

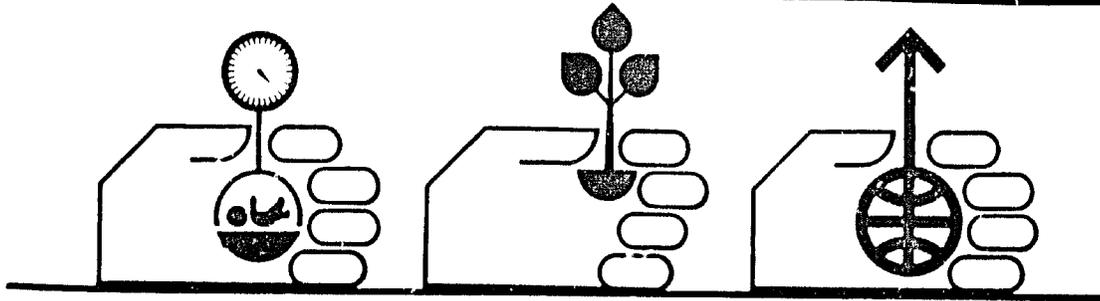
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RURAL CAPITAL FORMATION
CARE/AID Partnership Grant

Interim Report

Cooperative Agreement No. PDC-0267-A-00-5957-01



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Appendices and Attachments: See attached list

APPENDICES AND ATTACHMENTS

Appendix:

- 1.1 Original Logical Framework (Program)
- 1.2 Original Logical Framework (Institutional)
- 2.1 Revised Logical Framework (Program)
- 2.2 Revised Logical Framework (Institutional)

Attachment

- A-1 Evaluation Reports
 - "Impact Analysis of the Forestry Component of the CARE--Guatemala Agroforestry Program".....(March 27,1987)
 - "Koro Village [Mali] Agroforestry Project: An Evaluation Report".....(December 1986)
 - "Uganda Village Forestry Project: Evaluation".....(November 1986)

- A-2 Evaluation Reports
 - "Windbreak and Windbreak Harvesting Influences on Crop Production" [Niger](May 1986)
 - "High Mass Stove Evaluation: Guatemalan Agroforestry Project"....(June 1986)
 - "Congo Primary Health Care: Evaluation"(August 1985)

- B-1 Sample Fundraising Materials

EXECUTIVE SUMMARY

CARE and AID are now almost one-third of the way into their five-year partnership program to strengthen the formation of rural capital in lesser-developed nations. Thirteen of the planned eighteen projects are already underway in eleven countries in Africa, Asia, and Latin America.

Approach: The program, which is directed primarily toward poor persons who live in rural areas, has three broad fields of concentration: agriculture and natural resources, primary health care, and small enterprises. We believed that by helping to bring about improvement in these critical and interrelated sectors, we could have significant impact not only on the lives of those families directly involved, but also on the broader community's social and economic environment. A second objective of the program is to strengthen CARE as an institution - its ability to provide effective technical assistance leading to the growth of rural capital.

Although each of the thirteen projects focuses on one of the three sectors and is categorized under one sectoral heading or another, actually there is considerable overlap. The nutrition program in India, for instance, is labeled Primary Health Care and comes under the administrative supervision of our Headquarters PHC specialist. The program, however, also includes small income-generating activities and the construction of wells that will not only provide families with clean drinking water but also will be a source of irrigation for small farming activities. Similarly, many of the Agriculture and Natural Resource projects include planting and cultivation of fruit trees, which will improve the diets of the families who are caring for the trees and will also bring in some much-needed cash income.

This "developmental synergism" is strengthened by the four regional technical assistance teams we have put into the field: one serving East Africa, one for West Africa, one for Latin America and the Caribbean, and one for Asia and the mid-East. These specialists in their respective fields, (there are fourteen of them) are together applying their skills not only to the Partnership Grant projects but to all of CARE overseas development programs. The team nature of their work makes their support more effective than if they had been working independently or if the projects had been served by an array of short-term consultants visiting sporadically. Among them they have visited 31 of our 41 country offices.

Problems: The problems we encountered during the reporting period were normal for the initiation of Programs of this magnitude. We had difficulty in starting our Small Enterprise Development sector as it seemed many organizations were searching for a small number of SED specialists. We have underexpended funds across the board although our rate of expenditure is reasonable at 71 percent of planned. Finally we have, as an organization, suffered a sharp falloff in our private fundraising that has slowed our rate of project implementation.

Accomplishments: A short list of our accomplishments will serve to illustrate some of the significant impact the Partnership Grant has had on our overseas program:

- o We have initiated 13 of the 18 projects we plan to undertake during the course of the Grant.
- o The 19 domestic and overseas staff to be funded by the Grant are all on board.
- o RTAs have designed 24 projects, evaluated another 14, and held 15 training workshops.
- o A computerized technical assistance candidate roster has been installed.
- o Our Regional Technical Advisors have provided 123 person months of technical assistance to our missions.

Finances: In the eighteen-month period under review, we have spent \$4,737,000. This includes \$3,017,000 from CARE and \$1,720,000 from AID. In addition \$2.7 million of both cash and in-kind contributions have been received from host country counterpart agencies, U.S. Peace Corps, PL 480 Title II and other donors.

Looking to the Future: We see the continued institutionalization of our sectoral assistance program in which Regional Technical Advisors will become permanent fixtures of our Country Office strategies for designing and implementing projects. We have already seen and expect a continued rapid improvement in the quality of our projects. We expect our Small Enterprise Development sector to become as vital and as professionally recognized as Primary Health Care and Agriculture and Natural Resources. Finally we expect to reach all of our main Program targets within the planned Grant period.

I

BACKGROUND

The poverty in which the rural poor of the developing world live is well documented. Malnutrition and diarrhea in infants and children are endemic; infant mortality is unacceptably high. Environmental degradation has lowered agricultural productivity and reduced supplies of essential firewood and building materials, leading to further impoverishment of rural households. Communities lack the basic infrastructure necessary to provide health services, quality education or employment. Enterprising people lack the credit, markets, and skills they need to profit from local business opportunities.

The Rural Capital Formation program (RCF) was designed to combat this loss of development potential. Reduced productivity of land, poor health, and lack of physical infrastructure and entrepreneurial opportunities constitute major obstacles that frustrate the hopes of the poor. We believe that often there are a few key elements missing in communities' socio-economic environments that constrain progress. Through the RCF program CARE works with the communities to identify and alleviate those key constraints and develop programs that contribute to sustainable development led by the communities themselves.

The RCF program sponsors projects in three programmatic areas: agriculture and natural resources, primary health care, and small enterprise development. These three areas were chosen because they are crucial for rural farm families. Each sector makes a substantial contribution to rural capital formation. Most of rural peoples' requirements for outside assistance fall within these sectors. Further they represent a logical grouping of the types of activities in which CARE has traditionally provided assistance.

Smallholder farm families working to increase their production often find their efforts frustrated by topsoil erosion. RCF projects in agriculture and agroforestry work with farmers to prevent soil loss. Soil conservation is the missing element that can allow further agricultural improvements to occur. Once soil is retained, on site investments of labor and money to improve productivity--fertilizer, irrigation--can be reasonably expected to have an adequate return.

Ill health and malnutrition inhibit the individual's productivity, whether on the farm or in the classroom. Treating illnesses can drain a family's resources. CARE works with communities to provide primary health care services that reduce the frequency of a family's bouts with illness, and lower the cost of treatment when they do occur. Better health enables families to work more productively and to more fully enjoy recreational activities. Healthier mothers improve the life of the whole family and they give birth to stronger babies who have better chance of survival and help reduce the need for large families.

The incomes of rural families in developing countries are extremely low. It is essential that they have access to a reliable and adequate source of income so they can buy the many things they need, both large and small, for even the simplest lifestyle. With rising living costs, the purchasing power of their meager income is in fact falling in many countries. CARE's projects in small enterprise development help provide the rural poor with credit, technical advice, and training. In short, the projects are designed and implemented to produce more skilled and productive people, more marketable goods, and more disposable income with which to purchase goods and services and reinvest in productive capacity.

A needs assessment of our overseas missions carried out during the preparation of the Grant proposal identified lack of qualified technical assistance as a weakness in our drive to overcome key constraints and effectively engage rural people in capital formation. To address this weakness, we have used the Partnership Grant as the principle vehicle to improve the quality of our programming: it has made possible a vast improvement in the technical assistance we can provide, particularly to our field projects. Furthermore, under the Partnership Grant we have provided funding for thirteen projects overseas. These projects represent some of our best examples of the principles espoused in the Rural Capital Formation approach.

The external funding for the technical assistance and projects was essential. Although AID funds are less than half of the total expenditures on the program, it is safe to say that much of the accomplishments would not have occurred without them. They have spurred a successful fund-raising campaign that has allowed us to more than match the AID contribution. Combined with CARE's customary excellent record of stimulating other sources of support, particularly local, we have succeeded in more than doubling the AID contribution.

II

CARE'S APPROACH

A. GOALS AND OBJECTIVES

1. Organizational Goals

CARE assists people of developing countries to improve social and economic conditions through a process that promotes the rational development and use of local capital, including human and land resources, physical infrastructure and entrepreneurial talent. We also provide relief assistance in disaster situations.

CARE directs its projects toward lower income people and deals with problems that grow out of basic causes of poverty and under-development: poor health and nutrition, inadequate community infrastructure, high population growth rates, inadequate schooling and lack of educational opportunity, low productivity, insufficient employment and income-earning opportunities, lack of effective community organization, and attitudes that frustrate problem-solving competence at the local level. Our programs complement and support national development plans; they are flexible and, to the fullest extent possible, reflect a partnership that includes CARE, local agencies, and the people themselves.

2. Program Goals

The goals and objectives of the Rural Capital Formation program have been separated into two categories, one pertaining to the participants whom the program directly serves and another covering institutional strengthening of CARE and thus indirectly to a much larger clientele. To identify the two categories we call them Program and Institutional respectively.

Program Goals: The long-term program goal of the RCF program is to increase the availability and productive use of capital in the rural areas of approximately 18 developing countries by 1990. Intermediate goals are as follows:

- **Increased land productivity:** To increase crop, range, and forest production within the principles of sustained yield and environmental conservation.

- **Human resource development:** To improve access to basic health services and increase knowledge about good health, nutrition, and child care practices. To develop the vocational and entrepreneurial skills of rural people and improve the social infrastructure of rural areas.

- **Physical infrastructure development:** To foster appropriately scaled and effectively maintained rural infrastructure required for the productive use of other forms of capital.

- **Small enterprise development:** To help create systems for maintaining the viability of small enterprises.

- **Institutional Goals:** The institutional goal of the Rural Capital Formation program is to increase CARE's ability to deliver goods and services required for the sustained creation of rural capital. Intermediate goals are as follows:

- **Sectoral policy and strategy development:** To strengthen CARE's long-term planning of sectoral policies and improve strategies to implement these programs in three areas of emphasis: primary health care, small enterprise development, and agriculture and natural resources.

- **Program administration:** To enhance CARE's management of primary health care, small enterprise development, and agriculture and natural resource projects.

- **Technical assistance:** To improve CARE's ability to provide short-term technical assistance for project design, implementation, and evaluation.

- **Staff improvement:** To improve CARE's ability to develop the skills of its staff in all aspects of project design, implementation, and evaluation.

4. Expected Outputs

The initial expected outputs for the Rural Capital Formation were summarized in the logical framework submitted with the revised proposal. Because of a reduction in funding, the outputs expected have changed slightly. A revised log frame and explanation of changes made is attached.

The current status of the program outputs will be found in Section III of this report, Project Review and Analysis. The status of the institutional outputs will be found in Section IV, Management.

Expected Program Outputs: Shown below is a sampling of the expected outputs from projects within each sector.

Agriculture and Natural Resources: new or modified farming systems established that improve the productivity of land and labor. Examples of this include:

- **Cameroon:** Establish fuelwood and pole plantations in rural communities.
- **Niger:** Increase production of basic grains through the use of windbreaks.
- **Guatemala:** Help create local committees for decision making on reforestation and natural resource management.

Small Enterprise Development: new or modified credit and market systems established that create and support viable small enterprises. Examples of this include:

- **Egypt:** Create a supply of high quality vegetable seedlings, and provide extension and marketing services for smallholder vegetable farmers in the North Sinai.
- **Philippines:** Provide loans and establish specific production and sales targets for viable income-generating projects in rural communities.

Primary Health Care: establish new or modified systems established that increase the quantity and/or improve the quality of a community's physical infrastructure. Examples of this include:

- **India:** Increase the calorie and protein consumption of selected mothers and children.
- **Congo:** Provide expanded nutrition education materials to the government and private agencies.

Expected Institutional Outputs: The expected institutional outputs relate to the activities that CARE has initiated to improve its programming and staff.

- Sectoral Policies: three sectoral policy statements, drafted, one for each sector.
- Sectoral Strategies: strategies planned and in place to execute the three sectoral policies and a periodic review to ensure their effectiveness.
- Program Administration: computer-based systems set up to track project progress, maintain consultant and

long-term candidate rosters, and access outside computer services.

- Staff Improvement: training sessions carried out for CARE staff and national counterparts in sector skills and general development; training manuals published on subjects related to the design, implementation, and evaluation of projects.

B. Program Strategy

1. Program Rationale: Sector Selection and Institutional Development

Our strategy in the Rural Capital Formation program is to increase the availability and productivity of land, labor, physical infrastructure, and entrepreneurial activities and, at the same time, to improve our own institutional capabilities.

We chose to focus on Agriculture and Natural Resources, Primary Health Care, and Small Enterprise Development for these reasons:

- They address major, world-wide development needs.
- They represent a major commitment of CARE's present and future resources and reflect our missions' program strategies.
- They include technology transfer.
- They are suitable for rural programming and are within the management capacity of rural communities.
- Each contributes directly to rural capital formation, i.e., the creation of new wealth and thereby a higher standard of living for the rural poor.

Our four years of experience in the Renewable Natural Resources Matching Grant program suggested that the Partnership Grant should also be used, in part, to increase our in-house capacity to provide technical expertise to country offices. This strategy included restructuring the Program Department of CARE-New York to raise technical functions to the same level as administration. Recognizing the limitations of Headquarters--based technical assistance we decided to invest most heavily in field-based technical specialists known as Regional Technical Advisors. We also decided that a strong staff training program would be required to build the skills of our Country Office personnel, the foundation of the RCF program initiative. To encourage our staff to share their experiences, we set aside a small amount of funds to cover printing costs for technical publications. To ensure that all of this was properly focused and achieving the desired ends, we knew that we also needed to strengthen our evaluation procedures.

2. Inputs

The initial expected inputs were stated in the logical framework attached to the original proposal. Budget adjustments have resulted in some input changes, which are reflected in the revised logical framework. The current status of the program inputs will be found in Section III of this report, Project Review and Analysis. The status of the institutional inputs will be found in Section IV, Management. The financial inputs are presented and analyzed in Section V, Financial Report.

Program Inputs: The specific nature of program inputs varies from sector to sector and, within a sector, from project to project. However, some characteristics are common to all projects:

- **Planning:** We believe that preproject planning and design is often the single most important factor in achieving early success in a project. To do this we provide technical assistance for preproject design and undertake pilot projects aimed at fine-tuning project strategy before making major investments.
- **Technical assistance:** The new sectoral approach implies an increased burden of technical sophistication of our project staff. Our recruiting and hiring practices ensure that appropriately qualified technical specialists are employed. Additional short-term technical expertise is available bolstered by a technical publications program.
- **Training:** One of the most important elements of our strategy is development of project participants' skills needed to maintain and adjust the systems created during the project life. Our staff training program is designed to develop training skills of our project management so they can, in turn, adequately prepare the participating communities for eventual takeover of the activities to them.
- **Infrastructure development:** Regardless of the sector, most projects require some sort of infrastructure, be it a clinic, a tree nursery, or a market place. We do not develop infrastructure for its own sake but only as needed to provide a take-off point for the principal community development objectives.
- **Project funds:** We believe in providing adequate but not lavish funding. This is consistent with our goal of reducing recurrent costs to increase chances of project replicability and sustainability. To do this we use local staff, materials and supplies and we encourage our project counterpart agencies and participants to contribute as much as they can.

3. Participants

The principal target group for all three sectors is essentially the same: the rural poor. Within each sector the target groups are defined as follows:

Agriculture and Natural Resources: subsistence level, small holder farmers. This group generally does not have enough land, under current agricultural practices, to produce a surplus of commodities for sale. Women, who have the burden of collecting fuelwood, tending crops, and maintaining fruit and shade trees, are an important part of this group. Participant groups are selected first on their vulnerability to environmental collapse and secondly on the group's resolve to address resource problems. Groups are also chosen whose tenure situation and agricultural practices are compatible with CARE's approach.

Small Enterprise Development: individuals, groups, and cooperatives without access to the credit, training, and marketing support that are necessary to become viable enterprises. Urban endeavors that are linked to rural productivity are also considered: for example, urban street vendors who sell fruits and vegetables produced in a depressed rural area. Here too, women are given special consideration because of their key role in crop, textile, and livestock production.

Primary Health Care: families identified as "high health risk"--those with low income, many members, many pre-school children, adult males absent, and low levels of maternal literacy. Within families, those most at risk are generally pre-school children and pregnant and lactating mothers. Participating communities are selected based on their access to and use of health services; prevalence of malnutrition and specific diseases; and birth and death rates.

4. CARE's Special Capabilities

Agriculture and Natural Resources: CARE has been involved in fuelwood production, land and water management, agroforestry, and soil conservation since the mid-1970's. Our experience in the Renewable Natural Resources (RNR) Matching Grant program made it possible for us to quickly establish the Agriculture and Natural Resource sector of the Rural Capital Formation program, building onto existing projects. Since the completion of the Renewable Natural Resources Matching Grant we have more than doubled the size of the sector to 62 projects in 29 countries. Most of this increase arose from the redefinition of the sector to include existing agricultural projects that had not been included in the RNR program.

Small Enterprise Development: Although small enterprise development is a relatively new area of emphasis for CARE, we have augmented our experience with several projects with staff training and project design assistance. With funding from the Partnership Grant we have fielded a highly qualified team of SED specialists. Moreover, CARE has gained from its recent assumption of six projects from Partnership for Productivity (PFP). These projects have added to CARE's rapidly expanding Small Enterprise Development portfolio. Within the past year, the Small Enterprise Development projects have more than doubled, from 11 to 27, and we are currently considering several others. CARE's absorption of the PFP projects has also increased our personnel resources, including an assistant for the SED sector and numerous country staff.

Primary Health Care: For the past thirty years, CARE has demonstrated its commitment to health care by building clinics, training medical personnel, and supplying needed food, equipment and drugs. Since the 1960's we have emphasized primary health care in an effort to improve community-based health services. CARE's PHC activities are bolstered in many countries by an infrastructure for the distribution of PL-480 food supplements. CARE currently operates 77 PHC projects world-wide, including 28 water and sanitation, 14 integrated PHC, 25 food-assisted MCH, and 6 education/training projects.

III

PROJECT REVIEW AND ANALYSIS

A. INTRODUCTION

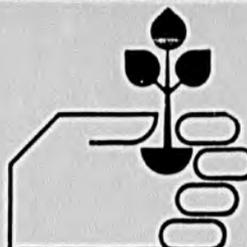
Eighteen months into the Partnership Grant program, a total of thirteen projects were being implemented with Grant funds. Eight of these are agroforestry projects, three are primary health care, and two are small enterprise development. Geographically, four projects are in Latin America (two of them in Ecuador), six in Africa (two in Cameroon), and three in Asia and the Middle East. The thirteen projects represent 15.2 project-years at a total cost of \$2,259,000 to CARE and \$607,000 to AID. Two of the projects that were expected to be a part of the Partnership Grant have been dropped because other sources of funding became available before the initiation of the Grant. These are the SED project in Lesotho and the PHC project in Peru. Funds earmarked for these programs were made available for other projects.

The thirteen projects chosen are consistent with CARE and host country priorities. Specific manifestation of the projects' high standing with our counterparts is the willingness of host governments to contribute both in cash and kind over 2.7 million or 44 percent of the total project expenditures. All have high potential for replicability and constitute a logical component of CARE's portfolio in the host countries. Finally, all of the projects directly contribute to rural capital formation--that is, the increased productivity of land, labor, physical infrastructure and entrepreneurial activities.

For the remainder of the life of the Partnership Grant, we expect that at least five new projects will be designed and implemented. Identification of these projects will follow the same criteria as those currently being funded.

A brief review of the thirteen Partnership Grant projects follows. The sketches include background on each project, a discussion of problems facing it, presentation of some of the project's accomplishments, and an outline of future plans. The reporting period covered varies as some projects were added in the second year. Each description ends with a comparison between project targets and outputs and the total AID and CARE expenditures during the reporting period.

B. AGRICULTURE AND NATURAL RESOURCES



The eight projects in this sector are all using agroforestry techniques to increase farm production of annual and wood crops. Tree seedlings are produced and planted by small farmers both to prevent erosion and desertification, and to provide building materials, firewood, and income. Soil conservation, fruit trees production, pest management and composting are among the techniques that accompany the tree planting.

Cameroon: Agroforestry



Background: This project, begun in 1985, was designed to build upon the Community Reforestation Project started in 1982 under the Matching Grant. It was initially intended for this project to be transferred to an AID/Cameroon OPG; however, funds for this were not available from AID/Washington and the project was included in the Partnership Grant. We are seeking another donor and plan to phase it out of the Grant by FY 90.

The project will improve the farming practices in over 100 villages in the Mayo-Tsanaga and Mayo-Sava districts in the extreme Northern Province of Cameroon. Together with the National Office of Forest Regeneration (ONAREF) and the Peace Corps, CARE assists 4,000 small farmers and their families to improve the productivity of their land using techniques of intercropping, live fences, windbreaks and fruit tree cultivation. By combining tree planting with agriculture the farmers enrich the soil and protect it from erosion, increase their crop production and improve the availability of firewood and construction wood. Seedlings are produced in six ONAREF nurseries and 40 village nurseries.

CARE professional staff consists of one expatriate project coordinator, one suboffice administrator (50 percent of time), director and assistant director (each 33 percent of time).

Problems: Training village leaders is difficult because of the large number of people involved, and also due to language/education/social barriers. The project staff are taking steps to overcome these difficulties. Specifically, the number of leaders identified for training will be reduced by not including those whose past performance was unsatisfactory. Also, project staff will review and redefine the role of the village leaders in the project.

Accomplishments: Almost 250,000 seedlings (89 percent of the target) were outplanted in the six months since the project has been receiving Partnership Grant funds. During this period three technical sheets were printed for use in training sessions for ONAREF extensionists, CARE animators, and village leaders. One training session for project animators was scheduled and conducted. Neither of the two training sessions for village leaders were held, but they are scheduled for later in FY 87.

Future Plans: Seedling production and outplanting will continue at the same rate as in FY 86. The project plans to establish between five and ten agroforestry demonstration plots in the third trimester of FY 87. Those plots will contribute to training sessions to be conducted for both project animators and appropriate village leaders.

Reporting period: July 1, 1986 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Seedlings planted (000s)	230	249.7	89
Training sessions			
for project animators	1	1	100
for village leaders	2	0	0
Technical sheets printed	1	3	300

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
42,649	38,147	227,000	307,796

Ecuador: Saraguro Community Forestry



Background: The Saraguro Community Forestry project began in May 1983 to promote improved land use practices among the Saraguro Indians in Loja province. Over 1,000 families from 20 villages participate in the project. In 1986 the project expanded to neighboring Canar province with the opening of another nursery serving an entirely new group of farmers. The project aims to increase productivity of communal and private lands by creating renewable sources of forest products and establishing self-supporting nurseries. CARE counterparts are the National Forestry Program (PRONAF) of the Ministry of Agriculture, the Provincial Councils of Loja and Canar, a Catholic

high school, and the Peace Corps. CARE's small staff of technical personnel, trains participants and supplies materials for planting and construction. The staff consists of a project coordinator, two supervisors, and an assistant.

Problems: The staff is experiencing a problem with over-production of seedlings. Outplanting has not kept pace with seedling production partly because of the severe drought in the southern Andean region, and partly due to delays in the Ministry of Agriculture's "Forest Plan." Because livestock is allowed to graze freely, all plantation sites require fencing which is quite costly. Plans to transfer project responsibility in Loja to the high school have not proved to be feasible as yet, due to the poor financial situation of the school.

Accomplishments: A study of the plantations in October 1986 reported a survival rate of 89 percent for pines and 84 percent for eucalyptus. Both rates are above the indicator target of 80 percent. Seedling production is exceeding all targets. Over 676,000 seedlings were produced in the last few months of 1986 alone--that is 125 percent above production targets for that trimester. Fruit trees are sold at a nominal profit, improving the nurseries' sustainability in the long term.

Future plans: Due to the diminishing availability of communal lands for forest plantation more attention will be focused on private lands. Emphasis will be given to promotion and establishment of small woodlots, windbreak/border plantings, live fences, fruit tree orchards and general integration of trees and shrubs on farmlands. In order to facilitate and strengthen these goals an agroforestry course is planned for early 1987 with extension activities to follow.

Reporting Period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Saraguro			
Contracts with communities	50	39	78
Tree holes dug (000s)	360	335	93
Trees planted (000s)	240	248	103
Canar			
Establish nursery	1	1	100
Tree holes dug (000s)	380	290	76
Trees planted (000s)	178	106	60
<u>Expenditures</u>			
<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
199,401	12,479	248,000	459,880

Ecuador: Community Land Use Management



Background: This pilot project began in 1985 in three provinces of north and central Ecuador. Since then, 2,400 families in 40 communities have participated in project activities. The purpose of the project is to decrease soil erosion, improve agricultural production, and increase sources of food, income, fuelwood, and timber. This is achieved by promoting improved land management techniques as part of a package that includes access to credit and agricultural inputs. Our counterpart, the National Soil Conservation Program of the Ministry of Agriculture (MOA), supplies extension workers. The

El Safrario Savings and Loan Cooperative provides credit to farmers and workshops on management. Two Peace Corps foresters serve as technical advisors.

CARE professional staff consists of a coordinator (50 percent of time) and three field supervisors.

Problems: Three major problems are affecting the project: underachievement in seedling outplanting, underutilization of loans, and low repayment rates. Initially, farmers were reluctant to take on a loan to finance unfamiliar techniques. As a result, only a fourth of the community loans and half of the individual loans were utilized. A native species nursery was established in FY 87 in order to improve the acceptability of the trees to the farmers and thereby increase seedling outplanting and utilization of loans. However, drought during November and December 1986 prevented the outplanting of seedlings during this report's period. Despite increased promotion of credit opportunities, farmers remained reluctant to shoulder loans. This problem and the unsatisfactory loan repayment rates will be more fully addressed by the credit/rural resource supervisor who recently joined CARE's staff.

Accomplishments: To date a total of 380 hectares have been treated with one or more mechanical interventions. The rate of hectares treated has slowed since July 1986 due to extensionists' diminished emphasis on community groups and numerical accomplishments as well as farmers' preference for a relatively labor-intensive bench terrace construction. Agronomic and agroforestry complements to terraces have remained high as have protection of terrace faces, diversion ditches and irrigation channels. Crop yields on fully treated fields have more than doubled. Ninety percent of the participants interviewed expressed an opinion that the soil had improved and they expect their harvests to increase. Involvement of the MOA in extension activities has been successful. The project has conducted 194 community meetings and boasts well over 2,000 farmer visit days.

Future plans: Expansion into two more provinces in FY 88 is being studied. Initial reactions to the concept paper prepared for the Azuay Province were positive but a number of difficulties remain of which funding is the most critical. Negotiations are currently underway for a 3-year extension of the project agreement in current Provinces.

Reporting Period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Terraces (ha)	190	224.3	118
Seedlings (000s)	205	26	13
Community meetings	66	97	147
Contour plowing (ha)	660	225.4	34
Extension seminars	4	1	25
Farm visits (per-days)	960	1921	200

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
108,595	50,247	135,000	293,842

Guatemala: Forestry and Soil Conservation



Background: CARE, together with the Guatemalan Forest Service (INAFOR) and the Peace Corps, operates this project in the Altiplano and Oriente regions of Guatemala. We estimate that 60 percent of all trees planted in Guatemala originate with this project. Since its inception in 1975 the project has concentrated on soil and forest conservation practices to improve agricultural production among smallholder farmers. Working in 350 communities with over 18,000 farmers, project activities include the building of terraces, contour ditches and barriers against erosion; forest management; preparation of compost bins; pasture improvement; and production of

fuel-efficient stoves. The project distributes PL-480 food commodities to participating families.

CARE professional staff consists of a project manager and assistant, a field supervisor (50 percent of time), a field extensionist, a contract forester (to conduct an impact evaluation), and a contract technician (to conduct an evaluation of the woodstoves component).

Problems: The training and placement of new Guatemalan extensionists delayed the conservation demonstrations. The resultant lag in meeting project targets is now being overcome; recently targets have been surpassed by roughly 30 percent. Pasture planting has fallen short of the project's targets by about 50 percent due to a lack of a local source for grass seed. Project personnel are developing local sources.

Accomplishments: Between July 1985 and December 1986 almost four million seedlings have been produced in the project's nurseries, slightly surpassing project targets. More than 200 communities have formed natural resource conservation committees, taking a significant step towards ensuring community control over the project activities. Participating farmers built terraces or contour ditches on almost 200 hectares of land. Some 8,800 compost bins were constructed, exceeding the project's target by 42 percent. Over 750 improved cookstoves were constructed by project farmers, approximately 80 percent of the project's target. Two internal impact studies were completed. They are included with the Evaluation Reports, Attachment A.

Future plans: The project will be evaluated during FY 88. Discussions have been initiated with Peace Corps and the USAID-funded Forestry Support Program regarding using the project as a case study of Peace Corps, Food Aid, and Forestry interaction. The project has become a priority within INAFOR; quality of field staff has improved substantially and the agency is

assuming a greater proportion of the project's daily responsibilities.

More natural resource conservation committees will be formed, further increasing community participation in the project as well as in other conservation activities.

Reporting Period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Terraces (Ha)	88.9	105.7	119
Contour Ditches (Ha)	124.4	90.9	73
Compost Bins (m3)	6243	8847	142
Seedling Prod. (000,000)	3.5	3.7	106
Fruit Tree Prod. (000)	80.9	87	108
Conservation Demos	2268	2061	81
Resource Conservation Committees formed	15	218	1453
<u>Expenditures</u>			
<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
139,599	146,029	1,094,000	1,379,628

Mali: Village Agroforestry



Background: This project, based in the Sahelian zone of Mali's Mopti region, began in June 1983 with the aim of producing trees for soil conservation, firewood, and shade. The goal of the project is to improve the quality of life of 17,000 rural inhabitants in 15 villages and 3 towns of the districts of Koro and Bankass. Activities include planting windbreaks and live fencing, intercropping, producing fruit and shade trees, and constructing woodstoves. Rather than produce trees in large central nurseries, the traditional approach of the Malian Forestry Service, the project uses four small central nurseries and eight village and school

nurseries to increase farmer participation and control. CARE's counterparts in the Village Agroforestry project are the Malian Water and Forest Service and the Peace Corps.

CARE professional staff include a project manager, a technical assistant, and four extensionists.

Problems: The major problem facing the project is how to protect the larger-than-expected number of trees that have been planted in the windbreaks. As this project does not use paid guardians as is done in other projects, participating farmers have agreed to protect each tree with millet stalks. The extension component of the project is still weak. Project staff plan to devote more time to training and supervision of extensionists, as well as in development of teaching materials.

Accomplishments: In FY 86 farmers planted 41,000 seedlings produced in FY 85 and produced another 69,000 seedlings for the following planting season. Over 50,000 seedlings have been planted in FY 87, meeting project targets. Almost 6,000 seedlings were produced in the village and school nurseries. Project staff are very encouraged by this accomplishment since watering and caring for a nursery at the village level is a formidable task.

In February 1986 the Malian government required each Malian household to construct an improved woodstove by early 1987. Since then, CARE staff, the Forest Service, and the Peace Corps have actively promoted the construction of improved woodstoves with good results. Over 4,000 improved stoves have been built in the project area.

The project was evaluated in December 1986 by a team with members from CARE, the Water and Forest Service, and outside consultants. The project was found to be progressing well. The evaluation team recommended that the project staff more actively

pursue the establishment of village nurseries and, concurrently, reduce the scale of the central nurseries. In this way a more active role for villagers will be assured. The team also recommended that the extension component be more process oriented, with the appropriate strategy being one-on-one visits between extensionists and farmers and more follow-up visits. The evaluation report is included with Attachment A, the Evaluations.

Future plans: The main activities will be to strengthen extension efforts for agroforestry and woodstove construction. In addition, a project library is to be organized and opened. Production of seedlings in both central and village nurseries will continue.

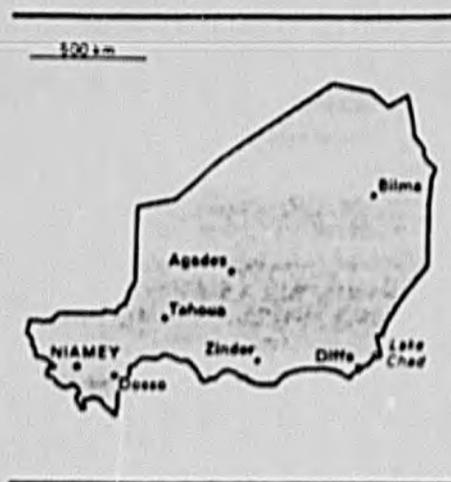
Reporting period: July 1, 1985 - December 1, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Estab. village nurseries	3	11	366
Seedling produced (000)	86	69	80
Seedling planting (000)	120	91.8	77
Ext. staff training	1	0	0
Local nursery demos.	6	4	67
Village meetings	200	165	83

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
230,764	98,358	149,000	478,122

Niger: Tahoua Agroforestry



Background: Located in the Tahoua department and primarily in the Majjia Valley that bisects the department, this project began in 1974 as CARE's first agroforestry project. Since then 540 kilometers of windbreaks consisting of 270,000 trees have been planted. The Tahoua project was designed to combat erosion and low soil productivity due to declining fertility from years of drought and mismanagement. Together with the Forest and Wildlife Service and the Peace Corps, CARE emphasizes windbreaks, soil conservation, and riverbank protection. This project benefits from Government of Niger funds generated from sales of PL-480 Title I commodities.

CARE professional staff include a half-time program manager a project manager, and an assistant.

Problems: Confusion over a new system of approving project agreements resulted a delay in planning for the 1986/87 season. When the protocol was finally signed in January 1987, we found that the policy regarding payment of nursery guardians had changed. The new policy stipulates that guardians will be paid in food rather than cash. Further, the value of the food is substantially less than the salaries. We plan to contest this decision.

Plans for exploitation of the windbreaks for fuelwood have caused a conflict between Majjia Valley residents and people from the rest of the district. Valley farmers claim the full benefits from the sale of wood. Other district residents, however, claim that gains from the sale of wood should benefit the entire district. A windbreak management committee has been established to handle complaints and distribution of wood.

Accomplishments: The recent completion of the Majjia Valley Windbreak Evaluation Study has demonstrated that production of cereal crops behind windbreaks increased 20 percent. (A list of the the Evaluation Study reports is included with Project Evaluation Reports-Attachment.) A total of 372,107 seedlings have been utilized for project activities including the planting of windbreaks, live fences, and woodlots. Over 150 kilometers of windbreaks and 21 kilometers of live fences have been planted. In order to ease some of the windbreak tree tenure problems, each of the four districts the project operates have now established community woodlots with 4,000 seedlings allotted for each.

A one-week workshop was held in November to train 45 government foresters and CARE extension aides in extension techniques. The participants adopted a proposal that a second seminar be held

and asked that CARE develop a training program in extension.

Future plans: An evaluation of the 1984-86 period of the Tahoua Agroforestry Project will be conducted in FY 88 as will an evaluation of seedling survival rates both in nurseries and after planting. The question of harvest rights will be addressed as part of developing a harvest plan. The first step of this process will be a survey of land and tree tenure of the windbreaks. We are also exploring the possibility of using seed from the neem tree (the tree comprising most of the windbreaks) seed as an insect repellent and anti-feedent for local use.

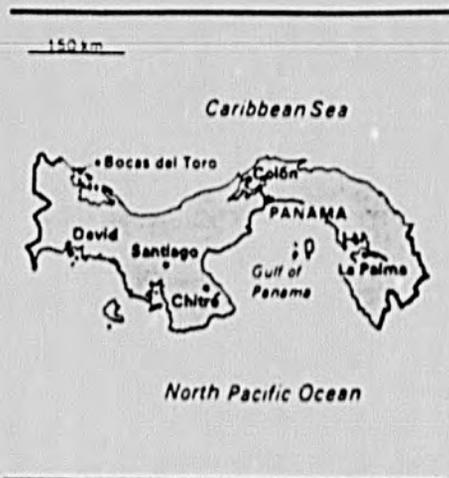
Reporting period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Seedlings prod. (000s)	1026	372.1	36
Seedlings Planted			
Windbreaks (ha.)	1,600	1,525	95
Live fences (km)	35	21	60
Woodlots (ha.)	40	40	100

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
239,332	2,907	---	242,239

Panama: Agroforestry



Background: Late in 1986 CARE and the Institute for Renewable Natural Resources (INRENARE), part of the Panamanian Ministry of Agricultural Development, began working on an agroforestry project in the provinces of Coclé, Panama and Colón. The project is designed to combat the increasing deforestation, declining soil productivity and low rural income. Project activities will include tree planting, soil conservation, composting, construction of contour ditches and terraces, and the establishment of permanent tree crops. The goal is to increase the income of an expected 5,200 participants living in the 36 communities in the

project area. This goal will be accomplished by improving land productivity and resource conditions of the project participants. The project plans to collect socio-economic baseline data in early 1987 before seasonal project activities commence.

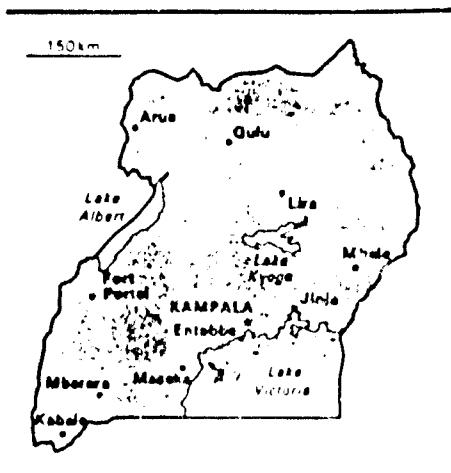
The CARE project manager arrived in November 1986 and worked closely with his counterpart in INRENARE to prepare the project agreement. The strong relationship built between CARE and INRENARE at this stage will facilitate project implementation in the future. For the remainder of FY 87, project staff will lay the groundwork for the project: selection of communities, foresters, and nursery sites.

Reporting Period: July 1, 1986 - December 31, 1986

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
2,947	4,360	2,000	9,370

Uganda: Village Forestry



Background: The project began in January 1984 as part of the Matching Grant, aiming to improve soil fertility and provide fuelwood and poles for small farmers in southwestern Uganda through on-farm planting of multipurpose tree species. The project has expanded far beyond expectations and currently operates in 11 districts--seven in the west and four in the east. The Forestry Department is CARE's counterpart agency and has provided a cadre of dedicated foresters. We have also had the assistance of two British volunteers.

The project grows more seedlings more cheaply than any other of our tree planting projects. This success is due in part to the viability of raising bare-root seedlings in nurseries given the excellent climatic and soil characteristics of the project area. Credit is also due to the dedicated staff especially the government foresters for their tireless efforts even during the recent civil war.

CARE professional staff include two foresters and one trainer.

Problems: The first year of the reporting period was dominated by a bitter civil war that forced evacuation of the expatriate staff in September 1985. They returned in March 1986 at the end of hostilities, so in effect the project lost both of the FY 86 planting seasons. Some seedlings that were in the nurseries in the fall of 1985 were claimed by farmers and planted and some nurseries continued operating for the spring '86 planting season.

A November 1986 evaluation by CARE and the Forestry Support Program reported that the average survival rate over the life of the project was 59 percent. The evaluators attributed poor survival to inappropriate species planted in drier areas, erratic rainy seasons, and poor planting practices. A survival rate of 75 percent is a customary aim of our projects. The evaluation is included with the Evaluation Reports, Attachment A.

Accomplishments: The project has established 281 nurseries in 11 districts of the country. Despite the interruption caused by the civil war, production of seedlings has far surpassed project plans; over 10 million seedlings have been produced since 1984, primarily Eucalyptus and Cupressus species.

The project is now expanding the scope of its activities by emphasizing agroforestry. A training officer was hired in April 1986 to plan, coordinate and conduct agroforestry training activities. Three training workshops were held in 1986 which provided

57 forestry service officers with exposure to agroforestry concepts and its potential within Uganda. All participants of the workshops were given tasks to be undertaken in the subsequent three months. These activities laid the foundation for agroforestry extension in all project districts.

Future Plans: The project has attracted the attention of the World Bank. We have agreed to incorporate the project, still under our management and with considerable CARE funding, into a Forestry Sector Program funded by the Bank. We plan to continue the project in the Partnership Grant although AID funding will be minimal.

The new influx of funding will be used to expand the area we cover and to open programming activities with local NGOs. The project focus will continue to emphasize agroforestry extension and training and will strengthen community participation in village nurseries. The sale of fruit trees will improve the financial viability of the nurseries.

Reporting period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Nurseries established	230	281	122
Seedlings prod. (mill)	4.4*	7.2	164
Farm visits	1000**	1608***	161

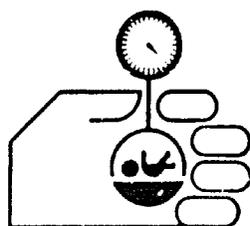
*FY 86 planned activities not included due to staff evacuation.

**FY 87 target.

***July 1, 1986 - Dec. 31, 1986.

Expenditures

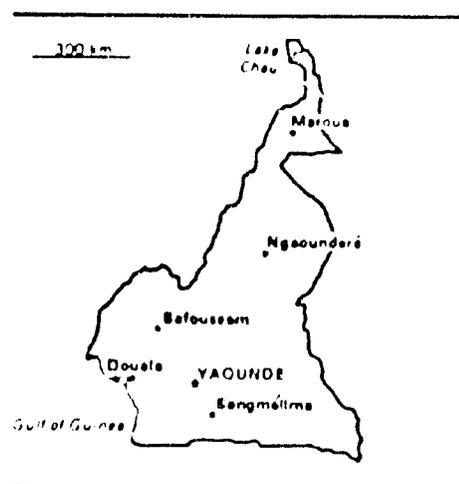
<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
309,362	120,691	69,000	499,311



C. PRIMARY HEALTH CARE

The three primary health care projects are making health services more accessible to rural people. By improving the health of mothers and their children, they are creating a more productive work force and should also help efforts to reduce birth rates.

Cameroon: Improved Weaning Practices



Background: Since 1979, CARE has been working in northern Cameroon with the Ministry of Health and the Department of Community Development on a well construction project. In 1985, responding to the enthusiasm of villagers in the project area for primary health care education activities, CARE decided to incorporate training in improving weaning practices into the project's health education component. Today the project works with Manoff International to improve the health of children in the area by training extension workers to provide education about hygiene and nutrition during the weaning process.

CARE staff consists of a project coordinator.

Accomplishments: During the six months since project began, a team of researchers has been gathering information for the second stage of the assessment phase of the project. In order to conduct the research required for this phase, project staff trained health agents in survey techniques. Data were gathered in ten villages in order to determine exactly what is fed to weaning-age children, in what quantities and how often. In addition, a time study was undertaken to ascertain how mothers use their time. The study indicated that there is generally a enough food, but that it is not used appropriately in terms of quantities given to weaning-age children, frequencies of meals, or preparation of nutritionally sound combinations.

Based on the information gathered, educational messages were designed to encourage and reinforce positive weaning practices and to ameliorate negative practices. Personnel then tested the messages for feasibility of adoption and acceptability, both in households previously studied during the Assessment Phase, as well as in villages not yet visited.

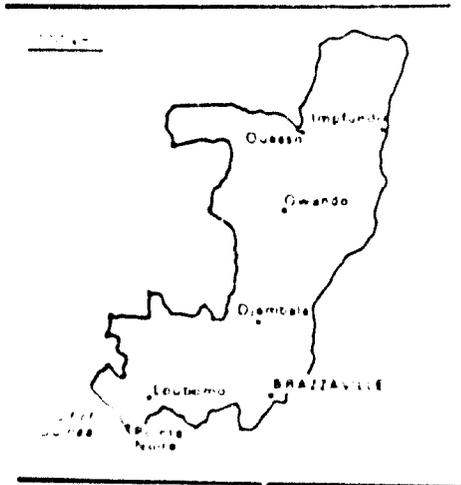
Future Plans: The messages developed so far will be refined based upon the test results. Subsequently, they will form the basis of the improved weaning practices education that will be introduced into all CARE villages in the Mayo Tsanaga Department.

Reporting Period: July 1, 1986 - December 31, 1986 (six months)

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
19,688	---	19,000	38,688

Congo: Primary Health Care



Background: The first phase of this project began in 1982, focusing primarily on support and training of village health workers. Now, in Phase II, CARE is assisting the government of the Congo in the strengthening of Primary Health Care (PHC). Activities are concentrated in the Mayoko and Moutamba Districts where approximately 46,000 rural people live. The project supports three health improvement activities: maternal health care, child health care, and sanitation.

CARE professional staff includes a Project Director, 2 project technical advisors, two government and one CARE PHC teams.

Problems: Striking a proper balance between curative and preventive services has proved problematic. While the villagers' want curative services, there is only a minimal infrastructure with which to meet that need. CARE is working closely with the communities to meet this need for curative services and, at the same time, is incorporating as much preventive activities as possible. Lack of essential building materials has hindered the construction of Maternal and Child Health (MCH) centers. A new group of midwives could not be trained as planned in late 1986 because the MCH had not yet assigned a midwife to the MCH centers to do the training.

Accomplishments: The project has established 28 village health committees and expects to attain the 1988 target of 41 active villages. Sixty village health workers (VHW) have been trained including twenty-four newly hired workers. A total of 33 village health workers have been found active. Fourteen traditional birth attendants (TBA) have received training and are now active. Ten dispensary nurses and six other hospital, MCH center, and PHC team members have been trained in supervision and MCH activities.

Roughly 2,000 children were immunized against the major childhood diseases in FY 86. Two MCH centers were refurbished and construction is nearly complete on a third. CARE will stock all three MCH centers with equipment and materials.

Future plans: As a result of overall CARE funding cuts and AID/Congo's declining OPG support to us, we have decided to clone CARE-Congo during FY 88. Plans to hand over the management of the health services have been drafted and will be implemented during the time remaining. Funds freed from this project will be used in other projects.

Reporting period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Village Health Committees	33	28	85
VHWs trained	25	24	96
TBAs trained	20	14	70
VHWs active	40	33	82
MCH Centers constructed	3	2.5	83
Children immunized:			
measles	1260	900	71
tuberculosis	1750	1127	64
DTP (3 doses)	1000	868	87
Mothers receiving tetanus immunization	750	535	71

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
310,399	83,031	338,000	731,430

India: Special Nutrition Program



Background: Since 1984 CARE has been working in the district of Kalahandi, in the state of Orissa, one of India's poorest districts. The people live well below the poverty line and exhibit varying degrees of malnutrition. Building on a food supplementation program in feeding centers, this project aims to provide a strong maternal and child health program through sanitation, nutrition, and income-generating activities. The project has four major components: tubewells and latrines, food supplements to pre-school children and pregnant and lactating mothers, nutrition and health

education, and training women in craft skills to increase their income. CARE's counterparts in this project are the State Government Departments of Community Development/Rural Reconstruction (CD/RR), Health, and Public Health Engineering.

CARE professional staff consists of a project manager, a project coordinator, and a field officer.

Problems: Coverage levels for project beneficiaries are not up to the levels envisioned. Steps are being taken to identify the reasons for lower-than-expected participation and to remedy the situation.

Publication of the Nutrition and Health Education Newsletter had to be postponed due to problems with finalizing this project activity. There were also financial difficulties in acquiring a film and slide projector to be used for educational purposes.

Accomplishments: Food supplements distributed through community centers reached roughly 65,000 people. The project has constructed 275 tubewells. Some 1,400 district and block-level workers received training in health, nutrition, and sanitation. They, in turn, will provide health education to 25,200 women in a series of women's camps later in the year. Five polyvastra (cloth woven from polyester, vastra means cloth) working centers have been constructed and women are now being trained in spinning and weaving.

Future plans: In early 1987, the project will sponsor two women's camps in each of the 420 community centers, reaching a total of 25,200 women. Health education sessions will be provided in the camps by block-level department health workers and their supervisors.

CARE plans to supply an additional 11,000 women and children with food supplements. Training in 420 villages will improve the outreach of the project as well as increase village participa-

tion. There are plans to produce posters, in the local language, to be displayed in the villages and health centers. Building latrines and tubewells in the community centers, villages, and private homes will continue.

Sites have been selected for the installation of another 275 tubewells in FY 87. Plans are underway to install dual-pit pour-flush water seal latrines both in community centers and in individual households. Sites have been selected for 56 community latrines and 399 household latrines for construction later in the year.

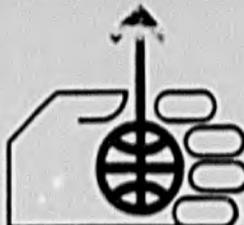
Reporting Period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Tubewells installed	275	275	100
Tubewell sites selected	275	275	100
Latrine sites selected			
Community center	56	56	100
Household	399	399	100
Staff trained	565	1461	259
Children receiving:			
DPT vaccine	50,000	50,000	100
Polio vaccine	50,000	50,000	100
Vitamin A supplement	50,000	50,000	100
Persons receiving food	85,500	66,512	78
Women attending Women's Camps	25,200	29,608	117
Income generating activ.	8	8	100

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
158,053	---	83,000	241,053

D. SMALL ENTERPRISE DEVELOPMENT



The Rural Capital Formation program seeks to multiply the positive effects of increased farm production and improved health by creating possibilities, and providing training, for entrepreneurial activities. The two Partnership Grant projects in small enterprise development improve the small farmer's access to credit and improved technology and offer training opportunities to build managerial skill. Both work through local organizations and contribute to these groups' capacity to continue project activities.

Egypt: North Sinai Agricultural Development



Background: In 1985 CARE began a project at Rafah and Sheikh EL Zwayed on the North Sinai coast to assist 640 families increase production and improve the quality of their vegetables. Two self-financing greenhouses have been built and are managed by small farmer cooperatives to produce high quality vegetable seedlings. The cooperatives serve as resource centers for information, advice and credit. The project provides spin-off benefits beyond the 640 families by providing more high quality produce to the surrounding communities.

CARE professional staff consists of a senior development officer and an agricultural officer.

Problems. Efforts to extend the planting season beyond the traditional November to March period have been unsuccessful. During spring farmers are still busy with their winter crops, and tomato seedlings planted at this time of year have traditionally been susceptible to a disease transmitted by white flies. The project team is arranging for cooperative members to visit other cooperatives in order to show them new ideas and approaches.

The results from the 1985/86 winter growing season were varied. The vine seedlings (cucumber, cantaloupe, watermelon) grown in the project's greenhouses required slightly different care than farmers traditionally provide. Despite advice given at the time of purchase and during subsequent extension visits, many farmers did not adjust their usual methods. The result was poor yields and loss of credibility for greenhouse seedlings. The project addressed this problem for the 1986/87 season by producing seedlings according to a more traditional method. Nevertheless, the belief persists that its vine seedlings are of poor quality.

Accomplishments: The greenhouses produced 520,000 seedlings during FY 86, falling short of the project's target of 1.8 million. Of these, 499,000 seedlings were distributed to 119 farmers, both well below project targets. In the first trimester of FY 87 only 54,000 seedlings were sold (18 percent of the target for the trimester), but sales are expected to increase in the second trimester. An informal evaluation by project staff during the winter 1986/87 planting season reported that thirty farmers have adopted some type of improved planting technique such as planting in green houses, using black plastic mulching, or using appropriate quantities of fertilizer. Demonstrations of staked growing techniques for cucumbers and tomatoes were successful in the 1985/86 season. The impact of these demonstrations on farming practices should be discernible in the winter of 1986/87.

The project has ties with the cooperatives and Ministry of Agriculture (MOA) Extension Service. The Extension service is conducting small village seminars for farmers in the area. Consequently, more services are available to cooperative members and the project has an opportunity to publicize its accomplishments. An extensive training program on the administration of cooperatives, consisting of several seminars targeted to specific groups, has begun.

Future plans: To demonstrate the benefits of new vegetable production techniques, small plots will be planted in the fields of some of farmers using the vine seedlings that were so problematic in the 1985/86 season. Cooperatives will open stores that will sell agricultural inputs and supplies.

Reporting Period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
Extension visits	220	169	77
New techniques demons.	16	16	100
Seedling distribution (000)	2140	553	26
Project mgt meetings	20	28	140

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
88,289	---	302,000	390,289

Philippines: Expanded Income Generation Program



Background: Since 1981 CARE has been working in the Visayas, Bicol and Mindanao regions of the Philippines to increase the income of rural families. During the first four years, the project's experimental phase, project staff worked directly with rural families, providing assistance and credit for vegetable farming, livestock raising, and small enterprises of processing and marketing. In 1985, however, the project was redesigned to improve the capability of local institutions to continue providing services in the long term. CARE now works with REACH (a federation of small farmer groups organized at the village level), other indigenous lending

institutions, and the local governments to provide credit. Participants apply for assistance from local NGOs acting as financial intermediaries and extension agencies, which in turn receive financing from CARE. This allows CARE to test local institutional management skills and provide instruction to improve the institution's lending capability, enabling them eventually to assume project responsibilities.

CARE professional staff consists of a project manager, a deputy project manager, field officers.

Problems: During FY 86 some project activities were delayed due to repayment and management concerns. Fishing projects were denied new loans due to their poor repayment rates. Project staff now formally assess the commercial viability of loan requests prior to granting credit. Repayments of new loans have picked up considerably.

Project personnel have spent a considerable amount of time redesigning based on lessons learned during the experimental phase. Low rates of loan collection were reported during that period, primarily because of a lack of personal contact with remote village creditors. During the second trimester of FY 86, one project officer and an accountant spent two weeks per month visiting 22 of the 37 subprojects funded between 1981 and 1985 in order to assess their viability and to verify the loan balances.

Accomplishments: The project has provided loans that were unattainable from local credit sources to 675 new participants since the beginning of FY 86. One loan cycle was completed by 220 new borrowers. Of these, 175 appeared to have significantly increased their income. Food and cement block manufacturers were able to use their increased income for operating capital and did not need a second loan. Thirty-six new sub-projects were begun during the eighteen-month period.

A ten-day workshop on participatory extension techniques was conducted for 18 extension workers in July 1986. The participants found the workshop extremely useful and asked that a follow-up workshop be conducted to discuss their experiences in implementing their action plans.

Future plans: CARE plans to alleviate project growing pains by focusing on the development of smaller Community Credit organizations. The subprojects that were continued from the earlier phase of the project will be grouped into two clusters: the vegetable projects in the five mountain province villages and the cattle subproject in seven Pangasinan villages. We are already seeking funds for the follow-up workshop.

Reporting Period: July 1, 1985 - December 31, 1986

<u>Activities</u>	<u>Planned</u>	<u>Actual</u>	<u>% Achieved</u>
New participants			
Receive loans	420	675	161
Completing one cycle	150	220	147
Collection rate	75%	91%	82
New subprojects	42	36	86

Expenditures

<u>CARE</u>	<u>AID</u>	<u>Other</u>	<u>Total</u>
220,155	---	57,000	277,155

IV

PROGRAM MANAGEMENT

A. **PLANNING AND DESIGN ISSUES:** CARE's approach to implementing the Rural Capital Formation program incorporates four interrelated activity areas: sectoral projects, regional technical assistance teams (RTATs), training and publications, and program management. While that approach has been maintained, we have made some minor adjustments to meet the realities of working in the field, and to improve the programs. Each of these activities and the changes made are described below.

1. Sectoral Projects

To better reflect the purpose and function of the RCF program, we have changed the names of two of the three sectors: Microenterprise Development has been renamed Small Enterprise Development (SED) taking into account CARE's work with larger enterprises and cooperatives. Similarly, the Agroforestry Sector has been renamed Agriculture and Natural Resource (ANR). This better describes our involvement not only in agroforestry but in projects such as range land management and soil conservation (Guatemala and Ecuador), and improvements in wood stove design (Mali and Guatemala).

Sectoral projects were supported by strategies and sectors guidelines. PHC and SED have both prepared draft strategy and guidelines. these are now being revised. The ANR sector is taking a different tack and building its startegy from components, derived primarily in the field. We have prepared a Food Aid and Agroforestry strategym a policy on use of exotic species and an extension trainign strategy. Preparation of a pesticide policy is underway. These and other elements will be combined into a comprehensive strategy in FY 88.

2. Regional Technical Assistance Teams

As described in Section II we have also used the Partnership Grant to increase our in-house capacity to provide technical assistance to country offices. The centerpiece of this strategy is the Regional Technical Advisory Team (RTAT). We originally planned to hire twelve RTAs: one in each sector for each of four geographic regions: Asia, East Africa, West Africa, and Latin America. Instead we have employed fourteen

full time and one half-time. This is because (a) we have hired two married couples to fill two RTA positions (ANR/Asia, SED/West Africa), and (b) we have added, entirely at our own expense, a Deputy Director of Training to our RTAT in East Africa. He serves both East Africa and Asia.

The table below shows the number of person-months that RTAs have been in place during the 18 month reporting period.

Regional Technical Advisor Placement

	<u>East Africa</u>	<u>West Africa</u>	<u>Asia</u>	<u>Lat. Am.</u>	<u>Total</u>
PHC	8	6	15	6	35
SED	6	2/2	17	6	21
ANR	13	17	24/2	17	71
Total	27	24	34	29	114

During this time, they served 37 missions, assisting with 24 project designs, 14 project evaluations, and 15 workshops

We originally planned to have four Teams, to be located in Thailand, Kenya, Cameroon, and Honduras. Instead of Cameroon and Honduras we have based RTATs in Niger, Guatemala, and Costa Rica. The new countries offer better airline connections with the rest of the region and proximity to regional centers of excellence. We decided to base the RTAs in Latin America in two countries to experiment with another model. This corresponded better with the regional centers of excellence: ANR and SED in Costa Rica and PHC in Guatemala. It is too early to determine the effectiveness of the split model for the RTAT.

The RTAT concept has been very well received by our country offices. Demands for their services have exceeded their available time. The RTAs have received consistently high marks for their services and are invariably asked back. Perhaps the best sign is that our country offices are increasingly willing and able to pay for their services. The table below describes the distribution of RTA time among their four main tasks.

Regional Technical Advisor Assignments (person days)

	<u>Design</u>	<u>Evaluation</u>	<u>Training</u>	<u>Tech.Bstop</u>	<u>Total</u>
PHC	251	122	147	172	692
SED	200	37	57	248	542
ANR	506	240	220	269	1235
Total	957	399	424	689	2469

During the reporting period, RTA's cost 1,216,535, out of which AID paid 526,437 and CARE paid 690,098

3. Training and Publications

The backbone of our strategy to improve the quality of our overseas programming is the vigorous staff training program we have launched with assistance from the Partnership Grant. Publications complement the training program and form an integral part of our technical assistance package.

The initial event of the Rural Capital Formation program in July 1985 was a training workshop; since then we have held four workshops, on an average, every four months. Workshops conducted during the reporting period have focused on project management, water supply and primary health care, and agroforestry. Workshops commonly take a sectoral topic and close in on applications of our project management approach for that topic. Three workshops have been of this type: Sierra Leone (7/85) and Peru (6/86) focusing on water and attended by 60 mid to senior CARE staff; and Kenya on agroforestry attended by 44 project managers and their counterparts. A regional workshop open to professionals from a variety of West African organizations was held to present the findings from the Majjia Valley Study.

Upcoming training sessions are shown below:

<u>ANR</u>	<u>SED</u>	<u>PHC</u>	<u>Mgt.</u>
Philippines 7/87	Togo 3/88	Kenya 12/87	Thailand 3/87 Kenya 9/87
Central America 2/88	Central America 12/88	East Africa Fall, 87	Guatemala 10/87

CARE has also used the Partnership Grant to help produce two important publications: a final draft of Agroforestry: The Extension Sourcebook, developed from our field experience in Kenya and elsewhere. We are seeking a grant from the AID-funded Forestry Support Program to print 2,000 copies of the Sourcebook.

A publication series based on the Majjia Valley Wind-break Studies has also been nearly completed using Partnership Grant funds. Described above in the Tahoua project report in Section III these studies will be the kickoff series for our ANR Technical Reports. These will be followed by a series of impact evaluation report from the Guatemala Agroforestry project.

CARE is also currently developing a series of training manuals, drawn from our projects around the world, that is designed to assist field practitioners. These include: Guidelines for Data Collection in PHC Projects; Training Guidelines for Project Design; and translations into Spanish and French of Guidelines for CARE Water Supply and Sanitation Projects.

4. Program Management

The RCF program has been managed by a three-person team based at CARE headquarters. These are the Partnership Grant Coordinator, John Michael Kramer, the Director for Program Support, Thomas Zopf, and the Technical Assistance Group Manager, Louis Alexander.

The Partnership Grant Coordinator is responsible for maintaining project budgets, progress reports and reporting to AID/Washington. He is the principal Partnership Grant contact with AID/Washington. The Coordinator is also the Director for the Agriculture and Natural Resources sector.

The Director of Program Support provides leadership for the technical assistance component of the RCF program and directs the program's evaluation planning and implementation. He also coordinates the recruiting of both long- and short-term technical specialists required for the RCF program. His responsibilities include evaluation planning and execution of our overseas programs in general.

The Group Manager provided general assistance to the Director of Program support. His assignments included developing a computer based technical assistance roster and assisting with the evaluation planning exercises. Due to budget reductions at CARE headquarters this position has been eliminated as of January 1987.

5. Evaluation

CARE provides for the systematic monitoring and evaluation of all projects. Our primary purpose in conducting evaluations is twofold: to assist project personnel in effectively collaborating with communities in meeting their needs, and to sharpen the community's definition of its development needs and means of achieving them. Consistent with our evaluation objectives, we stress evaluation of the process of community capacitation in addition to measuring of

quantitative outputs. We emphasize simple, cost-effective data collection and analysis techniques rather than more complex and costly methodologies. CARE has recently completed an examination of our current evaluation practices; the report will be disseminated to all missions for feedback.

All evaluations are managed by CARE staff with the collaboration of donor organizations and host country governments. In accord with our development philosophy emphasizing community participation, we are moving toward full community involvement in project evaluation. To that end, project staff are receiving training in participatory evaluation techniques.

Regional Technical Advisors and Mission personnel play a crucial role in evaluation design and implementation. Through the Regional Technical Advisors, lessons learned from evaluation in one country are disseminated in other countries within the region. As a result, project design is improving and successful implementation strategies are adapted to the needs of other countries. By increasing Mission involvement in project evaluation, the utility of the evaluation's findings is increased. Lessons learned are fed directly into the decision-making process.

We are presently taking several steps to improve our evaluation process and to broaden the application of lessons learned. To facilitate exchange and utilization of appropriate tools we are compiling an evaluation sourcebook, and gathering ideas from the literature on the subject as well as from the considerable experience of our field staff. Once a skeletal sourcebook has been assembled, we plan evaluation workshops for project personnel to both train and receive training in evaluation techniques.

Activities are underway to create a data base of project evaluations. Abstracts of evaluations of relevant projects will be appended to project proposals during the review process in order to highlight key issues in the project's design and in the host country's context. Evaluation documents will be sent to the Missions once projects are identified. Through this system we will improve the design of our projects, and facilitate the exchange of information among field personnel regarding major implementation issues.

A system is now being developed to track the evaluation of projects. The system will ensure that project budgets and work plans provide for periodic evaluation.

All projects are monitored through the use of the Planning, Implementation and Evaluation mechanism (PIE). As a management and evaluation tool, PIEs are prepared at the country level and submitted to headquarters three times per year. PIE preparation allows the Mission to assess a project's progress, and it provides a forum for consultation with the Regional Management

Unit of CARE headquarters. A study of monitoring issues and techniques has recently been completed and will be distributed to all Missions.

To date, the ANR projects in Mali, Niger, and Uganda have been evaluated. Two more evaluations, in Cameroon and Uganda, are in the planning stage. Of the three PHC projects funded by Partnership Grant funds, the Congo project has been evaluated. Baseline data will be collected for the Cameroon project in July 1987. In the SED sector, an evaluation is planned for the Philippines project in August 1987. The performance of the Regional Technical Advisors is evaluated after each assignment by the Country Director who requested assistance.

B Other Management Factors

1. Other Headquarters Staff

The Partnership Grant has provided funds for the Director of Small Enterprise Development and a Deputy Director of Agriculture and Natural Resources. The ANR Deputy was not anticipated in the original RCF proposal; the position was added in response to the doubling of the sector portfolio.

Current plans for program management include incorporation of other technical personnel into the program. These are the Director for Primary Health Care and the Deputy Director of the Food Aid unit. Funding for these personnel will be drawn from the Grant in proportion to their percentage of time spent on Grant activities. This will be done within the limits of AID expenditures for the Program Management established in our most recently accepted budget (August 1985).

2. Relationship with AID

AID and CARE have worked well together on the Partnership Grant and in some cases have combined resources. USAID has also been cooperative in developing creative funding sources for the Partnership Grant. In Niger, local currency generated by the selling of Title I food has been used for additional funding for an ANR project. In Cameroon, USAID helped put together an innovative funding package that allowed CARE and Manoff International to combine forces for a PHC project. AID/Cameroon also vigorously pursued funding for our Partnership Grant Agroforestry project. Other AID missions, such as AID/India, have worked closely with the CARE country office to program Partnership Grant funds. In general, AID mission and CARE country office personnel get along quite well; a good example of this was the Christmas day visit by the AID/Uganda Mission Director to the Village Forestry project.

The relationship between AID/Washington and CARE-New York is also strong and mutually beneficial. Thanks in part to the intervention of AID, CARE received the President's World Without Hunger award in 1985. We have co-chaired two Africa Bureau PVO meetings on forestry and represented the PVO community at the Asia and Near East Bureau's Agricultural Development Officer meeting in Bangkok. In the fall of 1985 the Grant Coordinator testified before a House subcommittee on CARE's agroforestry program in Africa; he cited as an example of success the Partnership Grant supported project in Niger and underlined the valuable contribution of AID to our agroforestry program in Africa.

4. Development Education

Our development education program "Sharing Global Harvests," is directed largely to the American agricultural community through contacts with national agricultural organizations, but it also reaches other groups such as universities and civic organizations. The program focuses on the global dimensions of hunger and poverty, the role of U.S. food aid in both the American and the developing countries' agricultural economy, and the common problems and aspirations of U.S. and Third World farm families.

CARE's Development Education program has helped the American public understand problems and activities in the Agriculture and Natural Resources sector. For example, our Development Education director helped draft Making Common Cause (a joint publication of development, environment, and population organizations) to define concepts and develop a strategy for educating the U.S. public about the need for sound environmental practices in the developing world.

In the health sector, the Development Education unit has been active in the National Campaign for Child Survival. Along with other U.S. PVOs we received a Biden-Pell grant from AID to train the leadership of national organizations to undertake Child Survival education programs with their membership. We are implementing that program with six organizations from our Board of Directors. We also plan to launch a national advertising campaign focusing on Child Survival. Other current plans include a interactive exhibit on Child Survival and collaboration with our Primary Health Care unit to produce a slide show and brochure for general education.

5. Project Fund Raising and Marketing

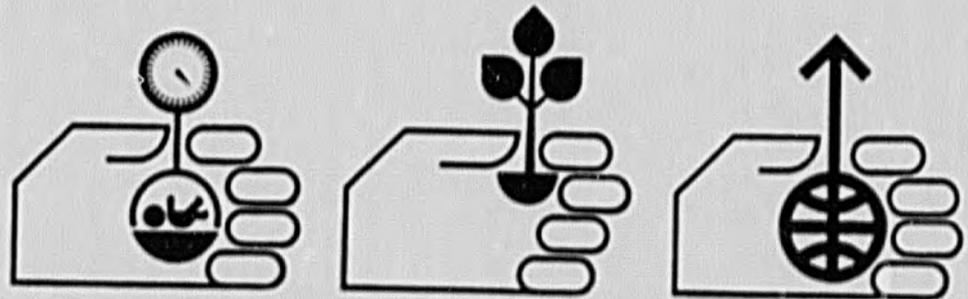
Although, as with other U.S. PVOs, CARE's overall private giving has declined recently, we felt from the first announcement of the Partnership Grant that we had an unusual opportunity for fundraising:

- The impressive endorsement of CARE's work in the form of AID's largest single grant to a U.S. PVO gave us our best occasion to date to explain CARE's government funding in a most positive light. Letters were sent to hundreds of thousands of present and potential donors stating, "This is the largest challenge made to a private agency in the history of USAID."
- The "matching" aspect of the Grant gave donors not only the satisfaction of knowing that their funds were in effect, being doubled by the Grant but also a sense that they were participating by choice in U.S. government efforts to assist the developing world.
- The programmatic principles that describe Rural Capital Formation gave CARE a concise way of explaining to its donors the essence of good development practice and the advanced state of CARE programming.

In December of 1985, CARE's Direct Marketing Department wrote to each of CARE's donors with a giving history of less than \$500 a year. Rural Capital Formation as a focus of the projects under the Grant was changed to the "Campaign for Family Survival" for the purpose of immediate impact on the reader. We asked for small donations to help match AID's funding and enclosed reply envelopes. The mailing yielded \$1,260,000, a sizeable sum for a "house" mailing.

For more personal solicitation of larger donors, our fundraising and publications staffs designed a campaign called "CARE for the Future." Materials were printed describing each of the original projects under the Grant and grouping them into sub-campaigns: "CARE for the Child" for the projects under the Primary Health Care sector, "CARE for the Community" for Small Enterprise Development projects, and "CARE for the Earth" for Agriculture and Natural Resource projects. This last slogan had already helped raise matching funds for the projects under CARE's first USAID Matching Grant from 1981 - 1985, one of the most successful fundraising and public awareness strategies in the history of the organization. Personalized "CARE for the Future" mailings to donors in the \$500-plus category yielded approximately \$650,000 in calendar year 1986.

CARE



CARE FOR THE FUTURE

The more sophisticated the donor, the more detailed and technical the information used in solicitation. Corporations and foundations received often lengthy proposals for funding of projects under the Partnership Grant. Particularly successful were fundraising efforts within a wide range of groups such as the General Federation of Women's Clubs, the Lions and Kiwanis clubs, and the Mormon Church. Individuals have already contributed sums as great as \$20,000 from their personal resources for projects under the Grant.

Below is a breakdown of contributions to the Partnership Grant projects by donor category, as of June 1987:

Corporations	\$70,000
Private Foundations	114,000
Groups and National Organizations	186,000
Individuals	724,000
Special Fundraising Events	40,000
Direct Mail respondents	\$1,260,000
Total	<u>\$2,322,000</u>

These funds represent money contributed either for specific projects under the Partnership Grant or for the umbrella program without specificity as to sector or project. It is widely felt throughout the organization that the Partnership Grant has helped to leverage funds from the U.S. private sector which otherwise would have gone neither to CARE nor to development in the Third World. With the exception of media attention to the crisis in Africa in late 1984, no other event has drawn so much income for CARE's work in recent years than the announcement of the Partnership Grant to CARE from AID.

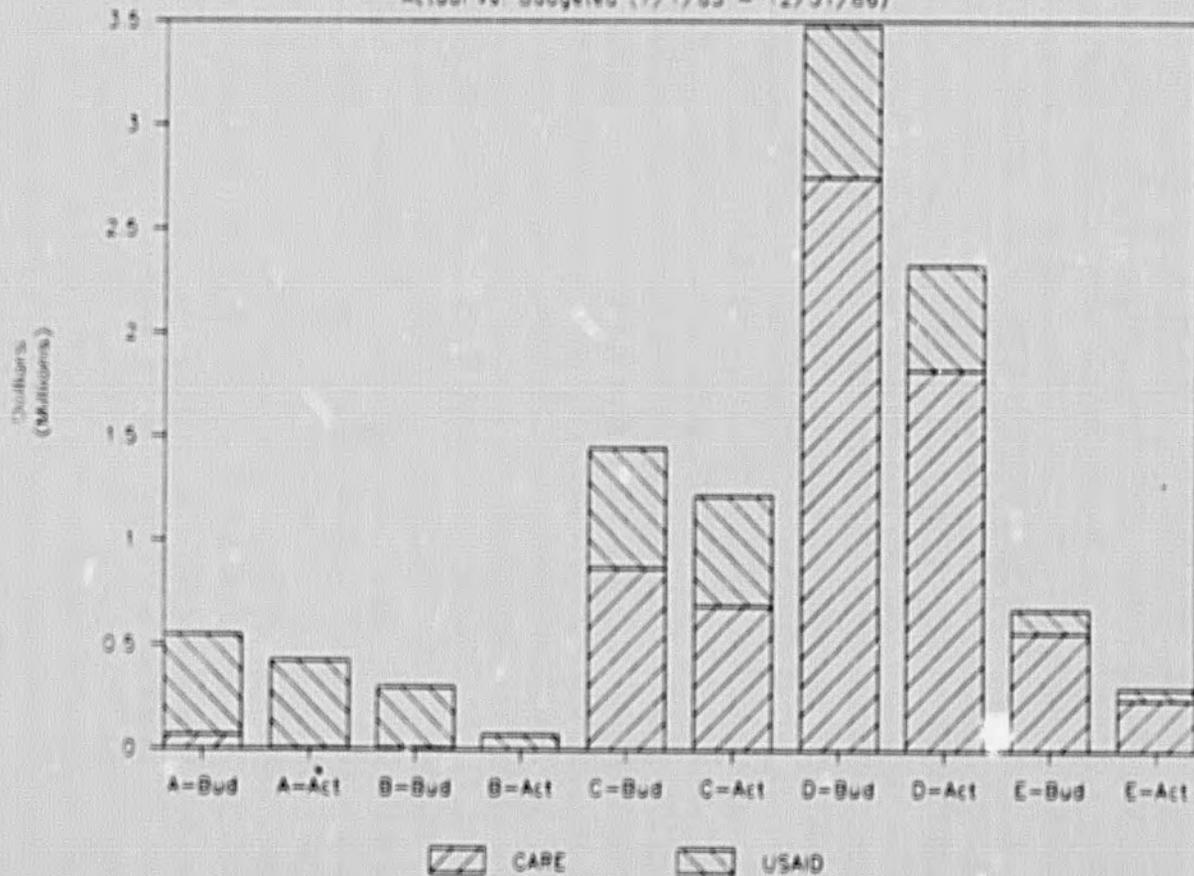
FINANCIAL ANALYSIS

A. SUMMARY

By the end of the first 18 months of operation, or 30 percent of the way into the Partnership Grant, \$4,737,000 had been spent on the program, \$2,867,000 on projects related to rural capital formation, and \$1.870,000 on the strengthening of CARE's institutional capability. This included \$3,017,000 from CARE and \$1,720,000 from AID. An additional \$2.7 million was contributed in the field from a variety of other sources: Peace Corps, European donors, host-country governments, gifts-in-kind, and PL 480 food-for work. CARE and AID expenditures, actual versus budgeted, are shown below.

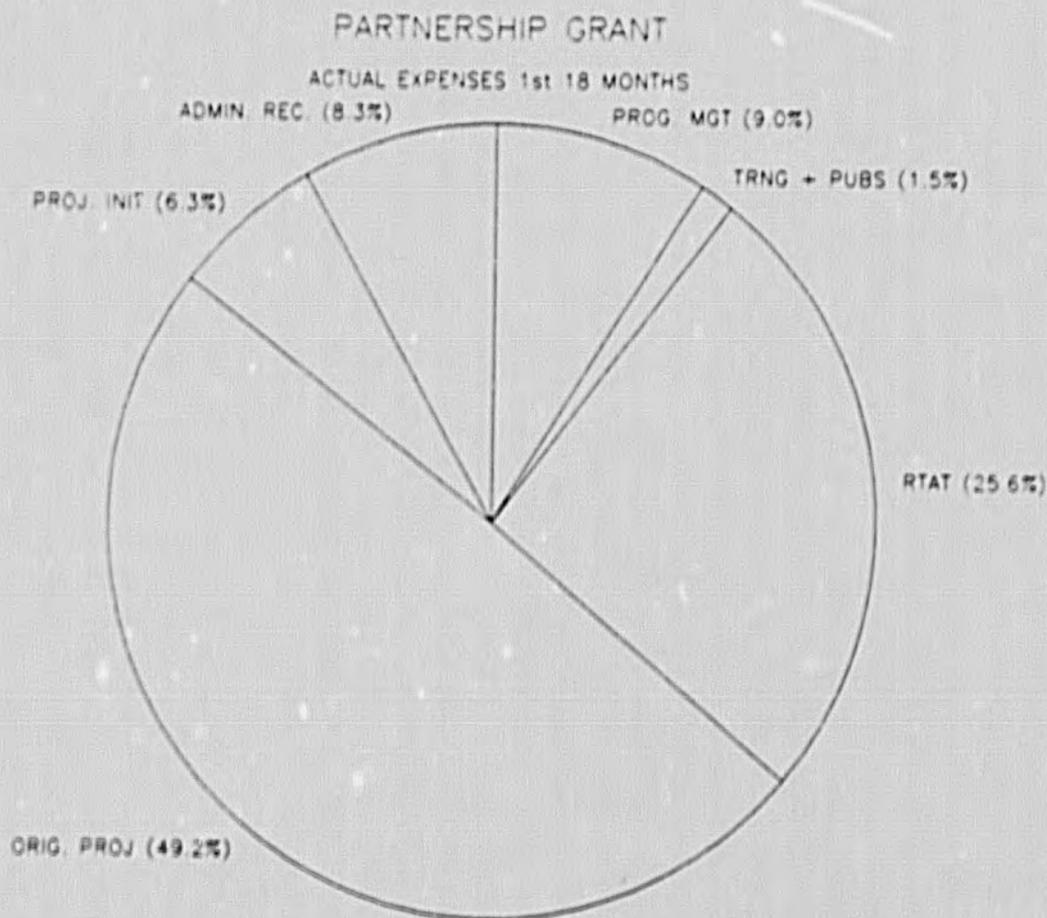
COMPARISON OF EXPENDITURES

Actual vs. Budgeted (7/1/85 - 12/31/86)



- A = Program Management
- B = Training
- C = Regional Technical Assistance Teams
- D = Projects (in original plans)
- E = Projects (initiated since program began)

Although the total amounts spent are 29 percent below budget, the proportions actually spent in relation to those anticipated are more or less on target, with the highest percentage (55 percent actual versus 62 percent budgeted) having been expended on field projects, (49 percent on projects included in the original plan and 6 percent on projects initiated during the period under review), 26 percent on the regional technical assistance teams, 1.5 percent for training and publications, and 9 percent on program management. The figure below shows this graphically:



Thus, although we have not yet reached the 62 percent we are aiming for, well over half of our expenditures are directly related to field projects. Training and publications percentages will rise as the program matures. No Grant funds are used for fund-raising purposes or for development education.

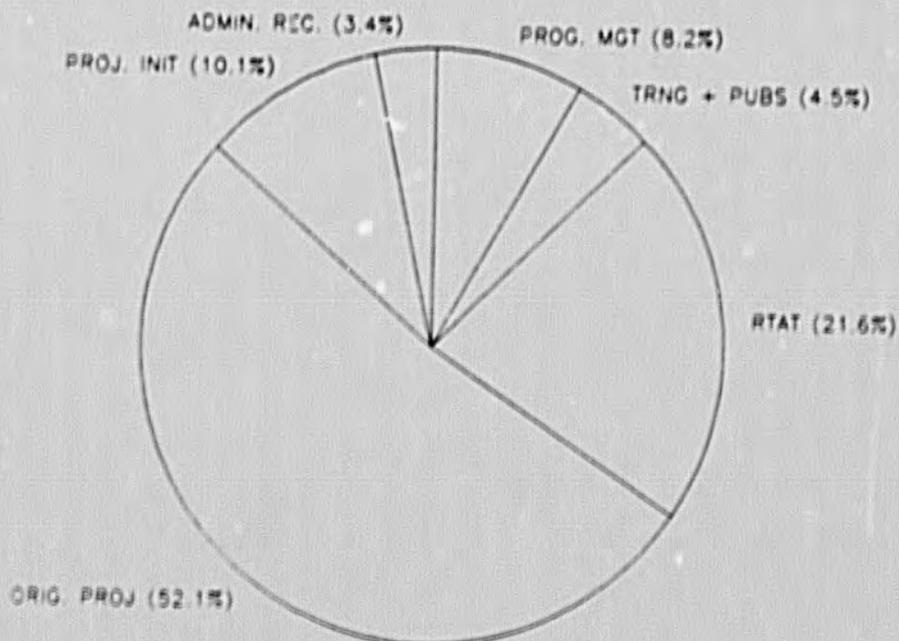
We are under budget for several reasons:

- Because the projects are heavily supported by CARE funds, overall fundraising shortfalls resulted in substantial project budget cuts.

- We were somewhat slow in getting underway with the small enterprise development projects because enterprise development is a relatively new sector for CARE and we needed to establish our networks in the field for recruiting qualified personnel.
- Identifying and recruiting the highly qualified Regional Technical Advisors and placing them into the field took somewhat longer than anticipated.
- Training and publications budgets were underexpended because we were able to carry out fewer workshops for larger audiences than we expected, resulting in close to-targeted numbers of trainees for less money than expected. As the RTATs are now fully staffed, the publications budget is beginning to approach expected targets.
- The high degree of competence demonstrated by the RTAs has meant that we have needed fewer short-term consultants than we budgeted for originally.
- Savings were also effected because CARE's administrative recovery rate was some 10 percent lower than planned in the original budget. However, administrative recovery's portion of the actual program expenditures is larger than expected because, at the suggestion of the AID Contracts Office, we have included administrative recovery in the CARE contribution, more than doubling the amount for this line item.

PARTNERSHIP GRANT

BUDGETED EXPENSES 1st 18 MONTHS



Proportionately, less has been spent on primary health care and small enterprise development sectors than on agriculture and natural resources for two reasons: two of the projects that we anticipated including (Peru PHC and Lesotho SED) have found other funding. In addition, ANR projects in Ecuador, Cameroon, and Uganda, which had been part of the earlier Matching Grant, and all of which have relatively large budgets have been included in the Partnership Grant when other funding prospects did not materialize.

B. FUTURE PLANS

As the attached financial projections indicated, we anticipate that we will catch up with our budgeted expenditures during the next reporting period.

The original life-of-program budget and the current budget are attached. Comparison of these two budgets shows that overall expenditures will decline some \$2,345,000 or 10 percent from our original estimates. This reflects a decrease in CARE's contribution because of the already noted fundraising difficulties. It should be noted, however, that CARE's contribution remains well over the 50 percent mandated match: 59 percent of the total budget.

C. EXPENDITURES STATEMENT

Attached below are budgets in support of the financial analysis. They include:

Exhibit A: Comparison of Actual and Planned Expenditures for the eighteen month Reporting Period

Exhibit B: Current Life of Program Budget Summary

Exhibit C: Current Life of Program Detailed Budget

Exhibit D: Original Budget Summary

EXHIBIT A: Comparison of Actual and Planned Expenditures
for the 18-month Reporting Period

ACTUAL

	CARE	AID	TOTAL
Program Management	4,000	423,000	427,000
Training	0	70,000	70,000
RTAT	690,000	526,000	1,216,000
Original Projects	1,324,000	501,000	2,325,000
Projects Initiated	45,000	30,000	300,000
Administrative Recovery	254,000	145,000	599,000
TOTAL	3,017,000	1,720,000	4,737,000

PLANNED

	CARE	AID	TOTAL
Program Management	67,000	482,000	549,000
Training	6,000	573,000	579,000
RTAT	873,000	295,000	1,168,000
Original Projects	2,751,000	728,000	3,479,000
Projects Initiated	366,000	110,000	676,000
Administrative Recovery	0	201,000	201,000
TOTAL	4,263,000	2,389,000	6,652,000

EXHIBIT B: Current Life of Program Budget Summary

SCHEDULE B

RURAL CAPITAL FORMATION GRANT
 FY 86 ACTUAL AND FY 87 THROUGH FY 90 PROJECTED EXPENDITURES
 AS OF JUNE 1987
 THOUSANDS OF DOLLARS

	FY 86 ACTUAL			FY 87 ESTIMATED			FY 88 PROJECTED			FY 89 PROJECTED			FY 90 PROJECTED			TOTAL PROJECTED		
	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL
A. PROGRAM MANAGEMENT	0	216	216	0	339	339	7	641	648	50	618	668	100	548	648	157	2,362	2,519
B. TRAINING	0	69	69	0	110	110	0	176	176	18	180	198	18	180	198	36	715	751
C. REGIONAL TECH. ASSISTANCE TEAMS	439	350	789	329	771	1,101	570	641	1,211	817	440	1,257	1,018	289	1,307	3,174	2,511	5,685
D. ORIGINAL PROJECTS	1,384	421	1,805	1,269	382	1,651	895	221	1,116	940	65	1,005	885	0	885	5,373	1,089	6,462
E. PROJECTS INITIATED DURING GRANT	154	0	154	197	290	487	516	463	979	750	317	1,067	910	55	965	2,507	1,125	3,632
F. INDIRECT COST RECOVERY	180	91	271	165	168	333	183	189	372	256	152	408	291	97	388	1,075	698	1,772
TOTALS	2,137	1,147	3,284	1,961	2,060	4,021	2,171	2,351	4,522	2,831	1,772	4,603	3,222	1,169	4,391	12,322	8,500	20,821

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EXHIBIT C: Current Life of Program Detailed Budget

PARTNERSHIP GRANT BUDGET as of June 1987
(\$000's)

	FY '86 Actuals			FY '87 Estimates			FY '88 Projected			FY '89 Projected			FY '90 Projected			TOTAL		
	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL	CARE	AID	TOTAL
Program Management																		
Program Support	0	216	216	0	133	133	7	359	366	50	325	375	100	250	350	157	1,283	1,440
AMH	0	0	0	0	150	150	0	164	164	0	170	170	0	175	175	0	659	659
SED	0	0	0	0	50	50	0	75	75	0	80	80	0	80	80	0	265	265
PHC	0	0	0	0	6	6	0	25	25	0	25	25	0	25	25	0	81	81
FOOD	0	0	0	0	0	0	0	18	18	0	18	18	0	18	18	0	54	54
TOTAL:	0	216	216	0	339	339	7	641	648	50	618	668	100	548	648	157	2,362	2,514
Training & Pubs.																		
Training	0	69	69	0	100	100	0	141	141	18	145	163	18	145	163	36	600	636
Publications	0	0	0	0	10	10	0	35	35	0	35	35	0	35	35	0	115	115
TOTAL:	0	69	69	0	110	110	0	176	176	18	180	198	18	180	198	36	715	751
RIAI																		
Latin America	115	20	135	87	125	212	125	84	209	160	60	220	200	45	245	687	334	1,021
East Africa	106	95	201	190	135	325	290	95	385	372	70	442	398	52	450	1456	447	1,883
West Africa	105	56	161	22	252	274	100	250	350	200	110	310	220	104	324	647	772	1,419
Asia	33	179	212	31	259	290	55	232	287	85	200	285	200	88	288	404	958	1,362
TOTAL:	439	350	789	330	771	1,101	570	661	1,231	817	440	1,257	1,018	289	1,307	3,174	2,511	5,685
Original Projects																		
Cameroon PN 11	0	0	0	22	0	22	150	0	150	150	0	150	150	0	150	472	0	472
Congo PN 02	200	77	277	184	22	206	0	0	0	0	0	0	0	0	0	384	99	483
Ecuador PN 31	82	38	120	9	118	127	70	69	139	100	65	165	0	0	0	261	290	551
Egypt PN 13	75	0	75	35	0	35	30	0	30	0	0	0	0	0	0	140	0	140
Guatemala PN 03	113	104	217	61	180	241	115	152	267	0	0	0	0	0	0	289	436	725
India PN 46	135	0	135	214	0	214	155	0	155	200	0	200	225	0	225	929	0	929
Mali PN 06	199	98	297	170	0	170	0	0	0	0	0	0	0	0	0	369	98	467
Niger PN 05	179	0	179	124	12	136	100	0	100	180	0	180	190	0	190	773	12	785
Philippines PN 16	143	0	143	200	0	200	175	0	175	210	0	210	220	0	220	948	0	948
Uganda PN 20	258	104	362	250	50	300	100	0	100	100	0	100	100	0	100	808	154	962
TOTAL:	1,384	421	1,805	1,269	382	1,651	895	221	1,116	940	65	1,005	885	0	885	5,373	1,089	6,462
Proj. to be Ident.																		
Cameroon PN 06	0	0	0	83	104	187	93	135	228	140	40	180	0	0	0	316	279	595
Congo PN 07	0	0	0	0	0	0	150	0	150	0	0	0	0	0	0	150	0	150
Ecuador PN 29	134	0	134	29	118	147	80	43	123	110	40	150	160	0	160	513	201	714
Futaba PN 09	0	0	0	85	68	153	93	48	141	0	0	0	0	0	0	178	116	294
Other	0	0	0	0	0	0	100	237	337	500	237	737	750	55	805	1,350	529	1,879
TOTAL:	134	0	134	197	290	487	516	463	979	750	317	1,067	910	55	965	2,507	1,125	3,632
Admin. Recovery	180	91	271	165	168	333	183	189	372	256	152	408	291	97	388	1,075	646	1,722
Total	2,137	1,147	3,284	1,961	2,060	4,021	2,171	2,351	4,522	2,631	1,772	4,403	3,222	1,169	4,392	12,327	8,500	20,827

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EXHIBIT D: Original Budget Summary

EXHIBIT I RCT SUMMARY BUDGET DRAFT

EXPENSE CATEGORY & YEAR (U.S.\$)

	FY 88			FY 89			FY 90			FY 91			TOTAL					
	CARE	FY 88 AID	TOTAL	CARE	FY 89 AID	TOTAL	CARE	FY 90 AID	TOTAL	CARE	FY 91 AID	TOTAL	CARE	TOTAL AID	TOTAL			
A. PROGRAM MANAGEMENT	43,700	313,700	357,400	46,700	335,700	382,400	50,000	359,100	409,100	53,500	384,300	437,800	57,200	411,200	468,400	251,100	1,804,000	2,055,100
B. REGIONAL TECH. ASSISTANCE TEAMS	643,400	422,500	1,065,900	459,000	301,300	760,300	491,200	322,500	813,700	525,500	345,000	870,500	562,300	369,200	931,500	2,681,400	1,760,500	4,441,900
C. TRAINING	3,600	191,900	195,500	3,900	205,300	209,200	4,200	219,600	223,800	4,500	235,000	239,500	4,800	251,500	256,300	21,000	1,103,300	1,124,300
D. PROJECTS IDENTIFIED	2,050,100	526,800	2,576,900	1,401,900	403,200	1,805,100	1,234,700	282,500	1,517,200	1,188,300	160,200	1,348,500	1,193,200	93,100	1,286,300	7,068,200	1,465,800	8,534,000
E. PROJECTS TO BE IDENTIFIED	255,000	0	255,000	621,225	220,275	841,500	1,137,062	405,688	1,542,750	1,252,770	444,255	1,697,025	1,380,044	486,682	1,866,726	4,646,100	1,556,900	6,203,000
F. ADMINISTRATIVE RECOVERY	0	152,800	152,800	0	153,900	153,900	0	166,900	166,900	0	164,700	164,700	0	169,200	169,200	0	807,500	807,500
GRAND TOTAL	2,995,800	1,407,700	4,403,500	2,532,725	1,419,675	4,152,400	2,917,162	1,756,288	4,673,450	3,024,570	1,733,455	4,758,025	3,197,544	1,780,882	4,978,426	14,627,800	8,498,000	23,125,800

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LOGICAL FRAMEWORK MATRIX:

Rural Capital Formation Partnership Grant #PDC-0267-A-00-5058-U1
(Institutional Component)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program Goal: (the broader aim to which this project contributes)</p> <p>To increase CARE's ability to design, implement and evaluate projects that lead to the sustained creation of rural capital</p>	<p>Measures of Goal Achievement</p>	<p>Field visits by CARE Headquarters staff</p> <p>Review of country office reports</p> <p>Internal and independent evaluations</p>	<p>Funding available to CARE will not significantly decrease during the life of the Partnership Grant</p>
<p>Project Purposes (objectives):</p>	<p>End-of-Project Status</p>	<p>Field visits by CARE Headquarters staff</p> <p>Review of country office reports</p> <p>Internal and independent evaluations</p>	<p>Staff retention meets or exceeds current rates</p>
<p>To establish field-based mechanisms for the timely delivery of effective technical assistance and training programs to CARE Country Offices in support of rural capital formation activities</p>	<p>160 new rural capital formation projects planned or underway meeting pre-determined quality criteria for design and implementation</p>	<p>Field visits by CARE Headquarters staff</p> <p>Review of country office reports</p> <p>Internal and independent evaluations</p>	<p>Staff retention meets or exceeds current rates</p>
<p>To establish effective mechanisms for evaluating rural capital formation projects</p>	<p>100 % of all rural capital formation projects evaluated internally or independently</p>	<p>Internal and independent evaluations</p>	<p>Staff retention meets or exceeds current rates</p>
<p>Outputs</p>	<p>Magnitude of Outputs</p>	<p>Field reports submitted by country office personnel</p> <p>Trip reports submitted by regional program officers</p>	<p>The appropriate quantity and quality of inputs are delivered on a timely basis</p>
<p>Projects designed</p> <p>Projects evaluated</p> <p>Project and counterpart staff trained</p> <p>Field/training manuals published</p> <p>RCF Partnership Grant projects operating</p> <p>Total projects served</p> <p>CARE country offices served</p>	<p>160 projects designed</p> <p>120 projects evaluated</p> <p>500 persons trained</p> <p>30 manuals published</p> <p>20 Partnership Grant projects operating</p> <p>160 projects served</p> <p>40 country offices served</p>	<p>Field reports submitted by country office personnel</p> <p>Trip reports submitted by regional program officers</p>	<p>The appropriate quantity and quality of inputs are delivered on a timely basis</p>
<p>Inputs</p>	<p>Implementation Targets</p>	<p>Program financial records and progress reports</p> <p>Internal and external audit reports and process evaluations</p>	<p>Inflation and currency fluctuations do not significantly alter the value of inputs</p>
<p>Project design consultancies</p> <p>Project evaluation consultancies</p> <p>Training workshops</p> <p>Program management</p> <p>Technical assistance</p>	<p>320 pm design consultancies</p> <p>120 pm evaluation consultancies</p> <p>48 workshops held</p> <p>120 pm program consultancies</p> <p>720 pm regional technical assistance</p> <p>80 pm short-term technical assistance</p> <p>\$ 7,649,000 program management funds</p> <p>\$18,795,000 project assistance funds</p>	<p>Program financial records and progress reports</p> <p>Internal and external audit reports and process evaluations</p>	<p>Inflation and currency fluctuations do not significantly alter the value of inputs</p>
<p>Program funds</p>	<p>\$ 7,649,000 program management funds</p> <p>\$18,795,000 project assistance funds</p>	<p>Internal and external audit reports and process evaluations</p>	<p>Inflation and currency fluctuations do not significantly alter the value of inputs</p>

LOGICAL FRAMEWORK MATRIX:

Rural Capital Formation Partnership Grant #PDC-0267-A-00-5058-01
(Institutional Component)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program Goal: (the broader aim to which this project contributes)</p>	<p>Measures of Goal Achievement</p>		
<p>To increase CARE's ability to design, implement and evaluate projects that lead to the sustained creation of rural capital</p>	<p>Review of project proposals and project evaluations Quality and effectiveness of field projects as determined by evaluators</p>	<p>Field visits by CARE Headquarters staff Review of country office reports Internal and independent evaluations</p>	<p>Funding available to CARE will not significantly decrease during the life of the Partnership Grant</p>
<p>Project Purposes (objectives):</p>	<p>End-of-Project Status</p>		
<p>To establish field-based mechanisms for the timely delivery of effective technical assistance and training programs to CARE Country Offices in support of rural capital formation activities</p>	<p>160 new rural capital formation projects planned or underway meeting pre-determined quality criteria for design and implementation</p>	<p>Field visits by CARE Headquarters staff Review of country office reports Internal and independent evaluations</p>	<p>Staff retention meets or exceeds current rates</p>
<p>To establish effective mechanisms for evaluating rural capital formation projects</p>	<p>100 % of all rural capital formation projects evaluated internally or independently</p>		
<p>Outputs</p>	<p>Magnitude of Outputs</p>		
<p>Projects designed Projects evaluated Project and counterpart staff trained Field/training manuals published RCF Partnership Grant projects operating Total projects served CARE country offices served</p>	<p>160 projects designed 120 projects evaluated 500 persons trained 30 manuals published 16 Partnership Grant projects operating 160 projects served 40 country offices served</p>	<p>Field reports submitted by country office personnel Trip reports submitted by regional program officers</p>	<p>The appropriate quantity and quality of inputs are delivered on a timely basis</p>
<p>Inputs</p>	<p>Implementation Targets</p>		
<p>Project design consultancies Project evaluation consultancies Training workshops Program management Technical assistance</p>	<p>320 pm design consultancies 120 pm evaluation consultancies 40 workshops held 120 pm program consultancies 720 pm regional technical assistance 60 pm short-term assistance \$ 7,147,000 program management funds \$16,211,000 project assistance funds</p>	<p>Program financial records and progress reports Internal and external audit reports and process evaluations</p>	<p>Inflation and currency fluctuations do not significantly alter the value of inputs</p>
<p>Program funds</p>			

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LOGICAL FRAMEWORK MATRIX:

Rural Capital Formation Partnership Grant #PDC-0267-A-00-5058-01
(Program Component)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program Goal: (the broader aim to which this project contributes)</p>	<p>Measures of Goal Achievement</p>	<p>Host government official documents and statistical data of international agencies</p>	<p>Currency fluctuations, inflation, changes in world oil prices do not offset gains in capital formation</p>
<p>To increase the availability and productivity of land, labor, physical infrastructure, and entrepreneurial skills in the rural sector of no fewer than 18 LDCs</p>	<p>Increased per capita income</p>	<p>Host government official documents and statistical data of international agencies</p>	<p>Currency fluctuations, inflation, changes in world oil prices do not offset gains in capital formation</p>
<p>Project Purposes (objectives):</p>	<p>End-of-Project Status</p>	<p>Reports by CARE field staff, extension workers, project managers and technical specialists</p>	<p>Climatic conditions do not dramatically deteriorate</p>
<p>To create new rural capital through improvements in land (forest, crop, and range management), labor (skills, health, and nutrition status) and physical infrastructure and entrepreneurial talent</p>	<p>Changes in crop and forage yields and wood products availability Changes in health and nutrition status Changes in quantity and quality of physical infrastructure that supports capital formation Changes in microenterprise presence and viability</p>	<p>Internal and external impact evaluation</p>	<p>Climatic conditions do not dramatically deteriorate</p>
<p>Outputs</p>	<p>Magnitude of Outputs</p>	<p>Participant reaction and feedback regarding program activities</p>	<p>The appropriate quantity and quality of inputs are delivered on a timely basis</p>
<p>New or modified systems in place that significantly improve the productivity of land and labor</p>	<p>8 land management systems</p>	<p>Participant reaction and feedback regarding program activities</p>	<p>The appropriate quantity and quality of inputs are delivered on a timely basis</p>
<p>New or modified systems in place that significantly increase the quantity and/or improve the quality of physical infras-</p>	<p>8 primary health care systems</p>	<p>Reports by CARE field staff, extension workers, project mgrs and tech. specialists</p>	<p>High quality project staff and technical specialists can be hired and retained</p>
<p>New or modified systems in place that create and support viable micro-enterprises</p>	<p>8 microenterprise development systems</p>	<p>Site visits by project observers and evaluators Measurements of tangible parameters through ongoing program monitoring</p>	<p>High quality project staff and technical specialists can be hired and retained</p>
<p>Inputs</p>	<p>Implementation Targets</p>	<p>Program financial records and progress reports</p>	<p>Inflation and currency fluctuations do not significantly alter value of inputs</p>
<p>Technical assistance</p>	<p>Technical assistance Regional (720 pm) Short-term (80 pm)</p>	<p>Program financial records and progress reports</p>	<p>Inflation and currency fluctuations do not significantly alter value of inputs</p>
<p>Training</p>	<p>Training (600 participants) \$ 1,236,000 (training funds)</p>	<p>Internal and external audit reports and process evaluations</p>	<p>Inflation and currency fluctuations do not significantly alter value of inputs</p>
<p>Project Funds Food supplements Credit</p>	<p>\$ 16,211,000 project funds (20 projects)</p>	<p>Internal and external audit reports and process evaluations</p>	<p>Inflation and currency fluctuations do not significantly alter value of inputs</p>

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LOGICAL FRAMEWORK MATRIX:

Rural Capital Formation Partnership Grant #PDC-0267-A-00-5058-01
(Program Component)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program Goal: (the broader aim to which this project contributes)	Measures of Goal Achievement		
To increase the availability and productivity of land, labor, physical infrastructure, and entrepreneurial skills in the rural sector of no fewer than 18 LDCs	Increased per capita income	Host government official documents and statistical data of international agencies	Currency fluctuations, inflation, changes in world oil prices do not offset gains in capital formation
Project Purposes (objectives):	End-of-Project Status		
To create new rural capital through improvements in land (forest, crop, and range management), labor (skills, health, and nutrition status) and physical infrastructure and entrepreneurial talent	Changes in crop and forage yields and wood products availability Changes in health and nutrition status Changes in quantity and quality of physical infrastructure that supports capital formation Changes in small enterprise presence and viability	Reports by CARE field staff, extension workers, project managers and technical specialists Internal and external impact evaluation	Climatic conditions do not dramatically deteriorate
Outputs	Magnitude of Outputs		
New or modified systems in place that significantly improve the productivity of land and labor	6 land management systems	Participant reaction and feedback regarding program activities	The appropriate quantity and quality of inputs are delivered on a timely basis
New or modified systems in place that significantly increase the quantity and/or improve the quality of physical infrastructure	5 primary health care systems	Reports by CARE field staff, extension workers, project mgrs and tech. specialists Site visits by project observers and evaluators	High quality project staff and technical specialists can be hired and retained
New or modified systems in place that create and support viable small enterprises	5 small enterprise development systems	Site visits by project observers Measurements of tangible parameters through ongoing program monitoring	
Inputs	Implementation Targets		
Technical assistance	Technical assistance Regional (720 pm) Short-term (60 pm)	Program financial records and progress reports	Inflation and currency fluctuations do not significantly alter value of inputs
Training	Training (500 participants)	Internal and external audit reports and process evaluations	
Food supplements	\$ 826,000 (training funds)		
Project Funds	\$11,103,000		
Credit	(18 projects)		

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