	OBLIGATIONS TO DATE	EARMARKS TO DATE	COMMITMENTS TO DATE	EXPENDITURES TO DATE	PIPELINE
4230236.00	PVC CO-FINANCING	G	05/02/79	5,000,000	4,266,597 ✓	4,266,597	4,266,597	4,266,597	0
	PROJECT TOTALS	>	>	>	4,266,597	4,266,597	4,266,597	4,266,597	3