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SALESIAN MISSIONS
OF THE
SALESIAN SOCIETY, INC.

MID-TERM EVALUATION

COOPERATIVE AGREEMENT

OTR-0158-A-00-9078-00

SUBMITTED BY
CHARLES S. BLANKSTEIN

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**SALESIAN MISSIONS
MID-TERM EVALUATION
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Evaluation Summary Report

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I. EXECUTIVE SUMMARY

A. Introduction

This report is a mid-term evaluation of Cooperative Agreement OTR-0158-A-00-9078-00 between the Salesian Society, Inc. (Salesian Missions) and the Agency for International Development (A.I.D.). The evaluators reviewed documentation and conducted interviews with staff members of A.I.D. and Salesian Missions ("SM") in Washington; SM staff in New Rochelle, N.Y.; superiors of the Salesian Society in Rome, Italy; Salesians and USAID personnel in the Philippines, Chile, El Salvador, and Nicaragua; and officials of the Salesian Procurer's Office and Jugend Dritte Welt in Bonn, Germany.

The Society of St. Francis de Sales (the Salesian Society) was established in Italy in 1864 by Giovanni Bosco to help the most needy of society, in particular young people. Worldwide, the Salesians number some 40,000 priests, brothers, nuns, and lay cooperators working in over 100 countries, including 60 A.I.D. recipient countries. The Society operates 220 orphanages, 219 clinics and hospitals, and 3104 schools including 287 trade schools and 59 agricultural schools. In addition, Salesian communities carry out a wide variety of small economic and social development activities to help the poor.

Salesian Missions of the Salesian Society, Inc., a New York corporation, provides managerial, financial, and in-kind commodity support to Salesians throughout the world supported by charitable funds raised in the United States. SM is a registered U.S. PVO headquartered in New Rochelle, N.Y. It maintains an Overseas Programs Office in Arlington, Virginia. Through this office, SM provides administrative support, managerial training, management technical assistance, and financial assistance for Salesian development programs and projects in the developing world. SM also works with charitable organizations in other countries, particularly in Europe, to provide financial support for Salesian activities in the developing world.

Salesian Missions entered into its first matching grant agreement with A.I.D. in August, 1986. Under the agreement, A.I.D. provided \$450,000 over three years to help support and strengthen SM's programming and administrative capabilities and development programs. Under the grant SM would explore the possibilities for orienting Salesians toward "development" type activities, hire a development professional to establish an Overseas Program Office in Washington, and provide funding for a variety of Salesian projects in developing countries. All elements of the first matching grant, with the exception of a USAID/Kenya add-on sub-project, were completed in August 1989.

Based on effective SM performance under the first matching grant, FVA/PVC encouraged SM to submit a proposal for a second matching grant which would help SM to realize the Salesian potential to assist the poor through development activities as well as through

direct service. To do this, the institutional capacity of both SM and Salesians in the field to plan, manage programs, and access resources of the development donor community had to be enhanced.

After extensive consultations and negotiations with FVA/PVC, SM developed and submitted to A.I.D. a matching grant proposal which envisioned a five-year, \$7.2 million program supported by an A.I.D. grant of \$3.6 million or \$720,000 per year. The program would greatly strengthen the professional capabilities of SM and institutionalize a development orientation among the Salesians by: (1) creating a "Salesian Approach" to development projects; (2) training Salesians throughout the developing world in the methodologies of the "Salesian Approach"; and (3) funding projects in which the approach could be tested, refined, and applied in both small local development projects and more ambitious education and technology transfer projects. A total of \$4.4 million project costs including a \$2.2 A.I.D. cooperative agreement contribution was envisioned.

The substantive content of the grant proposal was well received by FVA/PVC but because of budgetary limitations on A.I.D.'s matching grant program, the second matching grant was negotiated at a sharply reduced level of \$2.4 million (\$1.2 million each from A.I.D. and SM) for a period of three years to continue institution building by expanding and supporting the SM Office of Overseas Development Programs, training Salesians in development operations, and financing a limited number of small field projects.

As a consequence of scaling down A.I.D. support levels and reducing the term of the grant from five years to three, major changes in the program as proposed were required. SM attempted to implement the primary institution building elements of the program as originally designed. In order to preserve the core institutionalization effort, a drastic reduction of A.I.D. funding for projects and for technical assistance consulting was required. As a consequence, heavy burdens of project development, diversifying the donor base, developing the training program, providing technical assistance to field Salesians and other institution building activities were placed on the newly recruited SM/OPO staff. Further, because of the reduction in the term of the agreement, implementation of the training program rather than being developed internally by Salesians had to be contracted out.

As significant project work was essential both to further the institutionalization activity and to maintain credibility, SM had to, in effect, "replace" the project funding "lost" as a consequence of cooperative agreement budget cuts. This "replacement" was accomplished with five projects funded with USAID grants totalling \$3,209,000 and eight projects supported by funding of \$3,445,000 from the W.K. Kellogg Foundation (hereafter "Kellogg"). Implementation of these projects "outside" rather than "inside" the cooperative agreement, while generally very

successful, did lead to a number of problems and to some degree complicated progress toward institutionalization objectives.

Notwithstanding the problems generated by telescoping time and support, remarkable progress has been achieved in implementation of the cooperative agreement. The ability of Salesian Missions and its Overseas Program Office to manage its way through these difficulties and accomplish much of what was expected from a program planned for three times the resources and 40% more time is highly praiseworthy. Further, in addition to the cooperative agreement program, the major SM program expansions funded by Kellogg and USAID missions were a major accomplishment. Both the many achievements and the problems which were encountered, some of which are yet to be resolved, should be viewed in this perspective.

B. Primary findings of the evaluation

The evaluation examined SM's performance under the cooperative agreement in detail and other SM activities outside the scope of the cooperative agreement on a selective, less detailed basis. The broad conclusions are that (1) more than satisfactory progress has been achieved in implementation of the cooperative agreement; (2) exceptional progress was achieved in expanding the scope of support for Salesian development activity from sources outside the cooperative agreement; but (3) problems have been identified which require changes in staffing and methods of operation in order to consolidate achievements to date and assure the longer term sustainability of SM's activities.

The goal of the matching grant is to increase income and employment and improve health and community leadership capabilities of the poor in Latin America, Africa, Asia, and the Near East. It is premature rigorously to assess goal level achievement under the matching grant as such. However, the evaluators note impressive evidence of effective skills training resulting in employment and increased income for poor youth in other Salesian projects. No reason to question the potential of the cooperative agreement to contribute to achieving these goals was observed.

The purpose of the second matching grant is "to improve the institutional capabilities of the Salesians to do development work and to improve the impact, sustainability and leverage of Salesian development projects and activities". Development of institutional capacity has been pursued vigorously and successfully by SM as demonstrated by objective data summarized in Annex D and discussed in the main report. Most of SM's cooperative agreement "output" level commitments for improving headquarters capability and developing and disseminating development methodologies have already been accomplished. All other output commitments are under implementation and successful completion within the three year term of the cooperative agreement is expected. While it is premature to

determine definitively the degree to which the "impact, sustainability, and leverage" of Salesian development activities has been improved, there is a great deal of evidence of significant progress and every reason to expect that "impact" and "leverage" will have markedly improved as a result of activity under the matching grant. "Sustainability" is an inherent characteristic of development work in the Salesian Congregation whose members commit their lives to religious and social service and the long-term viability of their works.

The second matching grant envisions an end of project status which reflects major improvements in three areas: headquarters managerial and technical capacity; institutionalization of development methodologies in the field; and improved development projects. Excellent progress in these areas is readily apparent from the following summary accomplishments during the first 20 months of operations under the grant:

Improvement in headquarters operational and technical capacity

- professional staff increased from two to five
- administrative staff increased from one part time to two
- 34 person consultant roster developed and in regular use
- operations manual prepared incorporating management systems, project guidelines and methodologies, contracting, personnel, and office operations
- major donor diversification effort implemented through eight projects supported with \$3,445,000 from W. K. Kellogg Foundation
- donor diversification contacts developed with 16 USAID missions and 34 other donors and PVOs
- new accounting and financial management system installed at headquarters
- operating relationships established with Salesian headquarters, provinces, and communities world-wide
- professional staff trained in A.I.D. project formulation, implementation, procurement and financial management procedures

Development of methodologies and training

- development project design and implementation training program developed, tested, and revised
- 152 Salesians from 24 provinces trained in five courses (one of which was financed by USAID/Philippines)

- training program well received, considered valuable and consistent with Salesian culture at all levels of Salesian Congregation

- four additional courses planned (two financed by Catholic Relief Services)

Implementation of development projects

- policies and procedures for use of Cooperative Agreement small project fund drafted and disseminated to overseas Salesians

- ten small projects submitted under the Cooperative Agreement of which six have been approved for financing by A.I.D. to date

- eight major projects totaling \$5,110,000 supported by \$3,445,000 from Kellogg approved and under implementation

- \$1.7 million technical school project with USAID/Nicaragua approved and under implementation

- five other USAID mission projects in the Philippines, Indonesia, Paraguay funded by \$1.5 million in grants

- \$250,000 support from the A.I.D. Ocean Freight program

While a great deal has been accomplished, a number of problems have been identified, most importantly:

- SM/OPO is understaffed for the program it is undertaking: some combination of more staff and/or consultants and fewer activities, preferably focused on larger scale projects, would be desirable. Peripheral activities such as the small projects element of the cooperative agreement should be dropped.

- The ability of Salesians in the field to plan, implement, and document projects varies considerably: SM should help selected Salesian provinces develop project units to design and implement projects rather than attempting to work directly with local Salesian communities within the provinces. SM projects supported with A.I.D. funds should only be implemented through provincial level project units

- SM's training initiative has been successful in awakening Salesian interest in development projects and providing them with a common language, orientation, and methodology for seeking donor agency assistance but the cost of consulting firm based training is high: SM should shift responsibility for development training to Salesian trainers.

- Selected provincial level project development units should be encouraged to do training for their own communities and for

Salesians from other provinces.

- Training materials should be revised to conform more closely with Salesian experience and work and should place more emphasis on project implementation, accounting, reporting, and evaluation.

- Coordination of SM with foreign donors has proven to be difficult for a number of reasons beyond SM's control: coordination and cooperation with foreign donors should be dropped as an objective of the A.I.D. cooperative agreement and left to be done by SM on a case by case basis when, as, and if feasible and useful.

- SM's staffing has been effective in getting a large program off the ground rapidly but consideration should now be given to longer term staffing requirements including successors to the two key staff members, William Sigler and Fr. Jim Chiosso. SM/OPO needs access to a sound personnel benefits package to facilitate recruiting lay people for staff positions.

- SM has done an exceptional job of maintaining progress toward the core objectives of the cooperative agreement despite sharp reductions from its planned program in A.I.D. funding and grant term. However, many of the projects undertaken with funding from outside the cooperative agreement have not been ideal from the perspective of institutional development. Further, the stress on SM staff has been severe. FVA/PVC should consider providing SM with a funded one year extension in the current cooperative agreement to help SM absorb the heavy project implementation burden it has assumed, consolidate its institutionalization achievements, adjust staffing arrangements, and prepare a final five-year cooperative agreement proposal emphasizing Salesian capabilities of particular interest to A.I.D.

II. FINDINGS AND RECOMMENDATIONS OF THE ASSESSMENT

A. Introduction

This report is the mid-term evaluation of Cooperative Agreement OTR-0158-A-00-9078-00 between Salesian Missions, Inc. ("SM") and the Agency for International Development. The evaluation was performed by SM staff members William Sigler, Robert Chamberlain, Margaret Valdivia and external evaluator Charles Blankstein during the period March 29, 1991 to July 19, 1991. Services of the outside evaluator were secured under a contract with SM appended to this report at Annex A. The evaluators reviewed documentation and conducted interviews with staff members of A.I.D. and Salesian Missions (hereinafter "SM") in Washington; SM staff in New Rochelle, N.Y.; superiors of the Salesian Society in Rome, Italy; the Salesian procurer and officials of an affiliated NGO, Jugend Dritte Welt, in Bonn, Germany; and Salesians and USAID personnel in the Philippines, Chile, El Salvador, and Nicaragua.

The Society of St. Francis de Sales (the Salesian Society) was established in Italy in 1864 by Giovanni Bosco (Don Bosco) to help the most needy of society, in particular young people who are poor. Worldwide, the Salesians number some 40,000 priests, brothers, nuns, and lay cooperators working in 100 countries, including 60 A.I.D. recipient countries. The Society operates 220 orphanages, 219 clinics and hospitals, and 3104 schools, including 287 trade schools and 59 agricultural schools with the assistance of charitable contributions. In addition, Salesian communities carry out a wide variety of small social development activities to help the poor. Salesian fathers and brothers (SDB) and Salesian sisters (FMA) form separate congregations which, while maintaining a deep shared commitment to service to poor youth following the educational philosophy of Don Bosco, reflect significant differences in organizational and operational characteristics. For purposes of this report they are generally referred to jointly as "the Salesians."

Salesian Missions of the Salesian Society, Inc., a New York corporation, provides managerial, financial, and in-kind commodity support to Salesians throughout the world supported by charitable funds raised in the United States. SM is a registered U.S. PVO headquartered in New Rochelle, N.Y. It maintains an Overseas Programs Office in Arlington, Virginia. Through this office, SM provides administrative support, managerial training and technical assistance, and financial assistance for Salesian development programs and projects in the developing world. SM also works with charitable organizations in other countries, particularly in Europe, to marshal support for Salesian activities in the developing world.

B. Background of the matching grant program

In 1985, the Office of Private and Voluntary Cooperation (PVC) determined that the Salesians merited A.I.D. support because of their extensive outreach capability in developing countries in fields of development interest to A.I.D. such as job creation, technical training, institution building, technology transfer and increasing agricultural production. In August 1986 a matching grant agreement (hereafter referred to as the "first matching grant") was concluded under which A.I.D. provided \$450,000 over three years to support and strengthen Salesian Missions' programming and administrative capabilities and development programs. In essence, under the grant SM would explore the possibilities for orienting Salesians toward "development" type activities. Under this grant, SM hired a representative for overseas programs in Washington and provided funding for three Salesian projects in Bolivia and Lesotho.

In August 1988, this first matching grant agreement was amended to provide an additional \$215,000 "add-on" from USAID/Kenya to finance a sub-project to strengthen the faculty of the Salesian Boys' Town Training Center in Nairobi and extend technical training provided at Boys' Town to a number of satellite workshops located in slum areas around the city. The Kenya "add-on" sub-project will be evaluated in a separate report. All elements of the first matching grant, with the exception of the Kenya sub-project, were completed in August 1989.

Based on SM performance under the first A.I.D. matching grant and other development activities supported by USAID Missions in El Salvador, Paraguay and Thailand, FVA/PVC encouraged SM to submit a proposal for a second matching grant. FVA/PVC and SM shared the view that the Salesian Society worldwide held great potential for assisting base level development. However, SM and A.I.D. also recognized that the Salesians are a religious order which is based firmly on the life commitment of members supported in large measure by the poor communities which they serve and financially assisted by traditional charitable contributions. The Salesians were not and would not become a development agency as such. However, the shared interests of A.I.D. and the Salesians in helping the poor could be served by enhancing the ability of the Salesians to plan and carry out development type activities.

In order to realize the Salesians' potential to assist the poor through development activities as well as through direct service, the capacity of Salesians in the field to access resources of the development donor community had to be enhanced. This required the introduction of two crucial changes in the existing situation:

- (1) creation of a highly professional and effective development programs office to act as a financial and technical assistance bridge between donor bureaucracies

which have vast resources and tiny Salesian communities which have the capacity to work very effectively with the poor and the young but are not oriented toward meeting the formal requirements of doing business with donor bureaucracies; and

(2) development and dissemination among the Salesians of an approach to formulating and managing development projects which would be both sufficiently systematic and disciplined to meet the requirements of large development donors for planning and accountability and yet not so bureaucratic and rigid as to alienate or discourage Salesians whose life commitment is to personal service under their vow of life-long poverty.

After extensive consultations and negotiations with FVA/PVC, SM developed and submitted to A.I.D. a matching grant proposal which envisioned a five-year, \$7,200,000 program supported by an A.I.D. grant of \$3.6 million or \$720,000 per year which would greatly strengthen the professional capabilities of SM and institutionalize a development orientation among the Salesians through development of a "Salesian Approach" to development projects, training of Salesians throughout the developing world in the "Salesian Approach", and the funding of projects in which the approach could be tested, refined, and applied in both small local development projects and more ambitious education and technology transfer projects. A total of \$4.4 million project costs including a \$2.2 A.I.D. cooperative agreement contribution was envisioned.

The proposed grant was substantively well received by FVA/PVC but budgetary limitations on the matching grant program made full funding of the proposal impossible. Instead, FVA/PVC offered SM a cooperative agreement under which A.I.D. would provide Salesian Missions \$1.2 million for a period of three years to continue institution building by expanding and supporting SM Office of Overseas Development Programs, training Salesians in development operations, and financing a limited number of small field projects.

The primary effects of sharply reducing A.I.D. support from the level of \$720,000 per year to \$400,000 per year and reducing the term of the grant from five years to three were as follows:

- reducing the planning/financing/implementation cycle from six years (including one year of planning for the matching grant) to three years (including replanning for the lower support level during the first year of grant implementation) resulting in "telescoping" all activities contemplated in the program;
- changing the planned approach to training from a heavy reliance on internal Salesian development of a "Salesian Approach to Development" to contracting a consulting firm

to develop materials and present a development project formulation and implementation course;

- sharply reducing funding available within the grant for project financing which in turn had multiple effects including:

- diverting staff time from: (a) developing outside donor funding sources and (b) providing technical assistance to Salesians to: (a) securing grant funding of development projects from USAIDs and (b) direct management of USAID mission funded grants with the attendant problems of compliance with detailed A.I.D. implementation requirements;

- changing the nature of project activity (1) away from projects designed within the cooperative agreement framework in which a "learn-by-doing" approach would be integrated with progress toward Salesian institutional development objectives toward projects designed primarily to meet donor objectives and requirements; and (2) away from optimally selected countries, communities, and individual Salesians toward a more serendipitous selection of project locations and Salesian funders; and

- markedly increasing the overall project design and implementation burden from the \$4.4 million five-year program envisioned in the proposal to a \$9.8 million program underway now and an additional \$3 million in projects now in varying stages of design;

- reducing funding available for consulting technical assistance to help develop the program and assist inexperienced Salesians learn practical aspects of project design, financing, and implementation.

These changes presented SM with serious management problems. Nonetheless, remarkable progress was achieved both in implementating the cooperative agreement and in formulating and implementing development projects outside the scope of the cooperative agreement. The ability of Salesian Missions and its Overseas Program Office to manage its way through these difficulties and accomplish much of what was expected from a cooperative agreement program planned for almost three times the resources is highly praiseworthy. The problems which were encountered, some of which remain unresolved, should be viewed in

this perspective.

C. Assessment of performance under the second matching grant

The second matching grant envisions an end-of-project status which reflects major improvements in three areas: headquarters managerial and technical capacity; institutionalized development methodologies in use by Salesians in the field; and small development projects. Ordinarily, assessing progress toward end-of-project conditions such as these simply involves examination of activity under the project's scope of work. In the case of the Salesian Missions Cooperative Agreement, however, several conditions exist which complicate considerably the determination and presentation of findings.

The key problem, both for SM's implementation operations and for evaluation, is the fact that funding reductions from the planned program resulted in distorting the balance of the program between institutional development technical assistance and project work. The "small project" component of the cooperative agreement was inadequate as an instrument for promoting institutionalization objectives in several respects. Hence, SM was compelled to seek and secure outside funding sources for the project work essential to institutional development and to the financial viability of OPO's work. SM was quite successful in "replacing" hoped for cooperative agreement project funding with outside funding. Indeed, SM undertook five projects funded with USAID grants totalling \$3,209,000 and eight projects with W. K. Kellogg Foundation (hereafter referred to as "Kellogg") funding of \$3,445,000. The dark lining on the silver cloud was that considerable pressure was placed on SM staff and to some extent progress toward the institutionalization objectives of the cooperative agreement was constrained because some of this project work could not be undertaken under optimal conditions for Salesian institutional development. Thus we must consider activity outside the cooperative agreement to evaluate the agreement itself.

In this connection, the highly detailed scope of work the evaluator was obliged to follow has proven to be something of an obstacle. As it is not always possible to anticipate what the important questions may be, it is recommended that more flexibility be given to evaluators especially in mid-term evaluations where a critical objective is to identify problems and help find solutions rather than to document essentially interim results. In any event, the approach taken to dealing with these problems is as follows.

This assessment section contains four sections, the first three of which address progress toward achieving the three "end of project status" objectives and a fourth section which addresses selected Salesian development activities which are outside the scope of the cooperative agreement but which relate to overall cooperative agreement objectives. The first three sections are organized and

numbered to conform with the questions presented in Section 4 of the evaluation contract scope of work (Annex A, page 8 et seq.). Discussion of each of three areas of cooperative agreement activity opens with general observations which provide context for detailed comments on specific performance indicators and verification of assumptions. This approach results in some repetition but appears to be necessary simultaneously to assure perspective, completeness, and detailed, directly accessible responses to specific questions posed in the scope of work.

1) Building headquarters managerial and technical capability

a) General observations

The first objective of the cooperative agreement is significant improvement in SM headquarters staff technical and managerial capacity to:

manage a worldwide development program;

assist Salesians in the field to identify, formulate, develop, implement, and evaluate development projects;

access financing and generate financial leverage for projects from private and public sources worldwide; and

sustain improvements in Salesian's institutional capacity and project results.

This objective has been substantially met in the first twenty-one months of the cooperative agreement. SM is now actively engaged in a wide range of institution building and operational activities. Staffing was completed on schedule with highly experienced and competent personnel. While a senior staff member resigned during the evaluation period, a replacement is being recruited. Policies, procedures, financial systems, and the like are in place in SM. SM's funding base has been dramatically expanded through a highly successful program with the W. K. Kellogg Foundation. There remain, however, some problems requiring "fine tuning" and some longer term personnel issues to be resolved. Generally speaking, SM's performance in the area of improving headquarters capabilities and operations has been very effective.

Somewhat more difficult problems remain to be addressed overseas. The effectiveness of SM is greatest in areas where it has some degree of management control such as donor relations, training, and project development. However, in situations beyond SM's direct management control, specifically in project management, Salesian field performance is not uniformly excellent. In cases where SM has found or helped to develop strong local Salesian management capability, such as El Salvador and Chile, project management

results have been outstanding. Where local Salesians lack strong local management capability such as in Nicaragua, operational problems have arisen. In order for SM to be fully effective, it needs to partner with or develop sound Salesian project development and implementation units, preferably at the provincial level, which can in turn help design and oversee operations at the local community level.

Coordination and funding cooperation with other Salesian procurers' offices and with European donors has proven to be more difficult than anticipated. This reflects both demands for charitable funding unforeseen several years ago - such as in Eastern Europe - and procedural difficulties which are beyond SM's control such as difficulties in structuring project financial support packages where A.I.D. requirements are significantly different from those of other donors. SM's efforts to date appear to have been appropriate to the opportunities and costs in staff time required to develop this area. These efforts should continue selectively. However, it is recommended that coordination with foreign donors be dropped as an objective of the cooperative agreement.

b) Progress indicators in institution building

Planning SM has demonstrated considerable skill in program and project planning both at the headquarters and field level. SM's undertakings under the cooperative agreement have been thoughtfully developed and implemented.

The capacity of SM to plan for short and mid-term growth and operations was put to a severe test at the outset of the implementation of the cooperative agreement. SM had planned its operations and submitted its funding proposal to FVA/PVC based on a five-year program with A.I.D. support of \$3.6 million or approximately \$720,000 per year. As a consequence of budgetary limitations, the matching grant to Salesian Missions was negotiated at \$1.2 million for a period of three years with substantially similar objectives: to continue institution building by expanding and supporting SM Office of Overseas Development Programs, training Salesians in development operations, and financing a limited number of small field projects. Thus, at the very outset, SM had to replan its program under tight constraints. The reprogramming was effective as indicated by the progress which was achieved in grant implementation described in this report.

Once the program was replanned and approved by A.I.D., SM implemented all its major undertakings. Periodic reviews are undertaken by SM staff to fine tune plans and accommodate emerging problems and opportunities. SM top management has been fully supportive of OPO plans and planning efforts. The absence of "micro-management" from top management in New Rochelle has been a significant help in facilitating effective implementation.

Planning of field operations is carried out through a careful process of face-to-face consultation with Salesians at the provincial and community level. Generally speaking, the approach starts with inquiry by SM in selected countries about the priorities for the coming few years of the province and various Salesian communities. If priority interests at the province and community level are identified which match possibilities for assistance under SM programs, SM staff members work in-country with interested community members to identify project opportunities. SM thus does not attempt to "sell" its programs, but rather finds activities to which Salesians are already committed which it can support. This appears to be a particularly effective means of program development. It is not "foolproof", however. For example, in Nicaragua SM planned a project with a highly qualified Salesian whom SM had expected to manage implementation. Unfortunately, this individual was transferred leaving final planning and implementation in the hands of less experienced people. SM had to step into an active management role to assure that implementation of the project would meet A.I.D. standards and requirements.

Generally speaking, however, SM's approach to program and project planning with Salesians in the field has been effective and Salesians express satisfaction with SM's methods and support. It appears that a sound planning process has established an operational framework within which SM officers have been able to operate flexibly and effectively in both headquarters and field operations.

Staffing SM's professional staff is too small and perhaps too vulnerable for its current workload. Some combination of reduction in activities and/or increase in staff is needed in the short run. Current staffing problems appear to be primarily caused by the operational effects of increasing work load to maintain the core institutionalization and field project program in the face of the sharp reductions in A.I.D. funding and length of grant term rather than inadequacies in quality or effort of personnel.

The cooperative agreement envisioned an increase in SM staff dedicated to development activities from two professionals supported by part time clericals to five professionals supported by an executive secretary/administrative assistant in Washington. Permanent professional staffing was completed on schedule with the hiring of three additional highly qualified program officers. All professional employees hired in the Washington office have had extensive donor agency experience. They all have demonstrated both dedication to the work and the human relations skills necessary to work effectively within the unique Salesian culture. Thus specific cooperative agreement staffing targets were met. However, several staffing problems need attention.

The staffing plan of OPO reflects the workload contemplated in the planning of the cooperative agreement proposal. However, the

amount of work in the office, particularly administrative work, has grown beyond those levels. The Kellogg program consumes more than full time of one professional. The Nicaragua project has engaged another professional almost full time. During the evaluation, the professional staff officer handling Asia and other duties resigned indicating he felt "burned-out" thus necessitating recruitment of a replacement during a period of very heavy work-load. The office Director is overloaded with administrative work. SM should reexamine its professional staff assignments in light of several years of operating experience and consider additional staffing and distribution of professional workload.

Management of administrative workload is an important problem at OPO which was addressed during the evaluation period. The office is the center of a world-wide communication flow involving projects, training, coordination with and reporting to A.I.D. Washington, USAIDs, and other donors in the U.S. and Europe, extensive staff travel, correspondence by mail and fax, and payrolls and various financial reporting requirements. OPO sought to recruit a person with the skills and experience to handle this flow efficiently while providing secretarial support to the staff but was unable to do so. As a result staff members, and particularly the Director, were often involved in handling a considerable amount of administrative work which might be more appropriately handled by an executive secretary. OPO is now experimenting with assigning a full-time secretary and a part-time assistant to handle administrative and well as secretarial duties. The incumbents are capable people who, if they are able to handle the work and are available on a long term basis, could resolve the problem. If this arrangement does not prove to be feasible, OPO may wish to revisit the possibility of recruiting a highly qualified executive secretary.

The OPO Director has focused his attention for three years largely on operations - by necessity rather than by choice. As a result, he has not devoted as much time as would be desirable to tasks such as long-term planning, staff development, enlarging the donor base, coordination with other donors, more extensive consultation with Salesian officials world-wide, and developing relationships in the broader PVO community. The longer term interests of SM, and indeed of A.I.D., would be served if the Director were to allocate more time to such activities. This in turn requires the assignment of an experienced professional staff member to manage internal SM/OPO operations more or less full time.

Related to the need for the Director to attend to non-operational requirements is the need for SM to begin to develop a successor in the Director position. The Director has indicated his desire to change within three to five years to a role in SM which is less demanding of time and energy. Unlike the incumbent who stepped into a modest role in SM and developed the position and the program, his successor will take over a fairly complex PVO

organization with world-wide responsibilities. A person should be groomed for this position, perhaps an individual upon whom SM could rely for leadership over a five to ten year period. SM should give consideration to whether it wishes the OPO Director position to be filled in the future by a Salesian or by a lay person with experience in the donor or the PVO communities. If a lay person is preferred, he or she should be carefully prepared and tested for suitability in the somewhat unique Salesian environment. If it is determined that the Director role should be filled by a Salesian, considerable training and practical experience in PVO, project, and donor operations, particularly those of A.I.D., will be required.

Whether SM prefers a Salesian or a lay person as OPO Director in the future, it will be essential that at least one well-regarded, experienced, and multi-lingual Salesian (at least English, Italian and Spanish) be routinely involved in the day-to-day relationships between SM/OPO and Salesians in the field. It is not too soon for the Salesians to appoint an understudy for this key role, now admirably filled by Father Jim Chiosso.

Less pressing, but also important in the long run is the need to provide for future professional staffing requirements and changes. SM has recruited a very able and experienced group of professionals. The staff professionals are characterized by high quality and long experience which has been an ideal mix for the immediate task of initiating the program. However, three of four professionals are 54 years of age or older. Father Jim Chiosso is 69. A valued 55 year old staffer resigned indicating that he felt "burned out". It cannot be expected that the remaining group can continue indefinitely to perform under the level of stress currently experienced. In the longer run, a better mix of senior experienced personnel and younger staffers with a prospect of longer service to SM would be desirable.

There is an important organizational problem which was an obstacle in recruiting for an executive secretary and which is likely to affect recruiting for professional staff positions. Recruiting lay people to work for OPO in the Washington area requires an attractive benefits package including health, life, and disability insurance and a competitive retirement plan. To date, OPO has hired primarily staff whose benefits needs are met through relationships with other organizations such as U.S. Government retirees. This may be a causal factor in the age profile of the office. It is understood that it would be financially impossible as well as unnecessary for SM to adopt such a benefits package for all its employees in New York and Washington. There may be legal impediments to SM adopting a benefit package solely for the Washington office. Thus, a mechanism should be identified to assure personnel access to a sound benefits package. Precisely what this mechanism might be entails technical and legal analysis beyond the scope of this report. The matter should be addressed as soon as possible.

Consultants and consultant roster The design, management, and evaluation of projects by Salesians in the field generates demands for technical assistance which cannot be met entirely by OPO staff given their other responsibilities. OPO has developed a 34 person roster of consultants to provide assistance in various specialties in the field when needed. In addition, in three cases, consultants were hired on a part time basis to handle A.I.D. implementation requirements such as compliance with procurement and financial oversight matters. This appears to be a useful mechanism for helping Salesians acquire specialized skills and providing backup administrative skills in the field where necessary. The mechanism might be elaborated, when and where justified by the flow of business, by provincial or regional Salesian offices hiring qualified local people to work in support of development project activity. In this connection, SM is encouraging individual Salesian provincial offices to develop their own consultant lists in relevant technical fields including health, education, engineering, accounting, and A.I.D. project management. As competent consultants are identified in individual countries, the pool of talent available to Salesians and to SM world-wide is enhanced.

Developing operating policies, procedures, and operating guidelines manual The task of documenting policies, procedures, and operating guidelines has been tied to the extent feasible with ongoing operations such as development of the training and small projects programs. Basic corporate policies and procedures have been collected in a loose leaf binder. Personnel policies are reflected in a standard employment contract. Accounting and financial information is contained in the SM accounting system and its manual. A variety of contract models have been developed for procurement of goods and services.

Documentation for the small project program including project development guidelines, project agreement forms, and related reporting formats have been developed and are provided to all Salesian trainees and to all communities requesting them. Project development guidance is contained in the training materials which are provided to all trainees in a loose leaf binder. These materials are maintained by economists (business managers) in Salesian communities and by course participants who regularly lend them to members of their communities.

All the foregoing materials are maintained in the SM/OPO office. There does not appear to be any compelling reason to publish and disseminate these materials more broadly at this time.

Identification and resolution of emerging issues SM and OPO management has been alert in anticipating and dealing with emerging operational and strategic issues. The basic technique applied has been that of extensive personal contact by the staff in the field followed up diligently by telephone, fax, and letter. The personal

approach is facilitated and to some extent required by the nature of the Salesian communities with which SM works. They are small groups composed of five to ten people who live together and are committed to their vocation and their manner of life within the order. Once a relationship is established between a SM staff member and a Salesian in the field, a very open and close personal link typically ensues. This personal and open context is conducive to free exchange of information about problems and concerns. Only one case was observed of an apparent failure to communicate important information leading to a serious problem. That case, a USAID funded project in Nicaragua, provides a useful example of OPO management identifying a serious problem and moving decisively to control and resolve it. As the matters involved are described elsewhere in this report, details will not be repeated here. Suffice it to say at this point that once OPO became aware of a serious USAID mission concern that had been conveyed to the local lay project coordinator but not to SM in Washington, OPO took immediate action to address the problem and remained on top of the situation while the problem was being corrected. The decisive SM reaction and follow-up earned the praise of USAID mission officers involved.

Diversifying SM's donor base Diversification of SM's donor base has been pursued in an orderly fashion with the objectives of (1) establishing a network of potential donors and cooperators, (2) assuring successful activities with a few new donors which are prepared to provide significant assistance, and (3) avoiding waste of effort in developing extensive relations with too many donors at one time or donors which do not contribute significantly to advancing SM's objectives.

SM has focused its diversification efforts on work with the W. K. Kellogg Foundation with outstanding results. Within a two year period, Kellogg has made \$3,445,000 in commitments to eight Salesian education and rural development projects in Latin America. Salesian contributions of \$1,665,000 added to Kellogg commitments total \$5,110,000, a program of significant proportions. By focusing attention on doing an excellent job with one major donor disposed to provide very substantial support rather than spreading its energies too early, SM has enhanced its reputation for competence and commitment and laid the groundwork for further expansion of its donor base. The Kellogg program is discussed in section II.D.

SM has, however, also attended to building its network in order (1) to help direct Salesian communities to donors which do not have direct activities with SM and (2) to lay the groundwork for future relations with a wider array of donors. SM has established a number of contacts with other donors and PVOs which are being nurtured carefully. Among the organizations with which SM has established at least preliminary contacts are the Australian Government, Barclay's Bank, the Canada Fund, the Canadian

International Development Agency (CIDA), Catholic Relief Service (CRS), Childhope, Children International, Coca Cola Foundation, Coordination in Development, Christian Children's Fund, Christian Foundation for Children and Aging, Foundation for the Peoples of the South Pacific (FSP), German Agro-Action, the Hackett Foundation, Heifer International, Inter-American Agricultural Institute (IICA), Inter-American Foundation (IAF), International Fund for Agricultural Development (IFAD), International Labor Organization (ILO), Japanese Foreign Ministry, Japan International Cooperation Agency (JICA), Jugend Dritte Welt (JDW), Luso-American Development Foundation (Portugal), Misereor, the Netherlands Ministry of Development Cooperation, Pan-American Development Foundation (PADF), The Partners of the Americas, Public Welfare Foundation, the Taiwanese Government, Trust Funds Incorporated, UNICEF, United Kingdom Overseas Development Administration (ODA), United Nations Development Fund for Women (UNIFEM), United Nations Development Programme (UNDP), and World Mercy Fund. In addition SM has dealt with USAID missions in Bolivia, the Dominican Republic, Guatemala, Indonesia, Kenya, Nicaragua, El Salvador, the Philippines, Sri Lanka, Thailand, Mozambique, Lesotho, South Africa, Panama, Ecuador, Peru, Chile, Haiti, and Paraguay.

SM is now turning its hand to expanding its cooperative efforts with Catholic Relief Services (CRS), initially in training. Here once again SM is planning to build on strength by contracting with CRS to contribute training materials developed under the cooperative agreement as well as its long experience in skills training in joint efforts with CRS beginning in Eastern Europe.

SM's donor diversification operation has been handled prudently with minimum waste of time and effort on speculative possibilities. Its objective is to be aware of the wide range of possibilities for assistance in the donor community in order to help direct Salesian communities to sources of support. However, cultivating new donors is expensive and more important for SM's small staff, time consuming. SM appears to be sticking to its knitting in focusing on a few major donors which can provide significant assistance for SM programs.

SM is now examining its mid-term strategy for broadening its donor base. In principle, it would seem to be desirable for SM to expand its relationships with a few additional major donors. However, very careful management of such an expansion is in order. SM's relationship with Kellogg in education and rural development in Latin America is an ideal which may be difficult to replicate with other donors in other fields in other regions. As SM continues to broaden its donor base, it should be sure that donor policies and practices are consistent with Salesian needs and interests. An example of appropriate caution was demonstrated during the evaluation in connection with an apparently attractive small grant program offered by the International Fund for Agricultural Development in Rome. The program was carefully investigated by the

Director who determined from discussions with experienced mid-level IFAD staff personnel that the approval process would be lengthy, bureaucratic, and probably expensive. Given the small potential payoff, SM will be particularly careful to avoid expenditure of significant resources in pursuing this opportunity.

SM's second major donor, A.I.D., should really be viewed as a rather far flung group of donor units which individually have very different interests, resources, and requirements. A.I.D. is a very expensive donor with which to work, especially in terms of absorption of staff time. A.I.D. is generous in its support and essential to SM's long term growth and stability - the extraordinarily successful relationship with Kellogg Foundation, for example, could not have been developed without the availability of A.I.D. funding. However, the availability of A.I.D. funding does not result in SM having as much staff time for work with other donors and beneficiaries as might be assumed. SM should carefully monitor the expenditure of staff time on A.I.D. agreements, projects, and activities and assure that it does not overcommit to new donor activity without adequate staff resources for the heavy "up-front" costs of starting work with a new major donor.

SM should develop relations with additional major donors. However, the effort to expand the donor base should be linked to the availability of a new A.I.D. cooperative agreement under which adequate staffing is assured. Any donor expansion activity requires the close personal attention of the Director. This recommendation should be read in the context of earlier comments on the Director's allocation of working time.

Improving coordination among Salesian support offices SM, the office of the Salesian "procurer" (fund-raiser) for the United States, has for many years assisted European procurers' efforts to finance Salesian activity in the developing world. The SM matching grant proposal envisioned an extensive coordination effort with counterpart Salesian fundraising organizations worldwide through which projects promoted by SM would receive support from European sources and activities funded by European procurers might be more effectively supported through sources promoted by SM. SM/OPO developed a number of contacts with these procurer organizations including those in Canada, Belgium, Germany, Italy, the Philippines, Australia, and the United Kingdom. These contacts have proven to be marginally fruitful in terms of exchanging information, ideas, and experience. However, joint financing involving the melding of European government or E.E.C. financing with A.I.D. financing has proven to be difficult to do in practice.

There appear to be several reasons why coordinated financing and other cooperative efforts are not working well. One reason for the limited response to SM efforts at cooperation is that the overall flow of funds for charitable purposes from Europe has undergone important changes in recent years. Some European charities have

made a heavy commitment to East European needs in the wake of the political changes in 1989. In particular, the Germans are heavily committed to development in the East German provinces. This factor was characterized by a highly knowledgeable observer as a "real but transient" factor in charitable flows. However, the same person, as well as other knowledgeable observers, discouraged SM efforts at coordination with the Europeans because of several considerations including the following.

Some European donor organizations were characterized by knowledgeable observers as tending to reflect a distinct political cast in charitable funding decision-making. Some thought it possible that Salesian projects in El Salvador might receive relatively less support because of the politics of the national government - over which the Salesians obviously have no influence. Some thought that anti-American feelings on the part of staff members of some European charitable organizations might color efforts at coordination. It is difficult to assess the significance of these considerations precisely but, to the extent that they exist, there is nothing that SM can do about it.

Another obstacle to cooperative financing is the inconsistency and perhaps incompatibility of administrative requirements among donor agencies. Each government has its own requirements for project design, management, reporting and accountability which often are not necessarily consistent with each other. Since A.I.D. requirements appear to be more stringent and demanding on staff time in comparison to those of other agencies which support overseas charities, recipients and perhaps the agencies themselves may reflect some degree of passive resistance to joint financing where SM is working with A.I.D. funds. Conversely, USAID mission officials discourage joint financing in part because of the disfunctionality of additional complications in project design and implementation and additional work for heavily burdened USAID staff.

SM has concluded that efforts to meld USG funds with those of other governments should not be accorded a high priority at this time. The European connections may become more productive as the private donor base expands. Indeed, discussions in Bonn, Germany during the evaluation unearthed some interesting possibilities for cooperation with the German procurer and Jugend Dritte Welt both with respect to exchange of information and financing. But such opportunities appear to be serendipitous and not subject to systematic development.

Once again in this area, SM seems to have struck a good balance between openness to opportunity, realistic assessment of probable benefits to be achieved in the short to medium term, and cost in staff time and money. Improved coordination with foreign donors should be dropped as an objective of the cooperative agreement.

Financial management and financial guidelines Financial management of SM has been fundamentally changed through the installation of a new automated accounting system at headquarters. SM's auditor reports that this system is fully adequate to deal with SM's financial management, reporting, and accountability responsibilities to A.I.D. and private donors. The potential now exists to tie budget and expenditures to generate variance data on a monthly basis. This will prove to be helpful both to SM and A.I.D. management.

Overseas Salesian understanding and acceptance of new opportunities offered by SM Broad-based enthusiastic response of Salesians to the SM program is apparent from correspondence in files and in interviews at all sites visited overseas. Charitable support by SM from private sources has, of course, been an important assistance to Salesian work overseas for many years. Additional opportunities offered through A.I.D. and Kellogg funding have added important additional support capacity.

The strengthening of the OPO operation has significantly expanded the capacity of SM to offer technical assistance in finding charitable support and preparing requests for assistance. Formalization of this service through the training program has significantly enhanced the capacity of Salesians to know how to ask for assistance, what to ask for, and from whom.

Whether Salesians would accept the training program was originally cause for some concern in SM, but this element of the cooperative agreement appears to be developing well. The training program is discussed in detail below. Suffice it so say here that pre- and post- course evaluations by participants were almost entirely enthusiastic. Detailed follow-up evaluations of training course participants indicate strong support and interest in continuation of the program. Virtually all responses reflected gratitude and enthusiasm for the course.

Interviews with course participants indicate that Salesians readily perceive the value of training to help them access resources in a changing charitable and pastoral environment. Members of the congregation's hierarchy in Rome and overseas indicate that they strongly support SM's training and development project activities as well as SM's traditional financing role.

Establishment of project related systems (management, administration, financial control, evaluation, assignment of personnel, and development of project identification capacity) Project related systems have been developed by SM staff in the course of developing the training program, small project fund procedures, and, with assistance of a consulting CPA, in connection with a major USAID funded project. The management system for small projects at the OPO level is organized to receive applications, review them, negotiate changes and revisions with field Salesians,

refer proposals to A.I.D. for approval when the proposal is in satisfactory form, and, upon receipt of A.I.D. approval, enter into a formal contractual arrangement with the Salesian community involved to carry out the project under specified terms and conditions. Files on all small projects under consideration were examined. The system appears to function satisfactorily. Salesians appear to understand the need to undergo the discipline of planning and describing the project. The project applications reflect careful consideration by the Salesians. In at least one case (Hassan Don Bosco), the conceptual grasp of the methodology and the level of detail in planning was outstanding.

The course training materials are used as a vehicle to sensitize Salesians to the need for project administrative, bookkeeping, and financial reporting systems. The formats provided in the training materials appear to be sufficient for small projects. A "USAID Subrecipient Audit Program" has been drafted and was introduced to the Chile Province during the evaluation for use in Kellogg projects. It was favorably received and praised by the Provincial Economist (Chief Financial Officer) for its clarity and utility in helping recipients to understand the level of financial reporting required. This system provides a sound and understandable guide to financial control and reporting requirements.

For larger projects, particularly USAID funded projects, more complex systems and further training are necessary. In this connection, an accounting and control system is being developed for the Nicaragua project which may have broad applicability. In order to meet its obligations, SM is both investing in the development of systems and hiring part time consultants to handle these aspects of larger USAID and Kellogg funded projects where local Salesians are unable to handle the work. Further experience is necessary before making final determinations on the content of internal systems for large projects and the qualifications required to maintain them.

SM is now considering, in connection with planning for a new matching grant, strengthening the implementation section of the training course or developing a new course for administration and management of development projects. Ideally, such training would include skills such as administration, supervision of personnel, and simple computer applications for management.

With respect to internal SM/OPO arrangements for development and monitoring projects, staff members are assigned to monitor individual country programs. The extensive Kellogg activity is managed by a fourth staff member in New Rochelle. Staff members are trained to provide backup for each other when their colleagues are on travel status. Staff members have a heavy workload, but do not consider it to be excessive or inappropriately divided.

All SM staff members appear to be highly sensitive to project identification opportunities. They have regularly assisted Salesians in the field in preliminary project analysis once Salesians themselves have determined what project activities they wish to undertake. The training course focuses considerable attention on needs assessment and project identification. The circulation of the small project fund guidelines to the course participants has helped stimulate interest in small-scale project opportunities. Larger projects appropriate for USAID or other large donor agency funding are generally associated with important Salesian enterprises, such as technical schools where donors are asked to fund parts of the larger program. In these cases, project identification is handled as a part of larger scale development of Salesian activities in the area such as the Ciudadela Don Bosco in El Salvador. Generally, project identification does not appear to be a serious problem.

c) Validation of institutional development assumptions

Do SM and FVA/PVC share a common vision, goals and objectives for SM's institutional growth and development?

Generally speaking, SM and FVA/PVC do appear to share a common vision of SM as a PVO providing support for Salesian development activities on a world-wide basis. Salesians are viewed by PVC as a unique organization dedicated to humanitarian goals achieved through very practical approaches to education and character formation of youth. While some thought must be given to precisely how Salesian strengths relate in programmatic terms to new A.I.D. priorities, the institutional possibilities and imperatives of each institution seem to be mutually well understood by FVA and SM. In addition, those USAID mission staff members who are familiar with the work of SM and the Salesians are favorably inclined to significant increases in support for Salesian activities which fit within the framework of mission strategy.

Do willing and capable overseas Salesians partners exist for SM to work with?

Clearly there are large numbers of Salesians willing and capable to work with SM in development projects. However, not all Salesians or Salesian organizations are equally capable and willing to work in some assistance frameworks. Similarly, not all donors are equally appropriate sources of assistance for all purposes. For example, a distinction must be drawn between SM assistance to Salesians with A.I.D. funds and with funding from other sources. No evidence was found of complaints from non-A.I.D. donors concerning Salesian project conceptualization, implementation, or financial management. A.I.D. financing, however, presents special, perhaps unique challenges. The capability of Salesians to work effectively with the poor and indeed to implement development

projects was consistently and enthusiastically praised by all USAID mission officials interviewed in the evaluation. Some A.I.D. officials, however, expressed concern about the adequacy of local Salesian capacity to generate paperwork and to comply with A.I.D. financial management regulations. The fact is that some Salesians handle A.I.D.'s requirements with great skill and others cannot or do not meet the necessary standards. It is important that A.I.D. officials recognize why not all Salesians are appropriate implementors of A.I.D. funds and that SM differentiate among Salesians as appropriate candidates for A.I.D. funds.

The underlying problem is that there are significant cultural differences between Salesian communities and USAID missions. The professional formation of an A.I.D. employee includes familiarity with a wide array of financial controls and compliance with a host of policies and regulations, the moral necessity of which may not always be obvious to a Salesian. Salesian formation leads to deep ethical commitments to discharge responsibilities. Salesians are accustomed to poverty and living on limited resources which are carefully and honestly husbanded. Being closely monitored by donors may seem at best a waste to a Salesian himself living in Spartan conditions. In the case of some less sophisticated Salesian communities, compliance with some A.I.D. requirements may generate a degree of resentment toward SM as well as A.I.D.. Indeed, some Salesians apparently regard spending money on audits and accounting rather than on the needs of the poor as wrong.

SM seeks to bridge the cultural gap between A.I.D. and Salesian communities. In some cases, the gap may be too wide to bridge conveniently. Salesian communities do tend to reflect to some extent the culture and political climate of the people they serve. Some Salesian communities may reflect views which appear to be somewhat naive to A.I.D. and to SM staff as well. In such cases, rather than act as a bridge or a "go-between", perhaps SM should focus on making sure that Salesians make a fully informed choice about the implications of taking A.I.D. money. If A.I.D. funding is rejected, SM should help Salesians find other donors. If accepted, SM should help Salesians comply with A.I.D. requirements.

It follows from the foregoing that SM should be selective in encouraging Salesians to work with A.I.D. funding. Further, SM should work through project offices at the province level so that the commitment of the Salesian in-country hierarchy to the activity is clear to Salesians in the local communities who implement the projects and so that Salesians among themselves can work through any concerns or reservations they may have about procedures associated with use of A.I.D. funds.

Is the development environment (donor and Salesian policies, programs, overall economic conditions, etc.) propitious for SM's continued growth as a PVO? For cooperating overseas Salesian organizations as indigenous NGO's?

The "development environment" of SM may be somewhat cloudy because the Salesians are by their nature focused on the education and character development of poor youth. Arguably, the current "development environment" favors support for pursuit of fairly precisely focused technical and economic objectives (private enterprise, export and investment promotion, democratization, and policy reform) rather than broad, "soft", humanitarian concerns such as education of poor youth and engendering family values. Nonetheless, SM has certain unique and enduring advantages. It supports development activity of a world-wide organization of 40,000 members which is firmly anchored in "host countries"; provides competent, dedicated service at extraordinarily low cost; has deep and extensive capabilities and experience in its primary "market", technical and vocational training for poor youth; and has potential access to a world-wide network of donors. The Salesians have had remarkable and apparently replicable success in projects such as technical/vocational education, drug-eradication, street children programs, women's education, and private enterprise development in urban slums. Salesians have been part of the social fabric of many developing countries for as much as 100 years. They will be there for the foreseeable future. Thus, whatever the state of the development environment in the sense of current policy concerns and funding priorities, the Salesians are favorably positioned vis-a-vis most other NGO's with respect to education and social change agent activity. They are particularly, perhaps uniquely qualified to understand and address the needs of disadvantaged children.

With respect to Salesian policies and programs, the environment for continued growth of SM seems to be propitious. The evaluators were informed by Salesians at all levels of the congregation from the Rector Major on down that SM's efforts are well-received. However, developing the skills and institutional base to assure optimal funding levels from donors over the longer term requires deepening the institutionalization of development knowledge and practice among Salesians. Some provinces are fully capable of sophisticated development activities now. Others require assistance. The upper reaches of the hierarchy might be better informed on various aspects of development operations. There is a considerable educational job to be done within the congregation.

One element of "environment" is particularly important at this stage of SM's development as a PVO. Most donors tend to provide assistance for projects and activities, not for PVO overhead costs - thus availability of A.I.D. assistance is extremely important if improving the potential of Salesian communities as development oriented change agents is to be continued. Salesians and SM are

quite positive about the potential of overseas Salesian communities as indigenous NGO's. But time and ongoing support for SM/OPO is needed to fulfill this potential.

2) Development of methodologies and training

a) General observations

The second objective of the cooperative agreement is the development of methodologies for a "Salesian Approach" to development activity which conforms both to donor requirements and the Salesian culture and the training of Salesians in those methodologies.

The methodologies and training area of the cooperative agreement presented a difficult implementation problem for SM. SM's original proposal contemplated a well-funded, five-year development effort in which methodologies would be developed by Salesians with the assistance of outside consultants. The reduction in time and overall funding left SM no alternative but to contract out the development of training materials and presentation of courses.

The training course was procured on a fixed price basis from a contractor with "canned" materials for training A.I.D. grantee personnel in project development and experience in presenting training courses. The canned materials were not significantly revised for Salesian use and retained much of the flavor of an A.I.D.-oriented training course. Some revisions were introduced in the training over the first five courses which made the course somewhat more appropriate although much of the written materials remain less than optimal, especially for use by non-course participants.

The training program in general has been very well received among Salesians. The contractor's self-evaluation of course presentations reflected an enthusiastic reception by Salesian participants. These evaluations may have buttressed contractor resistance to further changes requested by SM. Later interviews suggest that the immediate post-course evaluations may have reflected to some degree a certain "halo" effect, an expression of uncritical enthusiasm for the course associated with trainees' general good feelings about the experience and fellow participants.

SM's follow-up questionnaire and interviews in the evaluation reflect that the training effort, notwithstanding some problems with the training materials and presentation itself, has been successful in awakening interest in development activity and providing Salesians with conceptual tools for project formulation and implementation. Participants report that they learned, among other things, general problem solving skills, a common language for discussing project activities, basic management ideas, an

understanding of what donors want and how to approach them, and something about financial management. Participants report they found the course to be valuable to them both in terms of information learned and the opportunity to meet with other members of the congregation and exchange experiences.

It seems clear that the training program has been successful in focusing Salesian attention on the potentials and problems of donor funded development activity and providing a language and methodology for addressing development projects acceptable within the Salesian culture. It has helped Salesians identify the need for certain management skills applicable beyond the development project context. The problem is that the cost of training by contractors is not sustainable. The capacity to train and indeed to develop new training materials must be internalized within the Salesian Congregation. This can be done most effectively by building training capability into provincial level training units.

b) Indicators of progress in methodologies and training

Progress in development of methodologies for project planning, management, and evaluation SM has attempted to develop a workable set of project planning and management methodologies for Salesians, conforming to donor needs and the Salesian environment, which would be presented in a training course and incorporated in training materials which trainees share with their communities. These methodologies would form the core of the practice of project development by Salesians. A great deal of progress has been made in achieving these objectives.

Salesian trainees are generally very enthusiastic about the fact of training and about broader aspects of the training. For example, Salesians report in interviews and follow-up questionnaires that the training provided them with a much wider vision of what they might be able to do, what resources they might be able to access, how to go about seeking those resources, and why development should be viewed as self-help, not as charity. They identify a number of specific learnings applicable not only to projects but to other situations as well including prioritization, precision in description, documentation, setting objectives and evaluating them at the end of an effort. They speak enthusiastically about developing an understanding of a development "mentality", of learning how to organize complicated materials for presentation, and of certain aspects of the training including field visits and critiques of their project design efforts. There is no doubt that the training was perceived to be of great value by virtually all participants.

But did the effort accomplish the Cooperative Agreement objective of developing and training Salesians in a "Salesian Approach" to development activity meeting donor needs and conforming to the

Salesian environment? At the outset, the outside evaluator questions whether the objective stated in SM's proposal should have been carried over into the cooperative agreement at all in light of cutbacks in time and funding. Given that the objective remains within reach, no recommendation is made to modify the objective as stated. However, in retrospect, simply training a number of Salesians in "a development methodology" leaving the fine-tuning of a "Salesian approach" to a later day might have been a more reasonable target given SM's many other demands during the three year term of the agreement.

A number of specific problems with the training program and the training materials have been identified. In this connection, it should be noted that some changes were introduced in the course and materials from the first to the fifth course. Various Salesians commented that the course either was too difficult or not sufficiently detailed to meet particular needs, for example in implementation, accounting, and evaluation. Responses to the follow-up questionnaire suggest that only a few of the respondents have actually applied course learnings to project activity as such. This suggests that the possibility that more attention should be paid to selection of course participants. It may also suggest that a "one size fits all" training course does not yield optimal results.

A number of Salesians commented on the following problems. Some course materials were viewed by many as being too abstract. In particular, a logical framework is considered desirable but it is not clear that A.I.D.'s Logical Framework is an ideal tool for all Salesians. It appears to be difficult for course participants to learn, hard to retain if not used regularly, and not suitable for transferring knowledge to non-course participants.

A number of Salesians commented that the materials were presented in unfamiliar terminology. Spanish-speaking trainees commented that terms appropriate in one Latin American country may be unfamiliar or inappropriate in another. Suggestions to edit the materials or provide pre-course familiarization seem in order. In this connection, reducing more material to graphic form was urged by a number of thoughtful course participants.

A common concern expressed was the need for examples of project designs in the specific fields in which the participants are active and knowledgeable. For example, Salesians who work in technical education would gain more from course analysis of a technical education project rather than, say, a health project.

Additional emphasis should be placed on implementation and evaluation materials in the future. This might be accomplished by expanding and improving materials in the existing course or developing a new specialized course in project implementation and administration. A separate course in evaluation is not viewed as

necessary. The logical framework or a revision thereof could easily be adopted for evaluation purposes.

SM has met the basic requirements of the cooperative agreement in the area of developing project planning, management, and evaluation methodologies. The training has been valuable and well received. SM has already provided training for the numbers of participants to which it is committed under the Cooperative Agreement.

Making the training materials into a true "Salesian Approach" requires a thorough editing by competent Salesians and training of Salesian trainers to carry the training effort forward in the future. Shifting responsibility for training to Salesians was reviewed with Salesians in the field and with members of the hierarchy in Rome during the evaluation. The concept was supported in principle at all levels and should be implemented.

In the context of shifting training responsibilities to Salesians, some consideration might be given to reexamining the training approach. The general training program developed will always be subject to problems of targeting trainees. If a sufficient number of Salesian provinces decide that it would be desirable to establish provincial offices for development projects, it may be useful to revise the course by targeting a smaller number of more experienced Salesians who will be working as staff in such offices or as managers of larger projects. In any event, some attention should be directed to tightening selection procedures for the training course.

Quality and appropriateness of methodologies for overseas Salesians
SM was forced by constraints of time and funding to compromise its original intention of having methodologies developed by Salesians with the assistance of outside consultants. SM hired a consulting firm which adapted A.I.D. and other training materials and tested them in several pilot training courses. SM requested changes in each successive training course. Apparently, the contractor responded somewhat grudgingly to many of these requests, a difficult situation for SM which was somewhat "locked in" to the contractor. Nonetheless, the course content if not the written materials have been improved since the first course. More practical, useful material is offered and case work has increased. On the other hand, there appears to participants, SM staff, and the independent evaluator alike to be an excessive emphasis in some areas such as "logframe" theory and methodology and insufficient emphasis on implementation and management systems. Written materials remain less than ideal after five courses. For examples, illustrations of logical framework "outputs" include "300 kilometers of finished access roads which link 15 towns with the provincial capital by June, 1990" and "400 cebu cows weighing 800 to 1200 pounds each". Is this the best way to illustrate project planning to a Salesian whose life may be dedicated to trying to save street children by providing shelter, love, and hope? What

are objective indicators of what most Salesians do? Salesians tend to be practical people more likely to learn from illustrations which are relevant to their life and work.

Salesian participants report that they are appreciative of the course and eagerly seek more training. Some Salesian trainees have grasped the materials and used them very effectively indeed (for example, Hassan Don Bosco). However, it should be noted that an important value of the training materials is the transfer of learning to Salesians who did not have the opportunity to attend the courses. A large majority respondents to followup evaluations report transferring knowledge through lending the materials. The training materials should be reviewed by experienced Salesians from the perspective of how the materials might be improved to serve the functions of reference and "self-teaching" training.

The cost effectiveness of the training program should be improved. Possible steps might include training Salesian trainers rather than relying on high priced contractors; videotaping training sessions and additional lectures to help participants present what they have learned to their communities; and focusing training on a more selective group of Salesians whose primary work will involve the design and management of projects.

The independent evaluator concludes that the course treatments of planning and project design are of adequate quality and are reasonably appropriate for their purpose. Materials on project implementation, office administration, procurement, and accounting should be strengthened. More attention should be directed to teaching Salesians when and how to use outside experts in technical fields such as accounting and engineering and how to budget for technical assistance in project proposals.

Number of courses given, participants, content, and participant evaluations To date, five courses (one funded by USAID/Philippines) have been presented with a total of 152 Salesian participants. Content includes a broad range of subject matters including needs assessment, basic planning and programming, project design, seeking outside funding, preparing proposals, evaluation, and the financial management of projects. The materials include supplementary readings on the logical framework and proposal writing and a directory of funding agencies. Whether the coverage is too much or too little for the available course time was closely examined by SM and the contractor and cannot be usefully questioned by the evaluator. However, it would seem desirable to provide materials explaining what demands various donors, particularly A.I.D., make on NGO's, why they are made, and how an NGO can organize itself and get help to meet unusual donor demands.

The contractor administered extensive pre- and post- course student evaluations in the first three training courses and prepared a detailed evaluation for each program. The lead trainer of each of

the first three courses prepared a detailed analysis of participant evaluations along with his own observations. These contractor self-evaluations indicate a high degree of satisfaction with the course which may to some extent reflect a "halo" effect. Questioning during the evaluation generated a number of suggestions for improvement noted above which should be incorporated in future programs.

SM sent an extensive questionnaire to participants in the first four courses inquiring about the course, the materials and their application in the participants' work. As of June 30, 1991, 61 questionnaires and eight letter responses were received out of a total of 122 participants queried. For various reasons including inconsistent readings and response to questions, multiple participant references to the same projects, and normal delay in donor approval of projects, it is impossible to assess a causal connection between trainees taking the course and their later project activity. The responses do indicate that (1) the Salesian trainees are very enthusiastic and appreciative of the training; (2) the participants would welcome more training including a greater emphasis on practical project design and administrative issues; and (3) the impact of the training is extended primarily by participants lending training materials and discussing the course with their Salesian colleagues.

Participant learning achievements The detailed pre- and post-course evaluation questionnaires provide a clear picture of self-perceptions of significant learning in the courses. Salesians generally have been exposed to far less "management skills" type training than is common in the United States. That the participants bring less to the course in terms of prior training is clear from the pre-course evaluations. The post-course self-evaluations indicate very substantial increases in knowledge and confidence in using the materials. Interviews tend to confirm the self-evaluations. The participants are highly motivated, intelligent, and eager for new knowledge. They clearly are learning a great deal in the training courses. Because of the difficulty in targeting a general course precisely, many less experienced participants are not learning enough to actually design and implement projects. Other more experienced participants are probably learning less about development projects than they might. The solution to this problem probably lies in changes in how Salesians organize to do project work as discussed elsewhere in this report. Ideally, provincial level project units would also take responsibility for training in their province. Training and training of trainers can then be "fine-tuned" to the specific requirements of Salesians playing different roles in the process, thus enhancing the opportunities for learning.

Quality of training contractor The training contractor has done a creditable job of organizing materials and trainers for the Salesian training courses. SM is generally satisfied with the

qualifications and performance of trainers. However, SM has not been wholly satisfied with the responsiveness of the contractor to its requests for revisions in the course materials. As is typical in such situations, several courses were required to sort out questions such as ideal course length, intensity of training, materials, and identification of the trainers best suited by personality and substantive knowledge to present the course to the Salesians. SM is so far satisfied with the roster of trainers and this confidence is confirmed by participant evaluations. However, the cost of training by the contractor is high. In the interest of cost effectiveness, SM is exploring several alternative approaches including (1) incorporating the training function in project offices at the provincial level, (2) having the Salesian Society in Rome take over training and (3) training Salesian trainers to carry on the training program under SM aegis. The evaluator's view is that any of these approaches are feasible and that the quality of training will not suffer thereby. More important, if the Salesians take over responsibility for training, it is more likely to be institutionalized and imbedded in the Salesian culture.

Participant post-course activity such as cultivating new donors and presenting and financing new projects Assessment of post-course activity must take into account that the first three courses were focused on developing and fine-tuning the training course. SM did not present course participants with information on the small projects fund until the fourth course. This decision was taken to avoid placing an intolerable technical assistance burden on SM/OPO before the staff buildup was completed and to avoid generating expectations among the Salesians which could not be fulfilled. In retrospect this appears to have been a sound management decision, although it may have limited the number of projects undertaken by participants in the first three courses even though the small project material was subsequently sent to all course participants.

Post-course new donor and project activity of participants was somewhat limited as indicated in the analysis of questionnaire responses. The follow-up questionnaire responded to by 61 participants reported a limited number of new projects of which very few have been approved by donors as of this writing. This may reflect a number of factors including the fact that some of the most effective Salesians participants were already involved in other projects or in other work which did not permit time to undertake new projects. A significant exception is the post-course activity of the participants in the October 1990 course in the Philippines. Eight applications for new small project funds were received by SM and six other projects were funded by other donors. While the cooperative agreement small project proposals reflect in part considerable effort on the part of a SM staff member, the Philippine performance is notable. The fact that both Philippines provinces had provincial level project units to reinforce and utilize the training is considered significant.

It is recommended in section II. C. 3. of this report that the small project activity be dropped from the cooperative agreement because of the disproportionate staff effort required relative to benefits obtained. Given overall Salesian response to training and other funding opportunities available, it does not appear that the small project opportunity is essential as an incentive for trainees.

It does not appear that a large percentage of participants developed new projects or contacted new donors as a consequence of the course. Very few participants developed projects which were promptly approved by donors. Thus the hoped for strong link between course participation and new activity has not yet been demonstrated - although with time it might well be. It may well be too early for the course experience to have been translated into action by large numbers of participants. It does appear, however, from numerous interviews that the course helped improve the quality of project proposals and project implementation among Salesians already involved in such work. It would seem likely that the combination of training plus a provincial level project unit would help generate significantly increased project activity - as has been experienced in the Philippines case.

One conclusion of the evaluation which to some degree cuts across a number of training considerations is that project development and implementation work should be managed or overseen by project units at the provincial level staffed by people with technical and writing skills and substantial professional commitment to this aspect of Salesian work. If this approach is adopted, development training needs for Salesians in the field would focus more on understanding how development activities are formulated, financed, and implemented and how to work with the project unit to accomplish local objectives rather than how a Salesian community in the field should itself conceptualize and design a project. The existing materials are perhaps better suited to accomplish this objective than to train individual Salesians to design projects themselves.

c) Validation of assumptions relating to methodologies and training

Are cooperating Salesians open to new ideas and assistance? Clearly yes. Furthermore, most Salesians interviewed are prepared to adjust to the necessary degree to the peculiar requirements imposed upon them in working with some donors.

Do they act on the information provided? Some do and many more may do so in the future. Real leadership in applying the training has been exercised by some Salesians with impressive results. However, one must keep in mind that the objective is to help the Salesians to absorb development and "change agent" thinking into their culture to make their culture more receptive to development type

activities. The objective is not to generate projects as such.

Are SM staff and training consultants available to assist partners?

Training consultants are of course available in the courses but not in post-course practical application phases. SM staff struggles to respond to requests for technical assistance, but cannot be available to all Salesian communities on demand. Extensive communication by telephone and fax helps to meet some project technical assistance needs.

Are A.I.D. and other members of the donor community interested in supporting Salesian programs? Apparently yes, subject of course to the availability of funds and mutuality of interest in proposed activities. The training clearly makes the Salesians more attractive to donor agencies as project designers and implementors, but project subject matter, project size, and other demands for funds all are prior limitations on support for Salesian development projects. Even when technical competence is improved, it takes time and sustained effort for a new NGO - or an old NGO with new skills - to build up regular funding relationships with donor organizations. Perhaps most significant is the fact that when a new donor relationship was established with Kellogg, the performance of most Salesian communities involved was outstanding. Thus while this assumption cannot be definitively confirmed beyond the Kellogg case, there is no reason to believe that the assumption that donors will be interested is not valid.

3) Small project activities

a) General observations

The third objective of the cooperative agreement is to establish a small projects fund to facilitate Salesians undertaking small development projects and thereby both improve Salesian capabilities in development activities and help the poor to increase income and employment and improve health and community leadership. A major portion of the small project fund was intended to be linked to the training course both to assure quality proposals and to provide an additional incentive to participation in the course. Further, the small projects fund was intended to function as a "starter" fund which would support initial project activities for Salesian communities which could, with experience in a small project, later develop other, larger projects for funding by other donors.

The small project activity proved to be troublesome for several reasons. Funds were limited per project and in total. Limiting procurement with A.I.D. funds to items costing less than \$500 reduced the utility of the resource severely. The small project money was not an interesting resource for more competent Salesians who could seek larger sums with fewer restrictions from other sources. In those cases where communities were interested in small

amounts of restricted funds for small scale projects, a disproportionate amount of SM staff time was spent in design assistance and "hand-holding" small project planners frustrated with delays in A.I.D. approvals. Thus, the small project fund was not an appropriate resource for developing the institutional capability of the Salesians.

SM, in effect, "replaced" the project funding essential for effective institutional development envisioned in its proposal with projects funded independently of the cooperative agreement by USAID missions and by Kellogg. These activities are discussed in section II. D. below.

Nevertheless, SM has implemented the small project fund element of the cooperative agreement although it is the least well elaborated element of the program. The small project fund has received relatively limited attention from Salesians in the field. To date ten projects have been submitted, seven of which have been approved by A.I.D. The limited use of the fund may in part reflect a relatively limited time during which its use was actively encouraged by SM.

Should the small project system be further elaborated by SM? SM staff and the outside evaluator believe, to the contrary, that the small project fund should be phased out and its resources committed to other activities. The small project fund has limited utility because of contribution size (normally no more than \$30,000), the bar on procurement in excess of \$500, and most important the amount of SM staff and field Salesian time needed to secure a small amount of money the use of which is restricted and subject to the usual A.I.D. requirements. Project identification skills in the field do not appear to be a critical constraint on use of the fund. Salesians in the field appear to know what they want to do and what resources are required. Because Salesian technical training programs require equipment and buildings, it may well be that the limitations on the small projects fund make it a marginal resource for most active Salesian communities.

b) Progress indicators

Number of projects developed and submitted Ten small projects have been formally submitted for financing to SM from Salesian communities overseas. Of these, seven have been approved by A.I.D. and three await clearance. (See Annex E-4 for details.) Elapsed time from submission of the proposal to A.I.D. until SM receipt of approval from A.I.D. ranged from 60 to 83 days in the first four approved cases. The delays appear to be largely attributable to the time required to obtain mission approval. If the small project activity is continued, consideration might be given to changing the A.I.D. approval process from positive clearance with comments requested to a "no objection" system. A certain amount of "handholding" of field Salesians by SM staff during the waiting

period is apparent from files. This appears to generate additional staff time burdens for an already hard pressed SM staff. For Salesians in the field, delays create a problem of maintaining interest and commitment by their communities and the people they serve.

Content of projects and quality of analysis and presentation The projects for which financing has been requested from SM range from quite small (\$45,000 Thailand Chayapron Girl's Training School) to quite large (\$230,300 first phase Bangalore Hassan Don Bosco Technical School). The quality of the project proposals has been good. However, in a number of cases considerable effort has been expended by SM staff to help the Salesians in the field think through and draft their projects. The training course itself does not provide sufficient background and skills to an otherwise inexperienced Salesian to develop and implement projects. While this program certainly contributes to further institutional development among Salesian communities, it is not clear that it is desirable for SM to continue to expend scarce staff resources on smaller projects.

Number of active projects Seven projects have been approved by A.I.D. and initial disbursement have been made to two.

Implementation No information is available as yet on project implementation.

c) Validation of assumptions relating to small projects

Are agreements adequately documented? Yes. Project proposals reflect a clear understanding of objectives and proposed methods. The grant agreement form is clear, concise, and responsive to special A.I.D. and SM regulatory and financial reporting requirements.

Do cooperating Salesians demonstrate progress in these aspects of institutional development? Yes. Documentation and supporting correspondence files demonstrate an appreciation of requirements for formal analysis of project activities and accountability for use of donor funds.

Are the respective roles of A.I.D., SM and overseas cooperating Salesians appropriate, understood and efficiently carried out? The projects submitted to date reflect SM and Salesian community understanding of roles. As noted above, the role of USAID missions in providing detailed comments and approval may be worth reexamination. The delay in obtaining A.I.D. approval is substantial, averaging 69 days on the first four submissions. For small projects in which participant enthusiasm is a major concern, the delay may be counterproductive. Further, hard working USAID missions may well question the need for written review of small SM

funded activities. SM staff support for project development has been effective but there is some question as to whether this is an appropriate use of staff time in view of other pressing demands.

D. Related Salesian overseas project activity

In addition to the projects supported under the cooperative agreement small project fund, the Salesians have developed a number of projects overseas which are not funded under the cooperative agreement activity but which reflect the growing capacity of the Salesians to design and manage projects. These projects, now totalling 21 (see Annex E) including several initiated before the current cooperative agreement, demonstrate the institutional capacity of Salesians overseas to plan and implement development projects. The evaluation team examined six non-cooperative agreement projects for evidence of improving institutional capacity to plan and manage such projects and expansion of the Salesian donor base.

SM's performance in "outside the cooperative agreement" projects is a very significant element in achieving the institutionalization objectives of the cooperative agreement. However, because project activity was for the most part funded outside the cooperative agreement framework and was driven by considerations not necessarily responsive to the cooperative agreement objectives, SM was unable to work through its institutionalization process in as orderly a fashion as envisioned in its original proposal. For examples, the Kellogg and OPG projects are for most part in countries not planned to receive priority attention under the matching grant; were not planned in an optimal time frame for Salesians new to development project work; and were not necessarily viewed by the Salesian implementors as their highest priority activities. Thus it is not surprising that heavy project activity "outside the cooperative agreement" has been a cause of problems for SM. That SM has worked through those problems is considered evidence of strength in the organization but inevitably progress in institutionalization has been affected.

1. Operations supported by W. K. Kellogg Foundation

SM initiated an exploratory arrangement with the W. K. Kellogg Foundation in 1989 which has expanded into into a major donor relationship. As of this writing, the Salesians have received Kellogg commitments of \$3,445,000 for funding eight Salesian projects totaling, with Salesian contributions, \$5,110,000. Kellogg is proving to be an ideal partner for the Salesians. Once the Foundation developed confidence in the Salesians to carry out projects and in SM to oversee operations, it has provided funding on the basis of simple project proposals and modest reporting requirements.

The evaluation team inspected two Kellogg funded projects in Chile.

These projects appear to be implemented very well. No significant problems were discerned. Of particular interest was the apparently deep knowledge of the projects and tight management control exercised by the two provincial economers. A foundation controlled by the province has been established to develop and manage development projects such as those discussed below. This foundation is a form of a provincial level project unit recommended elsewhere in this report to facilitate SM support operations.

At Catemu, Chile, Kellogg committed \$353,500 to a program of agricultural education and a related program of extension for campesinos in the area. Work on the physical plant is being implemented effectively. Particularly interesting work is being done with campesina women in the area through courses to enhance their ability to earn money and care for their families.

At Colin, Chile, Kellogg committed \$279,632 for promotion of rural women at an agricultural school for girls. This is a notable project in which the most disadvantaged of campesina girls are given an excellent agricultural technical education. Graduates are apparently in demand for main stream jobs such as supervisors of agricultural labor. In both cases, the impact of the schools on the lives of women in a very macho, male dominated society is striking.

Knowledgeable observers indicate that Kellogg is well satisfied with Salesian overseas and headquarters performance to date and they are confident that Kellogg will continue to work with Salesians in the future. Kellogg has invited SM to submit an proposal for an ambitious \$4 million project for out-of-school youth in Tiajuana, Mexico.

2. El Salvador program

The El Salvador program is a model of how the Salesians, operating as an in-country NGO supported by SM and funded by A.I.D. can cooperate effectively and generate high impact services at low cost. USAID/El Salvador has funded two major Salesian projects. After the Ricaldone Technical Institute was destroyed by earthquake in 1986, USAID provided a \$1.2 million OPG for reconstruction. Subsequently, USAID provided \$3 million in local currency for construction work on the Ciudadela Don Bosco.

These projects were not foreign initiatives but rather grew out of the Salesian's long standing commitment to education in the country. In the Ricaldone Reconstruction project, SM promoted the project with the USAID mission and hired an outside consultant to write a project paper. The Salesians hired a competent outside engineer to prepare drawings. A knowledgeable and supportive mission engineering staff reviewed and made useful suggestions on plans. The mission HRD Office supported and approved the activities. The Salesians implemented the construction

effectively. SM managed international procurement of equipment. The construction operation was a complete success and the Salesian performance in training is considered outstanding by the Mission. While there apparently were some problems in getting the Salesians to understand and comply with A.I.D.'s requirements, once the discipline was insisted upon by SM and understood by the Salesians, there were no further problems.

Later, the Mission made a major local currency contribution of \$3,000,000 to the building of the Ciudadela Don Bosco Training Institute which is now being implemented. The A.I.D.-Salesian-SM relationship has reached a mature stage in El Salvador in which the Salesians deal directly with the mission with no contact or coordination through SM in the local currency project. USAID indicated, however, that it intends to provide additional funding for future Salesian projects and wants SM to remain in the picture as a PVO recipient of dollar funding and as a backup to local management.

The existing state of relations would appear to be a model toward which A.I.D. and particular Salesian communities might strive: a large Salesian development program; a Salesian development office; Salesians capable and willing to take on large projects; Salesian interest in areas of concern to a USAID mission; competent, interested, and supportive USAID personnel. Notably, both local Salesians and USAID indicate a desire for continuing SM involvement because of the availability of start-up and follow-on technical assistance from SM and because the Salesians prefer to work with A.I.D. dollar-funded operations rather than El Salvador Government funded local currency, notwithstanding A.I.D. administrative requirements. Apparently the Salesians in El Salvador know how to meet A.I.D. requirements and prefer the assurance of reliable disbursement of funds to the administratively easier but somewhat erratic flow of funds from the government.

3. Nicaragua project

In Nicaragua, the Salesians sought to work with the USAID mission in the emergency program initiated in 1990. There have been some problems which are being resolved but which are quite instructive for purposes of guidance of future Salesian-SM-USAID relationships. These problems are discussed herein in some detail not because they constitute a "horror story" requiring AID/W managerial attention but because they illustrate some operational problems which must be avoided to assure maximum effectiveness in the AID/SM relationship. Fortunately, this case also illustrates how prompt and vigorous SM management intervention turned around a potentially serious problem project.

As a result of the free elections of 1990 in Nicaragua, the USAID mission was reestablished with a mandate to carry out an emergency program. AID/W approached SM to determine if SM wished to

participate in a fast implementing non-formal education program. The Salesians in Nicaragua were then seeking financing for refurbishing and remodeling school buildings and equipment for renewal and expansion of the work of the Centro Juvenil Don Bosco, a well-known vocational training school. SM immediately indicated its interest in participation. The need for trained people in Nicaragua was considered to be manifest. Hence, the mission invited SM to work with the local Salesians in developing a proposal for an OPG.

The proposal had to be prepared under severe time constraints. SM contracted a consultant and provided staff assistance. A project paper was prepared in May and submitted to USAID in June. The proposal called for \$1,700,000, including used equipment, and a completion schedule which called for classes starting in December. USAID reviewed the paper and notified SM in early September of several problems including an unrealistically short deadline to begin courses, the absence of analysis demonstrating the actual need in the job marketplace for the skills to be taught, the need for a job-placement component in the project, and a policy against buying used equipment.

SM in a "can do" spirit revised the budget to buy new equipment, establish a job center to help assure that trainees would be employed, and delayed the proposed initiation of classes by six months to April, 1991. The proposal was approved in late September and implementation began in early October when funds became available.

The Salesians did in fact complete most of the remodeling of a number of buildings rapidly and at a very low cost. Courses planned to begin in December began on schedule. However, several design defects were discovered once implementation began. At one school, the electrical supply was inadequate necessitating amendment in construction plans of a new substation to upgrade electrical service to the school. The construction schedule was too tight. It should have been extended at least a few months to April, 1991, the actual starting date. Scheduling should have recognized that drafting equipment specifications suitable for solicitations based on the detailed equipment list prepared in the project design process would be far more time-consuming than anticipated. These problems were dealt with by SM promptly as they emerged in implementation.

Local staffing issues, however, have proven to be more difficult to resolve. The determination that the Salesian community had the capacity to take on a complex \$1.7 million project under extreme time pressure was based in part on the expected availability of one exceptional individual. He was transferred. The new Salesian manager was not familiar with A.I.D. procedures and apparently was too passive in overseeing the work of the project coordinator and the lay accountant. The coordinator proved to be a vigorous and

essentially competent manager of work, but he displayed a lack of understanding and concern for A.I.D. requirements and a lack of sensitivity to Salesian sisters participating in the project. These problems required extensive SM staff attention.

Compounding this problem was a project accountant whose hiring SM approved on the understanding that he had performed that role well on another USAID project. An audit in December identified serious defects in contracting and accounting procedures for the project. USAID notified the Salesian project coordinator. The local Salesians for whatever reason failed to notify SM of the audit findings. As a consequence, SM had no notice of the problem until February 14. On February 17 SM hired a consulting accountant to investigate and correct any problems. While the corrective work has not been fully completed, USAID is satisfied with progress to date and praises SM's prompt and effective response to solve the problems.

There appear to be three key misunderstandings which led to this situation. First, SM thought it was hiring a USAID proven accountant competent to handle his work in accordance with A.I.D. requirements, advise the project manager and coordinator of their responsibilities, and notify SM if the Salesians were not, for any reason, complying with their responsibilities with respect to use of A.I.D. funds. Second, SM thought the project coordinator understood and was willing to comply with the various terms and conditions associated with the use of A.I.D. funds. Third, when the December audit revealed serious defects in compliance with A.I.D. requirements, USAID, as it was entitled to do, notified the local Salesian project manager, not SM, the OPG recipient. SM had no actual notice of the problem for some six weeks.

The Nicaragua experience appears to have a happy ending with a successful building remodeling phase largely completed, training starting, and the USAID mission pleased with SM's prompt and effective response to serious management problems. But the case is replete with cautionary tales. Clearly, there can be considerable variation among Salesians in managerial skill, responsiveness to donor requirements, willingness to consult and to control project-related activities of colleagues, gender egalitarianism, and other A.I.D.-relevant characteristics. SM cannot and should not try to make judgements on a case-by-case basis concerning how effectively individual Salesians and support personnel will function in donor-funded projects. The Nicaragua case provides a compelling example of why SM should interact not with the local Salesian community but rather with a provincial-level unit staffed with trained Salesians and lay people who will fully understand and accept their responsibilities under donor funded projects and undertake to assure compliance at the project-community level.

The reasons for this conclusion are grounded in the nature of the Salesian environment. Neither the Salesian project manager nor the

coordinator was an employee of SM. Indeed, they are not employees of the Salesian Society! They are members of the Salesian Society. In this case, SM was unable to control a relationship with the local community which proved, in fact, to be quite delicate. Thus SM found itself caught between USAID expectations and a Salesian community which was less than enthusiastically responsive to A.I.D. requirements. The problem essentially is that SM was in a position of responsibility but not authority. In the Salesian congregations, discipline flows from Rome to the provincial who, advised by his or her council, takes responsibility for activities in his or her province. Project responsibilities should be undertaken at that level.

At a deeper level, there is a cultural difference between A.I.D. and the Salesians which needs to be understood and managed where A.I.D. finances Salesian projects. The Salesian culture teaches its members that good works will be supported by charitable people when the need is perceived. Thus, Salesians will start a large project and work through it element by element seeking support as the activity goes on. Money is never stolen from Salesian projects. Indeed, Salesians devote their entire lives under vows of poverty to pragmatic, action-oriented activities to help the poor. They are used to considerable autonomy and responsibility in managing resources available. Thus, spending money on complex competitive procurement procedures, accounting and auditing, and other documentation-oriented procedures may be perceived as absurd and wasteful.

Officials of A.I.D., of course, have a very different professional formation. Rigid accounting controls and procurement regulations are a fact of life, a part of the system so pervasive as to be assumed.

SM has an important role to play in bridging these cultural differences. But the role should be one of helping to train Salesians who staff provincial level offices which deal directly with the local communities. SM should not undertake compliance responsibility to a donor unless it has an agreement with the effective Salesian authority, the Provincial.

4. Philippines operations

SM has developed a number of projects for USAID funding in the Philippines Province (which covers much of the Western Pacific) including the Papua New Guinea Don Bosco Technical School (\$1,550,000); Cebu, Philippine Post Graduate Support Program (\$68,000); East Timor, Indonesia Salesian Agricultural Center (\$218,268); East Timor Salesian Orphanages (\$773,282); and the Training and Development Program in Dumaguete City, Negros Oriental and Minglanilla, Cebu, Philippines (\$250,000).

USAID/Philippines expressed strong support for Salesians. Their

conceptualization and implementation of projects is considered, "very, very satisfactory". Indeed, "no one runs a program better". Their projects are run by "dedicated and honest people." "We are proud to show our Salesian grants to anyone - they'll stand up." However, Salesian paperwork is considered a significant weakness. USAID asks that the Salesians improve their planning and implementation documentation, either themselves or by hiring trained people.

The Philippines province has established a mechanism, in part to respond to USAID's concerns, which may prove to be a model for institutionalization of Salesian development capacity. The province has established a project office under the direction of the Provincial Economist (financial manager) to help Salesian communities identify, design, finance, and implement projects. Development of the concept was delayed when the Salesian originally assigned to run the office proved to be an inappropriate selection. However, this position is expected to be filled shortly and the office is functioning effectively thanks to the direct efforts of the Economist and an able lay cooperater who joined the office after retiring from her twenty year career in a Philippine development bank.

The Philippines model viewed together with related models of Salesian project units at the provincial level in Chile and El Salvador form the experiential base for the recommendation that SM encourage the development of such units and try whenever possible to work through them rather than directly with individual communities.

III RECOMMENDATIONS

1. SM proposed an orderly five year \$7.2 million program of institutionalization, methodology development and training, new technology applications, and project funding designed to enhance Salesian capacity to do effective and sustainable development work. Major reductions from the proposal in both term and funding resulted in distortions in the program. SM sought to replace project funds within the cooperative agreement with project funds from outside the cooperative agreement. SM succeeded in this effort and is now undertaking \$9.8 million in outside projects with a possible additional \$3 million in projects being designed. But the very success of this effort has created strains the implications of which are yet to be fully resolved. Notwithstanding the fact that SM has done extraordinarily well in implementing the program to date, a number of adjustments are required in the operations of SM/OPO and cooperative agreement plans. A.I.D. and SM should examine emergent problems and risks in light of the great potential of the Salesians for development work and negotiate a revised operations and funding plan which provides for an orderly development of institutional capacity over a more realistic time period. The key considerations in the view of the evaluator are discussed below along with suggested changes.

2. The staff of SM/OPO is too small for the scope of the program and the nature of the current workload. Some combination of reduction in staff responsibilities and increase in staff is appropriate. Several suggestions for scaling down some activities under the cooperative agreement and changes in operational arrangements are offered in paragraphs 5 et. seq. Ideally, SM staff should focus on fund-raising, promotion of projects, troubleshooting, oversight of special requirements such as procurement, quality assurance, and technical assistance in training and project work. It should avoid direct management of projects and problems of inter-community relations. The lead role in project design and implementation should be taken by Salesians in the field preferably in provincial level project offices with Salesian leadership and competent professional staff (see paragraph 9 below).

3. SM staffed up for rapid program expansion with highly experienced senior people. Their ability to handle the stress of rapid expansion is highly praiseworthy. However, the ability of senior people to sustain such stress has limits as unfortunately demonstrated by the resignation of a key staff member who felt himself "burned out" by the effort. The SM staff should evolve into a group with a better mix of skills, experience, and ability to sustain the rigors of management of a world-wide program over the years. In the near future, an executive who can be groomed to succeed the OPO director should be hired. A Salesian should be assigned to understudy and reduce the administrative work load on Father Jim Chiosso freeing him to work with the Director on

developing organizational capacity for project work in Salesian provinces and fund raising.

4. The ability of SM to recruit competent lay staff members, particularly younger people who would be likely to remain with SM as a professional career, is severely hampered by the lack of an appropriate benefits package. Steps should be taken to make such a package available in SM/OPO.

5. The training program should be continued, but efforts should be made to shift responsibility for training to Salesians both to reduce training costs and help embed development thinking more deeply in the Salesian culture. This process might be initiated with training of trainers and assisting province level project offices in training activities in their area.

6. The course and associated written materials should be reviewed and edited to assure suitability for Salesian participants. Trainee selection procedures should be examined. If the current courses continue, greater emphasis should be placed on implementation, financial accounting requirements, and practical cases in Salesian-relevant technical fields. The materials should be reviewed and perhaps revised to respond to the needs of non-course participants who read the materials and Salesians who may use the materials as a working manual for project work.

7. The small project fund was conceived as a pool of funds to be available to help attract field Salesians to development activities. While the potential of the small project concept is attractive in principle, A.I.D. requirements and limitations make it a relatively unattractive resource. It does not appear to be an essential incentive for attracting Salesian attention to development activity. Further, small project operations absorb too much SM - and A.I.D. - staff time relative to the benefits generated. The small project fund should be phased out of the cooperative agreement program permitting SM to reorient staff resources toward generating the larger projects favored by USAID missions and larger donors.

8. SM provides technical assistance for project development and implementation for Salesians seeking USAID funding. The projects when funded normally contain line items for some SM travel and some local implementation costs. But SM/OPO does not receive payments from USAIDs for its development and ongoing service costs which are considerable. SM provides these services on a no cost basis because almost all personnel and operating costs of SM/OPO staff are covered within the matching grant program either by A.I.D. or SM. The result is that USAIDs receive the benefit of SM/OPO services without contributing to recovery of associated OPO costs (apart from certain travel expenses). Thus the pool of funds available for other SM activities supported by the cooperative agreement is effectively reduced. Consideration should be given to

some form of charge to missions so that operating costs of support for field projects are recovered.

9. SM should encourage Salesian provinces to create or improve organizational arrangements for the design and management of development projects. Provincial level project units, preferably along the lines of the Philippines and El Salvador project offices and the Chile Salesian Foundation appear to be the ideal approach. While such arrangements would be desirable for supporting projects funded by any donor, they appear to be essential for A.I.D. funded projects. SM should carefully consider not entering into project agreements with USAID missions if a provincial level office capacity does not exist in a Salesian province.

10. Assurance of an implementing community's compliance with complex A.I.D. requirements should, in the first instance, be the responsibility of overseas Salesians, not SM. Thus the Salesian provincial hierarchy should be asked not only to approve an A.I.D. funded project but to accept responsibility for the implementing community's compliance with terms of a project agreement. Absent such commitment from the provincial and council, SM should not enter into project agreements with USAIDs to implement projects locally.

11. SM sponsored projects should have competent managers with adequate time to manage a project and accountants reporting to SM. If funding is not available for such arrangements, SM should not participate. Involvement of SM staff in direct management of projects such as became necessary in the Nicaragua case should be reduced to an absolute minimum.

12. Salesian fathers and brothers (SDB) and Salesian sisters (FMA) are part of a single spiritual community but are members of separate congregations which reflect significant differences in organizational and operational characteristics. Within each congregation there may significant differences in objectives, management capability, and working methods among the various provinces and communities. While there may be superficial administrative efficiencies in combined projects, experience suggests that separate projects for individual activities and communities may be desirable unless otherwise indicated at the provincial level. In any event, SM should avoid situations where SM staff must attempt to handle problems arising among Salesian communities.

13. SM is offering training and project funding to a wide variety of Salesian communities. Sometimes these gifts, if accepted, bring unexpected and even threatening changes in the way some Salesians do business. This problem seems to be especially acute in the case of A.I.D. money and its related restrictions and "audit culture". SM can be seen as - and to some extent is - serving two masters when it bridges between donors and Salesian communities in the

field. The expectations of donors and the varying roles of SM as bringer of gifts and monitor of donor interests should be thoroughly understood by any Salesian undertaking development related activity. Absent fully informed choice on the part of Salesians, the role of SM can be misconstrued and the real but somewhat constrained generosity of donors, especially A.I.D., misunderstood. In this connection, it would be useful for A.I.D./Washington to make available A.I.D. Standard Provisions for non-profit organizations in approved Spanish, French, and Portuguese translations.

14. The cooperative agreement contemplated development of systematic cooperative relationships with European and other foreign donors to support Salesian development activities. Unanticipated claims on European donor funds as well as difficulties in effecting coordination with European donors suggest that arrangements such as those contemplated by the cooperative agreement are not feasible except on a case-by-case basis. Development of systematic formal cooperative arrangements should be dropped as an objective of the cooperative agreement.

15. SM experience demonstrates that different donors have significantly different operating characteristics. The cost of getting access to A.I.D. funds appears to be quite low but the operating cost of actually expending A.I.D. resources is high. Thus, A.I.D. implementation requirements suggest that smaller numbers of large projects may be a financially sounder way to operate with A.I.D. than large numbers of small projects. In the case of other donors, such as Kellogg, it may cost more to gain access to funds but be less costly to operate once a relationship is established. It may be useful for SM to critically examine the potential of other donors, especially EEC tie-ins and other coordination activities, in order to determine what its most favorable opportunities for expansion of funding may be in light of its staffing resources. Staff time should be made available only for those possibilities which represent clear, significant and cost effective opportunities for funding.

16. FVA/PVC should reexamine the potential of the Salesian Society with its 40,000 members in over 100 developing countries in light of new A.I.D. policy initiatives in the area of children and the family. When the cooperative agreement was negotiated, strong interests by A.I.D. in health, small enterprise and agriculture essentially overlapped Salesian interests primarily in training and community development. The new A.I.D. focus on the family and children - especially in light of growing recognition of the need for moral formation as a necessary concomitant of training exemplified in the report of the National Commission on Children - suggests that Salesian philosophy and A.I.D.'s views on social development may be to some extent converging. A.I.D. may well now find certain Salesian activities more closely aligned with its own requirements than before. Examples of such activities include the

Poligano small enterprise community in San Salvador, street children activities in a number of countries, and, above all, technical training coupled with the Salesians' traditional strong emphasis on moral formation, civic responsibility, and family orientation.

17. The Salesians do an excellent job of telling the story of the impact of their work on the poor and on disadvantaged children in ways which are appealing for public fund raising. A.I.D. requires in depth documentation by professional evaluators before investing in new economic and social development project ideas. The Salesians need to tell the stories of some of their exceptional accomplishments to A.I.D. and the donor community generally in the form of social science research and formal evaluation. Investment in such evaluative work should be negotiated with A.I.D. and, if not financed directly, accepted as part of the SM cash match.

18. A one year extension to the existing three year cooperative agreement funded at the current annual support level should be negotiated to give SM time to adjust to program problems which have been identified and implement required changes. Subsequently, a final five year matching grant proposal should be developed for A.I.D. which provides for a shift in emphasis from institutionalization to outreach. Such a project might include support for (1) technical and financial assistance to organize, staff, and/or strengthen several provincial level project offices on a pilot basis; (2) a fund for medium size projects (\$500,000 and up) in three or four countries focusing on a single institutional strengthening theme such as upgrading technical-vocational training in emerging technologies or care and rehabilitation of street children; (3) local staffing in the field to respond to USAID management and accounting requirements; (4) technical assistance to internal Salesian development training; and (5) a fund for replication of unique Salesian accomplishments such as street children programs and the Poligano small enterprise project.

ANNEX A

SALESIAN MISSIONS
SCOPE OF WORK FOR MID-TERM EVALUATION OF
COOPERATIVE AGREEMENT OTR-0158-A-00-9078-00

1. SUMMARY

This is a statement of work for a mid-term evaluation of Salesian Missions (SM) activity under Cooperative Agreement OTR-0158-A-00-9078-00 with the Agency for International Development (A.I.D.), which is scheduled for completion on August 31, 1992. The statement identifies the purpose and objectives of the evaluation, details an evaluation scope of work, and describes an evaluation methodology.

The evaluation will assess Salesian Missions' progress in institution building, both its own growth and the development of its own capacity to design, fund, manage and evaluate projects carried out by Salesians overseas, as well as progress in strengthening the institutional capabilities of overseas cooperating Salesians. With respect to the latter, it will focus on the effectiveness of training overseas Salesians in project design, management and evaluation, in seeking funds for their development activities and in further professionalizing their activities in Latin America, Asia and Africa. It will also identify issues in short and long-term institution-building relative to overseas Salesian's planning and execution of one or multiple projects. The evaluation will be carried out during the period of April - June, 1991 by a team composed of SM representatives and a contract professional knowledgeable of institutional development

processes and the A.I.D. project system. The final report is due no later than July 19, 1991.

These dates are subject to revision if the evaluation schedule laid out in Section 7, below, slips. However, the evaluation report will be an important resource in preparing and evaluating Salesian Missions' next Matching Grant request. As such, it is imperative that the evaluation be completed as close to June 28, 1991, as possible.

2. BACKGROUND

2.1. Brief History. Salesian Missions is a not-for-profit voluntary organization incorporated in New York State. It is the institutional fundraising and overseas technical assistance arm of the eastern United States Province of the worldwide Salesian Society. Salesian Missions is a nonprofit private voluntary organization (PVO) registered with the U.S. Agency for International Development.

The Salesian Society is an order of priests and brothers of the Roman Catholic Church founded in 1859 in Turin, Italy by Giovanni Bosco. It is paralleled by an order of nuns, the Daughters of Mary Help of Christians. In this document they will be referred to as the Salesians and the Salesian Sisters, respectively. For more information on the Salesian Society and Salesian Missions, see Attachment 1.

The majority of SM's development activities involve the support of Salesian communities in developing countries. SM does not directly implement projects; however, SM is frequently the executing agency, responsible legally and financially and for the quality of project execution. SM supports the work of its overseas partners through assisting with the development of project plans and proposals; identification of potential donor organizations; where appropriate and/or necessary, presentation and negotiation of grant proposals; and provision of technical and/or financial assistance. Grants are primarily to assist programs of vocational and technical education, but may also include other types of economic and social development activities. In addition, under the current A.I.D. Cooperative Agreement, a major thrust is to improve the institutional capabilities of overseas Salesian provinces and individual communities in project planning and management through training, technical assistance, organizational development and through the design and implementation of small projects financed under the grant.

2.2. FVA/PVC Grants to SM. This current Cooperative Agreement, or Matching Grant, is the second that SM has received from FVA/PVC. The first began in 1986. Most activity was completed in 1989, and was followed by the current grant. A field sub-project in Kenya continues under the first grant. In addition, SM has received a number of OPGs from USAID Missions and grants from foundations, as shown in Attachment 2.

2.3. Current Cooperative Agreement. The current Cooperative Agreement has three basic activities:

1. support to Salesian Missions to help sustain and expand the work of program development, coordination and funding begun in the first grant.

2. development of a set of methodologies for overseas Salesians in project planning, management and evaluation, and presentation of a series of training courses in these methodologies;

3. funding for overseas projects developed by or in conjunction with overseas Salesians, particularly those who have participated in the training program.

The emphasis of the grant is to help strengthen the institutional capacity of Salesian Missions as well as the institutional capacity of selected Salesian provinces and communities in Latin America, Asia, and Africa. These overseas provinces and communities are independent non-governmental organizations, and support is directed toward helping them improve their capacities for analyzing development problems, planning projects, formulating proposals, identifying appropriate assistance agencies to support these projects, and managing and evaluating projects once they enter implementation. In this evaluation the following overseas institution-building activities should come under review: establishment of financial systems, development of financial planning capability and development of institution

capacity in project design and management long-term. The overarching objective is to realize both qualitative and quantitative gains in the development work of the nearly 40,000 Salesian men and women around the world.

3. EVALUATION PURPOSE AND OBJECTIVES

The purpose of the mid-term evaluation is to provide FVA/PVC and SM with an assessment of SM's progress in undertaking the activities under the Cooperative Agreement. It is a management activity and should provide FVA/PVC and SM with insights into the process of institutional development, as described above. The evaluation will address the following issues of overall grant implementation:

- How has SM progressed in its own development as a PVO during four and a half years of A.I.D./FVA/PVC support?
- Are SM's overseas partners receiving adequate technical and management assistance from SM to achieve their goals?
- How effective has Salesian Missions been in helping to strengthen local Salesian organizations and communities?
- Is SM's program laying the ground work for sustainable local activity once the grant is completed?

- What do overseas Salesians perceive they need which is not being met/not being asked for?

- How can Salesian Missions improve its institution-building work?

- What is and how effective is the Salesian Missions methodology in allocating funding for overseas projects developed by or in conjunction with overseas Salesians?

In summary, the critical evaluation task is to determine the degree of progress realized by SM in its own institutional development and in assisting local Salesian communities and organizations in theirs.

4. EVALUATION SCOPE OF WORK

The evaluation will assess the progress to date, and recommend changes or improvements for the future of this project. For the current Cooperative Agreement the assessment will be based on Salesian Mission's original grant proposal and the project's logical framework (Attachment 3), program objectives (Attachment 4), and implementation plan (Attachment 5). The evaluation team will recommend both mid-course adjustments and possible activities to be included in a follow-up Cooperative Agreement.

4.1. Evaluation Methodology. The evaluators will employ a methodology that utilizes a standard set of assessment questions. Each assessment question is to be applied to various sources of information that describe SM's operations and process of institution building.

4.2. Assessment Questions. The evaluators will ask five basic questions of SM's program:

a) Are the stated objectives of the grant being met?

i) If yes -- what is the nature of the progress?

ii) If no -- what are the barriers impeding program implementation? What steps is SM taking, or should it take, to overcome barriers?

b) Are the assumptions for achieving the desired outputs of the grants warranted in light of activities to date?

c) Are the original objectives of the grant reasonable given the magnitude of the activity

and SM's technical and management capabilities?

d) Should the objectives of the grant be re-assessed?

e) What steps, if any, should be taken in the remaining period of the grant to achieve the objectives?

4.3. Evaluation Data Sources. The assessment questions will be considered drawing on two different data sources. The first data source will be documentation, including the grant agreements, project implementation plans, annual reports, reports of cooperating overseas Salesians, evaluation plans, and project correspondence. The second data source will be interviews with SM and FVA/PVC staff, selected USAID in-country staff, members of cooperating overseas Salesian organizations and project beneficiaries.

4.4. Evaluation of Program Activity. Assessment questions will be asked of each of the four aspects of SM program activity. These are:

a. Institution Building. The first component of SM's grant activity supports SM's efforts to sustain and expand the work of program development, coordination and funding.

i. Progress Indicators. The program will be assessed using the following indicators:

- Progress in planning Salesian Missions' short and mid-term growth and operations.
- Progress in meeting staffing targets; staff qualifications (experience; training; professional development.)
- Development of a consultant roster and use of consultants.
- Progress in developing SM's operating policies, procedures and operating guidelines manual as well as in identification and resolution of emerging issues.
- Progress in diversifying SM's donor base, including financial growth and coordination among Salesian support offices.
- Progress in improving financial management and preparing financial management guidelines.
- Overseas Salesian's understanding and acceptance of the new opportunities offered them by SM.
- Quality and level of effort by SM staff providing technical and management assistance to assist overseas Salesians to achieve their goals.
- Progress achieved by overseas Salesians in establishing project-related systems (management, administration, financial control, evaluation, assignment of personnel and development of a project identification capacity).

ii. Data Sources. To assess progress in SM institutional strengthening the following data sources will be used: Matching Grant proposals; grant agreements and attachments; grant amendments; project correspondence; annual reports; interviews with SM headquarters and field staff, FVA/PVC staff, cooperating overseas Salesians, USAID staff and project beneficiaries.

iii. Data Collection and Analysis Techniques.

Information will be drawn from document analysis and interviews, as specified in ii, above.

iv. Assumptions. Assumptions will be assessed by considering the following questions:

- Do SM and FVA/PVC share a common vision, goals and objectives for SM's institutional growth and development?
- Do willing and capable overseas Salesians partners exist for SM to work with?
- Is the development environment (donor and Salesian policies, programs, overall economic conditions, etc.) propitious for SM's continued growth as a PVO? For cooperating overseas Salesian organizations as indigenous NGOs?

b. Development of Methodologies and Training. The second component of SM's grant activity is the development of a set of methodologies for overseas Salesians in project planning, management and evaluation and presentation of a series of training courses in these methodologies.

i. Progress Indicators. The program will be assessed using the following indicators:

- Progress in developing the methodologies for project planning management and evaluation;
- The quality and appropriateness of the methodologies for cooperating overseas Salesians;
- Number of training courses given, number of participants, course content, and participants' in-course evaluations;
- Assessment of participants' learning achievements;
- Assessment of the quality of the training provided by the contractor;

- Assessment of participants' post-course activities and achievements, particularly in cultivating new donors and presenting/financing new projects.

- Assessment of response of Salesian provincial and community management personnel.

ii. Data Sources. The following data sources will be used: interviews with training contractors, SM staff and selected training course participants; contractor's teaching materials and post-course evaluation reports; participants' in-course and post-course self-evaluations. Interviews with selected participants to include those who have/have not submitted project proposals.

iii. Data Collection and Analysis Techniques.

Evaluative information will be drawn from document analysis and interviews, as described above.

iv. Assumptions. Assumptions will be assessed by asking several questions:

- Are cooperating Salesians open to new ideas and assistance?

- Do they act on the information provided?
- Are SM staff and training consultants available and appropriate to assist partners?
- Are A.I.D. and other members of the donor community interested in supporting Salesian programs? If not, why not?

c. Small Project Activities. The third component of SM's process of strengthening local organizations and communities is the continuation of a formal cooperative relationship with overseas Salesians through operation of a small project fund. The evaluation will assess the proposals received from them and progress achieved in implementation.

i. Progress Indicators. Progress will be assessed with the following indicators:

- Number of projects developed and submitted;
- Content of projects and quality of analysis and presentation;
- Number of active projects;
- Implementation activity -- progress and problems.

ii. Data Sources. To assess progress, the following data sources will be used: interviews with

A.I.D./FVA/PVC staff, SM staff, and selected overseas Salesians; project plans, agreements and progress and financial reports.

iii. Data Collection and Analysis Techniques.

Information will be drawn from document analysis and interviews, which should determine the quality of planning, programming and administration and how each of the parties interpret the agreements and understand their mutual responsibilities.

iv. Assumptions. Assumptions will be assessed by asking the following questions:

- Are agreements adequately documented?
- Do cooperating Salesians demonstrate progress in these aspects of institutional development?
- Are the respective roles of A.I.D., SM and overseas cooperating Salesians appropriate, understood and efficiently carried out?

4.5. Evaluation Sites. The evaluation will be carried out at SM's New Rochelle headquarters, its Washington area office, the Salesian Society Headquarters in Rome, and four field sites. Cooperating Salesians' activities will be evaluated in the Philippines, El Salvador, Nicaragua and Chile. These field sites are selected because SM has

directed significant attention to activities in these countries; because the Salesians are implementing a major USAID OPG in Nicaragua; because the Provincial Headquarters for Central America is located in El Salvador and because two major new donor (Kellogg Foundation) projects are being implemented in Chile, one of which is a woman's agricultural education program.

5. EVALUATION TEAM COMPOSITION

The evaluation team will be composed of an external evaluator and a SM representative as the SM coordinator. The former will be an expert in project planning, training and institutional development, have working knowledge of the Spanish language and should have extensive experience with A.I.D. project design and implementation procedures. For field visits, either the SM evaluation coordinator or the cognizant SM regional representative will accompany the external evaluator.

6. EVALUATION REPORT

The external evaluator will be responsible for preparing the final report which should not exceed 40 pages. The report should not only provide answers to the Assessment Questions, but also provide conclusions and recommendations. In addition, the report is to provide lessons learned that may have emerged from the analysis. Given the complexity of the evaluation and volume of

data anticipated, the report may be supplemented by as many annexes as may be considered important by the evaluator. The report will be organized as follows:

Title Page

List of Acronyms

Evaluation Summary Report

Executive Summary (under 5 pages)

Table of Contents (with Annexes, figures and tables)

Main Report (organized in accord with the list of evaluation questions provided in Section 3 of the Scope of Work)

Conclusions and Recommendations

Lessons Learned

Annexes

Annex 1: Scope of work

Annex 2: Evaluation Team Itinerary

Annex 3: List of Individuals Contacted

Annex 4: List of Documents Consulted

Annex 5: (As needed)

7. ILLUSTRATIVE TIME FRAME AND SCHEDULE¹

20 working days

External evaluator reads in; interviews SM Washington area office staff and FVA/PVC staff and visits SM's New Rochelle headquarters for briefing and initial interviews; review of

project files; refinement of field visit scope of work and consultation with SM on scope of work.

14 working days Site visits to Nicaragua, El Salvador and Chile

13 working days Site visits to the Philippines

4 working days Consultation at Salesian Society Headquarters in Rome

15 working days Deadline for submission of final draft report. Between May 28 and July 19, a total of 10 days is provided for drafting and finalizing report. A.I.D./W and SM will submit their comments on the draft evaluation report to the evaluator no later than July 10, 1991. At some time between June 25 and July 10, the evaluation team will provide an oral debriefing for FVA/PVC and Salesian Missions, on the team's findings.

July 19

Final report due

GRAND TOTAL 66 working days

ANNEX B

ANNEX B

Evaluation Team Itinerary

April 18 Washington to San Salvador
April 19 San Salvador
April 20 San Salvador to Managua
April 21 Managua
April 22 Managua to Miami
April 23 Miami to Santiago
April 24 Santiago, visit Catemu
April 25 Santiago, visit Colin
April 26 Santiago
April 27 Santiago
April 28 Santiago
April 29 Santiago
April 30 depart Santiago
May 1 arrive Washington
June 9 Depart Washington
June 10 Arrive Manila
June 11 Manila
June 12 Manila to Cebu, visit Boy's Home site
June 13 Cebu, visit Minglanilla, return to Manila, depart
June 14 Arrive Rome
June 15 Rome
June 16 Rome
June 17 Rome
June 18 Rome to Frankfurt, drive to Bonn
June 19 Bonn to Frankfurt, return to Washington

ANNEX C

ANNEX C List of individuals interviewed

Salesian Missions [Inc.]

Rev. Edward Cappelletti, Executive Director, Salesian Missions, Inc.
Rev. James Chiosso, Program Director
William Sigler, Director, SM Overseas Programs Office
Robert Mashek
Robert Chamberlain
Margaret Valdivia
Gabriel Icart, Controller
Wesley Murphey, CPA, Scarano & Co., external auditor
Randall Teague, legal counsel to Salesian Missions [Inc.]

AID/Washington

Harry Wing, Deputy Director, FVA/PVC
Loretta Williams, Project Officer, FVA/PVC

El Salvador

Rev. Salvador Cafarelli, Provincial Economer
Rev. Jose Coro, Director, Ciudadela Project
Rev. Jose Moratalla, Director, El Poligono Industrial Project

John Lovaas, Deputy Director, USAID/El Salvador
Dr. Patsy Layne, Division Chief, USAID/El Salvador
Roberto Govidia, Staff engineer, USAID/El Salvador
Rafael Ratana, Staff engineer, USAID/El Salvador

Nicaragua

Rev. Oscar Vian, Director, CJDB
Hermano Fernando Murillo, Project Coordinator, CJDB
Lic. Juan Gutierrez, CJDB management accountant
Sor Lucila Suarez, Director, Masatepe
Sor Carmela Cuadros, Director, Granada
Sor Sonia Lopez, Director Granada
Pedro Linares, Consulting accountant

Liliana Ayalde, PDD, USAID/Nicaragua
Frank Valva, USAID Project Manager
Richard Layton, USAID Controller

Chile

Rev. Alfredo Videla, Provincial
Rev. Teodoro Nieto, Provincial Economer

Rev. Severino Tardivo, Director, Catemu Agricultural School
Rev. Santibanez, Director, La Gratitude National
Sor Teresa Costa, Provincial Economist
Sor Magdalena Cancino, Director, Colin
Sor Teresa Allende, Assistant to the Provincial Economist

Paul Fritz, A.I.D. Representative

Philippines

Rev. Francesco Panfilo, Provincial
Bro. Jose Maria Ferrer, Provincial Economist
Rev. Ernesto Cruz
Rev. Richard Varela
Rev. Gerard Ravasco
Rev. Francis de Meulenaere, Director Pasil Institute, Cebu
Ofelia Castell, Provincial project office
Vilma K. Bardoquillo, Provincial project office
Rev. Marcelino Benabaye
Rev. Daniel Elemira
Rev. Patrick Buzon
Rev. Mother Felicidad M. Boado, Provincial
Sor Cecilia M. Del Mundo
Sor Maria Rebecca A. Ramos
Sor Catherine T. Urgello
Sor Aniceta Saligumba
Sor Anita Miranda
Sor Maria Victoria Santa Ana, Provincial Economist's Office

Bryant George, Chief, USAID Office of Food for Peace and Voluntary
Cooperation

Rome

Most Rev. Egidio Viganò, Rector Major of the Salesian Society, SDB
Rev. Luciano Odorico, Counselor General for the Missions
Sor Lina Chiandotto, Counselor General for the Missions of the
Salesian Sisters, FMA
Sor Laura Maraviglia, Counselor General for Administration
Sor Lucia Potesta, Secretary to Counselor for Administration

Donald Brown, Vice President, International Fund for Agricultural
Development (IFAD)
Muntasir Labban, External Relations Officer, IFAD
Roberto Haudry de Soucy, Project Officer, Division of Latin America
and the Caribbean, IFAD

Bonn, Germany

Rev. Karl Oerder, S.D.B., Mission Procurator
Hans-Jürgen Dorrich, Chief, Jugend Dritte Welt (PVO)

ANNEX D

ANNEX D

Anticipated output

Performance

1. Headquarters modernization

increase program and administrative staff to seven

Five full-time program positions and three part-time administrative positions established.

consultant roster

34 consultants identified hired on when actually employed basis; consultant files created and used.

OPO staff training for four professionals, one clerical plus consulting assistance seven person staff on permanent employment status

Staff training provided in proposal and project preparation, financial management, auditing, donor diversification, and computer applications.

OPO operations manual incorporating management systems, program and project guidelines and methodologies

Project development guidelines and methodologies based on training materials drafted and extensively tested. Manual materials on contracting, procurement, financial and personnel management and office operation prepared.

donor diversification and leverage activities planned and implemented

Major donor diversification effort implemented, e.g., eight Kellogg Foundation project commitments totalling \$3,445,000. Funding source guidelines prepared and disseminated through training program. Contacts developed with 34 other donors and 16 USAIDs.

12

financial management
guidelines
for operations manual

Disseminated in Spanish and
English through training
course. Field program
managers using reporting
forms for all projects.

2. Development
methodologies and training

develop methodologies for
"Salesian Approach" to project
planning and management

Adopted contractor training
materials; tested, revised
and applied in five
training programs.

150 Salesians from 15
countries trained in
methodologies

Five training programs
presented, 152 Salesians
from 24 countries trained.

3. Implementation of
development projects

policies/procedures for
development fund

Drafted and disseminated to
all Salesian training
course participants.

donor diversification

Eight new projects underway
with W.K. Kellogg
Foundation totalling
\$3,445,000 and four
additional in development.

two projects flowing from
pilot training activities/two
projects flowing from training
extension activity

Seven projects submitted
and approved by A.I.D.
totalling \$975,420. Three
projects are in process.
\$302,100 A.I.D. matching
grant funds committed.

projects responding to special
needs or opportunities

Grant supported development
of six USAID funded
projects totalling \$3.2
million.

ANNEX E-1/2/3/4

ANNEX E-1

Grants Secured by Salesian Missions
Overseas Programs Office
 3/1/87-6/30/91

El Salvador	1987	AID	\$1,100,000	1,100,000
U.S. (Ocean Freight)	1988	AID	100,000	
Thailand	1988	AID	177,000	
Kenya	1988	AID	215,000	
Paraguay	1988	Hackett, PWF	39,140	531,140
Papua New Guinea	1989	AID	150,000	
Zambia	1989	PAID	153,267	
Philippines	1989	AID	68,000	
Indonesia	1989	AID	218,268	
Paraguay	1989	AID	200,000	
U.S. (Cooperative Agreement)	1989	AID	1,200,000	
U.S. (Ocean Freight)	1989	AID	125,000	
Indonesia	1989	AID	505,282	2,619,817
Dominican Republic	1990	Hackett	13,408	
Argentina	1990	Kellogg	657,340	
Chile	1990	Kellogg	353,500	
Chile	1990	Kellogg	279,632	
Venezuela	1990	Kellogg	335,402	
Venezuela	1990	Kellogg	194,251	
Guatemala	1990	Kellogg	998,184	
Indonesia	1990	AID	268,000	
Philippines	1990	AID	250,000	
Nicaragua	1990	AID	1,700,000	
Brazil	1990	Kellogg	586,382	
Brazil	1990	Kellogg	40,350	5,676,449
U.S. (Ocean Freight)	1991	AID	135,000	
Mexico	1991	Hackett	11,885	<u>146,885</u>
		TOTAL	\$	10,074,291

Summary:

AID	\$ 6,411,550
Kellogg	3,445,041
Other	<u>217,700</u>
TOTAL:	\$ 10,074,291

8/6/91

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ANNEX E-2

Summary of Salesian Projects Financed by the Kellogg Foundation

	<u>Salesians</u>	<u>Kellogg</u>	<u>TOTAL</u>
Brazil - Silvania	\$ 229,760	\$ 586,382	\$ 816,142
Brazil - Fellowship	0	40,350	40,350
Guatemala	841,779	998,184	1,839,963
Argentina	180,625	657,340	837,965
Chile - Colin	145,000	279,632	424,632
Chile - Catemu ,500	36,500 390,000	353	
Venezuela - Barinas	67,080	335,402	402,482
Venezuela - Carrasquero	<u>164,600</u>	<u>194,251</u>	<u>358,851</u>
TOTAL	<u>\$ 1,665,344</u>	<u>\$ 3,445,041</u>	<u>\$ 5,110,385</u>

9/9/90

19.

June 25, 1991

SALESIAN MISSIONS PROJECT LIST

1. Don Bosco Technical School, Port Moresby
City and Country: Port Moresby, Papua New Guinea
Funding Agency: USAID
Project Number: AID-879-0001-G-00-5009-00
Duration: 8/30/1985 - 12/31/90
Total Grant: \$1,550,000
Payment Method: Reimbursement; L/COMM to Procurement Services Agent
2. Cooperative Agreement (Matching Grant) for Institutional Strengthening Support of Salesian Missions
City and Country: U.S. with subgrants in Santa Cruz, Bolivia (2); Maputsoe, Lesotho; Nairobi, Kenya.
Funding Agency: USAID
Project Number: PDC-0281-A-00-6199-00
Duration: 9/1/86 - 8/31/91
Total Grant: \$665,000 (\$450,000 in 8/86 and \$215,000 in 8/88)
Payment Method: Letter of Credit
3. Institutional Development of the Carlos Pfannl Salesian Agricultural Institute
City and Country: Coronel Oviedo, Paraguay
Funding Agency: USAID
Project Number: LAC-0616-A-00-6076-00
Duration: 9/15/86 - 5/31/90
Total Grant: \$400,000
Payment Method: Periodic Advance
4. Construction of the Chingola Technical Training Center
City and Country: Chingola, Zambia
Funding Agency: Fund for Private Assistance in International Development (PAID)
Project Number: None
Duration: 3/87-3/89 (Completed)
Total Grant: \$153,267
Payment Method: Local currency bank transfer
5. Reconstruction and Equipping of the Ricaldone Technical School
City and Country: San Salvador, El Salvador
Funding Agency: USAID
Project Number: AID-519-0344-G-00-7673-00
Duration: 8/21/87 - 3/14/89
Total Grant: \$1,100,000
Method of Payment: Letter of Credit

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6. Don Bosco Technical School Program for Training Poor Youth for Employment

City and Country: Bangkok, Thailand
Funding Agency: USAID
Project Number: AID-493-0342-G-SS-8052-00
Duration: 8/1/88 - 10/1/91
Total Grant: \$177,000
Method of Payment: Periodic Advance

7. Limpio Village Water Supply

City and Country: Asunción, Paraguay
Funding Agency: Hackett Foundation; Public Welfare Foundation
Project Number: None
Duration: 8/88 - 12/89 (Completed)
Total Grant: \$39,140
Method of Payment: Check to Salesian Missions

8. Post Graduate Support Program

City and Country: Cebu, Philippines
Funding Agency: USAID
Project Number: AID-492-0419-G-SS-9050-00
Duration: 8/9/89 - 8/8/91
Total Grant: \$68,000
Method of Payment: Periodic Advance

9. Salesian Agricultural Education Center

City and Country: Fuiloro, East Timor, Indonesia
Funding Agency: USAID
Project Number: AID-497-0336-G-SS-9128-00
Duration: 8/15/89 - 8/14/91
Total Grant: \$218,268
Method of Payment: Periodic Advance amended to use Letter of Credit

10. Natural Resources Conservation Center

City and Country: Coronel Oviedo, Paraguay
Funding Agency: USAID
Project Number: AID-526-0616-G-SS-9002-00
Duration: 8/30/89 - 9/30/92
Total Grant: \$200,000
Method of Payment: Letter of Credit

11. Cooperative Agreement for Institutional Development

City and Country: U.S. - Overseas project sites to be determined
Funding Agency: USAID
Project Number: OTR-0158-A-00-9078-00
Duration: 9/1/89 - 8/31/92
Total Grant: \$1,200,000
Method of Payment: Letter of Credit

12. Salesian Orphanages of East Timor

City and Country: Los Palos, Venilale and Laga,
East Timor, Indonesia
Funding Agency: USAID
Project Number: AID-497-0336-G-SS-9160-00
Duration: 9/29/89 - 9/28/91
Total Grant: \$773,282 (\$505,282 in 9/89 and \$268,000 in 10/90)
Method of Payment: Letter of Credit

13. Working Girls' Home

City and Country: Santo Domingo, Dominican Republic
Funding Agency: Hackett Foundation
Project Number: None
Duration: 7/20/90 - 1/25/91
Total Grant: \$13,408
Method of Payment: Check to Daughters of Mary Help of Christians

14. Non-Formal Vocational Education

City and Country: Managua, Granada and Masatepe, Nicaragua
Funding Agency: USAID
Project Number: 524-0310-G-00-0057-00
Duration: 10/1/90 - 3/31/93
Total Grant: \$1,700,000
Method of Payment: Letter of Credit

15. Training and Development Program

City and Country: Dumaguete City, Negros Oriental and Minglanilla,
Cebu, Philippines
Funding Agency: USAID
Project Number: 492-0419-G-SS-0135-00
Duration: 9/27/90 - 9/26/92
Total Grant: \$250,000
Method of Payment: Letter of Credit

**SMALL PROJECT FUND SUMMARY
(A.I.D. Matching Grant OTR-0158-A-00-9078-00)**

ANNEX E-4

	Cooperative Agreement Contribution	Sub-Recipient Contribution	Total Amount
1. Cash Crop Production Scheme Laguna and Minglanilla, Cebu SM-01-91	\$17,890	\$44,920	\$62,810
2. Chayaporn Girls Training Center Thailand Province SM-02-91	35,000	10,000	45,000
3. Katkari Centre Bombay SM-03-91	33,990	31,370	65,360
4. Hassan Don Bosco Tech Bangalore, India SM-04-91	60,300	170,000	230,300
5. Drinking Water Purification Dimapur, Nagaland, India SM-05-91	30,000	18,000	58,000
6. Vuna Bosco Agro-Technical School Tarubar Rabaul, Papua New Guinea SM-06-91	95,000	344,600	439,600
7. Renovation and Expansion Don Bosco Boys' Home Sri Lanka SM-07-91	<u>30,000</u>	<u>44,350</u>	<u>74,350</u>
Totals	<u><u>\$302,180</u></u>	<u><u>\$663,240</u></u>	<u><u>\$975,420</u></u>

(Evaluate Annex E-4 09-13-91)

ANNEX F

**GUIDELINES FOR THE USE OF
SALESIAN MISSIONS QUARTERLY FINANCIAL
REPORTING FORMS**

The five forms for accounting for money provided by Salesian Missions as sub-grants from the U.S. Agency for International Development are largely self-explanatory. However, this note is to clarify several points which may not be immediately clear. Should users have any questions on these forms, please contact Salesian Missions at the Arlington, Virginia address shown below.

- **QUARTERLY FINANCIAL REPORT NO. 1** -- This report is to record all expenditures of A.I.D. money made during the quarter. Project Managers are required to maintain a separate bank account for funds provided by A.I.D. Some recipients maintain two checking accounts -- one for dollars and another for local currency received for dollars exchanged. If there is both a dollar and a local currency account for the project, then a copy of Quarterly Report No. 1 must be submitted for each account.

Please note in particular the footnote to the "Reference" column which asks that you enter one of three indicators: the check number, if payment for goods or services is made by check; "petty cash" when entering total petty cash expenditures for the reporting period (see footnote on the report form); or "bank charge" if the charge is assessed by the bank directly to your checking account. No entry need be made in the "Payee" column for petty cash or bank charge expenditures.

- **QUARTERLY FINANCIAL REPORT NO. 2** -- This report is to record all of your counterpart expenditures during the quarter. As the footnote indicates in the reference column, you should enter either the check number from your regular checking account (this is so auditors later can follow the paper trail back to your checking account), "petty cash," or "in-kind" for non-cash contributions. If all petty cash is financed from A.I.D. funds, there will not be any petty cash entries on Quarterly Financial Report No. 2. Conversely, if all petty cash expenditures are made from your counterpart funds, there will be no "petty cash" entries on Report No. 1. We do not recommend the maintenance of two separate petty cash accounts, although this is possible.

The project budget which was included in the project proposal and also the project agreement between Salesian Missions and U.S.A.I.D. indicates which expenditures are "in-kind." The planned value of in-kind contributions is noted in these documents. When an in-kind contribution is made it should be entered on Report No. 2. Please attach a sheet of paper to Report No. 2 which explains the basis for calculating or valuing in-kind contributions so that there is an auditable record which supports or justifies the value placed on the in-kind contributions.

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For all projects, A.I.D. requires a counterpart contribution. Your quarterly financial reports are used by Salesian Missions to prepare a separate report to U.S.A.I.D. called the Financial Status Report (Form 269.) This report shows not only expenditures of A.I.D. funds, but also counterpart contributions by quarter. This is why we need Report No. 2.

• **QUARTERLY FINANCIAL REPORT NO. 3** -- The purpose of this form is to summarize all A.I.D. expenditures and all counterpart contributions you include on Reports No. 1 and 2.

In the first Quarterly Financial Report No. 3 all entries in column A will be 0's, since there will not have been any previous expenditures. In the second and all subsequent quarterly reports, the entries in Column A should be the same as the entries in Column C of the report for the previous quarter.

Column B shows expenditures of U.S.A.I.D. and counterpart funds by budget category. The numbers are derived by cumulating A.I.D. expenditures and Salesian expenditures by budget category from Reports No. 1 and 2, respectively. The "budgeted amount" column is simply a reference so that you can see how your expenditures are progressing in comparison with the amounts budgeted for each budget category in the U.S.A.I.D. grant agreement.

As indicated on the form, the entries in Column C will be the totals of entries in Column A and Column B.

• **QUARTERLY FINANCIAL REPORT NO. 4** -- This report is a summary report of your cash balances on hand. It is self-explanatory, however, we have noted in the past some deficiencies which we wish to call to your attention:

In line C, please make sure that you include the date of deposit and the amount in U.S. dollars of any funds transferred from Salesian Missions to your organization. If more than one deposit was received during the quarter, please make sure that they are noted separately by date and amount in line C.

There is a note on this form which asks that for every dollar exchange transaction and deposit you make, you send us the original or a copy of the bank document which shows the amount of the dollar deposit, the local currency amount you receive, and the exchange rate used. It is extremely important that we receive this document because we must convert all local currency expenditures reported in this set of reports back into dollars to prepare our reports to U.S.A.I.D. To do this we must know how many units of local currency you have obtained for each separate

dollar exchange transaction.

It should be clear, but the formula shown on Line H, Ending Balance, is simply the totals of lines A through D from which is subtracted the total of Lines E through G. Please make sure that you verify that the entry on line H is actually the sum of the amounts in your checking account and petty cash account at the end of the quarter. If it is not, you have made a mistake and must check the accuracy of all entries and computations on Reports No. 1 and 3.

• **QUARTERLY FINANCIAL REPORT NO. 5** -- This is another reconciliation of funds on hand and the form you use to request an advance for the next 90 days of project activity, if required. The following points are important to remember in filling out this form:

The form must be submitted, even if you are not making a request for advance of funds.

Line B should be the total of all amounts from line C of Quarterly Financial Reports No. 4 for all previous quarters.

Line C should be a total of cumulative expenditures to date for column C of this quarter's Report No. 3.

Line D -- The entry on line D.1., Interest Earned From the Beginning of the Beginning of the Grant, should be the total of all entries on line D of Quarterly Financial Report No. 4 for all previous quarters.

Line D.2., "Less: Interest Already Remitted to U.S.A.I.D." should be the total of all checks written to A.I.D. remitting interest since the beginning of the project. These previously will have been reported on Quarterly Financial Report No. 1.

On line F, "Total U.S.A.I.D. Funds Needed For the Next 90 Days," you should enter the beginning and ending dates of the 90-day period in the blanks on the form. A.I.D. limits advances to 90 days of actual needs, so you should try to calculate this figure carefully, but making sure that you have a comfortable margin for the 90-day period.

Line G is the actual advance you are requesting in local currency. However, so that we know how many dollars we should send you, it is important that you enter the anticipated exchange rate in the blank shown on this line.

QUARTERLY FINANCIAL REPORT NO. 3
ALL EXPENDITURES BY BUDGET CATEGORY (in pesos)

Reporting Period: _____ to _____

TITLE OF PROJECT: _____

COUNTRY: _____ GRANT NO.: _____

	A	+	B	=	C
Budget Category	Cumulative Expenditures Through Previous Quarter		Expenditures this Quarter		Cumulative Expenditures To Date
1. Personnel					
USAID					
Salesians					
2. Equipment & Commodities					
USAID					
Salesians					
3. Monitoring/ Evaluation					
USAID					
4. Administration					
Salesians					
5. Training & Support					
USAID					
Salesians					
6. Loan Fund					
USAID					
TOTALS:					
USAID					
Salesians					

Approved by: _____ Date: _____

Title: _____

**QUARTERLY FINANCIAL REPORT NO. 4
CASH ACTIVITY AND BALANCES (IN LOCAL CURRENCY) OF USAID MONIES ONLY**

Quarter: _____ to _____

TITLE OF PROJECT: _____

COUNTRY: _____ GRANT NO.: _____

- A. Amount in checking account at the beginning of period
(from check book): _____
- B. Amount in Petty Cash at the beginning of period
(from Petty Cash Account Book): _____
- C. Deposit during period on (date) _____
(U.S. dollar equivalent of the deposit:
US\$ _____)
- D. Interest earned during the quarter:
(from bank statement): _____
- E. Amount of checks written during the quarter
(do not include checks written for Petty Cash): _____
- F. Petty Cash expenditures
(from Petty Cash Account Book): _____
- G. Bank charges during the quarter
(from bank statements): _____
- H. Ending balance: (A+B+C+D-E-F-G)
(should equal sum of amounts in the checking account
and petty cash at the end of the quarter): _____

**Note: for each exchange transaction and deposit,
attach a copy of the document recording the dollar
and peso amounts and the exchange rate used.**

Approved: _____ Date: _____

Title: _____

**QUARTERLY FINANCIAL REPORT NO. 5
SUMMARY REPORT OF USAID FUNDS FROM GRANT BEGINNING (IN LOCAL CURRENCY)
AND REQUEST FOR ADVANCE**

Quarter: _____ to _____

TITLE OF PROJECT: _____

COUNTRY: _____ GRANT NO.: _____

- A. Total amount of grant: _____
- B. Funds received from beginning of the grant to the end of this quarter: _____
- C. Total expended from the beginning of the grant to the end of this quarter: _____
- D. Interest earned:
1. From the beginning of the grant: _____
2. Less: Interest already remitted to USAID: _____
- Total interest on hand: (1 minus 2) _____
- E. Project funds available at the end of the quarter (B minus C plus D): _____
- F. Total USAID funds needed for the next 90 days (_____ to _____) _____
- G. Advance requested F minus E: _____
(dollar equivalent of advance requested; exchange rate anticipated: _____ local currency equals US\$1.00)

Approved: _____ Date: _____

Title: _____

in