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INTERNATIONAL
CARE
EGYPT

COMMUNITY INITIATED DEVELOPMENT (CID) PROGRAM

USAID/Egypt (Project No. 263-0102)

MID-PROJECT EVALUATION

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EXECUTIVE SUMMARY

Project Description:

The Community Initiated Development (CID) Project is CARE's largest project and core program of local development assistance in Egypt. The program seeks to strengthen the capacities of community-based, Egyptian non-governmental organizations -- ENGOs -- to initiate self-help development projects and manage sustainable credit programs that support the economic activities of the poor. Over the 3-year life (July 1990 - June 1993) of this project, CARE shall assist 120 ENGOs in four rural governorates -- Fayoum, Sohag, Qena and Aswan -- of Upper Egypt to develop local projects and credit programs that improve the socio-economic conditions of 250,000 economically disadvantaged persons.

The CID Program succeeds the Village Self-Reliance Project (1987-1991) that established CARE's new strategic role in Egypt as a catalyst for: "community-initiated, community-managed and, to the greatest extent possible, community-funded development projects". The program emphasizes training for ENGO leaders in community organizing and needs assessment for "Community Sponsored Development Activities" (CSDAs) and provides loan capital and training to establish sustainable, ENGO-managed credit funds -- or "Small Economic Activities Development" (SEAD) programs.

CID is jointly funded for three years by USAID (\$3.924 million), CARE Britain/ODA (\$0.756m), CARE USA (\$0.574m), all participating ENGOs (\$0.265m), and the Ministry of Social Affairs (\$0.046m).

The Mid-Project Evaluation -- Methodology and General Findings:

This report presents the findings of a midterm evaluation of CID undertaken in May 1992 by an outside team of professionals, commissioned by USAID/Egypt. The evaluation methodology included: field visits to more than thirty ENGOs in the 4 governorates; extended informal interviews with ENGO leaders, CARE staff, government officials, community members, and program beneficiaries; and close review of ENGO and CARE implementation, accounts, records and management information systems for both major components -- CSDA activities and SEAD credit programs -- of the CID Project (see pp.3-5).

The Mid-Project Evaluation determined that CID is a thoroughly sound, energetic, and well managed community development program of impressive achievements. Project outputs are considerable. The priority indicators of Project status and progress in achieving Project purposes are strongly positive. CID shall exceed its target of 250,000 total beneficiaries, most of whom are indeed economically disadvantaged. Summary findings for each of the Project's major elements are presented below.

Priority recommendations to USAID and CARE/Egypt for CID program development are listed in the following section.

Community Sponsored Development Activities (CSDAs):

CSDAs are local infrastructure projects and community services sponsored by participating ENGOs that are identified, designed, implemented and chiefly funded by community members. CID promotes these community self-help initiatives by: (1) Assisting ENGOs in facilitating, planning and training for CSDA projects; and (2) Requiring each ENGO to mobilize cash or in-kind contributions to CSDAs that equal the value of loan capital (average LE 20,000) that CID will provide the ENGO to establish its SEAD credit fund.

The "core task" of the CID Program is to activate ENGO leaders and train them in the principles of successful community management. CSDAs are a **priority** component of the CID Program and a principal **context** for training ENGO leaders in planning, management and needs assessment skills. The capacity of Egypt's NGOs to mobilize and direct private resources to local infrastructure and community development initiatives may be the sector's most significant contribution to contemporary Egyptian society.

Priority Project <u>Benchmarks</u>	Life of Project <u>(LoP) Target</u>	Outputs to Date <u>30 June 1992</u>
* Total Number of CSDA projects	600	561
* Total Local (Cash + In-Kind)	LE 2.16 million	LE 1.61 million Contributions to CSDA projects
* Total CSDA Beneficiaries	200,000	236,910

Priority indicators of CID progress in promoting CSDA activities are strongly positive. CSDA projects to date have attracted major cash and in-kind contributions from local communities and have exceeded the target number of direct beneficiaries. Citizens' labor participation in CSDA implementation, especially among women, has fallen short of objectives. But none of the factors that likely explain this shortfall reflect CID deficiencies (see pp.27-30,32,35). And CARE's approach to valuing CSDA contributions is sound.

ENGO leaders widely commend CID for its approach to promoting CSDAs and initial training support. Many volunteered that CID training has significantly enhanced their competencies in planning and executing such projects. Objective evidence corroborates these claims. "Community Conferences", organized collaboratively by each ENGO and CID staff as a public forum for community needs assessment, have clearly been a seminal event in ENGO-community relations and ENGO capacity building. But ENGO need -- and popular demand -- for expanded training and alternative project models is great. >> CID should now expand ENGO management training and development education extension in alternative CSDA project models, Board Member roles, supervising/encouraging volunteers, program financing, and ENGO financial management to enhance ENGO capacities for effective and sustainable CSDA initiatives (see pp.21-22,39-44,47-49).

Small Economic Activities Development (SEAD):

The SEAD component of CID assists community-based ENGOs to establish and effectively manage credit programs to support micro- and small-economic activities by poorer community members. CID provides participating ENGOs with loan capital, extensive training, follow-up consultation, and regular monitoring to promote sustainable lending programs. CID sets minimal standards and basic procedures for SEAD credit implementation. But ENGOs are expected to assume fully responsibility for strategic decisions on future development of their SEAD programs. CID establishes 120 ENGO-managed credit programs -- average total capitalization (excluding interest payments and penalties): LE 22,000 -- by end of Project. ENGOs contribute 10% and mobilize cash and in-kind contributions for CSDA activities that equal the value of CID contributions to their SEAD loan fund capitalization. SEAD credit programs charge positive, real rates of interest ("administrative fees") -- a minimum of 18% per annum fixed (see pp.50-61,81-84).

Priority Project <u>Benchmarks</u>	Life of Project (LoP) Target	Outputs to Date <u>30 June 1992</u>
* ENGOs with Signed SEAD Contracts	120	106
* Loan Fund Capitalization	LE 3.0 million	LE 1.45 million
* Percentage of Total Loan Funds Active ...	90%	87%
* Number of SEAD Loans Disbursed	10,000	3,748
by ENGO Loan Committees		
	To Women: 5,000	1,523
	To Men: 5,000	2,225
* Total Value of SEAD Loans	LE 4.5 million	LE 1.78 million
Disbursed		
* Loan Repayment Rate	90%	98%

SEAD outputs to date (30 June 92) are very satisfactory and loan activities demonstrate marked success. The Project should meet or exceed all major SEAD targets before end of Project (June 1993). Achievement of secondary indicators (e.g. total number of loans disbursed, women as a percentage of all borrowers) should meet 80% or more of ambitious LoP targets. All priority indicators of ENGO credit management capacities -- e.g. loan repayment rates, percentage of loan funds active, interest rates, volume of delinquent loans -- meet or closely approach high Project standards. The great majority of ENGO credit funds are effectively managed and actively implemented. Financial control systems are in place and well used for efficient loan collection. Demand for SEAD loans is high in participating communities (see pp.66-78).

The Evaluation Team was repeatedly impressed by evidence of SEAD's contributions to: ENGO revitalization, participatory decision-making and the promotion of new leadership and ENGO membership, improved management of other ENGO programs, closer and more active ENGO-community relations, expanded ENGO outreach and benefit to low-income and poorer community members, an expanded base of ENGO resources, and a new round of community action and CSDA initiatives (see **pp.79-81**).

Positive real interest rates and the ENGOs' conscientious management of credit are major CID contributions to **sustainable** SEAD lending programs. But sustainability now recommends greater CID attention to: deficient ENGO support for Community Volunteers and their essential role in SEAD credit outreach to women, ENGO intentions to approve larger loans (at greater risk to SEAD capital), and extended monitoring of credit management in a sample of ENGOs beyond the planned end of Project (see **pp.vi,69,72,75-76,85-91**).

CID presently lacks information on the beneficiary impacts of SEAD lending. But CARE proposes implementing soon a broad survey of borrowers. We recommend, however, a more intensive "case study method" of beneficiary assessment applied to a limited number of borrowers -- not an extensive survey -- for its greater contributions to CID implementation, ENGO institution building and CID field staff development (see **pp.77,91-93**). The hugely dominant proportion of small loans in ENGO loan portfolios is sufficient evidence that SEAD borrowers are overwhelmingly from the CID target group of economically disadvantaged (see **pp.94**).

Strengthening Regional Federation Capacities to Sustain CID Support to ENGOs:

CARE's implementation of CID closely follows the principal elements of project strategy and technical approach outlined in the Project Agreement. Only in the development of Regional Federation (RF) capacities to sustain CID training and support for participating ENGOs after CARE's withdrawal has the project design not been realized. RFs have received only a limited number of CID training workshops. None of the RFs are more effectively supporting ENGOs as a result of CID. And CARE no longer expects the RFs to provide a support function after CID phase-over.

Yet CID's general approach to RF capacity-building -- albeit sparse -- is sound and appropriate. Rather, it is highly problematic for CARE or any other agency to vitalize RFs that lack the vision and drive to market themselves. RFs will not be remade by outside, "top-down" intervention alone. The proposed evolution of RF capacities must start from within and be marketed to (supported by) ENGO clients below. In the absence of self-initiative and active commitment by the RFs to ENGO extension, CID's planned efforts to strengthen RF capacities have diminished (see **pp.95-101**).

CID emphasis, rather, should be given to strengthening the internal systems and accommodating the interests of ENGOs to sustain these programs **themselves** -- not searching outside these organizations for another institution to "assume" responsibility for the sustainability of a program that will, in fact, wholly depend upon each ENGO (see **pp.91,101-103**).

PRIORITY RECOMMENDATIONS

To USAID:

Extend Project Duration (pp. i, 11, 59-60, 87-88, 103)

The Evaluation Team strongly recommends that CID be **extended at least 6-12 months and preferably 18 months**. The additional time and resources would permit CARE to consolidate its significant progress to date on priority CID outcomes -- especially the enhanced institutional capacities and program outreach of community-based Egyptian NGOs to support the economic activities of the poor and self-help initiatives of their communities. Sustained organizational development cannot be rushed. The planned 3-year Project life of CID was too concise. Now that CID has proven its capacity for achievement, the soundness of its program approach, and the efficiency of its management system, an abrupt and premature end to CID would be counter-productive to the sustainability of major outcomes.

The Team advises CARE not rush the "phase-over" of participating ENGOs. Additional time should be given to: continued SEAD monitoring, training a broader cadre of ENGO members in SEAD credit management and strategic program planning, promoting increased ENGO support for effective Community Volunteers, and providing expanded training to ENGO leaders and active members on priority issues of ENGO financial management and organizational development.

To CARE:

1. Develop CID Strategy to Accommodate Larger SEAD Loans (pp. 69, 72, 89-91)

CARE must now establish a clear strategy to accommodate strong ENGO interest in providing larger SEAD loans. CID staff must be given clear, consistent direction in responding to this expected future trend in lending among some ENGOs. An effective strategy might include: (1) **Credit Education:** ENGO leaders and members should clearly understand the greater risks of larger loans versus many small loans, especially those to women, and the importance of SEAD loan fund security and sustainability; (2) **Splitting Mature ENGO Loan Funds** into separate funds for small and large loans in experienced ENGOs that insist on providing larger SEAD loans.

2. Enhance Role of Community Volunteers and Promoters (pp. 52-53, 56, 85-88)

Increased ENGO incentives to Community Volunteers (CVs) and Community Promoters (CPs) are essential to sustain their activity in support of SEAD lending. CVs and CPs are important to ENGO credit outreach and promotion to the CID target group of beneficiaries. They might subsequently be trained by CID staff and supported by **both** ENGOs and SEAD borrowers to provide basic financial management training to SEAD borrowers on simple cash accounting and organize small savings-groups.

3. SEAD Beneficiary Impact Assessment (pp. 77-78, 91-94)

CARE should conduct a limited number (50-100) of detailed, case studies of ENGO loan recipients and their businesses in order to assess SEAD beneficiary impacts. This **case study method** is strongly recommended in place of the proposed, one-time survey of a much greater number of SEAD beneficiaries. The overall distribution of all SEAD loans by **size of loan** and borrower's **gender** already provides sufficient information on the extent to which the CID target group of beneficiaries is served by overall SEAD lending.

It is now more significant -- and consistent with the priority purposes of this Project -- to know which **ENGOS** give strong emphasis to the CID target group in disbursing loans and which do not (or are unlikely to continue giving priority to the target beneficiaries after phase-over). This understanding is critical to enhancing the sustainability of SEAD lending and its continued benefit to priority CID beneficiaries.

4. Consolidate the Minimalist SEAD Training Curriculum (pp. 61)

The evaluation recommends the priority commitment of CID staff resources to:

1. Implementing an effective CID strategy to accommodate larger SEAD loans;
2. Promoting increased ENGO support for CVs and CPs;
3. Expanded ENGO management training and consultation for Board Members and interested citizens (see below).
4. Conducting SEAD beneficiary case studies.

DECENT might facilitate the reallocation of staff resources to these tasks by consolidating SEAD training into a concise curriculum "package". This would also facilitate the training of new CID staff and the recommended **expansion** of general SEAD credit management training beyond the very limited number (1-2) persons in each ENGO and community that are now competent to manage ENGO lending (pp. 59-60, 84). A cadre of trained persons in each community is recommended to enhance ENGO confidence in credit management and the sustainability of SEAD lending.

5. Expand Management Training to Selected ENGOS (pp. 21, 26, 41-44, 48-50)

ENGO leaders express strong interest in alternative program models for popular services and activities. Many ENGOS visited for this evaluation singled out training as a major CID program contribution. Training in ENGO financial management and program accounting is a priority (pp. 20-22, 36).

But expanded ENGO management training should be provided only on demand to organizations and communities that express significant interest. This training should also be conducted in **individual communities** with a **broad group** of participants. This is less efficient than training in centralized workshops, but it promotes an expanded base of competent and interested community members and thus the sustainability of SEAD program activities.

6. Extend CARE Monitoring of ENGO Credit Management (pp. 75-76, 78, 103)

CID should now more closely monitor loan delinquencies and defaults at the ENGO level (pp.75-78) and ENGO strategic program changes. An **extended** period of CARE monitoring of ENGO credit management -- beyond the point of ENGO "phase-over" -- is required. CID's considerable success, importance and achievements to date merit extended observation, study and assessment. The lessons to be learned are critical: What proportion -- and which -- of these ENGOs sustain active lending to the CID target group 12 months after "phase-over"? Twenty-four months after "phase-over"? What strategic changes do ENGOs make in SEAD policies and implementation, and what are the reasons for these changes? How might CID implementation (training, ENGO selection, follow-up) be enhanced to promote greater program sustainability and outreach to the priority target group? Answers to these important questions demand extended ENGO monitoring. CARE might propose to closely monitor the SEAD programs of the first 60 participating ENGOs for an additional two (2) years beyond phase-over and prepare an extensive report of its findings for wide distribution.

7. Promoting Women's Participation in Community Decision-Making (pp. 29-30)

Aggressive promotion of women's increased participation in CSDAs and ENGO decision making -- a Project objective -- would likely have been counter-productive at the start of CARE's relationship with CID ENGOs. But strong intervention is appropriate now for those ENGOs with which CARE has developed constructive relationships based on trust and open exchange.

Strengthening ENGO commitment to -- and support for -- effective women volunteers (Community Volunteers) in SEAD and CSDA activities might be an effective approach to this objective. A greater role for Community Volunteers in SEAD would strengthen lending and program sustainability and promote women's key participation in a high-profile and non-traditional ENGO initiative. CID should strongly encourage a greater voice for Community Volunteers in SEAD loan decisions and strategic program planning.

Glossary of Abbreviations

- AID - The U.S. Agency for International Development
- CID - Community Initiated Development Program (Project)
- CDA - Community Development Association -- one type of ENGO.
- CP - Community Promoter: A salaried, village-based female or male development practitioner. A CP is usually selected from among CVs and serves as their coordinator. The CP's salary is jointly paid by the ENGO and CID.
- CSDA - Community Sponsored Development Activities
- CV - Community Volunteer: A female or male development promoter recruited by ENGOs and trained by CID staff to promote and support ENGO development activities.
- ENGO - Egyptian Non-Governmental Organization
- FY - Fiscal Year (July 1 - June 30 for CARE)
- GOE - Government of Egypt
- LoP - Life of Project
- MSA - Ministry of Social Affairs (Egyptian)
- PIR - Program Implementation Report
- RF - Regional Federation of Egyptian Voluntary Agencies
- SEAD - Small Economic Activities Development
- VSR - Village Self-Reliance Project

Preface

In three weeks of field visits to over thirty communities, the Evaluation Team was welcomed by scores of local citizens, ENGO leaders, and MSA officials who patiently gave ample time and attention to our questions and opened their loan records to close inspection. Their sincere cooperation -- and the positive Project outcomes that we observed -- clearly evidenced their commitment to self-help community action and CARE's success in fostering supportive program relationships with local communities.

CARE/Egypt staff can take considerable pride in the implementation and accomplishments of the CID Program to date. Their professionalism and high level of activity inspired the lengthy reflection and effort given to this Mid-Project Evaluation Report. We offer CARE staff these observations and recommendations in profound appreciation of their essential commitment to yet further enhance the effectiveness and very significant outcomes of the Community Initiated Development (CID) Program.

Endicott, NY
July, 1992

Robert J. LaTowsky
Team Leader

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I. INTRODUCTION

I.A. Structure of the Report

This report presents the principal findings and recommendations of an extensive Mid-Project Evaluation of the Community Initiated Development (CID) Program being implemented by CARE/Egypt. Principal funding for this 3-year project is provided by the U.S. Agency for International Development (USAID/Egypt Project No. 263-0102), which commissioned this mid-term program appraisal, prepared its terms of reference, and selected the Team Leader. This 3-year CID Project, formally initiated in July 1990, commenced activity in November 1990 after a 4-1/2 month delay in GOE approval. It is presently scheduled to conclude in June 1993.

The lengthy Evaluation Scope of Work (see **Annex**) outlined seventeen principal tasks and a greater number of subordinate issues for the Team to address [1]. For the sake of coherence, this report integrates related tasks into the component framework of major Project activities. With this structure, the report offers a cohesive overview and much clearer understanding of the CID Program. Footnotes [x] throughout the report identify specific evaluation tasks as they are addressed in the text. Certain tasks are considered at several different points in the report. For this reason, an **Evaluation Task Index** is also provided (see **Annex**) for those who might wish to follow up all comments relevant to a particular task or issue that cuts across the Program structure.

[1] To the extent possible, this report also addresses the principal questions that CARE had proposed for this Mid-Project Evaluation in its Project Plan (November, 1991), pp.8-9.

This presentation structure also recommends the report to a wider audience than CARE/Egypt and USAID. Indeed, this report has intentionally been written for the unfamiliar reader. The description of Project goals, purposes, general strategy and technical approach, and major program activities has this audience clearly in mind. The considerable success and achievements of this core CID Program warrant the thoughtful attention of other agencies and professional development practitioners in Egypt and perhaps CARE missions in other countries. The Evaluation Team strongly concludes that CID is a remarkable program -- one of the best international development NGO programs that Team members have seen in Egypt. It has been well thought out, professionally implemented, and ceaselessly refined. We can but hope that the lessons of CID and CARE/Egypt's experience are sufficiently evident in this report.

The report begins with an **Executive Summary** of principal findings and observations, followed by a listing of **Priority Recommendations** for consideration by CARE and USAID/Egypt. The main body of the report is organized into 3 major **Sections**, as indicated in the Table of Contents. Supporting documentation is provided in the **Annex**. The preceding **Glossary of Abbreviations** explains the alphabet shorthand adopted for brevity.

This Mid-Project Evaluation of the CID Program comes just one year after the Final Evaluation (July 1991) of CID's direct predecessor: CARE's Village Self-Reliance (VSR) Project. Frequent reference is made in this report to VSR and that evaluation, as the CID Program itself evolved from this experience.

I.B. Evaluation Methodology

The Evaluation Team comprised professionals with extensive experience in small enterprise credit, Egyptian NGO organizational development and administration, financial control systems, social field research in Egypt, NGO management and program evaluation, and Ministry of Social Affairs oversight of Egypt's social welfare and community development NGOs.

Mid-Project Evaluation activities included:

1. Field visits to thirty-two (32) community-based NGOs -- 21 of whom are currently participating in the CID Program and 9 NGOs from the former VSR Program -- in the four rural governorates of Upper Egypt where the CID Program is being implemented: Aswan, Fayoum, Qena and Sohag. The great majority of field visits were to village Community Development Associations.

The NGOs visited for this evaluation were chosen by the Team Leader, in consultation with CARE/Egypt field offices. The visited NGOs were selected as a stratified, random sample of excellent, good, fair and weak CID and VSR NGOs based on overall ratings prepared at our request by CARE/Egypt staff [2]. The final selection considered both the NGO's capability rating and its location, in order to maximize the time available at each NGO and travel efficiency. NGOs were selected in advance so that CARE field offices could schedule appointments and evaluation itineraries to ensure that the responsible parties in each NGO would be present to meet the Evaluation Team. At the Team Leader's request, the CARE Field Officer responsible for the selected NGO accompanied the Team during the field visit so that the Field Officer would be fully aware of the issues and opinions raised in discussion, offer clarification (if asked) of any points of confusion, be available for interview during travel to/from the NGO, and, perhaps most important, set local community members at ease in receiving this delegation of inquisitive strangers. Their presence -- or occasionally that of other CARE field staff -- did not significantly influence respondents' opinions.

[2] See **Annex** for a list of all NGOs participating in the CID Program at the end of March, 1992. The list indicates the NGOs visited for this evaluation.

Each visit averaged 2 to 2.5 hours and chiefly comprised loosely structured (informal) group interviews with key ENGO Board Members, the SEAD loan officer, as well as community volunteers, other society members and local ministry officials present at the meeting. Most meetings were held in the facilities of the ENGO. The interviews sought out the opinions and experience of ENGO members on: the strengths and weaknesses of the CID Program design and implementation; the extent of CID training which they received; SEAD loan fund policies and management procedures; ENGO services and development project initiatives in the community; CSDA project and Community Conference implementation; the nature, quality and frequency of CARE staff support; and ENGO priorities and plans for the future — especially their plans for the SEAD credit program. Field visits in Qena and Sohag Governorates were conducted entirely in Arabic; ENGO visits in Aswan and Fayoum included English translation. We regret that the two to three hundred individuals who participated earnestly in these many group discussions, meetings and field visits are too numerous to list here individually.

2. Close examination of ENGO accounts, records and management system for SEAD loans. The Loan Officer in each ENGO was asked to describe in detail the ENGO's loan management system while explaining each of the record books used. A random selection of individual loan files were thoroughly reviewed to assess ENGO adherence to SEAD program procedures and the Loan Officers' diligence and competency in loans management. In most cases, this review included 1-2 members of the Evaluation Team and the ENGO Loan Officer alone (or, on occasion, attended by the ENGO Treasurer) while other Team members continued the group interview. These were not surprise inspections -- our appointments were scheduled in advance -- so that Loan Officers would have had the opportunity to update incomplete or overdue books. It did not appear to us, however, that this had occurred to any significant extent.
3. Brief visits to an opportunistic sample of SEAD borrowers at their businesses in most of the communities visited. Walking tours of selected CSDA activities implemented by the ENGO.
4. Meetings with senior Directorate of Social Affairs officials, Regional Federation directors, and district-level MSA employees (members of CID Governorate and District-level Advisory Committees) in each of the four governorates to elicit their understandings, opinions and recommendations on key issues of ENGO institution-building and the CID Program, especially its SEAD credit component.
5. Review of CARE field office program monitoring systems, report files on individual ENGOs, and statistical reports. Interviews with CID field staff and CARE Project Coordinators to elicit their field experience, understandings of CID Program purposes, descriptions of their own

activities and CARE training, staff capabilities, and insights on program difficulties and achievements. Numerous interviews and informal discussions with the CID Program Manager, Management Assistant-CID, and DECENT Training Director / Assistant Country Director (Cairo-based).

6. Lengthy debriefings of Evaluation Team members by the Team Leader and review of members' reports at the conclusion of field visits.
7. Thorough review of CARE/Egypt's CID Program documentation and report formats, all quarterly CID Program Implementation Reports, training curricula, CID Project Plans, VSR Mid-Project and Final Evaluations, and written CID procedures and policies. A list of all reviewed documents is included in the **Annex**.
8. A summary presentation and discussion of the Mid-Project Evaluation's principal findings and recommendations to USAID/Egypt officials, senior CARE/Cairo representatives and Project Coordinators at USAID (Cairo) on May 31, 1992.

II. PROJECT PURPOSES and STRATEGY

II.A. Project Purposes

The goal of the CID Project is:

"To improve the socio-economic conditions for 250,000 economically disadvantaged people in the four governorates of Aswan, Qena, Sohag, and Fèroum through upgrading the institutional capacity and outreach of community-based Egyptian non-governmental organizations (ENGOS)".

The purposes of the Project [3] are:

1. To stimulate the interest, understanding and commitment of ENGOS to the potential of well-organized, community managed, self-help development projects;
2. Through nurturing and promoting community-sponsored activities, to assist ENGOS to gain experience in community organization, local resource mobilization, project planning, implementation, training, monitoring and evaluation;
3. To help ENGO leaders identify, research, plan, establish, monitor, and evaluate CID and Community financed micro and small enterprise development activities which are targeted primarily to poor women and men in the community;
4. To establish a strong sense of ownership for project activities on behalf of project participants.
5. To nurture indigenous leadership of both men and women and help ENGOS identify and develop a corps of women and men volunteers capable of integrating the views and priorities of both groups in the ENGO decision-making process and playing a key role in promoting ENGO-sponsored development activities in the community; and
6. To strengthen the capabilities of the Regional Federations of Associations (RFs) in each of the four participating governorates.

The Project Agreement condenses these program purposes into four priority outcomes. These "**Intermediate Goals**" (CARE/Egypt) are succinct, operational statements of CID Program objectives:

[3] As stated in the USAID Project Grant Agreement (21 Nov 90) with CARE/Egypt, p.7.

Intermediate Goal #1: 120 community organizations effectively planning and implementing community sponsored development activities (CSDAs) in response to basic community problems in four governorates (Aswan, Qena, Sohag, and Fayoum).

Intermediate Goal #2: An efficient and sustainable loan management system established and functioning effectively in 120 ENGOs.

Intermediate Goal #3: Significant and sustainable impact on the well-being of 120 communities served by the credit and services provided by the loan system.

Intermediate Goal #4: Four governorate-level Regional Federations (RFs) of Associations effectively supporting ENGOs through the provision of technical, training, networking and administrative assistance.

For each of these priority outcomes, the Project Agreement identifies multiple benchmarks for assessing Program achievements. The evaluation appraised the progress to date on each of these indicators, target Project outputs and CID Program achievements.

The Project's chief purpose and objectives are consistent and clear. The CID Program seeks to enhance the management skills, organizational capacity, public participation, and outreach of community-based NGOs for greater and more effective local development assistance to rural Egypt's poorer citizens. Its primary focus is **institution-building**. Improved living standards for the target group of "economically disadvantaged" will be achieved through new and enhanced program initiatives by local associations of Egypt's private, non-profit sector.

This Project directly supports two major types of ENGO initiatives:

1. **Community Sponsored Development Activities (CSDAs):** New or improved public infrastructure, services or development projects that have local priority and are supported chiefly by private resources mobilized by community members.

The CID Program aims to promote CSDA projects assisted by NGOs. CARE staff provide training and management consultation to NGO leaders to better identify, plan, implement, mobilize resources, and monitor community-sponsored projects. The Program does not provide CSDAs with material support or financing.

2. **Small Economic Activities Development (SEAD):** Community-based credit programs managed by NGOs to finance the start-up or expansion of micro and small economic activities by poorer members of the community to increase their incomes.

The CID Program provides NGOs with loan capital, training and follow-up consultation to establish and maintain sustainable credit programs.

The Program demands significant material contributions and human involvement from NGOs and local communities in support of both CSDA and SEAD activities. Both activities explicitly aim to promote greater NGO commitment to and capability in self-reliant development programming. These activities provide the essential **context** for CARE interventions (notably training) that promote the enhanced leadership and organizational capacity of participating NGOs for effective community development initiatives that benefit the poor. Together, they are expected to achieve the project's goal of enhanced living conditions among the disadvantaged populations in participating communities through improvements in public services and infrastructure (supported by CSDA activities) and increased incomes (from SEAD activities).

Further description and assessment of these Program activities is provided below. The point to be emphasized here is the Project's primary focus: the **enhanced capacity of community-based NGOs** to support the economic activities of the poor and improve public living conditions through self-help initiative. Establishing NGO credit programs places the heaviest

demands on Project resources and CARE staff. This is appropriate and expected. The Mid-Project evaluation critically examines the implementation, status and impacts of these ENGO credit programs supporting micro and small economic activities among the poor. But small business promotion is **not** the CID Program's chief aim. The Program's success in promoting community-sponsored development activities (CSDAs) is expected to be **equally significant** to the overall goal of the Project -- improved socio-economic conditions for the poor -- and its primary focus on the organizational development of community-based ENGOs, as its success in micro and small business financing for the poor [4]. This point is central to both this Mid-Project assessment of program outputs and progress to date and our recommendations for future CID Program developments.

II.B. Project Strategy and Technical Approach

CARE/Egypt's implementation of the CID Program closely follows the principal elements of project strategy and technical approach outlined in the Project Agreement [5]. This program design benefitted greatly from the experience of CARE's Village Self-Reliance (VSR) Project (1987-91). Project management, CID (CARE) staff training and development, and implementation of the ENGO development strategy -- including the selection of ENGOs for program participation, community conferences and CSDA projects development, SEAD program execution, ENGO leadership training/support, monitoring and evaluation, and attention to sustainability -- deviate from the proposed

[4] CARE/Egypt, CID Project Plan, Nov 1991, p. i.

[5] **Task 5.**

approach in only minor respects. It is only in the development of Regional Federation capacities that the project design has not been realized.

The implementation and outcomes of the major program elements, their respective strengths/weaknesses, and their contributions to the achievement of project purposes, are assessed separately in **Sections III.A-III.D** below.

A few general remarks on the overall strategy and approach of the CID Program are, however, appropriate here. These points apply to all major activities of the Program:

- a. **CARE's catalytic role:** Implementation of CID positively reflects CARE/Egypt's new institutional role as a "**catalyst**" for "community-initiated, community-managed and, to the greatest extent possible, community-funded development projects" [6]. In the present-day context of rural Egypt, with its dispersed and considerable number of community-based NGOs [7] and available private resources, this catalytic role for operational development assistance NGOs -- such as CARE International -- is especially appropriate and recommended.
- b. **Priority - Training:** The program's emphasis on **training** local ENGO leaders in community organizing and needs assessment, SEAD credit management, and the roles of ENGO Board Member is fully consistent with this catalytic role and addresses a number of priority needs of ENGO institutional development. The importance of further training in support of ENGO capacity building -- and the popular demand for it among ENGO members -- is great.

[6] CARE/Egypt, "Community Initiated Development Program Profile", July 1991.

[7] More than 3100 Community Development Associations (CDAs) are registered with the Ministry of Social Affairs in Egypt today; most (estimated 85-90%) are currently active. The largest of several official categories of Egyptian NGOs -- said to number 14,000 total (but this figure certainly includes a significant number of deceased and closed-membership societies), CDAs are most commonly found in rural communities throughout Egypt. For further background on Egyptian CDAs, see **LaTowsky, 1990**. Nearly all ENGOs participating in the CID Program are CDAs.

- c. **ENGO autonomy:** CARE entrusts participating ENGOs with respect and increasing autonomy in policy-making and strategic management decisions for CID Program activities in their communities. The Program sets minimum standards and basic procedures. Beyond these guidelines, CARE encourages ENGOs to adopt their own solutions to individual outcomes and take full and active responsibility for strategic decisions on future program development (beyond the Project period). CARE field offices perform this supporting role admirably.

This strategy is essential to advance ENGO commitment to the core Program objectives and sustained, sound implementation of SEAD credit. It would be highly counter-productive for CARE to overregulate SEAD procedures. This is a fundamental principle of organization development and serves all of the key project purposes.

- d. **CID as "core" program:** CARE/Egypt has developed its own institutional capacities and strategic management systems to best meet the needs and objectives of this core CID program. The compatibility of CID Program and CARE agency planning and operations significantly enhances the effectiveness of CID strategy, approach and implementation.
- e. **Project duration:** The planned, 3-year Project life for CID is concise. Thirty months is inadequate [8]. Sufficient time remains to achieve target activity outputs (e.g., number of ENGOs, capitalization of SEAD loan funds, number of SEAD loans disbursed), but **not** the Project's key institution-building **purposes** with those recently selected ENGOs just now entering the Program. Rushing activity implementation and ENGO "phase over" is counter-productive. CID operations should be extended, with available funds, by at least the six months lost. A **longer** extension is strongly recommended to consolidate the Program's strong output, expand training, and enhance purpose achievements.

[8] Although scheduled to start July 1, 1990, implementation of CID did not begin until January, 1991 following delays in GOE approval and USAID release of funds.

III. PROJECT IMPLEMENTATION

III.A. ENGO Selection

III.A.1. Description

CARE/Egypt has given serious attention and effort to the selection of ENGOs for participation in CID. This is an extended "intake" process that comprises:

- a. Initial screening of community-based ENGOs (in particular, Community Development Associations - CDAs) registered with the Ministry of Social Affairs in selected districts to identify those organizations not already receiving significant project support from other agencies [9]. CARE invites recommendations from MSA district officials consistent with project selection criteria.
- b. Group meetings with ENGO leaders and MSA officials in the districts of each governorate to introduce the CID Program (its activities and purposes) and CARE/Egypt's mission and general approach.
- c. Separate meetings held (upon invitation or CARE's initiative) at each prospective ENGO to explain the CID Program further and assess the ENGO's potential to promote self-help community action and assist the poor (equally women) through implementation of a non-subsidized credit program to finance micro and small business activities [10].
- d. A background profile, compiled by CARE field staff, of ENGO Board

[9] All but a few of the ENGOs participating in CID are Community Development Associations (CDAs) and all are registered with the Ministry of Social Affairs. Islamic benevolent societies comprise the remainder. All are community-based; the great majority in villages (consistent with the distribution of all CDAs in Egypt - see **LaTowsky, 1990**).

[10] CARE staff have met widely with prospective, community-based ENGOs to select those interested in and sufficiently committed to the purposes and activities of the CID Program. Many more ENGOs are visited than selected to participate in the CID Program. CARE field staff in Fayoum Governorate have already visited more than 120 ENGOs.

members, current ENGO projects and activities, and the community's socio-economic context.

- e. Signing an initial **Letter of Agreement** [11] between the ENGO and CARE that underlines the goal and approach of the CID Program and the specific obligations of the ENGO and CARE to project implementation.
- f. CID (CARE) staff meetings with each ENGO Board and its chosen committee to plan a participatory, community needs assessment ("community conference") to publicly identify Community Sponsored Development Activities (CSDAs) of local priority. At these meetings, CID staff assess the ENGO Board's leadership capacities, communication and decision-making practices, understandings of community development, and general management procedures. This assessment informs the planning of future training workshops and management consultation for enhanced ENGO Board capacities.

CID Program training provided to ENGO Board Members in this initial phase includes:

- * Participatory project planning, implementation and evaluation
 - * Introduction to CSDAs, SEADs and how they relate to each other
 - * Preparation of CDA action plans
- g. CARE field staff observation and support of the "community conference" and repeated visits over several months to: assess the extent of ENGO commitment to self-help programming and community organizing; monitor the needs assessment, choice, implementation, and popular participation/benefit of CSDAs; explain the **Small Economic Activities Development** (SEAD) component of CID; and assess the prospects for successful and timely implementation of a SEAD revolving loans program by the candidate ENGO.
 - h. The signing of a **SEAD Contract** with the selected ENGO that stipulates the specific responsibilities of the ENGO and CARE/Egypt in implementing this second major component of the CID Program.

Signing the SEAD Contract completes the ENGO selection process.

On average, this process takes 5-6 months. But one in five ENGOs have taken 8-9 months to qualify. The number of months needed to complete ENGO

[11] English/Arabic copy included in Annex.

selection depends entirely upon the ENGO's own progress in implementing CSDA activities, raising their 10% cash contribution for the initial disbursement of SEAD loan capital, and demonstrated readiness (to CARE's satisfaction) to properly manage the SEAD credit program.

CARE's decision to invite an ENGO to participate in SEAD credit programs is largely intuitive. It is informed by extensive field staff observation of the ENGO's leadership and credibility in the community, its performance in CSDA implementation, and subjective assessments of its commitment to -- enthusiasm for [12] -- SEAD objectives. The sole objective criterion for participation in SEAD is that the ENGO mobilize in-kind contributions for CSDA activities that equal or exceed the value of later CARE cash contributions to SEAD loan capital. But there are few, if any, objective indicators more reliable than the intuition of several experienced field staff in assessing ENGO potential to manage SEAD activities. Changes in leadership may negate the ENGO's past record of achievement [13]. And none of the CID ENGOs have previously implemented a serious credit program.

[12] We strongly concur with the VSR Final Evaluation's positive regard for the validity of CARE staff observations that: "...CDAs with enthusiastic boards but very little experience in program management often grow more rapidly in competence than those with more expertise but little enthusiasm" (Oldham et.al, 1991: p.10)

[13] They also diminish the reliability of other objective indicators of ENGO capacity, including: the number and frequency of past ENGO Board and committee meetings; the content and comprehensiveness of Board and committee meeting minutes. Indeed the opportunity presented by CID (and VSR before it) for ENGO action has, in a number of ENGOs, catalyzed Board elections and leadership changes that have pushed aside inactive or unenthusiastic predecessors.

There are, however, objective indicators of change in the performance and organizational capacities of individual ENGOs over the course of their participation in CID. Unfortunately, the essential baseline data have not been obtained in the ENGO selection process. But it is not too late. See the discussion of ENGO financial accounts in **Section II.A.3** below.

The positive record of CID Program achievements alone argues strongly that ENGOs are "...appropriate organizations for CARE to work through in carrying out both CSDA and SEAD activities" [14]. No other organization has greater potential to mobilize significant, private resources from communities for local development (CSDA) activities, public services and infrastructure. In sharp contrast to government institutions, community-based ENGOs are democratic and directly accountable to the citizens they serve. Ministry regulations constrain local banks from lending to borrowers without collateral -- and MSA's Productive Families Program from lending without a government employee guarantee. It is their ready access to credit that poor borrowers most appreciate in the SEAD program. None of these institutions -- village banks, MSA Social Units, or ENGOs -- are present throughout the country [15]. But in the institutional context of contemporary rural Egypt, there are no organizations more appropriate than ENGOs to carry out CSDA and SEAD activities.

[14] **Task 14.**

[15] Community-based ENGOs are found in only half of all main villages in Egypt and very few of the thousands of satellite hamlets in most governorates. See LaTowsky, 1990: Table I, pp.8-9.

III.A.2. ENGO Selection: Targets and Outputs

CARE proposed that 120 community-based ENGOs -- 30 ENGOs in each of four governorates (Aswan, Qena, Sohag and Fayoum) participate in CID Program activities. To date, CID has achieved the following:

ENGO Selection: Outputs through 30 June 92 (4Q - FY 1992)

<u>No. of ENGOs in Working Contact with CID Program</u>	<u>No. of ENGOs with Signed Letters of Agreement</u>	<u>No. of ENGOs with Signed SEAD Contracts</u>
132	116	106

Ninety-seven (97%) percent -- 116 ENGOs -- of the target 120 have now officially joined the program. On schedule, CID should certainly reach the target number of participating ENGOs in the following quarter.

Nearly all of these ENGOs are registered with the Ministry of Social Affairs as "Community Development Associations (CDAs)". The large majority of Fayoum ENGOs were established in the 1960s; many of them are government-initiated. Most participating ENGOs in Qena and Aswan, however, are citizen-initiated and more recently founded (mid-1970s to 1991). These ENGOs vary significantly in membership size:

Total Reported Membership of ENGO General Assembly *

0 - 50 persons	24	ENGOs
51 - 100	21	
101 - 150	23	
151 +	28	

* Estimated or actual number of dues-paying members per ENGO. Figures provided to evaluation team by CARE field offices.

Many of these organization are thus quite small. And only 2 in five ENGOs (about 40%) report having women members in their General Assembly. About half of these ENGOs received MSA grants in the past year. Little else is known, however, of the resources and past/present activities of these participating ENGOs without their financial accounts. But the sample of thirty ENGOs visited for this evaluation was certainly representative of rural and provincial urban CDAs: little or no prior training for NGO leaders, generally meager resources and traditional activities serving few beneficiaries or moribund. Hardly any ENGOs in this sample had previous experience implementing projects with close support and monitoring from an outside development agency.

III.A.3 ENGO Selection: Strengths/Weaknesses and Contributions to Program Purposes [16]

This extended selection process of candidate ENGOs for participation in SEAD activities is very appropriate to meeting CID purposes. It provides essential time and opportunity to:

- * Establish trust in CARE-ENGO relations and promote ENGO understanding and acceptance of CARE/Egypt and CID Program purposes and activities.
- * Assess ENGO leadership and management capacities, interest in Project implementation, commitment to training, and ENGO-community relations.
- * Recruit and train community volunteers (especially women) and leaders to promote SEAD implementation through outreach and support to the target group of beneficiaries prior to the start of SEAD activity.
- * Foster ENGO ownership of self-help CSDA and SEAD activities and commitment to their success.

[16] **Tasks 14 & 16.**

- * Emphasize the importance of self-reliant activity and provide training and consultation in community organizing, project planning, and implementation appropriate to CSDA activities before initiating the different SEAD program [17].

Thus, at the signing of the SEAD Contract (completing the selection process), an ENGO is judged ready to begin SEAD disbursements immediately. This process provides a smooth transition from SEAD preparation to action, and confidence to both CARE and the ENGO for its success [18]. Conversely, it allows CARE sufficient opportunity to terminate its support to any ENGO that fails to demonstrate a minimum level of enthusiasm, commitment, or organizational capacity before granting SEAD loan capital. It has, in our opinion, contributed much to superior ENGO management and performance at the start of SEAD credit activity and its long-term success. These are all strengths of the ENGO selection process.

CARE's decision to select an equal number of ENGOs from each of the four governorates was also a positive step. This policy has likely slowed the overall pace of CID implementation and reduced total Program outputs (e.g. numbers of SEAD loans and beneficiaries). It is taking longer and

[17] A number of ENGOs that we visited specifically mentioned the "adequate time" to plan and prepare SEAD implementation in commending the CID approach.

[18] Nearly every CID ENGO visited for this evaluation singled out the **training** they received in preparation for SEAD implementation as a major project contribution to institution-building. "All these CDAs made the point that the training was practical, systematic and effective.... Many ENGOs reflected that the training **gave them confidence to attempt the SEAD programme, which before they did not feel competent to manage**" (Allen 1992: p.13).

much greater effort than expected to select 30 CDAs from the smaller, less promising ENGO communities in Qena and Fayoum governorates [19]. Many of the best ENGOs - 65 - had already participated in the Village Self-Reliance Program. Yet, as a result, the program is assisting a greater share of weaker, more needy organizations -- and not 120 of the most capable ENGOs. For a program whose "core task" is to activate the potential of ENGO leaders and train them in the principles of successful community management [20] and whose chief purposes are NGO institution-building -- not small business promotion, this policy has been constructive [21]. It may not, however, be appropriate to continue this "quota" system of ENGO selection any longer.

Indeed, many of the ENGOs visited for this evaluation volunteered that the opportunity to participate in CID had **revitalized** their neglected or moribund association. Others credited their participation in CID with

[19] It is hardly surprising that CARE field staff report far greater numbers of "weak" and "fair" ENGOs in their CID portfolios in Qena and Fayoum governorates than in Sohag and Aswan.

[20] Project Grant Agreement, page 10 of 63.

[21] This point makes clear that the "optimal" choice of participating ENGOs to achieve the Program purposes of significantly enhanced organizational capacities, may not be the "optimal" choice of ENGOs to achieve the **maximum** activity outputs or beneficiary impacts in the brief timeframe of this Project. Those ENGOs in greatest need of CID assistance are less likely to achieve high levels of output in such a short time. Many, however, do. At issue here: Is Project impact "maximized" when weak ENGOs are stimulated and assisted to a higher level of capacity and community action, or when more competent and active ENGOs are strengthened further? Solid arguments can be made for either development priority. But reactivating lethargic and neglected ENGOs has certainly been a positive outcome of CID.

stimulating the creation of new ENGOs in neighboring villages where none previously existed [22]. These are themselves significant outcomes in ENGO capacity-building -- and contributions to Program purposes -- that CARE may wish to document for the Final Evaluation [23].

One deficiency, however, stands out in the ENGO selection process: Disregard of the ENGO's annual financial accounts (الحسابات الختامية). This omission deprives CARE of a unique source of **objective** information on the resources, programs and management of participating ENGOs. Moreover, the oversight points to a serious gap in ENGO management training: basic skills in program financial management. The collection and analysis of ENGO financial accounts would valuably serve this project in several key respects:

- a. As an objective baseline of quantitative information on ENGO assets, program revenues and spending, and financial resources, including: community contributions to self-help projects, membership dues, MSA grants, cash accounts, and surpluses from current activities. On the one hand, these accounts would allow comparison between -- and greater understanding of -- different CID ENGOs. More important, analysis of the financial accounts of the same ENGO before and after participation

[22] On at least three occasions during the ENGO field visits, our meetings were attended by villagers from neighboring communities keenly interested in CID participation. They had observed and appreciated the potential for self-help action evidenced by CSDA activities. All mentioned that they were proceeding to register a new ENGO in their own village.

[23] Each Field Office might simply list all those ENGOs whose leaders credit CID (or VSR) for reactivating their organizations; and separately identify the new ENGOs whose formation in neighboring communities is popularly attributed to CID implementation. This information could then be compiled in Cairo. It is valid and significant enough that local **citizens** attribute these outcomes to CARE's intervention. It is not necessary that CARE verify these claims.

CID would provide clear -- and readily available -- indicators of institutional change and performance [24].

Presently, CARE field staff prepare brief "profiles" on each participating ENGO and their communities. The source (and accuracy) of some information is uncertain; little of it is useful baseline data for assessing Program impacts on organizational development.

- b. As a **tool and "entrée" for training**: Cooperative review of ENGO financial accounts by CARE staff and ENGO leaders together would provide a ready context for **practical** CID training in the financial analysis and management of ENGO programs. CID might appropriately begin by addressing ENGO financial analysis and accounting of CSDA and SEAD programs, then expand training to the financial management of other current programs. A number of ENGO leaders indicated their priority interest in such training [25].
- c. To **verify** ENGO participation in **pre-CID** community activities, their valuation, and the extent of community support. See **Section III.B.4**
- d. As an **indicator of SEAD program management and accountability**. CID staff should audit the ENGO's financial accounts after the first year of SEAD implementation to see that program revenues, loan capital and expenditures are fully and accurately reported. Future accounts would be a useful information source for SEAD program monitoring.

CARE staff should require prospective ENGOs to provide complete copies of their **last 3 years** financial accounts prior to their selection for CID

[24] For example, CARE had formerly reported increases in the size of ENGO General Assemblies as an indicator of popular participation and ENGO-community relations. Membership figures are, however, often unreliable and exaggerated (both for the past and present). But ENGO membership **dues** (اشتراقات) collected each year are clearly reported in the financial accounts. See **LaTowsky (1986)** on the analysis and importance of ENGO financial accounts.

[25] It is imperative that all ENGO Board Members -- and not just the Treasurer -- be able to read and understand the financial accounts and appreciate its importance to effective program management **and ENGO leadership**. The overwhelming majority of ENGOs have their accounts prepared by an outside accountant. Very few leaders appreciate its value to effective management and greater public accountability. See **Section III.B.4**.

participation [26]. Field staff should request these accounts as they begin to draw up training plans with individual ENGOs during CSDA implementation. CARE staff should state clearly their intention to review these accounts as the basis for practical ENGO Board Member training in effective program management and strategic planning that **addresses the specific needs of their ENGO**. The information obtained from the financial accounts will be used in their training. Current financial accounts should be collected each year that CARE works with an ENGO to compare results. CID staff might now gather past years' accounts on currently active ENGOs. **Training in ENGO financial management should have high priority in a Program extension or follow-on project.**

III.B. Community Sponsored Development Activities (CSDAs)

III.B.1. Description

CSDAs are local projects which are identified, designed, sponsored, and funded chiefly -- but not exclusively -- from private resources mobilized by community members [27]. Local infrastructure projects comprise the overwhelming majority of CSDAs under CID: road improvements, new telephone exchange and post office facilities, public water and sewage/sanitation projects, village lighting improvements, classrooms, mosques and public

[26] ENGO financial accounts can vary significantly from one year to the next. For this reason, it is important to compare (and look for trends in) the accounts for 3 consecutive years.

[27] Some CSDAs, notably public infrastructure projects such as post offices, classrooms and telephone exchanges, may also receive government funding support. All of these public service projects are assigned government personnel. Sizable local contributions are, however, a prerequisite for GOE support.

meeting halls, and ENGO services facilities. Community clean-up campaigns, Quran recitation classes and adult literacy programs are common CSDA service activities. Some CID CSDAs have completed pre-existing projects -- often construction -- in communities; the majority implemented new activities. The CID Program offers assistance to ENGOs in facilitating, planning and training -- but **no funding** -- for some CSDA project activities.

Nearly all ENGOs can recite a history of self-help projects undertaken in their communities prior to CID. In many of these projects, the ENGO was chiefly responsible for initiating and implementing the activity. Perhaps as many other projects have been undertaken by local residents without ENGO participation. Since the mid-1980s, the number and scale of these community-led initiatives have increased greatly throughout Egypt in response to official declarations that government cannot alone provide all essential services to the country's growing population. Local citizens who once argued that "government must provide" now earnestly accept that "we must provide for ourselves". This fundamental and widespread change in public attitudes precedes the CID Program. It is the essential context of this project.

The CSDA component of CID evolved from CARE/Egypt's experience in the preceding Village Self-Reliance (VSR) Project. Over the course of VSR implementation, CSDAs grew increasingly important as indicators of ENGO self-initiative and project management capability. Eventually, CSDA implementation replaced -- and became a **precondition** for -- VSR animal husbandry projects as the initial stage of CARE's involvement with a participating ENGO. CSDAs soon became a core component of VSR implemen-

tation -- and no longer a mere assortment of community activities. CSDAs displaced VSR animal husbandry projects as the principal context for training ENGO leaders in project planning, management and needs assessment skills. And CSDA implementation became a priority contribution to the achievement of project purposes.

The **Initial Letter of Agreement** (see **Annex**), that CARE/Egypt and the candidate ENGO sign at the start of their CID Program collaboration, prescribes CSDA goals, implementation and the separate responsibilities of the ENGO and CARE/Egypt in CSDA activities. The general process of CSDA implementation includes:

The CSDA Goal: To improve the socio-economic conditions of an average of 2,000 people in 120 communities.

ENGO Responsibilities:

- a. **Community Organizing:** Recruit community volunteers (including at least 3 women) to enhance ENGO outreach, community support and public participation in CSDA activities; Form a committee of ENGO Board Members and community leaders to plan, manage and follow-up the CSDA activity; Hold one or more "community conferences" to publicly identify and prioritize local problems and needs; Organize the subsequent implementation of the specific CSDA project(s); Hold monthly ENGO Board Meetings to supervise and follow-up the CSDA project(s).
- b. **Community Needs Assessment:** Identify and prioritize community problems and needs in a participatory, public process that is open to all community members; Identify and assess possible solutions.
- c. **Select and Plan CSDA Project:** Determine the best solution(s) to one or more of the priority problems/needs identified in the community needs assessment; Select the CSDA project.
- d. **Acquire and Demonstrate Effective Skills in Community Development:** ENGO Board Members, Community Volunteers and CSDA Service Committees participate in training provided by CARE staff to enhance community development skills.

- e. **Mobilize Resources and Approvals for the Selected CSDA Project(s):** Raise local and outside contributions sufficient to complete the selected project and obtain all required government approvals.
- f. **Implement and Assess Project:** Implement the CSDA project and assess its progress and impacts.

CARE Responsibilities:

- a. **Train ENGO Board Members and Community Volunteers in Required Skills:** Provide sufficient training, technical and administrative support to ENGO and Community Volunteers to effectively carry out their CSDA responsibilities.
 - CID Program training provided to ENGO Board Members in support of CSDA implementation includes:
 - * Management of meetings
 - * ENGO financial management
 - * Volunteerism and the role of ENGO Board Members and Community Volunteers in community development
 - * Community Needs Assessment for CSDAs
- b. **Facilitate Community Organizing and Decision-Making:** Support ENGO, as necessary, in catalyzing first CSDA Community Conference for needs assessment.
- c. **Assess Value of In-Kind Contributions to CSDA Project(s):** Provide guidelines to ENGO for valuing the local in-kind contributions to CSDAs; Verify valuation.
- d. **Monitor CSDA Project:** Together with ENGO, monitor CSDA implementation and identify the number of participants and beneficiaries.
(See Annex for copy of "CSDA Narrative Report" form used by CARE)

It must be emphasized that CSDAs are a **priority** component of CID -- not simply a precursor to the SEAD credit program. Indeed, participating ENGOs may choose not to establish a SEAD program.

CARE's approach to promoting CSDAs and the support it provides to ENGOs in their planning and implementation of generic, community self-help projects, was widely commended by ENGO leaders we visited. Many volunteered

that CARE's assistance had significantly enhanced their competencies in planning and executing such projects. A number expressed strong interest in additional training in community development skills; some highlighted the possibility of cross-visits to other communities to observe alternative projects and new program models (see **Section III.B.4**). None offered criticism of CARE's role in CSDAs. Additional material inputs for ENGOs (e.g. CSDA funding) from CARE appear unnecessary and would not likely enhance the CSDA process or its contributions to Program purposes [28].

In field visits to Sohag and Qena governorate ENGOs, the evaluation team was keen to learn how ENGOs mobilized significant in-kind and cash contributions for CSDA projects. As expected in farming communities with major cash crops (e.g. cotton, sugarcane), house-to-house fund-raising drives at harvest time were not uncommon. In villages composed of several large "families" (clans), each "head" took responsibility for mobilizing the resources of his social group. Family pride and village status competition encouraged generous donations by this traditional method [29]. But in villages with a history of extensive and successful out-migration, the frequency and success of CDA fund-raising from native sons residing far from the community — notably in Greater Cairo and neighboring Arab countries -- was especially striking. Leaders of Beni Zar CDA (Sohag) proudly claim to have raised LE 49,000 in forty-five days after touring abna al-balad all

[28] Task 4.

[29] The president of El-Boha CDA in Sohag Governorate exploited these vanities to maximum benefit: At the conclusion of each fund-raising drive, he would publicly announce the amount donated by each family. Families who had contributed less than their "social equals" were quick to make up the difference!

over Egypt. Nearly double this amount was collected by a leading member of Shattoura village (Sohag) CDA in two months of visits to successful native sons in Greater Cairo -- nearly all of whom had left the village long ago for higher education and urban life. Many similar, if less exceptional, accounts were told. The fund-raising success of these "citizen-owned" ENGOs contrasts sharply with the poor record of most "government-initiated" ENGOs: The recent financial accounts of Sagulta City CDA, for example, reported no donations in either 1989 or 1991 (the accounts statement for 1990 was not available) -- and no CDA membership dues were paid in 1991 (only LE 40 paid in 1989) [30].

The capacity of Egypt's NGOs to mobilize and direct private resources to local infrastructure and community development initiatives -- evidenced clearly by the cumulative record of CSDA projects (see below) -- may well be the sector's most significant contribution to contemporary Egyptian society. The particular contributions (outputs) of the Project's CSDA component to this familiar process and CID Program purposes are considered further below.

III.B.2. CSDA Implementation: Deviation from the Project Plan [31]

CARE's present implementation of the CSDA component deviates from the Project Plan in one significant respect: the role of women in CSDA activities. In its background statement and rationale for CID, CARE/Egypt

[30] On the enduring impact of an ENGO's history on its financial viability, see LaTowsky (1986), The Financing of CDAs.

[31] Task 5.

stressed the need to increase women's participation in community development activities:

"Another reality of the ENGOs organized under MSA is that while they might offer some activities and services for women, they rarely involve women in the selection, planning, management, monitoring and evaluation of the activities. In excluding women from their decision making processes, the ability of ENGOs...to understand and address the development needs of women is severely compromised...." [32].

"A **primary objective** of the CID Program," continued the Project Plan, "is to integrate women into the decision making processes and implementation processes of development projects...." (Ibid.: p.7).

It is not at all clear, however, what progress the CID Program has made in promoting women's participation in local development projects. Quarterly Project (PIR) Reports no longer identify the number of women participating in CSDA activities -- only total participants [33]. No information on women's participation is included in the CSDA Narrative Report form used by CARE to follow-up CSDA activities (see **Annex**). Nor are women's preferences among CSDA projects reported. Not even the number of women community volunteers is clearly indicated.

Yet, there is some anecdotal evidence of significant women's participation in the needs assessments that precede CSDA project selection. Several ENGOs and accompanying CID staff reported to us that community conferences in their communities were "well attended" by women. In more conservative villages, **separate** meetings were held for women to identify

[32] CID Project Plan (revised November 1991), pp.2-3.

[33] Beginning with the PIR Report for the 1st Quarter of FY 1992, CARE/Egypt ceased reporting the number of women participants in CSDA activities.

their priority problems and needs and report these to ENGO leaders. During several of our field visits, ENGO Board Members themselves remarked on the novelty of women's participation in these public needs assessments -- and expressed surprise at women's priorities for CSDA activities. These anecdotal accounts do suggest that women's roles in local development processes "...have been strengthened...", as the VSR Project Evaluation concluded [34]. But in the absence of information, little can be said to corroborate this progress.

Assessing women's participation in public gatherings and their "integration" into project decision-making is more problematic than counting the number of women SEAD borrowers. It is likely, for example, that women influence the choice of ENGO projects much more significantly than their limited membership in village ENGO General Assemblies and rare election to rural CDA Boards of Directors would suggest. Counting the number of women attending community conferences or separate women's meetings is not very satisfactory. It would be more meaningful to the development process for women volunteers to poll the community's women to identify their priority problems/needs and preferences for future CSDA activities. These needs and preferences could then be ranked and presented publicly to the ENGO and community -- and compared with actual CSDA Projects implemented in CID monitoring. At present, there is no evidence to indicate that CSDA projects to date are/are not priority activities for local women.

[34] VSR Final Evaluation, p.i.

Given the CID Program's emphasis on ENGO institution-building, more aggressive promotion of women's participation in community decision-making and CSDA activities may be inappropriate (or at least counter-productive) at the **very start** of CARE's relationship with conservative leaders of many village ENGOs in Upper Egypt. It was ambitious of CARE/Egypt to highlight women's participation as a significant problem to be addressed **at this initial stage** of CID Program implementation. Strong intervention on behalf of women would be more appropriate and effective after CARE/Egypt has developed constructive relationships and frank, open exchange with many of these ENGOs. CID institution-building should plan for a **sequence** of activities to promote organizational change through a follow-on Project, including enhanced women's participation.

III.B.3. CSDA Outputs and Targets [35]

The Project Agreement identified a number of benchmarks and Life of Project (LoP) targets for CSDA activity. Project achievement of original benchmarks or revised CID targets is assessed below [36]. CID outputs to date (30 June 1992 -- through the 4th Quarter of FY 1992 -- or the 8th of

[35] Task 1, #1.

[36] All the data provided here is taken directly from CARE/Egypt's quarterly Program Implementation Reports (PIR) submitted to USAID/Cairo. The accuracy of these reports and the Project's management information system (MIS) was a particular concern of this evaluation. Data compiled by CARE/Cairo was checked against CARE Field Office records, individual ENGO files, and information obtained from ENGO field visits. Project data are consistent and CID Program reports accurate.

12 Project Quarters) are, in general, very satisfactory. These achievements are especially significant given the six-month delay in Project start-up. The Project is expected to meet or exceed priority targets well before its scheduled end in twelve months (end of 4th Quarter, FY 1993). The graphs -- **Figures 1 and 2** (pp.33-34) -- illustrate the quarterly progress of key CSDA outputs most clearly.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
a. Total Number of CSDA projects	600	561

ASSESSMENT: See **Figure 1**, page 33. CARE should exceed the Project Agreement target of 600 CSDAs in the following quarter. The target was based on an expected average of 5 CSDAs per ENGO (for 120 ENGOs total). But community self-help initiative has exceeded expectations and may total 800 CSDAs by June, 1993. This portfolio of CSDAs include both expensive infrastructure projects (e.g. mosques, classrooms and sewage/sanitation systems) and low-cost ENGO activities (e.g. literacy training, street lighting repairs).

b. Total Local (Cash + In-Kind) Contributions to CSDA projects	LE 2,160,000	LE 1,610,646
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ASSESSMENT: See **Figure 1**. CARE should exceed this Project Agreement target of all local, community contributions to CSDA activities by the end of 1992 (2nd Quarter, FY 1993). Each of 120 target ENGOs must raise at least LE 18,000 in cash + in-kind contributions -- totalling LE 2.16 million -- (plus LE 2,000 each in cash loan capital) for CSDA projects to match a planned, total CID Project contribution of LE 20,000 for each ENGO's SEAD credit fund.

But CSDA contributions often exceed the value of SEAD loan capital that the ENGO will receive from CID. Thus, the total CSDA contributions to date of LE 1.61 million are considerably more than the LE 1.20 million in SEAD capital provided by CID through 30 June 92.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
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c. **Total CSDA Participants** **48,000** **24,076**

ASSESSMENT: See **Figure 2**, p.34. This LoP target (48,000 participants) is revised from the original Project Agreement (p.18) of: "600 community-sponsored activities implemented with the **participation of 120,000 women and 120,000 men**". The original Project target expected an average of 400 **direct** (labor) participants per CSDA; the revised average is 80 participants. The revised target first appears in the quarterly CID Progress Report for 1st Quarter, FY 1992.

The original target of 240,000 total CSDA **participants** anticipated that most CSDA projects would involve high labor inputs (contributions) from many community members and only limited capital resources. CARE assumed that village communities of Upper Egypt characteristically had significant surplus labor but limited capital resources to contribute to community projects. CSDA projects implemented under the preceding VSR Project commonly involved voluntary work by more community members but little local funding (e.g. community clean-up, tree planting projects) [37]. However, the opposite has often occurred under CID: Many CSDA projects -- notably buildings/infrastructure -- have fewer direct (labor) participants but receive high capital inputs from the community [38]. Several factors likely explain this change:

- * The CID Program requirement that ENGOs match the LE 20,000 value of SEAD loan capital to be provided by CARE/Egypt in local contributions to CSDA projects. CSDAs implemented under the preceding VSR Project were not required to match the material contributions provided by CARE to the community. Not surprisingly, community resource (non-labor) contributions were more modest.
- * Rural middle-class aspirations for services and infrastructure (e.g. telephone exchanges, post offices) that now require significant local contributions to leverage government support.

[37] CID Program Implementation Project, Period: July 1 - Dec 31, 1990, p.4. This change in the type and scale of CSDA projects from the VSR to the CID Program was noted immediately by CARE/Egypt staff and reported in this first PIR.

[38] One noteworthy example is El Gabalaw village in Aswan governorate which raised approximately LE 100,000 in community resources to install a sewage system serving more than 1,000 homes. The idea was subsequently adopted by five neighboring villages.

Fig. 1 - LOCAL CONTRIBUTIONS to CSDAs
 (Cumulative Totals thru 30 June 92)

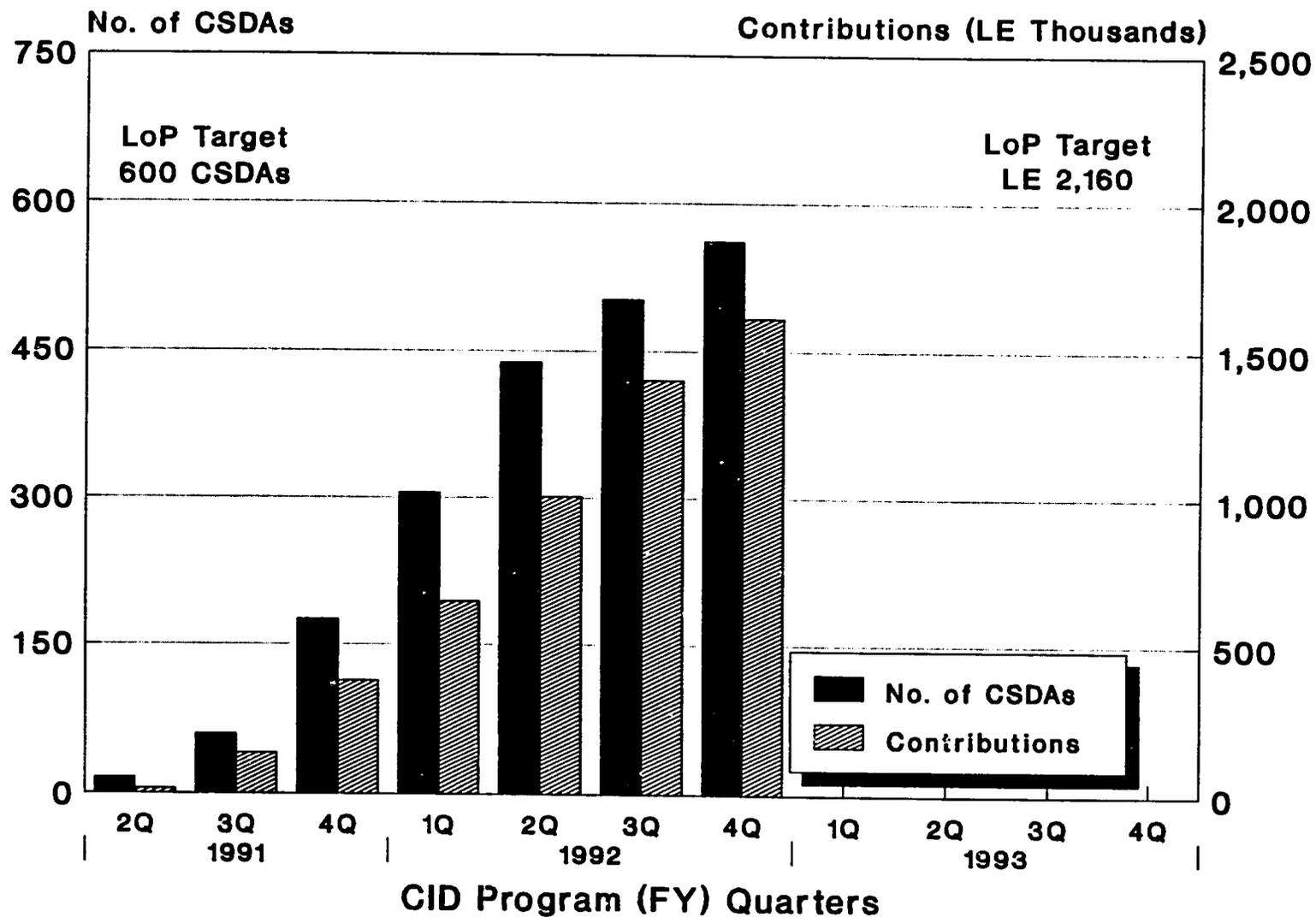
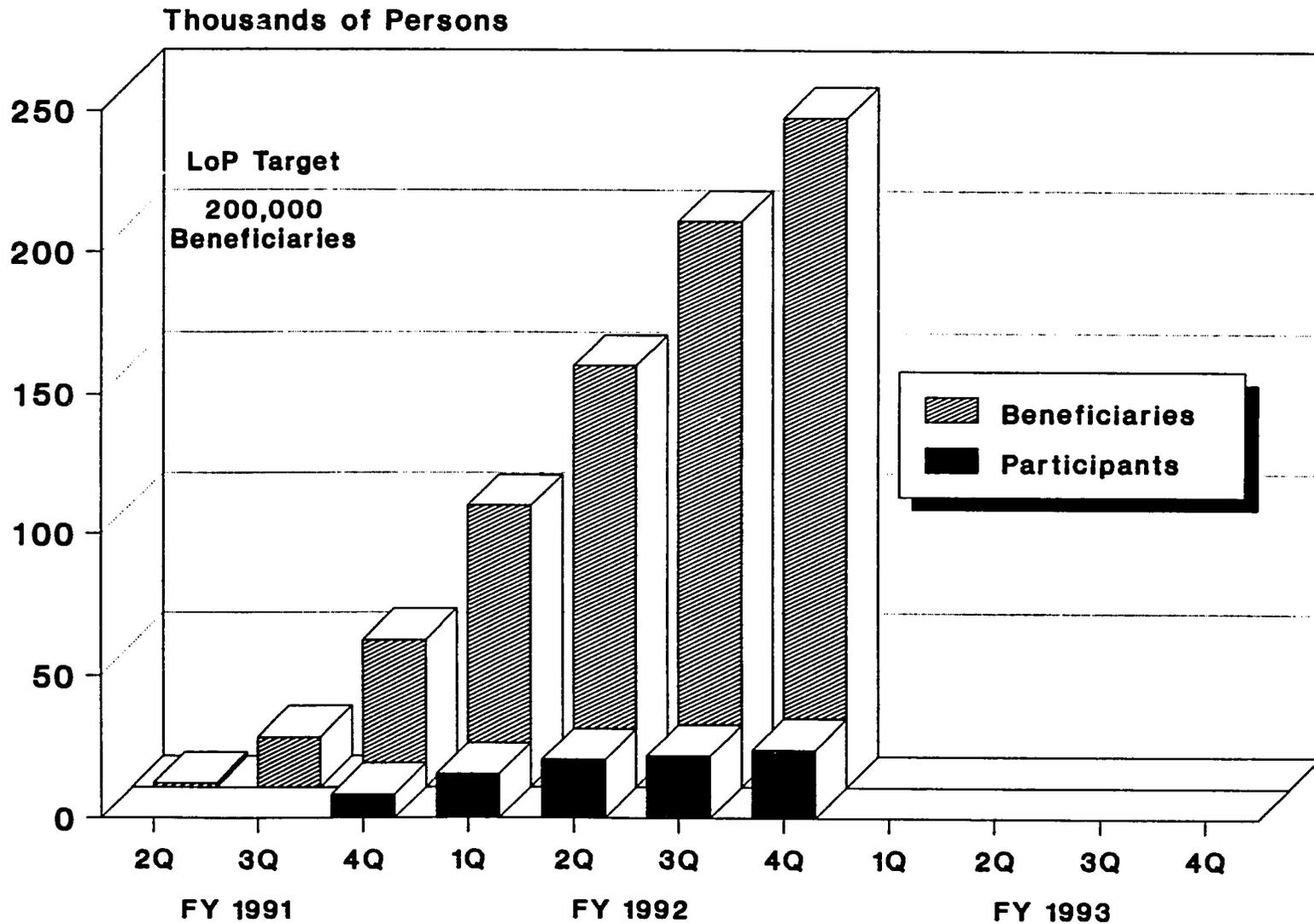


Fig. 2 - CSDA PARTICIPANTS and BENEFICIARIES
 (Cumulative Totals thru 30 June 92)



- * The transformations and increased capital resources of larger rural communities -- where most village ENGOs are found -- since the mid-1980s. Resources have grown significantly in the past two years following large increases in prices paid to farmers for their crops.

But the number (24,076) of CSDA participants reported above is **misleading**. It includes **only** those persons who provided labor inputs to CSDA projects (e.g. manage the activity, collect donations, or participate physically in the CSDA project) [39]. It does **not** include community members who "participated" by donating cash or in-kind resources. If the latter participants were included -- and they should be -- the total number of CSDA participants would be **several times greater** than the 24,076 persons shown to date. Labor contributions are not more consistent with the principle of "broad-based community participation" -- or more valued -- than cash contributions. Moreover, project management, implementation and the collection of donations may often be most efficiently and effectively carried out by a limited number of persons.

The number of **women** participants in CSDA activities is not identified (see **Section III.B.2** above). From the earliest CSDA projects under CID, CARE/Egypt observed that women's participation was "unusually low". This, CARE reasonably supposed, was

"...probably due to the fact that many CSDAs involve large projects such as mosques and schools. These usually involve a financial contribution which is generally made by males, not females" [40].

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
d. Total CSDA Beneficiaries	200,000	236,910

ASSESSMENT: See **Figure 2**. The LoP benchmark for total CID Program (CSDA + SEAD) beneficiaries in the Project Agreement is **250,000** persons. CARE/Egypt divided this overall beneficiary target into: (1) a CSDA beneficiaries target of 200,000; (2) a SEAD beneficiaries target of 50,000 persons. The CSDA Narrative Report form identifies how beneficiary figures are obtained for each activity.

[39] See the CSDA Narrative Report form included in the **Annex**.

[40] CID Program Implementation Report, July 1 - Dec 31, 1990, p.7.

CSDA activities have now surpassed this target and will soon achieve the CSDA Goal (above) of improved socio-economic conditions for an average of 2,000 persons in each of 120 communities. The larger CSDA projects under the CID Program commonly include fewer participants but serve a larger number of beneficiaries.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
e. Total Increase in ENGO General Assembly Membership	6,000	Not Available

ASSESSMENT: CARE/Egypt ceased reporting on membership increases in the General Assemblies of participating ENGOs after the third CID Program Implementation Report (4th Quarter, FY 1991). This was appropriate. Few ENGOs regularly update their registers of General Assembly (G.A.) members. And while some ENGOs only count **dues-paying** members, other ENGOs include all those who attend the annual G.A. meeting, whether or not they ever pay membership fees. General Assembly membership might be a more meaningful indicator of community participation in ENGOs if G.A. meetings were held more often than once each year, as prescribed by Law 32/1964. CARE plans to compare G.A. membership figures at the time of ENGO phase-over with initial figures. But the ENGO's total membership fees (اشتراكات عضوية) received each year may be a more useful measure of popular participation and support (see Section III.A.3).

We would emphasize, however, that the evaluation team heard numerous accounts from ENGO leaders of very significant increases in General Assembly membership which they invariably attributed to their participation in the CID Program -- notably, the implementation of CSDA Community Conferences [41]. Together, this anecdotal evidence and the common practice among ENGOs to require that SEAD borrowers become G.A. members, suggests that the Project Agreement target (LoP) of 6,000 total **new** G.A. members has already been met. The target requires an average of only 50 new members for each of the 120 participating ENGOs.

[41] Menshiet El Gammal CDA in Fayoum, for example, reported that its General Assembly increased from 100 members (including 20 women) in 1990 to 210 (60 women) in 1992. Leaders of Siela CDA (Fayoum) reported that G.A. membership increased from 80 to 200 persons. Both ENGOs explained these increases solely on the basis of their participation in CID. It should be added, however, that many ENGOs participating in CID require SEAD borrowers to become G.A. members and pay annual dues. This requirement is not inappropriate. The limited number of SEAD borrowers in each ENGO to date, however, cannot explain the large increases reported in General Assembly membership.

Project
Benchmark

Life of Project
(LoP) Target

Outputs to Date
30 June 1992

6. **Total Participants in CSDA 12,000 Not Available
Community Conferences**

ASSESSMENT: The number of persons participating in the CSDA Community Conferences held to identify priority problems/needs and projects solution (see Section III.B.4 below) is not consistently reported by the ENGO or CID staff, if they attend. Rather, CARE has substituted the number of Community Needs Assessments (Community Conferences) -- starting with the CID Program Implementation Report for the 1st Quarter, FY 1992 -- for this Project Agreement benchmark of conference participants. Program outputs to date are shown below. Narrative descriptions of CSDA Community Conferences obtained for this evaluation (from CID staff, ENGO leaders, and local citizens) invariably suggest, however, that their total participation has far exceeded this 12,000 target [42]. The target figure assumes, quite appropriately, that none of the 240 planned Community Conferences will be held unless 50+ persons are present: 240 conferences x 50 persons = 12,000.

7. **Number of Community Needs Assessments
(Community Conferences)**

1st time:	120	132
Subsequent:	120	57

ASSESSMENT: The number of 1st-time Community Needs Assessments (132) is consistent with the total number of ENGOs with which CARE/Egypt has an initial working relationship under CID. The sizeable number of subsequent CNAs (57) to date clearly indicates the positive evaluation given by ENGO leaders and community members of the value and benefits of 1st-time conferences. Subsequent CNAs are initiated by the ENGOs **alone**. Unlike 1st-time conferences, they are neither required nor promoted by CID staff. Hence, the number of "ENGO-initiated" CNAs is a very good indicator of ENGO action, popular participation and ENGO-community relations. The total number of subsequent CNAs should meet CARE's own target of 120 conferences by end of Project.

[42] The 187 Community Conferences to date would have needed an average attendance of only 65 persons to exceed this 12,000 target. Local narratives of individual conferences, however, consistently report several hundred persons attending.

III.B.4 CSDA Strengths/Weaknesses and Contributions to Program Purposes and Project Implementation [43]

This evaluation assessed the significance of the CSDA component of CID in three chief respects:

- a. The CSDA component's contribution to CID Project **implementation**.
- b. The CSDA component's contribution to CID Program **purposes**.
- c. The CID Program's contribution to enhanced self-help initiative.

These concerns frame the description and assessment of CSDAs that follows.

Particular attention is given to these issues:

- * The significance of CSDA **Community Conferences**;
- * The **choice** of CSDA Projects for implementation;
- * The **valuation** of local in-kind contributions to CSDA projects;
- * The CSDA component's contribution to ENGO institution-building;

CSDAs serve the overall implementation of the CID Project in two chief respects: (1) As a basis for **ENGO selection**, and (2) As an essential **context for ENGO leadership and management training**. CSDA implementation is first a key element of the ENGO selection process for CID (see **Section III.A** above). It initiates CARE's relationship with the candidate ENGO and provides a test of the organization's capacity for and commitment to self-help community action, including subsequent SEAD program implementation. The mobilization of in-kind contributions for CSDA activities — whose total value must equal or exceed the value of subsequent CID cash contributions to that ENGO's SEAD loan capital — is a precondition of ENGO selection for SEAD program participation.

Secondly, the process of implementing CSDA projects provides the initial "**context**" for CID training and consultation in support of ENGO

[43] **Tasks 2, 6, 12, 15 & 16.**

institution-building. CSDA training currently addresses such basic skills as: program planning and management, conducting effective meetings, community organizing, the role of ENGO Board Members, and community needs assessments. CSDAs serve the implementation of training; the training contributes directly to the achievement of Project purposes.

CSDA Community Conferences: In village after village visited for this evaluation, ENGO leaders and local citizens spoke highly of the Community Conference. Organized collaboratively by the ENGO and CID as a public forum for community needs assessment, the conference has clearly been a **seminal event** in ENGO-community relations and local participation for many villages. In nearly every case, the Conference was the first public meeting of its kind -- the **first occasion ever** that citizens could freely identify the priority problems and needs of their communities and recommend solutions. They were not summoned, as so often before, to endorse and support projects chosen by agencies outside their community. Even longstanding ENGO Board Members in a number of villages reported their surprise to learn of priority needs that were never previously identified.

But the value of Community Conferences to ENGOs far exceeds their usefulness as a new technique of community needs assessment. ENGO leaders widely experienced these conferences as unique opportunities for public relations -- to project an image of the ENGO as a dynamic, effective and community-responsive organization. The public was now, they said, more aware of the ENGO's activities and willing to participate. Many praised the Community Conference for having revitalized their ENGO from its previous lethargy and given it renewed identity, purpose and resolve. They saw

that conferences enthused and organized community members to act on their priority needs and not merely identify them. Often, the conferences motivated new members to join the ENGO and compete for leadership roles. Leaders commended CID for these benefits of its approach to promoting CSDAs. The number of subsequent Community Conferences (see above), voluntarily planned and organized on ENGO initiative **alone**, substantiates the positive reviews heard from ENGO members [44].

The evaluation team judged Community Conferences to be a major contribution to CID implementation, to facilitating the **process** of self-help development in these communities, enhancing sustainable ENGO institutional capabilities, and to achieving Project Purposes #1, 2 and 5 (Section II.A, page 6) [45].

Contributions of CSDA Training to ENGO Institution-Building: CARE training provided to ENGOs in support of CSDA implementation was evaluated favorably by most participants. ENGO leaders could identify the several topics (see above) covered in their training and credited it for the

[44] Already 2-3 Community Conferences have been held by several ENGOs, and 12 conferences in one community (Abu Hagag, Aswan). These multiple conferences were often held to publicly report the results of ENGO initiatives rather than assess needs. This, too, is a positive development. In other communities that we visited, ENGO members often volunteered without prompting that they intended to hold a Community Conference each year.

[45] The great majority of — but not all -- Community Conferences were successful and provided these significant benefits to ENGOs. In instances where the benefits and outcomes were more limited, it appears that the planning and preparation training for the conference was deficient. A second, better-prepared Conference in these communities should be a CID priority.

success of their Community Conferences and their clear understanding of CID and CARE/Egypt objectives. The evaluation found objective evidence of the impact of preliminary "CSDA training" in the written minutes of ENGO Board meetings. Before their participation in CID, the minutes of many ENGO Boards lacked clarity and rationale — "ayyi kilaam" would describe them most succinctly. Soon after their training and the start of CSDA activity, however, ENGO Board minutes clearly showed greater seriousness of purpose.

But compared to the extent and high quality of CID training provided in support of the SEAD credit component, rather limited attention has yet been given to training support for the CSDA component and its broad contributions to ENGO institution-building [46]. This is especially true **after** the Community Conference is over. The Project Agreement (p.10) prescribes a broader role for CID training than effective SEAD credit management:

"The essence of the CID program is training community leaders in the **principles of successful community management**. These skills are used in the development and management of both SEAD and CSDA activities."

But the emphasis of CID staff and ENGO training to date has clearly been the introduction of SEAD procedures and formats. **The priority given to SEAD was both appropriate and highly recommended** in order to establish sound credit program management and implementation by participating ENGOs from the start (see **Section III.C.3**). CID training should now, however, begin to

[46] CARE training in support of the CSDA component has adequately prepared ENGO board members, committees and volunteers to conduct effective community needs assessments (Community Conferences), to plan and implement CSDA activities [**Task 6**]. It is less clear, however, that ENGO members are yet capable of effectively evaluating these projects.

address other ENGO institutional priorities and basic skills of community development practice.

And demand for such training is high. ENGO Board Members repeatedly expressed to us their strong interest in further **organized** training and workshops. They especially emphasized a desire for training in:

- + How to effectively manage other common types of ENGO programs;
- + **New** ideas and **model** programs appropriate to ENGOs.
- + The rights and permitted activities of ENGOs under Law 32/1964 that governs Egypt's NGO sector [47];
- + How to prepare ENGO financial accounts, and use them for better program management (see **Section III.A.3**);

CARE/Egypt is fortunate to have its own professional training unit -- Development Education, Communication Extension and Training (DECENT) -- based in Cairo and, in each field office, a full-time trainer. The recent training workshop (May 1992), held in Sohag for CID field staff, on general principles of community participation **might** begin to address these institutional needs. But CARE staff will be challenged to translate these general principles into **real** improvements in ENGO capacity and effectiveness through practical training. Training ENGO members in "general principles" will not be satisfactory or appreciated. Their requests are clearly for organized training (workshops) that provides them practical management skills, program models or activity guidelines for **immediate action**.

[47] See **Section III.D.3.** on ENGO training and the role of the Regional Federations.

ENGO's are especially keen to learn of **alternative program models** for common ENGO activities and **new project** designs. This priority interest wholly explains their enthusiasm to visit other, experienced ENGOs and their successful programs. The need for alternatives models is acute. Uninformed and untrained ENGO members still continue to propose -- or respond uncritically to citizens' proposals -- for the same, **failed** models of traditional ENGO programs (e.g. sewing centers, skills training workshops, and many ENGO-owned/managed production activities). At the very same time that one ENGO is closing such an obsolete, inappropriate program after years of costly implementation and disappointing results, the inexperienced Board Members of an ENGO in a neighboring community propose to invest in the same well-intentioned but unsuccessful program as a CSDA activity. Repeatedly these failed program models sap ENGO resources and severely diminish their public credibility as effective organizations and service providers. Yet this disheartening lesson is repeated over and over, unlearned and unabated. These lessons have important implications for the **choice** of CSDA activities -- an issue we consider below.

Further training and development education extension in support of the CSDA component of CID and ENGO organizational development should be a priority of any CID extension and follow-on project [48]. Such "CSDA training" has the potential for very positive impacts on ENGO institutional

[48] Thorough case studies of selected ENGO programs and CSDA activity models whose success and financial viability has been carefully evaluated would be useful resources for such training. We would expect that CID training workshops and cross-visits for other ENGOs to study these successful program models would considerably enhance the CSDA component's contributions to ENGO institution-building.

capacity. The profound need for expanded training of this type **strongly recommends an extended period of implementation for this core CID program.**

Valuating Local In-Kind Contributions to CSDAs [49]: Participating ENGOs are themselves responsible for raising the cash and in-kind resources required for CSDA projects. CID requires that the value of all local CSDA contributions (including a 10% cash match that the ENGO must contribute to its own SEAD loan fund) equal or exceed the value of SEAD loan capital that CARE/Egypt will subsequently provide the ENGO [50]. This requirement directly promotes the achievement of Program purposes (# 1,2 and 4) and target Project outputs, including: increased CSDA activity and the mobilization of private resources for public benefit. CARE's concern to determine the **true** value of in-kind contributions to CSDA activities is thus appropriate. Valuating these in-kind contributions is a clear signal to ENGO and community members that CARE is serious and conscientious in its commitment to the CID Program and, specifically, the **Initial Letter of Agreement** detailing CARE and ENGO responsibilities for CSDA activities -- and that CARE expects serious commitment from the participating community.

Evaluation interviews of ENGO and community members and the occasional review of ENGO financial accounts [51] suggest, however, that a few ENGOs

[49] **Tasks 2 and 16.**

[50] The target value of SEAD loan funds for each ENGO is LE 22,000, including a LE 2,000 minimum cash contribution from the ENGO.

[51] See, for example, the discussion of Sagulta City CDA financial accounts in **Section III.B.1.** It is important to add, however, that ENGOs may not enter **all** in-kind (or even cash) contributions

had nevertheless made exaggerated valuations of the in-kind contributions mobilized for CSDA projects. In one or two instances, our discussions with community members even suggested that the ENGO had **no hand** in a particular activity (e.g. mosque construction) that it claimed as its "own" CSDA project [52]. In a few other cases, CARE field staff recalled having pointed out to certain ENGOs their exaggerated valuations of in-kind contributions and requested that they revise their assessments, which they did. But these examples were, we would emphasize, only a small minority of all CSDA valuations that we assessed.

CARE initiated CID without specific staff guidelines for valuating in-kind contributions to CSDAs. Until recently, CID field staff alone judged the reasonableness of valuations, aided or handicapped by the extent of their experience [53]. CARE now requires that a Valuation Committee be formed in each community to document and assess the value of all in-kind contributions of land, labor and materials to local CSDAs. Each committee

[51] **Continued from previous page:** into their accounts. Many ENGOs occasionally keep donations for specific projects "off the books" to avoid bureaucratic problems. But an ENGO, like that of Sagulta CDA, that consistently reports no cash/in-kind donations is probably keeping true accounts.

[52] As indicated by glaring inconsistencies and uncertain responses by ENGO leaders to questions regarding the costs of selected CSDA projects.

[53] Instances of recent exaggerated valuations in Qena Governorate may well reflect the inexperience of its field staff, many of whom had joined CARE/Qena less than 5 months before this evaluation.

member (MSA Social Unit Leader, the Local Unit Head, an ENGO Board Member, and CID Field Officer -- with technical consultants appointed as needed) signs the completed valuation to affirm its accuracy.

This approach is sufficient and proper. It might be possible -- but **not** recommended or very feasible -- for CARE to audit each CSDA valuation in close detail. However, this would require intrusive methods and would be a clear, public display by CARE of distrust and disrespect for the ENGO and community. The consequences of such action at the beginning of CARE's support relationship with that ENGO would be disastrous. In the few cases of exaggerated valuations, the fault lies not in CID policies and procedures but with the ENGO. The essential point is: Not every single ENGO is as sincere and committed **initially** to CID as CARE would wish. Exaggerated CSDA valuations are an occasional indication of this. The **purpose** of CID is, in significant part, to nurture this commitment and sincerity among weaker ENGOs to Project implementation and objectives. Confronting ENGOs on minor details of CSDA valuations at the start of Project activities is counter-productive in achieving this Project purpose. Infrequent CSDA exaggeration is expected; if very significant, it would be given serious consideration in CARE's selection of the ENGO for SEAD participation. Stricter policies and procedures for verifying in-kind contributions -- beyond the newly adopted committee approach -- will not enhance the community development process.

The Choice of CSDA Projects: The long, disappointing and costly experience of Egypt's NGO sector with certain, traditional -- and naively popular -- models of community services and development programs (see above) raises significant issues concerning the selection of CSDA projects:

Is it satisfactory that many ENGOs and communities participating in CID invest significant resources in and repeat anew these same tired, ineffectual programs? And has CID "missed" an opportunity, by leaving the choice of CSDA projects entirely to the participating community, to promote the development of more ambitious responses (e.g. sewage/sanitation projects) to problems that ENGOs and communities still commonly assume are beyond their capacity to solve? Should and **how** could CID program be more "pro-active" in the selection of CSDA projects by ENGOs and communities?

The logic and general strategy of CID inherently discourages inventive and ambitious CSDA projects requiring lengthy preparation. The Program requirement that ENGOs mobilize significant resources and initiate CSDA activities before qualifying for participation in SEAD (and access to CID funding resources), subtly encourages ENGOs to pursue familiar building projects or purchase machines for traditional programs. Many of these activities are true, broad-based community priorities that offer **significant** and **direct** benefits to disadvantaged citizens. Other CSDA projects, however, are not. For the sake of CID implementation -- specifically, the commencement of SEAD program activity -- it may be more important that the CSDA project is implemented promptly and successfully. And the ENGO not be distracted from SEAD program development by an ambitious CSDA effort. This may indeed be a development opportunity "missed". Yet in the context of CID, the opportunity costs of **not** undertaking a more ambitious CSDA project

are small compared to the very significant benefits -- to the ENGO and the community -- of an effective SEAD credit program [54].

But the costs of initiating, as a CSDA Project, a failed and costly service program model (e.g. sewing center, skills training workshop) are very much greater. Such unsustainable programs often significantly **detract** from the institutional development and capacity-building of ENGOs -- a central purpose of CID -- and provide meager benefits to both the general community and the programs' few participants. But as youth unemployment rises in Egypt, the popular appeal of such projects grows stronger. When Community Conferences identify and ENGOs propose to initiate one of these failed program models, it is crucial that CARE become actively involved in CSDA selection.

This recommendation does not contradict the Program's emphasis on ENGO and community self-actualization or CID support for local priorities and needs. ENGO leaders widely commend the CID approach for not imposing CARE priorities on local communities. This is very appropriate. Rather, this recommendation addresses the great interest shown by ENGO members in learning **alternative program models**. It emphasizes the crucial need for CARE training and development education for CID staff, ENGOs and communities

[54] Ideally, SEAD implementation could be postponed until the ENGO had completed a more ambitious CSDA project and was ready to begin credit management. But the 3-year timeframe of the CID Project discourages a lengthy delay in starting SEAD. In this context, it is appropriate that CARE not "raise the bar" of CSDA implementation "too high" for ENGOs to leap over and proceed to SEAD program participation.

It must be added that CARE has initiated both agro-forestry and literacy programs alongside CID to assist ENGOs interested in these activities.

that clearly distinguishes between the problem and its solutions -- between the activity and its objective. These are commonly confused [55]. CARE should discourage the selection of failed program models by promoting appropriate, inexpensive alternatives whenever such "problems" are identified in Community Conferences or meetings with ENGOs. Such basic skills and understandings of past experience are yet lacking. The solutions may be "innovative" in Egypt but not elsewhere. None require technical proficiency by CARE staff to assist.

Nor is CARE's advocacy on behalf of women and the poor during CID training and discussions of CSDA project priorities with male, middle-class ENGO leaders inconsistent with promoting community self-initiative. While such advocacy may be counter-productive at the **initial stage** of ENGO participation in CID (see **Section III.B.2**), concerted ENGO-education and CID promotion of women's project priorities and needs is very appropriate thereafter.

[55] So, for example, the ENGO or community will often state their "need" for a local skills training center as it is the only solution they know to the problem of unemployment or their desire to offer girls with sewing skills instruction.

III.C. Small Economic Activities Development (SEAD)

III.C.1. Description

The SEAD component assists community-based ENGOs to establish and effectively manage credit programs serving the micro- and small-economic activities of mostly poorer community members. The CID Program provides participating ENGOs with loan capital grants, training, follow-up consultation and monitoring to promote sustainable lending programs. SEAD credit might best be described as **community-based financing** with **individual liability** -- it is not a group-based credit program on the model of Grameen Bank in Bangladesh. The CID Project aims to establish SEAD credit programs in a total of 120 ENGOs in four governorates -- Fayoum, Sohag, Qena and Aswan -- in less than three (3) years.

The **SEAD Contract Agreement**, signed by CARE/Egypt and each selected ENGO, prescribes guidelines for implementation of this program [59]. These guidelines stipulate a minimum 10% matching cash contribution from the ENGO to its own SEAD loan capital. The balance of loan capital is a grant from CID to the ENGO [60]. Capital is provided in 2-4 installments, depending on the value of matching loan capital provided by the ENGO, the value of all

[59] See Annex.

[60] More than one ENGO visited for this evaluation volunteered its satisfaction with the CID requirement that ENGOs contribute 10% of the SEAD loan capital, as it made them feel "**partners**" with CARE in this program and not "objects of charity" (Allen, 1992). It contributes significantly to their sense of program ownership and commitment to its sustainability -- Program Purposes #1 and #4, **Tasks 2, 7, and 16.**

in-kind contributions raised for CSDA activities [61], and the ENGO's demonstrated capacity to actively disburse and effectively manage these funds. ENGOs are eligible to receive loan capital grants of up to LE 20,000 from CID, for a total loan fund capitalization of LE 22,000 per ENGO (including the minimum 10% ENGO match). The great majority will receive this maximum grant [62].

CID sets only minimum standards and basic procedures for SEAD credit programs. Beyond these core guidelines, each ENGO is free to set its own loan policies and procedures -- including maximum interest rates, credit terms and limits on loan size. CARE rightly views this permitted autonomy to be a key factor in promoting ENGO "ownership" of the SEAD program and real commitment to sustain its implementation. The ENGOs are expected to assume full responsibility for strategic decisions on the future development of their SEAD programs.

The single most noted element of the SEAD credit program is the positive real rates of interest ("administrative fees") charged all loans:

[61] As explained in **Section III.B.4.**, ENGOs must raise in-kind/cash contributions for CSDA projects in their own communities that equal or exceed the value the SEAD loan capital they are eligible subsequently to receive from CID.

[62] A small number of especially active and successful ENGOs in larger villages, regional towns or urban neighborhoods will be eligible to receive more than LE 20,000 in loan capital (subject to their ability to raise the 10% match) to better serve their larger populations. To date (June 30, 1992), 4 ENGOs have received a total of LE 21,000-25,000 in CID loan capital.

a minimum **18%** per annum fixed rate [63]. This fixed rate is effectively equal to a **32% declining** balance interest rate. This rate of interest exceeds commercial bank rates; and many participating ENGOs are aware of this fact. It **far** exceeds the rates of interest currently being charged on credit provided from a number of government programs [64]. If the ENGO keeps at least 90% of its SEAD loan capital active (disbursed), the effective annual interest rate is **29%**. This is a positive rate of interest -- perhaps a 3-4% **real** return: current inflation rates in Egypt are estimated at about 25%. Of the 18% p.a. fixed interest charged, at least 15% is added to the loan capital, and the balance (generally 3%) is distributed among the Loan Officer (1%) and CID Community Volunteers (2%) as incentives. These interest rates are effectively maintaining the purchasing power of ENGO revolving funds and covering their administrative costs [65].

[63] The total amount of interest paid on the loan is calculated as:

Total Amount Borrowed x 18% per year fixed x Repayment Period

The total interest is then divided by the number of monthly payments and paid equally throughout repayment. For example, the total interest due on a loan of LE 1000 over 18 months would be:

LE 1000 x 18% per year x 18 months (1.5 years) = LE 270.

The total amount due on the loan is thus: LE 1270 .. or LE **70.56**
per month for 18 months.

[64] See **Section III.C.4.**

[65] **Task 7.** As the next paragraph indicates, however, some ENGOs believe that slightly higher interests rates (21%) offer greater incentives to Community Volunteers and Loan Officers and improve SEAD program administration. We would not disagree. Other ENGOs (e.g. Abgeeg, Fayoum) also noted that 2% incentive payments for Community Volunteers were "too little" but did not yet propose to increase interest rates. Monetary incentives cannot substitute for volunteer commitment -- but volunteerism does not satisfy a

[65] But at least three CID ENGOs have already raised their interest rates above 18% p.a. fixed interest in order to provide greater incentives for the Loan Officer and Community Volunteers to maintain an active level of program implementation. All three are now charging **21%** p.a. fixed interest. One or two other ENGOs levy processing fees for loan applications; another requires a 2% "donation" from loan recipients. SEAD interest rates were a lively topic of discussion -- with varying opinions expressed -- in almost every ENGO that we visited. See **Section III.C.4.** (p.81+).

CID allows ENGOs to set their own policies regarding loan guarantees. Nearly all ENGOs require that borrowers have another, reputable person of the community co-sign their loan [66]. But the borrower alone is responsible for repaying the loan; the guarantor pays only in the case of default. But the principal "guarantee" is the requirement that borrowers sign and date a promissory note (check) for the full value of the loan (including total interest) at the time the loan is received. This check is held by the ENGO for presentation to a bank if the borrower fails to repay the loan on time. The borrower is well aware that, under Egyptian banking laws, a check written on insufficient funds is a criminal act that would quickly involve the police. The SEAD credit program also prescribes cash penalties (for payments more than 1 month overdue) and a "Call-In Point" when, if loan

[65] **Continued from previous page:** ...household's real material needs. We recommend that ENGOs be encouraged to provide more attractive incentives for Community Volunteers not to abandon their roles and provide active and effective extension to target loan clients in their communities -- **Task 12.**

[66] But this does not, as in the case of the Productive Families Credit Program, have to be a government or public sector employee.

repayment has been unsatisfactory or if the loan is used for any purpose other than the economic activity stipulated in the loan contract, the full value of the loan (plus interest) is immediately due. All loans are cash.

Each ENGO forms a Loan Committee of at least four (4) persons, including: the ENGO's Loan Officer, two Board Members, and a Community Volunteer. The responsible CARE Field Officer and, if available, the MSA Social Unit Leader are **advisors** to the Loan Committee but have no decision responsibilities. The Loan Committee generally meets once each month to review the simple loan applications from prospective borrowers and cash flow analysis prepared by the Loan Officer for each proposed economic activity. The cash flow analyses are simple and illustrative. They provide a conservative, base assessment of the activity's capacity to generate sufficient revenues to repay the loan, finance essential working capital, and provide at least a modest net income during the loan repayment period. Loan Committees also use these cash flow analyses to decide the appropriate loan size, duration, and possible grace period for approved borrowers [67].

Cash flow analyses and the business plans required for certain proposed activities are studied carefully by the Loan Committees. For the great majority of these informal economic activities, the demand for their products or services is **highly localized**. Loan Committee members characteristically

[67] Loan grace periods are not common or lengthy, as they increase the total cost of the loan to the borrower. Borrowers must pay interest ("administrative fees") during the grace period. Hence, the longer the grace period, the more expensive the loan. Only loans for animal raising/fattening are likely to have a grace period of more than two months. Rarely is there any grace period for loans to retail activities.

appraise the viability of proposed activities from their long experience in these locales and familiar acquaintance with its range of activities.

But it is the borrower's character and reputation that counts most in credit decisions:

"These are practical criteria, suggesting a reasonable sensitivity to the goals of the program, while recognizing that character is a better guarantee of repayment than speculative pro-forma financial analysis. ...(their) attitude is that since most commercial or production activities...fall within categories known to be profitable [68], there is a greater interest taken in the **character** and **reliability** of the borrower. Other minimalist credit programs (e.g. Grameen Bank, BRAC, CARE's Maradi project) depend very largely on the same first two principles, and enjoy similar high rates of repayment (as CID)" [69].

The emphasis given to a prospective borrowers' character and reputation reflects the ENGO's strong **comparative advantage** as a community-based association: the Loan Committee's and other community members' personal knowledge of loan applicants. This experience, and their appreciation of the force that social pressures can exert in small communities to promote compliance with loan contracts -- especially by poorer and disadvantaged borrowers, are (not surprisingly) major factors in their loan decisions.

For the majority of ENGOs, the **need** of the borrower for credit to start or expand a small economic activity is also a strong factor in Loan Committee decisions. Among the leaders of many ENGOs, this is sincerely a top priority and borrowers are all or overwhelmingly poor and low-income

[68] For example: retail sales, small animal husbandry and arbitrage, and, in villages known for their artisanal and cottage industry production of specialty items (e.g. hats and baskets in El-A'alaam, Fayoum; palm-fiber rope and baskets in Siflaq, Sohag), the manufacture of these items.

[69] Allen, 1992: p.18.

clients; a large proportion of them are women [70]. But many other ENGOs hold a competing value for larger projects with potentially wider, positive economic impacts in their communities. In these latter communities, some low-middle and middle income borrowers (overwhelmingly men) are found in SEAD loan portfolios. We take up this issue further in **Section III.C.4.**

SEAD procedures do require that every ENGO recruit 2-4 "Community Volunteers" and "Community Promoter" to expand the **outreach** of SEAD credit to the community's disadvantaged populations, especially women. These loan recruiters, many of them women themselves, are trained by CID staff to promote SEAD loans among this target beneficiary population and assist interested borrowers in preparing the simple loan applications. CID has given greater emphasis to this important extension role of Community Volunteers since dropping an early requirement that ENGOs provide half of all SEAD loans to women. Not unexpectedly, this requirement only promoted **subterfuge** as men used their wives' names to apply for SEAD credit. Such deception corrodes honesty and sincerity, not only in ENGO-community relations but also in ENGO relations with CARE/Egypt. Wisely, CID soon eliminated this SEAD program condition, adopting instead an appropriate, "pro-active" emphasis on credit outreach by female Community Volunteers.

[70] Poorer borrowers comprise, to date, the overwhelming proportion of **all** SEAD clients among **nearly all** participating ENGOs. But this outcome also reflects ENGO inexperience (which encourages smaller loans unwanted by middle-income borrowers) and close CARE monitoring during these initial stages of SEAD implementation. This outcome does not necessarily indicate that the CID target group is a **high priority** for these ENGOs. Clearly it is not a top priority for many of them and their SEAD lending patterns can be expected to change. The strong interest expressed by many ENGOs to provide larger loans for "meaningful" investments in their communities contradicts their professed sincerity in keeping this target group at the highest priority.

Section III.C.4 (p.85) assesses CID volunteer outputs and their contributions to the achievement of Program purposes and goal.

Training: CARE training support for SEAD credit program implementation and management has been especially thorough and well planned. Training is a chief strength of CID. It has constructed a sound foundation for SEAD [71]. DECENT -- CARE/Egypt's own training unit -- has developed a systematic curriculum for each stage of SEAD program development: from SEAD Contract to "phase-over". The curriculum is structured on a core set of topics offered to all participants in SEAD management and implementation: CID staff, ENGO Board Members, ENGO Loan Committee members and Loan Officers, and Community Volunteers. The Training Officer in each CARE Field Office is responsible for developing the specific training materials that he/she uses in presenting this core curriculum to participating ENGOs. The core topics include [72]:

- * Loan Policies Description of Loan Fund Operations; Target and Procedures Group and Loan Characteristics; Loan Security and Collection Procedures; Volunteer Roles.
- * Credit Management ... Separate roles of Loan Officer, Loan Committee, Procedures Community Volunteers and Promoters.

CID then provides training in the specific **technical** background and skills required by each category of participants in SEAD implementation and management:

[71] **Task 16.**

[72] See **Section III.B.1** (p.25) on CID training provided in support of CSDA activities which precede SEAD and are not repeated here.

- For ENGO Board Members:**
- Credit Management Procedures
 - * Establishing the SEAD Loan Fund
 - * Forming a Loan Committee
 - * Maintaining and Reviewing Loan Records
- For ENGO Loan Committee Members:**
- Loan Policies
 - * Policies for Managing SEAD Credit Programs
 - * Protecting the Value of Loan Funds
- Credit Management Procedures
 - * The Role of the Loan Committee
 - * The Role of the Loan Officer
 - * The Process of Loan Applications
 - * The Process of Review/Approval of Loan Applications
 - * Sustaining Loan Fund Operations
- For Loan Officers:**
- Loan Policies
 - * Policies for Managing SEAD Credit Programs
 - * Protecting the Value of Loan Funds
- Credit Management Procedures
 - * The Review of Loan Applications
 - * Preparing Cash Flow Analyses
 - * Loan Disbursement and Documentation
 - * Receiving Loan Repayments and Keeping Records
- For Community Volunteers:**
- Credit Management Procedures
 - * Promoting SEAD Loans to Target Beneficiaries
 - * Assisting Prospective Borrowers to Prepare Loan Applications

SEAD training is usually provided in organized workshops for several ENGOs at a time. The workshops begin with the core curriculum and then split up into participant categories for the technical training. These workshops are then followed up with informal, "hands-on" training and monitoring of SEAD management participants by CID field staff during their regular visits to the communities [73].

[73] CID field staff with VSR experience appreciate this change in their roles:

Throughout our field visits, ENGO members and Community Volunteers evaluated the SEAD training workshops they attended very highly [74]. Several contrasted the participatory training methods of CID, which they preferred, to the lecturing techniques that are characteristic of MSA and Regional Federation training programs [75]. ENGO members employed in government recommended that CID training be held after normal working hours. And many ENGOs expressed strong interest in additional (or more frequent) training; or, in the case of some Loan Officers, training other community members to assume their responsibilities if they "fell sick" or, much more likely, "left for other reasons" -- notably, work outside the community. Such comments well indicate the seriousness and responsibility given widely by Loan Officers to their program roles.

[73] Continued from previous page:

"Unlike their former role as Animal Husbandry specialists which required them to provide on-going technical training to ENGO members, their new role as credit and loan management trainers requires an initial (heavy) investment of time and effort to train key individuals and committees implementing ENGO loan systems" -- but then only **occasional**, informal training and consultation which they provide during regular monitoring visits (CID Program Implementation Report, July 1 - Dec 31, 1990), p.3.

Staff also report that the centralized SEAD training workshops have considerably increased training **efficiency** (Ibid.).

[74] See also **Section III.B.4.** (pp.40-42).

[75] See **Section III.D.3.** on the role of Regional Federations.

The interest expressed by some ENGOs in further SEAD technical and management training, which they rarely identified specifically, suggests more their lack of **confidence** to manage the credit program independently, after CARE monitoring and support ceases -- and not their lack of specific skills. This is also suggested by the comments of other ENGOs, who explicitly credited the strong training, consultation and monitoring support which they have received from the CID Program to the **confidence** they now have to manage a program for which they previously felt incompetent. These comments strongly recommend against a "rushed" phase-over of ENGOs only now joining the SEAD program. Rather, they recommend an extension of CID to accommodate these recent participants and careful attention by CARE field staff to evaluating ENGO confidence as they plan and schedule "phase-over". CARE cannot "hand over" this responsibility: ENGOs have no basis for confidence in the Regional Federations' capacities to support them in SEAD program implementation. See **Section III.D.3** below.

The **priority** given by CARE/Egypt to training in SEAD credit program management and implementation has -- up to now -- been fully appropriate and highly recommended [76]. This Evaluation Team would disagree strongly with any criticism of CID's emphasis **to date** on technical and management training for SEAD credit implementation. On the one hand:

"...it has to be recognized that CID's entree to the ENGOs is largely made possible by its reputation as an agency able to establish community-managed revolving loan funds in the ENGO. (CID's) emphasis on technical training is appropriate at a time when it is establishing its reputation" (Allen 1992, p.12) -- with individual ENGOs.

[76] See **Section III.B.4.**, (p.41).

CARE/Egypt has invested considerable credibility in the success of its core CID Program. And most of these "eggs" are in the "basket" of SEAD credit, in which CID has invested major tangible resources. CARE/Egypt itself has an enormous interest in SEAD success.

Second, it is absolutely essential to the development of enhanced ENGO management capacities, institution -- and confidence -- building, effective outreach to the poor, and ENGO-community relations that the ENGO succeed in implementing the SEAD credit program. Weak implementation of SEAD would seriously undermine other CID support to ENGO organizational development. SEAD success demands **focus** and a minimum of distraction at the beginning -- not only by ENGO participants but also by CID field staff without previous experience. ENGO technical and management competency in SEAD has properly been the training emphasis of DECENT and CID staff **until now**. The priority given to SEAD training has been a chief factor in CID's success [77].

We conclude this description of SEAD implementation with these summary remarks of an Evaluation Team member:

"These basic design characteristics, built into the Project by the management team, are the main reason (along with a well-designed training program) for the present impressive level of early CID success. This success is clearly contributing to a palpable sense of proprietorship among ENGOs, not only of the physical and financial assets (CSDAs and loan funds), but of the Project methodology and goals" (Allen 1992, p.9).

[77] **Task 16.** It is **now** appropriate, however, for CID to consolidate a minimalist curriculum of SEAD training, assessing and remedying any deficiencies in this curriculum, but not expand it further. The point should be to provide the **least** SEAD training necessary -- keep it simple and direct -- and not the most that time allows. Rather, CID should now give increased attention to the keen interest expressed by ENGO Board Member in general management training (especially financial management) and alternative program models. See **Section III.B.4.**

III.C.2. SEAD Implementation: Deviations from the Project Plan [78]

CARE/Egypt's present implementation of the SEAD credit program differs from the Project design, as described in the Project Grant Agreement, in one (1) major and three (3) minor features. We begin with the most notable:

Mobilization of Savings [79]: The CID Project had proposed three savings indicators of the effectiveness and positive impact of the SEAD revolving credit programs established in 120 ENGOs:

- + Savings worth LE 50,000 are mobilized.
- + 5,000 individuals are participating in savings schemes.
- + 50% of SEAD borrowers have increased savings.

Conspicuously missing from the Project design, however, was any mention of how these personal savings schemes would be promoted and organized. But it appears that CID intended for the participating ENGO to collect — perhaps even require -- savings deposits from SEAD borrowers.

CARE soon discovered, however, that Egyptian NGOs are prohibited by law from collecting deposits for savings, in marked contrast to the successes that NGOs in other contexts have had promoting and mobilizing the savings of the poor. Moreover, in the wake of recent scandals and the collapse of a major Islamic investment corporation in Egypt, it is very unlikely that Egyptian banking laws will be eased to allow ENGOs to engage in this activity. CARE/Egypt has given no further attention to savings in CID.

[78] Task 5.

[79] Task 1, #2k-2l and #3b. Project Grant Agreement, p.19.

Promoting savings by poor and low-income borrowers is, however, important. ENGO credit should not replace the mobilization of personal and family savings for economic activities. Rather, its benefit is in providing a **net increase** in the total financial resources available to community members. The SEAD policy that prospective borrowers themselves contribute 10% of the equity in their proposed activity is very appropriate [80]. The popular belief is that poor and low-income persons cannot save -- or should not be expected to save. The success of Grameen Bank and other NGOs in promoting savings by households far below the Egyptian poverty line destroy this myth.

Yet a great many of Egypt's poor and low-income men and, especially, women are **already** active participants in savings-based credit schemes. Rotating savings and credit associations (ROSCAs) are as commonplace in rural and urban Egypt (called gama'iyas) as they are in most developing countries [81]. Their popularity clearly demonstrates poor people's propensity to save. These small, interest-free savings and credit schemes have shortcomings, but they are certainly valued by their many participants.

ENGOS might effectively promote sustained interest-bearing savings among SEAD borrowers by linking them to postal savings accounts in villages

[80] A few ENGO members did, however, complain that even this minimum 10% equity requirement was restrictive. More attention should be given by CID staff to explaining its importance in promoting greater commitment and efforts by the borrower to the success of his/her activity.

[81] Arisan they are called in Indonesia; kye (pronounced "gay") in Korea; susu in Ghana.

that have post offices [82]. Experience suggests, however, that **group-based** savings schemes -- in which the group organizes and encourages every member to save regularly, even if only the smallest amount -- are more effective at promoting savings than individual schemes. What is important is making savings a regular habit -- not how much the poor save each week. It may be too much to expect SEAD borrowers to save while they are paying back their loans. Yet their experience with loan repayment should be used to promote continued saving from the revenues of their economic activity for use in future investment or as the down-payment (equity stake) on a second loan.

But regardless of the importance of savings for the poor, it was ambitious of CARE/Egypt to propose the promotion of savings schemes as an additional activity under CID. More to the point, this activity would have contributed little or nothing to CID's primary focus: the capacity-building of indigenous NGOs. The addition of a savings activity -- even if allowed by law -- to an ENGO that has just established a credit program serving the same clients, adds very little to the ENGO's organizational development and community outreach. Savings schemes would have benefitted individual clients, but would have distracted CID staff and the ENGOs from critical institution-building activities (e.g. financial management training, ENGO Board management training, alternative program models). Nor is it likely that savings schemes would be a priority for most ENGOs, who would probably see little net economic benefit to the community from encouraging individual savings by the poor. And they would be correct in this assessment. Active

[82] Village post offices are valued as much by communities for the convenience they offer men and many older women who receive monthly pension checks and money transfers as for their more obvious mail and telegraph functions.

promotion of savings schemes might be appropriate to a **multi-year extension** of CID, but not to the 3-year Project that CARE is presently implementing.

NGO-Managed Production Activities: In both the CID Project Grant Agreement (p.9) and Project Plan (Nov 1991, p.6), CARE/Egypt had proposed that: "some SEAD activities might be supported by the establishment of NGO managed productive units". Fortunately, this idea appears to have been abandoned. The dismal record of most NGO-managed production activities argues strongly against this plan [83]. Yet a number of NGOs continue to express an interest in this failed traditional model of NGO-owned and managed production enterprises. There is, however, a fundamental conflict of interest and roles in the NGO borrowing from itself (i.e. from SEAD credit) for an NGO-owned activity. It is also a violation of Law 32/1964 for an NGO to incur debt [84].

"CID Team" Approach to NGO Extension: The Project Grant Agreement (pp.12-13, 16-17) described CID extension to NGOs for both CSDA and SEAD components as the responsibility of CARE/Egypt "field teams (consisting of one male Field Officer and one female Field Officer)". But the "team" approach does not appear to have been used in CID after field staff observed very early in the Project that they could use their time more efficiently if deployed individually. Each Field Officer is responsible for about five

[83] See LaTowsky 1986, 1990.

[84] There are, however, known exceptions to this proscription against NGOs taking loans, including several sanctioned by the Ministry of Social Affairs.

(5) ENGOs. CARE Field Offices comprise approximately equal numbers of male and female program staff.

Pre-SEAD Community Surveys: CARE/Egypt had proposed that after an ENGO was selected for participation in the SEAD credit program -- but prior to SEAD program start-up -- a survey of the community's poor would be carried out jointly by CID staff, ENGO leaders and the Community Volunteers "...to determine their interest in and capability for participation in SEAD activities (and) identification of viable SEAD activities..." (Project Grant Agreement, p.12). But this joint survey has not been implemented. The principal purpose of this survey -- promoting credit outreach to the poor -- has been the priority concern of the Community Volunteers. Dropping this survey activity was pragmatic: in most village communities -- and especially the smaller ones -- ENGO members know who are the poor and are familiar with the viability of popular economic activities.

III.C.3. SEAD Outputs and Targets [85]

CARE/Egypt proposed a number of benchmarks and Life of Project (LoP) indicators for the SEAD credit component of CID. We assess progress on each of these indicators below. Graphs -- **Figures 3-5** -- show clearly the quarterly progress of CID in achieving several key outputs since Project start-up.

[85] Task 1, #2 a-j; #3 a+c. Tasks 2, 7, 9 and 15.

SEAD outputs to date (**30 June 92**) are very satisfactory and loan activities demonstrate marked success. The Project should meet or exceed all major SEAD targets before the scheduled end of Project in June 1993. Achievement of secondary indicators (e.g. total number of loans disbursed, women as a percentage of all borrowers) should meet 80% or more of the ambitious LoP target levels set by CARE. All priority indicators of ENGO credit management capacities -- e.g. loan repayment rates, percentage of loan funds active, interest rates, volume of delinquent loans -- meet or closely approach the high Project standards. CARE/Egypt staff can take pride in CID accomplishments to date [86].

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
a. ENGOs with Signed SEAD Contracts	120	106

ASSESSMENT: See Section III.A.2. (p.16). CARE/Egypt should reach the LoP target in the 1st quarter of FY 93 (July-Sept 1992).

b. Loan Fund Capitalization LE 3.0 million ... LE 1.45 million

ASSESSMENT: The LoP Target for total SEAD loan fund capitalization includes: LE 2.4 million in SEAD capital grants from CARE (CID) -- LE 20,000 for each of 120 ENGOs -- plus LE 0.24 million in matching SEAD capital from ENGOs, plus LE 0.36 million in net fund income from interest (administrative fees) and penalty charges.

The present level of loan fund capitalization is chiefly the sum of **initial** CID disbursements to the great majority of ENGOs. Only a minority have yet received all of their target LE 20,000 in total SEAD grants from CID. CARE's prudent approach of granting loan capital through installments to ENGOs while monitoring their management of SEAD credit is exemplary. The rate of disbursement depends upon CID field staff assessments of the ENGO's readiness to increase lending activities. The success of the SEAD program to date testifies to the wisdom of this

[86] See Footnote [36], p.30.

approach. Additional capital can be granted readily. We expect that total SEAD capitalization will increase by approximately **LE 0.4 million** in each of the next 3 Project quarters and reach the target total by the scheduled end of Project. Total CID grants of SEAD capital have ranged from LE 275,000 - 300,000 in each of the last 3 Project quarters. CARE has now disbursed half of the target grant total of LE 2.4 million. This pace of disbursements will achieve 100% disbursement of the CID loan budget on time [87].

In our judgement, however, it is far more important to the goals and purposes of the CID Program that CARE continue to disburse SEAD capital on the basis of **ENGO performance** and **readiness** rather than Project targets, especially as these targets do not allow for the six-month delay in Project start-up.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
c. Percentage of Total Loan Funds Active .. 90% (Program Average)	87%

ASSESSMENT: This indicator compares total SEAD cash balances in ENGO bank accounts against the total value of ENGO loan funds to measure the level of ENGO lending activity. The Project aims to keep the highest possible percentage of loan capital in circulation.

This average figure has fluctuated monthly from 85% - 97% over the past year. New disbursements of CID capital to the ENGOs lower this average until ENGOs re-lend the funds to borrowers. Popular animal husbandry activities often cause seasonal variations in loan demand. But the important point is that demand for SEAD loans is **high** in these communities and the overwhelming majority of ENGOs are maintaining a high level of SEAD lending activity -- many of them the highest levels of fund activity [88].

[87] **Tasks 9 and 1, #2-c.**

[88] Nine of the 19 CID ENGO records on SEAD lending examined by the USAID financial accounts examiner during this Evaluation showed loan activity rates of **97% - 100%**.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
d. Number of SEAD Loans Disbursed by ENGO Loan Committees [89]	10,000	3,748
	To Women: 5,000	1,523
	To Men: 5,000	2,225

ASSESSMENT: See **Figures 3 and 4** (pp. 70-71). At the present high rates of loan repayment and both current (1200 loans per quarter - **Figure 3**) and projected (1400 loans per quarter) levels of SEAD lending, the total number of SEAD loans disbursed should reach **83-87%** of this ambitious target by the scheduled end of Project (June 1993). The 6-month delay in Project start-up chiefly explains this shortfall. With an additional two quarters of Project implementation, CID would exceed the 10,000 loan target. This is certainly a satisfactory level of output in this Project period. And the continued operation of the majority of these SEAD funds at or near present levels -- which we expect -- after "phase-over" will provide needed credit to at least this many additional beneficiaries in the next 2-3 years.

A much smaller, but not insignificant, factor that will influence the **future** rate of loan disbursement is the growing interest of many ENGOs to give larger (and thus fewer) loans than the LE 1500 maximum loan-size permitted by CID policy. Very few if any loans have yet exceeded this maximum, but both CARE and the Evaluation Team expect this to occur in coming months -- and certainly after "phase-over." This important issue is considered further in **Section III.C.4.** below.

The present proportion of women among all SEAD borrowers -- **41%** -- is expected to remain at or very near this level (38-43%) through the remainder of the Project. In the social and cultural contexts of contemporary village Egypt and its ENGOs, this level of women's participation in SEAD lending is a **significant** achievement. The 50% CID target for women borrowers was, in our judgement, **unrealistic** given the gender composition of the village ENGO Boards (99% male) -- and General Assemblies -- responsible for implementing these credit programs, the interest of their middle-class leadership in projects of community significance, and the increasingly conservative attitudes of some (in the context of rising youth unemployment) regarding women's employment. It certainly takes time to change perceptions and attitudes. More importantly, it takes experience: **ENGO Board men must see for themselves that, in general, women are more responsible users of credit than men.** On average, women will have higher repayment rates and fewer defaults than men.

[89] Task 1, #2 e-f.

Fig. 3 - NUMBER of NEW SEAD LOANS DISBURSED
 (Each Quarter to 30 June 92)

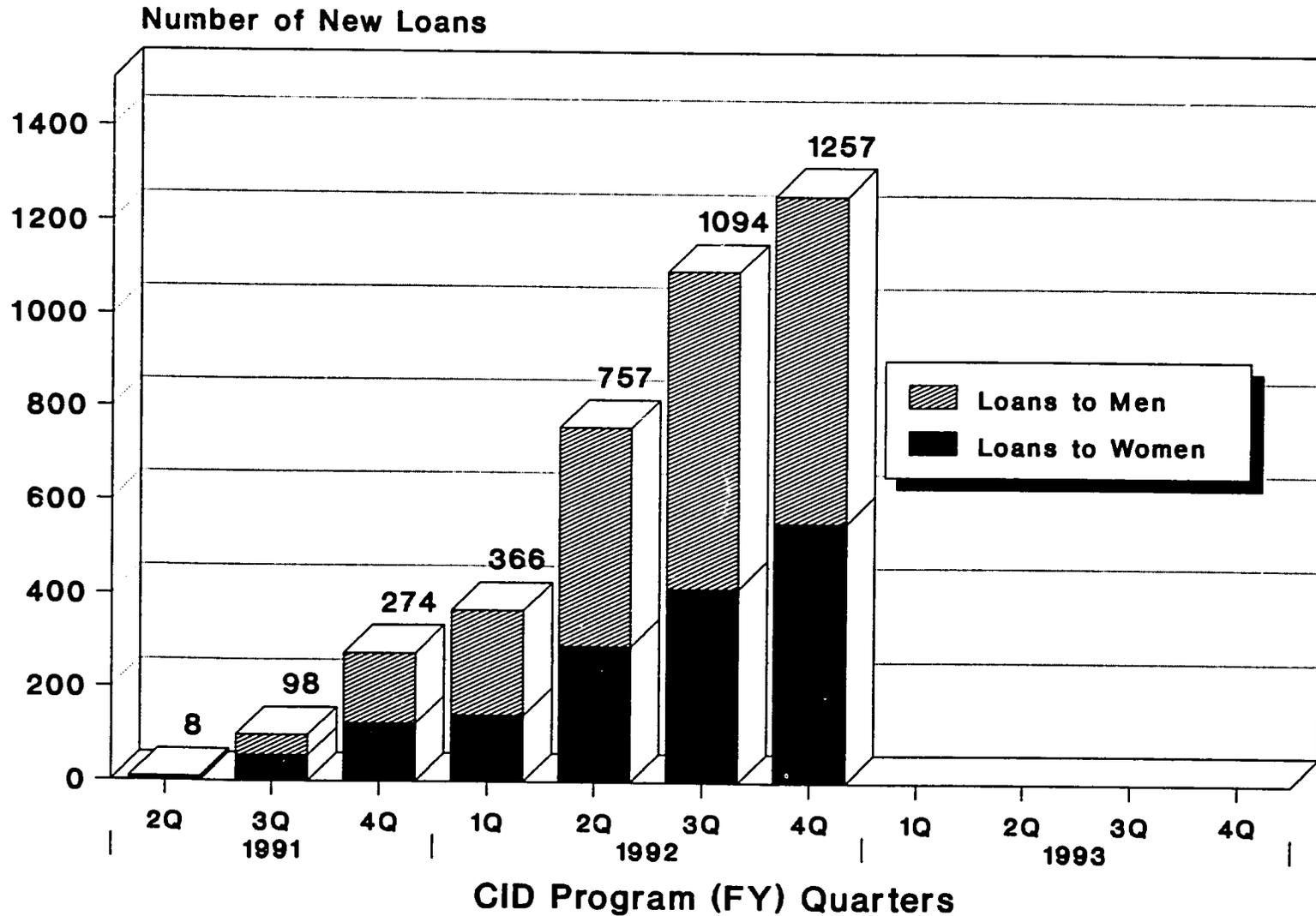


Fig. 4 - TOTAL SEAD LOANS DISBURSED
(Cumulative Totals thru 30 June 92)

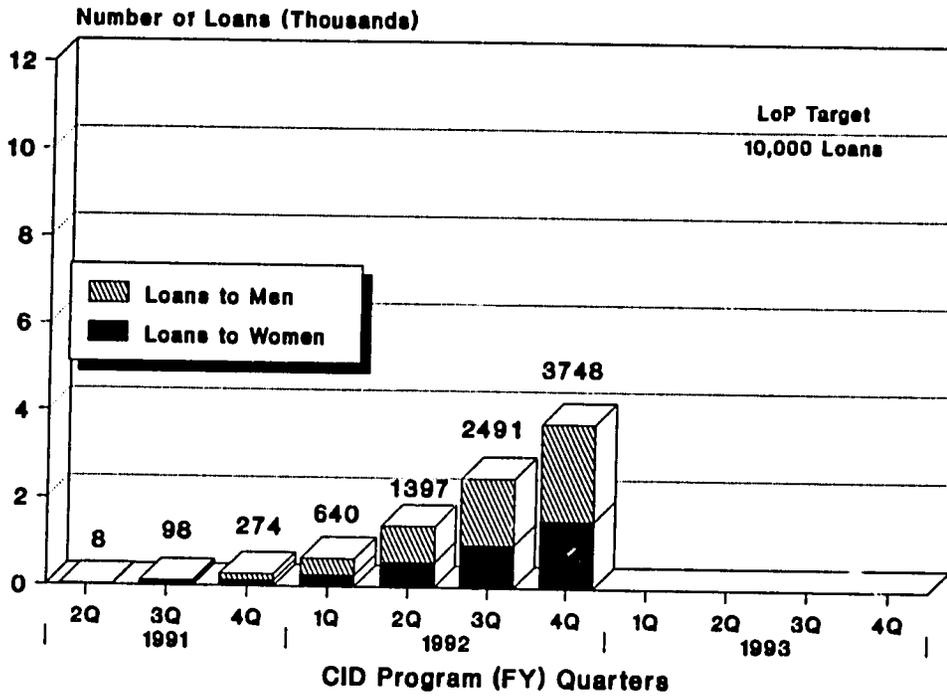
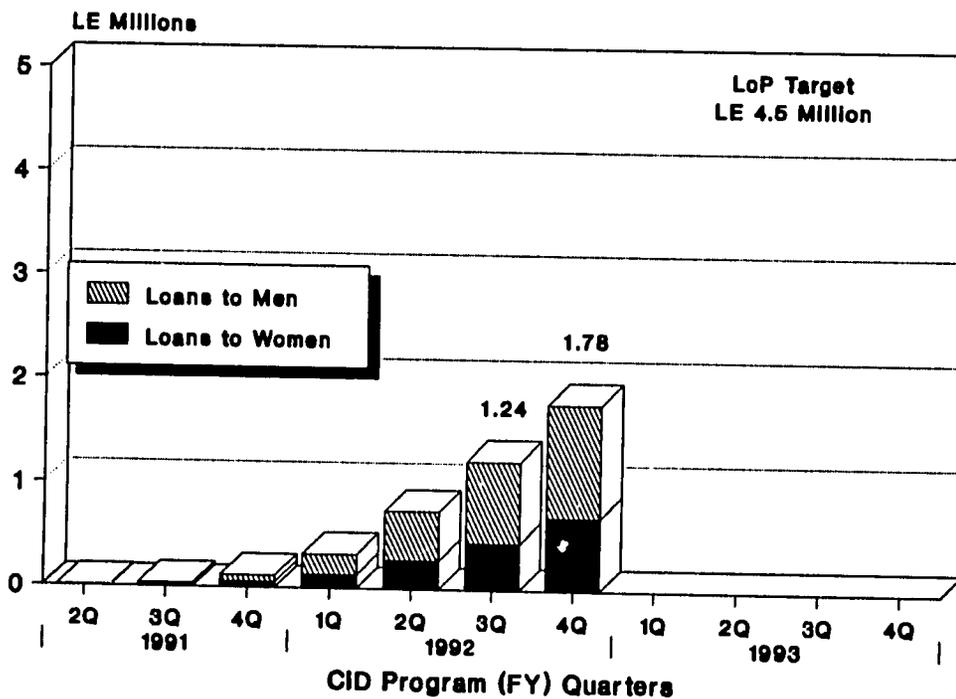


Fig. 5 - TOTAL VALUE of SEAD LOANS DISBURSED
(Cumulative Totals thru 30 June 92)



But the brief experience that ENGOs have had to date with SEAD lending has not yet provided them this understanding. It is **imperative** that CARE address their "education" needs on this issue through the remainder of CID. The issue is not simply one of gender equity: **Even more crucial is its implications for the sustainability of SEAD loan funds.** The higher the proportion of men among all borrowers -- and the larger their loans -- the greater the risk to SEAD loan capital. CID advocacy of women's participation in SEAD borrowing is sound financial practice for ENGOs. It is in the **self-interest** of ENGOs that wish to protect and sustain SEAD credit programs to lend significantly to women. This is likely to be a **far more compelling reason** for ENGO Board men to increase lending to women -- and support greater initiative by women Community Volunteers -- than either an equity or needs argument. See **Section III.C.4.** for a recommended approach to ENGO education and SEAD program development on this issue.

Many would point to the examples of other NGO credit programs -- notably the Grameen Bank -- in which women (mostly poor) comprise the great majority (80 percent or more) of borrowers. Professional debate continues on the main factors responsible for this achievement. But the small maximum size for loans and the **group-based** operations of many such programs are certainly significant reasons. Perhaps more to the point, all of these commonly-cited, model programs are or were implemented by regional NGOs whose sole activity or specialty is **finance**. None were **community-based**, **multi-program** associations on the model of Egypt's CDAs. Few, if any, of the male-dominated ENGOs participating in SEAD would have been interested to do so -- except perhaps as a very small activity that would receive little of their attention -- if similar loan size limits and high quotas on women's

participation had been mandated for this program. Women's participation in SEAD credit programs as 40% of all borrowers would be, for these organizations, a commendable level of achievement [90].

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
e. Total Value of SEAD Loans Disbursed [91]	LE 4.5 million	LE 1.78 million
	To Women: LE 2.25 million	LE 0.70 million
	To Men: LE 2.25 million	LE 1.08 million

ASSESSMENT: See Figure 5 (p.71). The observations made above in assessing the number of SEAD loans disbursed to date, their distribution among men and women, and the prospects that CID will meet its LoP target, would also apply to this Project benchmark. CID's loan volume outputs are, however, **ahead** of Project achievement of loan number outputs. This reflects ENGO interest in larger loan sizes and their satisfactory levels of loan fund activity. Loan Committees have generally been very conscientious in approving and disbursing new loans with the repayments they receive from the first lending cycle. And women's share of the total value of loans disbursed to date (39%) closely parallels their share of the total number of SEAD loans (40%).

Our conservative forecast of SEAD loan disbursements over the next four quarters suggests that CID should achieve **at least 90%** of this LE 4.5 million target by the scheduled end of Project (June 1993). It will certainly exceed this target if Project implementation is extended six months to compensate for the delayed start-up.

[90] It is important to add that the Evaluation Team found significant differences — and contradictions -- among participating ENGOs in women's participation in SEAD credit programs. In one noted example (an ENGO in Fayoum), women comprised 2/3 of all SEAD borrowers yet the ENGO Board denied women membership in its General Assembly for fear of being out-voted (Allen 1992. p.19).

[91] Task 1, #2-g.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
e. SEAD Interest Rates (Weighted Average)	20%	18%

ASSESSMENT: See Section III.C.2. (p.52-53) and III.C.4. on interest rates.

f. Loan Repayment Rate	90%	98%
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ASSESSMENT: The Project Grant Agreement specifies this LoP target rate for loan repayment; CARE's LoP target is 95% as shown in the Program Implementation Report. This rate indicates the total value of loan repayments actually made to all ENGOs to date versus the total amount due. The rate is an excellent indicator of an ENGO's capacity and commitment to effectively manage credit. The high performance rate (98%) of CID ENGOs to date is the best evidence of their seriousness of purpose and attention to procedures in managing SEAD credit. The overwhelming majority of ENGOs have responded firmly from the very start of SEAD lending to delays in repayment, and strictly followed procedures to show their seriousness. It is usually sufficient for them to impose significant cash penalties on 1 or 2 borrowers overdue more than 2 monthly payments to demonstrate their resolve and prompt timely repayments from all others [92]. The overall repayment rate that CID has achieved to date is a very positive indicator of SEAD's sustainability.

[92] ENGO commitment to procedures was clearly evident to this Evaluation Team: In one case, an ENGO Loan Officer himself paid the large penalty after forgetting to record a late payment that he had collected from the borrower -- but neglected to register -- before the deadline had expired.

ENGOs vary in the methods used to collect loans: Some insist that borrowers come to the Loan Officer to make their repayments -- the procedure that we strongly recommend. In other ENGOs, the Loan Officer and other Loan Committee members go about the community themselves to demand payment. The latter method, however, requires considerably more time and effort from ENGO Board Members and may prompt borrowers to wait until the payment is requested. As loan funds increase, this method will become even more burdensome, and could further influence ENGOs to give fewer, larger loans. Indeed, we suspect that this is a significant cause of ENGO's expressed interest in larger loans. The borrower -- not the ENGO -- should be responsible for making sure that repayments are made promptly ... and come to the ENGO to pay them.

Project
Benchmark

Life of Project
(LoP) Target

Outputs to Date
30 June 1992

- g. **Percentage of Loan Volume Delinquent more than 2 Months [93]** **Less than 2%** **Less than 2%**

ASSESSMENT: CARE does not specifically monitor the number and value of individual SEAD loans that are delinquent more than two (2) months. Rather, this benchmark is calculated from the SEAD loan repayment rate: at the present rate of 98%, the percentage of loan volume that is **delinquent** (more than 2 months) must be less than 2%. CID does monitor the value of all loan **defaults** and reports that, to date, these total **LE 0** — none. This figure, however, is potentially misleading. ENGOS have experienced some loan defaults. But none yet report that they failed to collect full repayment from defaulting borrowers.

This is an important indicator of overall Program effectiveness; and CID's **overall** status on this benchmark is satisfactory. >> But we recommend that CARE **now** begin to monitor this benchmark at the **ENGO** level. In order to better assess the sustainability of ENGO credit programs, it is necessary now to know **how many** ENGOS have more than 2% of their total SEAD funds delinquent more than 2 months. The overall benchmark (above) informs CARE of the Program's present status, but it provides little insight into its future sustainability. This evaluation identified a number of ENGOS with loan delinquency levels higher than 2%. Such information is useful **now** to CARE as it prepares ENGOS for phase-over. It is even more valuable in the medium term for the insights it will provide on the future of the SEAD component and outcomes of the very significant, **short-term** contributions of the CID approach to ENGO capacity-building that we observed.

[93] **Task 1, #3-j**. This percentage refers to the total volume of all SEAD loan funds in all ENGOS.

The point is this: After phase-over, SEAD sustainability will chiefly be a function of developments within individual ENGOs. It is very important now that CARE enhance monitoring at this level. See Section III.C.4. for further discussion of priority SEAD program developments and sustainability.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
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h. Mobilization of Savings LE 50,000 Not Available

ASSESSMENT: See Section III.C.3. (pp.62-64) for CID progress on all savings benchmarks.

i. Number of SEAD Beneficiaries 50,000 18,420

ASSESSMENT: CARE established this LoP benchmark when it divided the total CID target output of beneficiaries (250,000 persons) into separate CSDA (200,000 beneficiaries) and SEAD (50,000) targets. See Section III.B.3. (p.35). The total number of SEAD beneficiaries (18,420) is calculated on the basis of an average five (5) beneficiaries for each SEAD borrower to date (3,724). This is a reasonable figure: the mean size of Egyptian households is about 5.5 persons. On this basis, we would expect CID to realize approximately the same proportion of this target output as it achieves in "number of SEAD loans disbursed" by end of Project (p.69).

**j. Percentage of SEAD Borrowers 100% Not Available
with Increased Incomes [94]**

ASSESSMENT: This is an absolutely unrealistic target. CID staff should not expect all SEAD loans to result in successful economic activities and increased incomes. There will certainly be failures. Indeed, in some cases, borrowers will end up indebted, owning a failed project and worse off than before they took a loan. This is the reality of credit programs that few confront honestly [95].

[94] Task 1, #3-a.

[95] We would point out, however, that improved medical care also carries risk of failure that leaves patients even worse off than before: the many cases of physician malpractice are sufficient

[95] The popularly-cited success rate for all small business start-ups in the United States is 25%. It is important that all SEAD participants -- CID field staff, ENGO Board members, and Community Volunteers -- appreciate the risk they are encouraging borrowers to accept.

Presently, CID has no information on the impacts of SEAD lending on beneficiary (borrower) incomes. CARE/Egypt plans, however, to implement soon an extensive survey of 2,000 borrowers to assess SEAD's beneficiary impacts. We do not, however, recommend this method of assessment as:

(1) It is a major diversion and distraction of CID staff resources from priority CID activities and purposes; (2) It is unlikely to obtain any meaningful information on borrower incomes and impacts; and (3) Most importantly, this method of assessment and its results will not contribute significantly to enhanced Program implementation, ENGO institution-building or the professional development and education of CID field staff. See Section III.C.4. on assessing the beneficiary impacts of SEAD.

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
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k. Total Employment in SEAD-funded ... Activities [96]	11,000	3,688 *
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ASSESSMENT: This Project Agreement benchmark includes both full and part-time employment of the SEAD borrower and any employees. Quarterly CID Program Implementation Reports provide breakdowns of this total employment figure by part/full-time and gender (men/women). * The total employment of SEAD-funded activities reported here is incomplete; CARE expects soon an updated figure of about 3,850. This is very nearly the same as the total number of SEAD

[95] Continued from previous page: ...evidence of this. Yet rarely, if ever, is the observation made that curative health-care "improvement" programs are also risky.

[96] Task 1, #3-c.

borrowers to date (3,748). Hence, we expect that the Program's total employment outputs will achieve the same proportion of this 11,000 target -- about ~~83-87%~~ -- as CID's output of total SEAD loans (number) will achieve its target by end of Project (see p.69).

This comparison of total employment and total borrowers suggests that the overwhelming share (97%) of SEAD loans have supported small, owner-operated activities that employ the borrower alone. The extent of full versus part-time employment in SEAD-funded activities is roughly similar: the above total includes 45% full and 55% part-time employment. Moreover, the overall ratio of full/part-time employment is the same for men and women separately. And not surprisingly, the ratio of male to female employment equaled the ratio of men borrowers to women borrowers in the SEAD program to date.

It would, of course, be interesting to know how much of the total employment supported by SEAD lending is new employment. But this is an academic issue: the answer is unlikely to enhance CID implementation in any significant way. And we do not encourage CARE to monitor this. It would not, in our opinion, be appropriate for this ENGO credit program to target business start-ups and employment generation. This is extraneous to Project purposes and priorities. It is enough -- and highly significant -- that these many ENGOs are successively managing their SEAD credit funds.

>> Indeed, the above analysis of employment outputs to date strongly suggests that it is hardly worthwhile to expend further resources monitoring employment at all. It is clear that total employment in SEAD-financed activities is nearly the same (within just 3%) as the total number of borrowers -- or total number of SEAD loans disbursed. It would be far more useful now for CID staff to monitor additional indicators of ENGO credit management (see pp. 75-76 above) in order to assess and consolidate SEAD sustainability and enhance the "phase-over" status of CID ENGOs. These program elements have much greater priority.

III.C.4. SEAD Strengths/Weaknesses and Contributions to Program Purposes [97]

At mid-project, nearly all SEAD program indicators are strongly positive. The great majority of ENGO credit funds are being effectively managed and actively implemented. Financial control systems are in place and well used for efficient loan collection. Demand for SEAD loans is high in participating communities. And the evaluation field visits offered considerable evidence that borrowers are investing responsibly in new or expanded economic activities for their benefit. With these outcomes, the SEAD component of CID shares the success of "minimalist" NGO credit programs elsewhere in the world. The essential elements of their success [98] are:

- * Clear selection criteria
- * Simple application procedures
- * Speedy approval of loan requests
- * Credit is provided in cash, in the required amounts
- * Regular, modest repayments
- * Positive real rates of interest
- * The availability of subsequent loans
- * Social pressure to repay

SEAD's contributions to the achievement of CID Project purposes have been equally prominent. The Evaluation Team was repeatedly impressed by evidence of SEAD's contributions to: ENGO revitalization, participatory decision-making and the promotion of new leadership and ENGO membership, improved management of other ENGO programs [99], closer and more active

[97] Tasks 2, 7, and 16.

[98] Allen 1992, p.3.

[99] Many ENGO members volunteered -- and Board meeting minutes confirmed -- that as a result of the program management training they received from CID and their experience with a systematic

ENGO-community relations, significantly increased ENGO outreach and benefit to low-income and poorer community members [100], an expanded base of ENGO resources [101], a strong sense of project ownership [102], and a new round of community action and CSDA initiatives.

[99] **Continued from previous page:** ...approach to program (SEAD) implementation, they have begun to look more closely at other programs and their effectiveness. SEAD is providing an excellent opportunity for ENGOS to consider **alternative program models**. See **Section III.B.4.** (pp.41-44). A number of ENGOS are even applying the "systematic review" procedures of SEAD Loan Committee meetings to their social assistance (charity) distributions.

[100] The SEAD credit program establishes, for the first time in nearly all of these ENGOS, an **immediate** and **ongoing** program of meaningful economic assistance serving a community sub-population (poor and low-income) that has received lesser benefit and priority from many of these ENGOS in the past. SEAD has significantly expanded the beneficiary or client population of most participating ENGOS to include greater numbers of poor.

[101] A number of ENGOS offered this observation themselves: SEAD borrowers were future sources of ENGO revenue. When the time came to raise donations for community projects, these ENGOS "knew who to go to," as they put it. "We helped you," was their rehearsed fund-raising pitch, "now you help us." We concurred that this was entirely appropriate.

The SEAD fund may have had the **opposite** impact, however, on one ENGO's community resource base. A Board Member recounted for the Evaluation Team that "some people" in the community have said that the ENGO is "profiting" from loan interest and thus didn't need their donations. The extent of this attitude is unknown. But an ENGO public relations -- development education -- campaign in the community should be sufficient to correct this mistaken impression.

[102] Although many ENGOS commonly referred to their SEAD credit program as "the CARE project," they were fully aware that SEAD capital and responsibility for its future use was theirs alone. The examples of ENGOS modifying and adapting general SEAD policies and procedures on their own initiative to particular cases, are significant indicators of their interest, commitment and "ownership" of the program and its goals.

CID's systematic training support for SEAD is the foundation of this credit program's success (see **Section III.C.1.**, pp.57-59). CARE's effective management system — including its excellent management information system (MIS) of program reporting [103] -- is the second major factor in this achievement. The Project approach is solid.

There are, however, several key issues that merit attention. All of them impact, directly or indirectly, on the **sustainability** of these ENGO credit programs [104].

Interest Rates: (See **Section III.C.1.**, pp.51-53) SEAD interest rates were a major point of discussion in every evaluation field visit. It was clear that the majority of ENGO members were uncomfortable charging such "high" rates of interest. This should be expected. The ENGO's popular identity is still strongly that of "social service" and "welfare provider". Many ENGO (CDA) leaders now clearly understand -- and champion -- the essential difference between this traditional model of social service and the self-help approach of community development [105]. Their clients and constituents, however, do not. Islamic proscriptions against interest add to Board Member anxieties. Yet without exception, these ENGO leaders all

[103] **Task 15.**

[104] **Tasks 7 and 13.**

[105] Only a few, however, appreciate the meaning and importance of the **catalytic** role that, in the context of limited resources, we especially recommend to these community-based NGOs.

knew that such high, positive interest rates were essential to maintain the value of their SEAD loan capital in the face of inflation [106].

CID staff reassure anxious ENGO leaders by pointing to comparable rates of interest charged by the commercial banks [107]. But the newspapers daily proclaim new government credit programs with highly subsidized interest rates, as the following few examples show:

1. "Loans for Youth to Establish Small Projects at Only **9%** Interest"
2. "LE 2 Million in Loans to Establish Dental Clinics" -- offered by the dentists' syndicate at 10% down, 30 months repayment, and **0%** interest.
3. "Housing Units for Mubarak City Workers" -- Fifty (50) year mortgage loans at **3%** annual interest. [108]

And MSA's Productive Families Credit Program -- the most immediate comparison for some ENGO Board Members -- charges only **10%** interest on the total value of the loan (i.e. not annually) [109].

Board Member opinions in many of these "anxious" ENGOs, however, varied sharply on this issue with some leaders pointing to SEAD waiting lists to

[106] A testimony to the effectiveness of CID training.

[107] SEAD interest rates (18% p.a. fixed) are, however, only **nominally** lower than bank rates.

[108] Sources: 1. **Akhbar al-Yom**, 29 February 92, p.1.
2. **al-Akhbar**, 5 June 92, p.11.
3. **al-Akhbar**, 5 June 92, p.7.

[109] On a 2-year PFP loan -- not surprisingly, a popular repayment period -- the nominal rate of interest would be only **5%** per year.

show that interest rates were not a problem [110]. And in a number of other visited ENGOs, Board Members expressed no complaints or reservations about SEAD interest rates in response to our pointed queries on this issue [111]. Moreover, when one member of the Evaluation Team randomly asked 5-6 ENGOs to describe what they would do if banks were to raise their interest rates to a hypothetical 30%, **every one** of these ENGOs said that they too would raise SEAD interest rates: "but to a rate just a little below the banks". Yet some of these ENGOs nevertheless complained about the "high" interest rates they were now charging. And several ENGOs have already raised their SEAD interest rates to **20-21%** to provide additional incentives for loans administration and, especially, credit outreach by Community Volunteers. See **Section III.C.1.** (p.53).

The interest rate is **not** an issue with **borrowers**. This was true for the overwhelming majority of borrowers that we visited. It is also the experience of credit programs for the poor worldwide:

"It is almost an axiom that small-scale loan capital is invested in activities with an enormous rate of return, but low absolute profits. Making 100% gross profit on a bag of beans every day will enable the borrower to pay interest rates that compute to literally thousands % on ... an annual basis, but cost only small amounts of **cash each day**. However, while the transaction may yield a large rate of return, it is

[110] Abgeeg CDA in Fayoum is a good example: While some Board Members complained to the Evaluation Team that the SEAD interest rate was "so high that the activities may not be worth pursuing", the Loan Officer was busy announcing to the village that no more loans were currently available "because he was being constantly bothered by would-be borrowers" (Allen, 1992).

[111] For example, Abdel Mageed CDA in Fayoum; Mazata CDA in Sohag; Menshiet El-Gammal CDA in Fayoum; El-A'alaam CDA in Fayoum.

usually the case that the daily net **income** is just about enough for consumption. The woman who borrows LE 50 for six months and is required to return LE 54.50 is paying a net of **32%** on the declining balance of the principal sum. **She regards the loan as ridiculously cheap**, when she is able to revolve the cash dozens of times through her business cycle in the period of the loan, and yield net cash of several hundred pounds (LE). It is this "**cash-flow** view" of borrowing that the borrower uses to decide whether or not a loan is worth taking. Interest rates on micro-loans are hardly a factor.... Clients believe that ENGO SEAD money is cheap" (Allen 1992, p.20).

Indeed, some ENGO Board Members pointedly observed that the high interest rates are important in encouraging borrowers to work hard and make a success of their project in order to repay the loan. And interest repayments, they added, remain in the community for the benefit of future borrowers.

The evaluation field visits lead us to conclude that the great majority of present ENGO Boards will maintain the current interest rates, albeit reluctantly. This is a significant CID achievement and a credit to both CARE's strategic approach and relationships with ENGOs (see pp.10-11) and its thorough CID training. This outcome has required a major attitudinal change by many Board Members concerning the role of their ENGO and the importance of financial security and autonomy. New public attitudes towards self-reliance certainly facilitated this shift (p.23), but this sweeping outcome would **not** have been achieved without the significant human inputs provided by CID. >> It is important now, however, that CID field staff be attentive to the opinions of new Board Members who may not have participated in CID training and SEAD start-up. And CARE should expect that a few ENGOs will lower interest rates after phase-over.

Community Volunteers and Promoters [112]: Through **30 June 92**, CARE has recruited **804** Community Volunteers and Promoters (CVs and CPs) to support CID Program activities -- notably the SEAD credit component -- in participating communities. Already, this number significantly exceeds the target (720) number of CVs and CPs that CARE expected to recruit and train through the 3-year life of Project. With the addition of the final cohort of ENGOs to participate in CID (to bring the total to 120 ENGOs), this number may be expected to increase. The great majority of CVs are women.

But for this activity output, more is not better. CVs and CPs serve an essential role -- especially in the initial years of SEAD implementation -- in and promoting this ENGO credit program among the poorer and disadvantaged populations of the community, notably women. A number of those we met were conscientious and active in performing their chief roles: advertising the SEAD program to the target beneficiary group and assisting prospective borrowers to complete their loan applications [113]. But many CVs have already resigned and CID field staff have, since the start of the Project, repeatedly noted a problem in recruiting replacements [114]. In perhaps as many as half of the ENGOs that we visited, all of the Community Volunteers

[112] **Tasks 2 and 12.** Program Purpose #5.

[113] We would note, however, that less active CVs and CPs would also be less likely to await the Evaluation Team's visit. Indeed, in a number of our visits, no CV or CP was present, although we would **not** suggest that all those not present were "less active". It does appear to us, however, that in a significant number of communities, CVs and CPs may be present but are doing little to support the ENGO.

[114] CID Program Implementation Report, 1st-2nd Quarter, FY 91, p.5.
CID Program Implementation Report, 4th Quarter, FY 91, p.3.

had changed since the start of CID. The large number of CVs and CPs recruited to date reflects this problem of turnover.

The Evaluation Team is unanimous that the priority solution to this problem of Community Volunteer turnover is **financial**: incentive payments need to be increased. CVs and CPS share as a group (3-5 persons) a small percentage of SEAD interest repayments. They often work longer hours than the Loan Officer to approach prospective borrowers and prepare credit applications. Yet they receive far less incentive income each -- often just LE 5-10 per month, which is no incentive at all [115]. In sharp contrast to the turnover in Community Volunteers, there has been very little change among ENGO Loan Officers to date.

Providing higher incentives to CVs is, however, problematic -- clearly that is why CARE has not yet solved this difficulty. Increasing CV rewards will require either an increase in the total interest rate or a reduced share (now 15% p.a. fixed) of loan repayments returned to the loan capital fund. Three ENGOs have responded to this problem themselves and increased SEAD interest rates (p.53). But most ENGO leaders are still reluctant to do this, either because they are already uncomfortable with the present interest rate (see above) or because they do not give high priority to: (1) the target beneficiary group; or (2) the Community Volunteers. We suspect that the **latter** reasons are more significant.

[115] In one or two communities that we visited, it appears that Community Volunteers were not being paid **at all**. And in the case of one ENGO, if a borrower promoted by a CV defaulted on his/her loan repayments, the Community Volunteer was penalized.

The example of the 3 ENGOs that have raised SEAD interest rates is important: it suggests that ENGOs will raise SEAD interest rates if they understand the importance of having active and effective Community Volunteers so that the SEAD fund will continue to have a significant number of **women** borrowers. Women borrowers -- and their many smaller loans that are repaid more quickly -- will contribute more to the growth and stability of ENGO credit funds than a few larger loans. See **Section III.C.3.** (p.72) and the discussion of **Larger SEAD Loans** immediately following.

>> Here again, it is essential for CID staff to convince ENGO Board Members of the sound financial -- and SEAD fund sustainability -- reasons for supporting Community Volunteers with increased incentives. CARE must explain clearly and convincingly **why** women borrowers and small loans are so important to the **SEAD fund financially** -- and thus why Community Volunteers are important to support. Only then can CID expect a significantly greater number of ENGO Boards to agree to raise interest rates to provide attractive incentives for Community Volunteers. Talk of "gender equity", "justice for the poor" and "integrating the views and priorities of CID target groups" is a limp substitute for ENGO financial **self-interest** as a convincing argument for the current class of ENGO leaders to increase interest rates -- and the incentives for Community Volunteers. These noble and moral purposes may ring true in **our** ears, but they are deaf to such appeals.

In an extension or follow-on to this CID Project, CARE might also consider providing an "incentive" to active ENGOs to raise interest rates to support effective Community Volunteers: additional SEAD capital with a **higher** minimum rate of interest. This approach does not substitute for

convincing argument (above). The latter is still necessary to explain **why** higher interest rates are required -- and should be sustained voluntarily by the ENGO after phase-over. Larger sums of ENGO loan capital would also allow more loans to be disbursed, which would itself increase Community Volunteer incentives.

Once SEAD interest rates are raised by an ENGO in order to increase CV incentives, CID might propose that CVs be paid a **flat fee commission** on loans which are funded. The reason:

"This will keep them interested in **encouraging smaller loans**, which in turn will generally tend to favor women. To make a difference to CV income, however, more money (loan capital) needs to flow through the lending cycle (i.e., needs to be disbursed). This will require the total size of the loan fund to be increased" (Allen 1992).

Increased financial incentives are not, however, the **only** deficient input to enhancing Community Volunteer effectiveness and contributions to Program purposes and goal [116]. In general, we observed that the CVs' larger role in support of CSDAs and local community action are either not well defined or not well understood. Further training is recommended, but only after the problem of incentives and excessive turnover is solved. The current situation surely explains why CARE has not given further attention to CV training and development.

>> ENGO Board Members also need training in how to encourage, supervise and follow-up local volunteers. This is a **general priority** need for all ENGO institution-building (CID and non-CID).

[116] Tasks 4 and 13.

Larger SEAD Loans: . Many ENGOs increasingly express a strong interest in approving SEAD loans larger than the LE 1500 maximum now permitted by CID policy. They often argue that larger projects -- including value-added production activities (e.g. tile workshops) -- would provide greater economic benefit to the community. Local citizens would, they explain, purchase these products from their neighbors rather than from the distant town. By having these projects in their villages, they add, more money would circulate within our own community to the benefit of all. This neat economic scenario is, of course, seriously deficient. But it is certainly true that a large project, **if successful**, might provide greater community benefit than one small project. The unstated but principal reason for the interest of many Board Members in approving larger loans, however, is their desire to support the economic activities and investments of their own class and kin, for whom small SEAD loans are unattractive. Others explain that a few larger loans would be "easier to administer" than many small loans. And all of these arguments are, for them, sufficient reason to allocate a large share of their total loan capital to one beneficiary and his project.

It is crucial that CARE/Egypt prepare for this program development and respond constructively **now** to ENGO interest in approving larger loans. It will not be helpful for CARE to insist that ENGOs follow CID procedures -- this "arbitrary" response would only strain CARE-ENGO relations and undermine CID implementation in the short term. And it would probably encourage ENGO Board Members, out of resentment, to shift an even greater share of

SEAD loan capital to larger projects and turn their back on CID goals and priorities after phase-over [117].

>> CARE's approach to this incipient development should be **two-fold**:

1. **Credit Management Education:** See Section III.C.3. (pp.69,72 and p.87 above). It is important now for CID to educate all ENGO leaders on the greater risks of large loans to the financial security of their SEAD capital. **Defaults by large borrowers are much more frequent** and serious than small loan defaults. Social pressure, which is so important to encouraging regular loan repayments by small (poorer) borrowers, is **much less** significant and forceful in promoting repayment by large borrowers. Large borrowers often have greater "clout" and influence; they can more easily ignore social criticism and its pressures to repay. Vulnerable borrowers cannot [118]. And the ENGO will have much greater difficulty "calling in" a large overdue loan.

Giving fewer, large loans to "ease" credit administration is a "false economy": the major problems that are more likely to occur with large loans to men will demand far more time, attention and concern from Loan Committee members than the many, easier small loans to women.

ENGO leaders who favor large loans are correct that they will have greater impact on their communities: But that "greater impact" may well be **negative** and significantly threaten their SEAD loan fund. The risk to capital rises quickly as loan size goes up.

2. **Split ENGO Loan Funds into Small and Large-Loan Funds:** CID staff can "educate" ENGOs from now to end of Project. But talk alone is unlikely to convince the Board Members of some ENGOs not to move towards larger loans. Their reasons for preferring large loans (see above) are too compelling. Rather, they will have to experience themselves the problems and risks of large-project lending. The best education would be for ENGO Board Members to visit other organizations -- cross-visits -- that have already experienced such problems and hear directly about its negative impacts.

[117] Board Members are very well aware that SEAD loan capital is a grant to the ENGO and now ENGO property. After phase-over, they can use these funds in any way they choose.

[118] There is a popular saying in the U.S.: "If you are a small borrower, the bank 'owns' you; if you are a large borrower, you own the bank!"

For those ENGOs that are not dissuaded by credit education, CARE should recommend that the insistent ENGO split its total SEAD fund, but only **after it has grown to LE 40,000** from accumulated interest payments and penalties. This will probably take 2 years from the start of SEAD activity, which gives the ENGO sufficient time to develop confidence and familiarity with both sound credit management procedures and the successes of smaller loans. If Board Members of insistent ENGOs then choose to move towards larger loans, splitting the fund will preserve a capital fund (LE 20,000) for continued small lending to the poor and disadvantaged. And it will provide the ENGO with LE 20,000 for large project lending. The ENGO could then compare their management experience with each fund and learn these lessons for themselves. Splitting the SEAD loan fund should be the CID "fallback" strategy, applied **only** to ENGOs that insist on planning for larger loans.

A fundamental principle underlies this recommendation and our assessment of CID Program approaches to enhancing the sustainability of ENGO credit programs. Much greater emphasis and attention should be given to accommodating the interests and strengthening the internal systems of ENGOs to sustain these programs **themselves** -- not searching outside these organizations for another institution to "assume" a responsibility for the program's sustainability that will, in fact, wholly depend upon the ENGO. See Section III.D.

Assessing SEAD Beneficiary Impacts [119]: To date, CID has given no significant attention to assessing the impact of SEAD credit on borrowers, the principal beneficiaries of this program. The same observation was made in the VSR Final Evaluation [120]. Indeed, little can be said definitively about CID borrowers more than their gender and full/part-time employment distribution (see Section III.,C.3., pp.77-78).

[119] Tasks 10 and 11.

[120] Oldham, et.al. 1991, p.12.

But CARE/Egypt proposes to soon begin an extensive survey of 2,000 borrowers. It is a method of assessing SEAD beneficiary impacts, however, that we do not recommend (see p.77). It will **not** yield reliable data or meaningful insights that might enhance CID policies and procedures, strategic program planning, or the effectiveness of CID training and field staff extension to ENGOs. In the absence of baseline data on the borrowers' economic status and activities before receiving SEAD loans -- or a control group of non-borrowers -- the survey can only report what borrowers **say** has changed in their businesses and incomes [121]. And the SEAD credit program may not, in fact, have contributed to any of these outcomes.

>> Rather, we suggest that CARE prepare 50-100 detailed case studies of SEAD borrowers selected randomly in just two (2) governorates. Half of these case studies would be of **existing** borrowers -- the other half **new** borrowers. Each of the case studies of existing borrowers would describe what happened since receiving the SEAD loan. The case studies of **new** borrowers would provide background detail on the borrowers' own economic activities, capital and equipment owned, employees and business inventory, consumer items and status property owned, children's participation in school, employment of other household members, and sources of household income before the loan. Over the next year, CID staff would return 2-3 times to these **new** borrowers to see what changes have occurred in their lives and economic activities. The new borrowers should be told that this

[121] Moreover, neither a pre-SEAD baseline survey or the addition of a non-borrower control group would be appropriate for CARE to implement in the context of CID. The reasons for this are many: it would raise expectations, confuse Program priorities and counterpart (ENGO) participants, divert CID resources from actual Project implementation, etc.

is what CARE intends to do [122]. Positive changes in these various indicators, noted over time and without any other significant source of income, could then be reasonably attributed to the SEAD credit programs. In this **case study method** of impact assessment, the borrowers' own opinions and subjective explanations -- which staff should record -- of reasons for change in these indicators would also have greater credibility.

"It is neither necessary nor practical to attempt to make a direct assessment of enterprise profitability. Unless the evaluator is dealing with a large number of similar enterprises with a known price and cost structure, it is only possible to measure the impact of business investment by qualitative measures which can be ascribed to additional income" (Allen 1992, p.6).

Unlike the proposed survey approach to beneficiary assessment, this case study method offers a rich opportunity for CID staff -- and the ENGO Loan Committee members in these communities who should participate -- to learn a great deal about small business growth (its demands and problems), the critical contexts (constraints and opportunities) of selected economic activities, the circumstances of particular sub-groups of poor and disadvantaged beneficiaries, borrowers' management practices, etc. These insights would certainly be expected to enhance the quality of CID staff extension to ENGOs, inform strategic SEAD program planning, and provide for a meaningful assessment of SEAD impacts.

[122] In order that the borrowers who are randomly selected to be included in this impact assessment not become suspicious and upset to know why they, and not perhaps other borrowers in that community were identified for study -- they will not appreciate the nuances of "random selection", it may be prudent for CARE staff to be seen interviewing other borrowers in that community but not write up these interviews as case studies. We would expect each of these case studies to be lengthy and detailed. Hence, we recommend only 50-100 for the CID Program as a whole.

But CID can **now** make credible general statements on the economic status of SEAD beneficiaries. The small size of the great majority of SEAD loans is a generally reliable proxy or indicator of the borrower's economic status. While we cannot know for sure if the borrower of a larger SEAD loan (LE 1000 or more) is poor or comfortable [123], we **can** say with near certainty that **all** borrowers of loans **less than 600** are truly from among the beneficiary target group for CID. No self-respecting man or woman of lower-middle or middle-class economic status in rural Egypt would apply for a loan of this size or less at the positive interest rates that SEAD is charging.

The CID Project does not provide business management training or technical support to borrowers to "complement" the SEAD credit they obtain from participating ENGOs [124]. Such support is appropriate to a small enterprise promotion scheme but is well outside the scope and priorities of this Project. We do not recommend that CID now initiate such activities.

[123] Indeed, a few poorer and disadvantaged community members have applied for and successfully invested larger SEAD loans.

[124] **Task 10.**

III.D. SUSTAINING PROGRAM SUPPORT to ENGOs: STRENGTHENING REGIONAL FEDERATION CAPACITIES

III.D.1. CID Objectives and Implementation [125]

Sustaining program support to participating ENGOs beyond the 3-year period of Project funding has been a significant concern of the CID Program. Indeed, CID inherits this challenge from the Village Self-Reliance Project and, with it, VSR's stillborn plan to establish **new**, governorate-level Development Centers to sustain program support to VSR ENGOs. From that experience and the recommendations of the VSR Final Evaluation, CARE proposed, as a chief purpose of the CID Project, to strengthen the capacities of the existing Regional Federations of Voluntary Associations in the four governorates to provide institutional and program support to local ENGOs. As the representative body of all governorate ENGOs, established by the Ministry of Social Affairs as an ENGO to perform this outreach and support function, the Regional Federations (RFs) were a logical choice to provide continuing assistance. The VSR Final Evaluation (p.18) added that:

"The Regional Federations are eager to assume this oversight/bridging role, but they recognize that their capacity to do so is currently poorly developed."

An earlier study had already assessed the potential of Regional Federations to support community-based ENGOs and offered recommendations on a general approach to develop their capacity [126]. And other agencies, including the

[125] Tasks 5 and 16.

[126] See LaTowsky, 1990.

national Egyptian Federation of Community Development Associations, proposed to support the RFs in Aswan and Qena Governorates through staff training.

The CID strategy to strengthen the RFs is, however, sparse. The Project's original plans were only to:

- + "Encourage ENGOs to co-fund networking activities, share expertise in training, and share reports on their successful experience" with RFs;
- + Have CID staff provide "extensive field and workshop training" to RF staff who would "...be selected on a competitive basis using criteria to be developed by the ENGOs, MSA and CARE staff" [127].

CARE hoped for an "evolution" of RF capacities that CID might support.

Yet this general approach is sound and fully appropriate: Sustainable RF support must be promoted and funded from "below" -- by the ENGO "clients" of RF services. RFs must indeed "evolve from the felt needs of ENGO leaders if they are to be sustainable" [128]. CARE presumed that RF involvement in networking activities planned for CID would lead ENGOs to work for the "evolution" of self-sustaining RFs. Essential funding for RF activities would come not from CID but from annual dues paid by member ENGOs, "user" fees paid by ENGOs for RF training and technical assistance, and support grants from MSA and other, unnamed donors.

But later, citing "the lack of a resource base" for the RFs as a major obstacle, CARE acknowledged that "a firm and realistic strategy is yet to be put in place regarding the CID Program relationship with the Regional

[127] CID Project Agreement, pp. 13-15.

[128] CID Project Agreement, p.14.

Federations" [129]. Of the two strategy elements identified above, only a limited number of training workshops have been provided to the four RFs by CID staff, occasionally in collaboration with other agencies. None of the CID ENGOs have co-funded "networking activities" with RFs or paid "user" fees for any RF training they might have received. Nor have the RFs charged such fees. Rather, CARE notes a decided lack of momentum within the RF to deliver training and administrative support to ENGOs. The RFs' excuse is insufficient resources, which are certainly meager [130]. But other observers note their prevailing apathy and lack of vision. In the absence

[129] CID Program Implementation Report, July 1 - September 20, 1991, (5th quarter) p.3.

[130] The 1991 financial accounts of the Sohag RF, reviewed by the evaluation team, showed for example, only LE 1604.00 in total membership dues received from Sohag ENGOs that year -- from which LE 934.00 was subsequently paid out by the RF as its own annual dues to various national ENGO federations. Of all 363 Sohag ENGOs, only 114 paid any dues to the RF in 1991 (figures as cited by the RF's Executive Director) -- or LE 10-15 each. Other revenues included LE 260 from the sale of ENGO registration documents and LE 22.00 from the sale of ENGO financial charters. MSA grants to the RF totalled just LE 400. These are indeed meager annual resources. Yet this RF's financial accounts showed a significant cash balance on 31 Dec 91 of LE 13,986.

In its 1st quarter PIR for CID, CARE claimed that: "the financial situation of the RFs has been strengthened by means of Project activities.... ENGOs are strongly encouraged by the program to pay their membership dues to the RFs" (p.3). But data compiled for this evaluation by the CARE field offices indicated that only:

- * 11 of 24 CID ENGOs in Qena Governorate paid dues RFs last year;
- * 13 of 22 CID ENGOs in Sohag Governorate paid such dues;

Aswan field office is not monitoring dues payment by CID ENGOs. Data compiled by the Fayoum field office was incomplete.

of **real** initiative shown by the RFs themselves, the "concerted effort" [131] proposed by CID to strengthen RF capacities has diminished [132]. None of the RFs are "effectively supporting ENGOs" in any truly more significant way as a result of the CID Program [133].

Individual CARE field offices maintain their relationships with the RFs, but do not expect them to offer more than occasional training in Law 32/1964 related topics to some ENGOs. CID Project Plans (Nov. 1991) for "some of the program's training and technical support activity" to be "channeled through the RFs" by the end of Project are now even more modest. CARE no longer expects the RFs to provide a support function after CID phase-over. Few ENGOs are even aware what constructive role the RFs **might** play. This evaluation takes up the issue of program sustainability, considers the needs of ENGOs for continued support to their SEAD credit programs, and discusses appropriate roles for the RFs below.

[131] CID Project Agreement, p.16.

[132] CARE originally proposed an LoP target of **24** training workshops to be provided by CARE staff to the RFs. Beginning with the 5th Quarter PIR, this LoP target was raised to **96** workshops. To date (30 June 92), only **20** workshops have been provided. CARE also proposed **96** --- only **24** until the 5th Quarter PIR -- LoP target training workshops (for ENGOs) to be jointly organized by RFs and CARE staff. To date, **51** joint workshops have been implemented.

[133] **Task 2.**

III.D.2 Project Outputs and Indicators of RF Activity [134]

The Project Agreement identifies the following four benchmarks for RF activity and Life of Project (LoP) targets for CID Program outputs. The evaluation accepts CARE's reports of progress to date on these indicators:

<u>Project Benchmark</u>	<u>Life of Project (LoP) Target</u>	<u>Outputs to Date 30 June 1992</u>
a. Governorate/District Level Workshops Organized by RFs for ENGOs	24	36
<u>NOTE:</u> CARE's own LoP target, as shown in the Program Implementation Reports, is 36 workshops.		
b. No. of CID + non-CID ENGOs Receiving Technical, Training, or Administrative Support from RFs	240	653
<u>NOTE:</u> CARE's own LoP target is 800 ENGOs. No information is provided on the nature of this RF support received by ENGOs.		
c. No. of Cross-visits or Collaborations Between ENGOs Organized by RFs	36	12
<u>NOTE:</u> CARE's own LoP target is 800 cross-visits or collaboration.		
d. No. of ENGOs Paying Fees for RF Services	185	Not Available
<u>NOTE:</u> CID Program Implementation Reports ceased reporting on this benchmark at the end of FY 1991. CARE's own LoP target through this 4th Quarter PIR was 800 paying ENGOs. It reported 1,397 paying ENGOs at the end of Year 1 in that PIR, but this figure refers only to ENGOs who paid their annual membership fees to these four RFs that year -- not payment for services. CARE's impression is that no ENGOs pay fees for RF services (see above) and most feel they receive little, if anything, for the annual dues that the minority of ENGOs do pay.		

[134] Task 1, #4.

In the absence of baseline data on **pre-CID** levels of RF activity, little can be said of the significance of either the target or achieved outputs on any of these Project benchmarks. None of the targets were ambitious. But this, too, was appropriate: RF participation in CID has clearly been a pilot activity. CID has provided the RFs with an opportunity to demonstrate **self-initiative** and **active commitment** to ENGO extension. The very few cross-visits and collaborations between ENGOs organized by the RFs to date -- visits for which there is already high ENGO demand -- suggests that these essential preconditions of RF capacity-building are even more scarce than RF financial resources. Cross-visits require only facilitation by RFs -- not significant funding. Moreover, the keen interest of ENGO members in such visits suggests their likely willingness to pay the RFs for these services. There are many other no-cost and low-cost services that enterprising RFs could provide (for fees) to ENGOs who are already eager for assistance [135]. The ENGO "market" exists for profitable RF services.

The parade of donors, international NGOs and development assistance agencies through many of these RFs in recent years gives them little excuse for inactivity. Some senior RF representatives have even, in the current vernacular of American street life, become adept at "talking the talk" to these organizations -- agencies ready to support real demonstrated and sustainable initiative. But there is little RF effort beyond these

[135] Many ENGOs recognize, for example, that their annual membership dues -- often LE 0.60 per year (about \$ 0.18 at current exchange rates) -- are absurdly low. Raising such fees, however, requires changes in their charters. Nearly all are reluctant to proceed with this, as they presume it would be a bureaucratic nightmare. But this need not be. The RFs could readily facilitate such changes and other bureaucratic interventions on behalf of ENGOs for fees.

encouraging discussions: Torpor, not insufficient funding, is the key obstacle to RF capacity-building. And it is highly problematic, laborious and troublesome for CARE or others to vitalize RFs that lack the vision and drive to market themselves.

In this context, additional **material** inputs from CID to RFs would not likely promote sustainable improvements in RF capabilities [136]. But training RFs for a more enterprising role as pro-active, significant service providers -- not passive training institutes -- to local ENGOs would certainly be appropriate. The RFs will not, however, be remade by outside, "top-down" intervention alone. The "evolution" of RF capacities must start from within and be marketed to (supported by) ENGO clients below. The RFs must reorient themselves, and might begin by asking: "What services would ENGOs be ready to pay for?" **NOT** "What services do we want to provide them?" Only then will the RFs know what technical capacities they need to develop.

III.D.3 ENGO Needs for Sustained Program Support: A Role for the RFs? [137]

The VSR Final Evaluation argued that:

"ENGOs will **always need** considerable support from higher-level agencies in undertaking village development programming.... (And) the Regional Federations ... are the obvious institutions of choice for sustaining the (VSR/CID) project after CARE's withdrawal." "The outstanding

[136] Task 4.

[137] Task 13.

issues for the program...(include) the development of an institutional framework for sustaining the program over the long run...." [138].

Yet, that evaluation (p.15) also affirmed that "...most of the VSR ENGOs are now at the stage that they can operate their existing loan programs **independently.**" Our evaluation shares this latter conclusion: most CID ENGOs have established sound management systems to sustain SEAD credit programs and have embraced new techniques (e.g. Community Conferences) for improved CSDA capabilities. CID technical training for ENGOs with established and successful SEAD credit programs is ending. Phase-over is now underway. This evaluation did not find any significant technical or management deficiencies among the great majority of ENGOs that threaten the sustainability of these programs.

The ENGOs are **alone** -- and properly so -- responsible for these programs. It would not be at all appropriate, as proposed in the Project Agreement (p.15), for the "RFs (to) be given increasing **responsibility** for **guiding** the development of ENGO projects." RFs would ideally develop their capacities to meaningfully **assist** ENGOs, if requested. But they do not now have -- and should **not** be given -- any **responsibility** for the management of these programs. This would be completely contrary to CID purposes of nurturing the self-help initiative and self-responsibility of ENGOs to promote and manage community development activity. We strongly disagree with the VSR Evaluation that the RFs, or any other ENGO institutional framework, should "oversee administration of credit programs" (p.18). Program "oversight" is not an appropriate function for RFs, nor within their

[138] VSR Final Evaluation, p.ii and p.15; emphasis added.

legal mandate. The Ministry of Social Affairs alone has ENGO "oversight" responsibility. The participating ENGOs -- not the RFs -- will or will not sustain project activities after CARE's withdrawal. The intended role for the RFs should only be to sustain management **training** and technical assistance to ENGOs upon request. Neither MSA nor the RFs now have -- or should have -- any management responsibility for ENGO programs. A preceding study has discussed at length appropriate roles for the Regional Federations in support of ENGOs [139]. ENGO program "guidance", management or oversight are certainly not among them. It is clear that CARE understands this [140].

As discussed previously in **Section III.C.4.** (pp.90-91) the future development of SEAD programs would benefit from continued outside training and management education. But this training is inappropriate in the initial stages of SEAD implementation. Rather, such consultation should come only after the ENGOs have some 18-24 months experience implementing and managing SEAD credit. It is unlikely that any of the RFs will have the credit program experience and insights to provide this support. We strongly recommend that CARE continue to monitor (but less closely) these programs and maintain SEAD program support relationships with CID ENGOs for 6-12 months beyond "phase-over" to provide this consultation and "be there" while ENGOs build experience and confidence in SEAD management. These essential elements take time and cannot be "handed over".

[139] LaTowsky, 1990.

[140] With the exception of the reference to potential RF "responsibility for guiding the development of ENGO projects", all other CARE references to the RFs' role and ENGO responsibility for management decisions are satisfactory. The point we emphasize is that semantic clarity is extremely important here.

ANNEX

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COMMUNITY INITIATED DEVELOPMENT (CID) PROJECT

Mid-Project Evaluation: Statement of Work USAID/Egypt

TASK 1: As measured against the LoP (Life of Project) indicators listed below, determine to what degree each of the following outputs (1) has been reached by CID during the period of this evaluation, and (2) is expected to be reached by the end of the Program:

1. 120 community organizations are effectively carrying out appropriate community initiated responses to basic development problems in the four governorates of Aswan, Qena, Sohag and Fayoum, as measured by the following indicators:

- a. 120 ENGOs participating in the CID Program;
- b. LE 240,000 in cash and LE 2,160,000 in-kind local contributions raised by participant ENGOs;
- c. An increase of 6,000 participants in the general assemblies of ENGOs, and 12,000 participants in community conferences.
- d. 600 community-sponsored activities implemented with the participation of 120,000 women and 120,000 men; and
- e. 250,000 beneficiaries reached by the CID Program.

2. An efficient and sustainable loan management system is established and functioning effectively in 120 ENGOs, as measured by the following indicators:

- a. 120 ENGOs with signed loan fund agreements;
- b. Capitalization of revolving loan funds worth LE 3 million;
- c. 100% disbursement of total CID budget for loan funds;
- d. An average of 90% of total loan funds active;
- e. 10,000 loans approved by ENGO Loan Committees;
- f. 10,000 loans disbursed to 5000 women borrowers and 5000 men borrowers;
- g. Loans worth LE 4.5 million disbursed, half of this amount for women;
- h. Weighted average interest rate (per annum) is 20%;
- i. Loan repayment rate is 90%;
- j. Percentage of loan volume more than two (2) months delinquent does not exceed 2%;
- k. Savings worth LE 50,000 are mobilized; and
- l. 5,000 individuals participating in savings schemes.

3. Significant and sustainable impact on the well-being of 120 communities served by the credit and services provided by the loan system, as measured by the following indicators:

- a. 100% of participants have increased income due to assisted activities;
- b. 50% of participants have increased savings; and
- c. 11,000 people employed part-time or full-time in activities or enterprises financed by loans.

4. Four governorate level Regional Federations (RFs) of Associations are effectively supporting ENGOs through the provision of technical, training, networking, and administration assistance, as measured by the following indicators:
 - a. 24 governorate/district level workshops organized by RFs for ENGOs;
 - b. 240 ENGOs received technical, training, and/or administration support from RFs;
 - c. 35 cross visits or collaboration between ENGOs organized by RFs; and
 - d. Provision of financial support by 185 ENGOs to cover services rendered by RFs;

5. Successful obligation, programming and monitoring of LE 843,503 (representing the unexpended balance of "Materials and Equipment" funds under the Village Self-Reliance (VSR) Program) to be used by Community Development Associations (CDAs) in implementing organized, technically sound and economically viable small loan fund activities with significant impact at the community level, as measured by the following indicators:
 - a. 90% of family level economic activities achieve at least 10% net profit (after deduction of interest);
 - b. Funds received by CDAs from CARE in the period July 1, 1990 through June 30, 1991 is LE 843,503 to bring the cumulative value of funds received by CDAs from CARE under the VSR Program to LE 3.1 million;
 - c. Not more than 10% of the total volume of grants/loan funds received by CDAs is retained by banks;
 - d. Rate of loan recovery is not less than 97%;
 - e. Rate of delayed installments is not more than 3%; and
 - f. Rate of loans declared in default is not more than 1%.

TASK 2: Determine whether achievement of outputs are resulting in the realization of program purposes. To what extent have the following purposes of CID been addressed and realized during the period of the evaluation:

1. To stimulate the interest, understanding and commitment of ENGOs to the potential of well organized, community managed, self-help development projects;
2. Through nurturing and promoting community-sponsored activities, to assist ENGOs to gain experience in community organization, local resource mobilization, project planning, implementation, training, monitoring and evaluation;
3. To help ENGO leaders identify, research, plan, establish, monitor, and evaluate CID and Community financed micro and small enterprise development activities which are targeted primarily to poor women and men in the community;
4. To establish a strong sense of ownership for project activities on behalf of project participants.

5. To nurture indigenous leadership of both men and women and help ENGOS identify and develop a corps of women and men volunteers capable of integrating the views and priorities of both groups in the ENGO decision-making process and playing a key role in promoting ENGO-sponsored development activities in the community; and
6. To strengthen the capabilities of the RFs in each of the four participating governorates.

TASK 3: Determine whether the purposes of CID are resulting in achievement of the Program goal. If not, identify the reasons.

TASK 4: Determine to what degree inputs requisite for successful implementation of the Program were provided. Did lack of inputs impede implementation and/or achievement of outputs? How?

TASK 5: Determine whether the implementation strategy, as stated in the Grant Agreement, has been adhered to. Determine whether the implementation strategy and technical approach as carried out have proven successful in meeting the specific Program purposes.

TASK 6: Determine how successful the Program has been in increasing the capabilities of ENGOS to carry out CSDAs (Community Sponsored Development Activities). Has CARE adequately trained ENGO Board Members, committees and volunteers in conducting effective community needs assessments, planning, implementing, and evaluating community projects?

TASK 7: Determine how effectively SEAD activities have been implemented. Are SEAD policies and procedures effective in targeting ENGOS and beneficiaries and in supporting the establishment of sustainable loan funds? Are ENGO boards, loan committees and loan officers effectively managing SEAD credit programs? Are control mechanisms in place and being used for efficient collection of loan repayments? Are ENGOS charging enough interest to maintain the purchasing power of revolving funds and cover administrative costs? What improvements can be made?

TASK 8: Determine whether the criteria for "phasing over" an ENGO (i.e. defining it as capable of undertaking community development activities on its own) are effective in determining when the Program should end its relationship with the ENGO. Are "phased over" ENGOS (including CDAs targeted for receiving VSR funding during the period July 1990 to June 1991 -- see TASK 1, #5 above) effectively promoting and implementing CSDA activities and effectively managing SEAD loan funds on their own?

TASK 9: Determine why SEAD loan funds disbursed to ENGOS by January 1992 amounted to less than LE 1 million, against LE 2.7 million planned

for disbursement through June 1992? Is CARE likely to effectively program and disburse loans worth LE 4.5 million by the end of the Program, June 93?

TASK 10: Determine whether borrowers under CID received adequate managerial and technical support to complement the financial support they have received. If not, how can such support be more effectively provided?

TASK 11: Determine the impact of SEAD loan programs on the socio-economic status of individuals and communities. What improvements can be made to increase the impact of SEAD activities on the target group?

TASK 12: Determine whether community promoters (CPs) and community volunteers (CVs) are effectively carrying out community development and SEAD activities in their communities. How could their respective roles be enhanced? Determine the prospects for continuation of CPs and CVs in carrying out their functions after the end of the Program.

TASK 13: Determine whether Program activities are likely to be sustained after the end of the Program. Determine whether CARE has developed or established, or is likely to develop/establish by the end of the Program, an efficient institution/system for provision of the material, administrative and training support requisite for sustaining Program activities in CARE's absence. Identify and describe such an institution/system.

TASK 14: Determine whether ENGOs are appropriate organizations for CARE to work through in carrying out both CSDA and SEAD activities. What alternatives exist? Is the ENGO selection process appropriate for meeting CID purposes?

TASK 15: Determine the existence of lack thereof of an efficient monitoring system for overall Program performance and impact, for major program components, and for specific interventions to ensure timely modifications/corrective actions. Determine to what degree CARE's current monitoring system provides an efficient means of tracking progress-to-date of individual ENGOs participating in the Program, and the extent to which recommended modifications to management and technical approach have been successfully adopted. Is the existing monitoring system, or may it become, a valuable tool for measuring the long-term economic impact of CID?

TASK 16: Identify comparative strengths/weaknesses of the specific CID interventions ranging from the selection process of ENGOs and the processes and activities used to collect, value and verify community contributions to the systems established for ensuring sustainability of CSDA and SEAD activities after the end of the Program.

TASK 17: In view of findings, determine soundness or lack thereof of overall program rationale and strategy.

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COMMUNITY INITIATED DEVELOPMENT (CID) PROJECT

Participating ENGOS (March 1992)

* = ENGO visited by Evaluation Team.

ASWAN GOVERNORATE

- * 1. Abu El-Haggag
- 2. Ahaly El-Hakaroub
- 3. Ahmedia
- 4. El-Bea'a
- 5. El-Egibaab
- 6. El-Hager
- 7. El-Hegz wa Mahameed
- 8. El-Helal
- 9. El-Khataria
- 10. El-Mahameed
- * 11. El-Manshia
- 12. El-Masry
- * 13. El-Mou'asaat
- * 14. El-Nahda
- 15. El-Ramedi
- * 16. El-Sa'il El-Refy 2
- * 17. El-Twisa
- 18. Garf Hussein
- 19. Genena wa Shabaak
- 20. Kalabsha
- 21. Khour Awada
- 22. Mashaly
- 23. Nag' El-Hagr
- 24. Ramlat El-Khatib
- 25. Tonab
- 26. Toshka Sharq
- 27. Wadi Abbadi

VSR ENGOS Visited

- * 1. El-Fogara
- * 2. El-Ga'afra
- * 3. El-Gabalaw

FAYOUM GOVERNORATE

- * 1. Abgeeg
- 2. Beni Othman
- 3. El-Agameen
- 4. El-Ghaaba
- * 5. El-Gharak
- 6. El-Hadka
- 7. El-Mokrany
- 8. Geza'ir Quta
- 9. Halfa
- 10. Kalahana
- 11. Kasr El-Gebaly
- * 12. Manshat Abdel Mageed
- * 13. Manshiet El-Gemmal
- 14. Masrat Arfa
- 15. Matertars
- 16. Manshat Demo
- 17. Nakalefa
- 18. Shakshouk
- 19. Talat
- 20. Toton

VSR ENGOS Visited

- * 1. Dafeeno
- * 2. Kasr Rashwan
- * 3. Seela
- * 4. El-A'alaam

QENA GOVERNORATE

- 1. Awlad Nagm
- 2. Beer Anber
- 3. El-'Odisaat Bahri
- 4. El-'Odisaat Qibli
- * 5. El-'Owidaat
- 6. El-Aqalta
- 7. El-Attamien
- 8. El-Boghday
- * 9. El-Gamaliya
- * 10. El-Hella
- * 11. El-Khattara
- * 12. El-Mahrousa
- * 13. El-Sheikh El-Iraqi
- 14. El-Sheikh 'Amr
- 15. El-Sheikh 'Eisa
- * 16. El-Toud
- 17. Hageza Bahri
- 18. Hager El-'Odisaat

VSR ENGOS Visited

- * 1. Garagous

SOHAG GOVERNORATE

- 1. Abu 'Awad
- 2. Ali Bahnaas
- 3. Balasfoura
- * 4. Beni Zar
- 5. El-Awaamer
- * 6. El-Boha
- 7. El-Enibes
- 8. El-Galawiya
- 9. El-Garazaat
- 10. El-Hamadiya
- 11. El-Heisha
- 12. El-Kola
- 13. El-Mazalwa
- 14. El-Safiha
- 15. El-Sawaalem
- 16. El-Sawami'a
- 17. Emmara
- * 18. Mazata
- 19. Ra'oufa El-Kosar
- * 20. Saqulta
- * 21. Shattoura
- * 22. Siflaq
- * 23. Tunis

VSR ENGOS Visited

- * 1. Abydos

CSDA NARRATIVE REPORT

1- Name of ENGO:

District:

Governorate:

2- Type of CSD "some details":

3- Date of Completion:

4- No. of Participants involved:

a. Managing the activity:

b. Collecting donations:

c. Participate phisically in CSD:

Total:

5- Amount of money used in the implementation:

Cash LE:

In-kind with verification:

Outside funds:

Total:

6- Number of people who directly benefit from this CSDA:

a. Who decided upon this number of beneficiaries ?

b. What information and calculations were used to decide this number ?

INTIAL LETTER OF AGREEMENT

INITIAL LETTER OF AGREEMENT
WITH ENGO
CID PROGRAM

اتفاقية مبدئية بين جمعية
وهيئة كبير - مصر
برنامج تنمية مبادرات المجتمع

Within the context of the
Community Initiated Development
Program (CID) being implemented
by the Ministry of Social
Affairs and CARE-Egypt, and with
reference to the CID Program
Plan of Operations and Training
signed by the Ministry of Social
Affairs on January 14, 1991 -
The Board of Directors of

في اطار برنامج مبادرات
المجتمع للتنمية المنفذ
بالتعاون بين وزارة الشؤون
الاجتماعية وهيئة كبير - مصر ؛
وبالرجوع الي خطة العمل
والتدريب الموقعه من وزارة
الشؤون الاجتماعية بتاريخ ١٤
يناير ١٩٩١

----- ENGO and
CARE-Egypt agree to the
following:

فقد اتفق اعضاء مجلس ادارة
جمعية ----- وهيئة كبير -
مصر علي ما يلي :

1. Project Goal and Approach

١- هدف المشروع وطرق تنفيذه :

The project aims to improve the
socio-economic conditions of an
average of 2,000 people in 120
communities. To reach this
goal:

يستهدف المشروع تحسين الاحوال
الاقتصادية والاجتماعية لحوالي
٢٠٠٠ نسمة علي الاقل في ١٢٠
مجتمع ولتحقيق هذا الهدف:

1.1 CARE staff will work
with the ENGO in a training
role to provide the ENGO
with the necessary
managerial skills to
identify, plan, implement
and monitor community
sponsored development
activities (CSDAs).

١-١ يقوم اعضاء هيئة كبير
بالدور التدريبي للجمعيات
وذلك بتزويدهم بالمهارات
الادارية اللازمة لتخطيط
وتنفيذ ومتابعة أنشطة
المجتمع التنموية .

1.2 CARE staff also intends to
support the ENGO to use
local human and material
resources and to identify
and use outside resources
available in addressing
some of the basic
development needs of the
community.

٢-١ يقوم اعضاء هيئة كبير
بمساعدة الجمعية لاستغلال
المصادر البشرية وال خامات
المحلية كذلك للتعرف علي
المصادر الخارجية المتاحة
اللازمة لسد الاحتياجات
التنموية الاساسية للمجتمع .

1.3 CARE will work with the
ENGO on its ability to
carry out CSDAs. If the
ENGO chooses, it may use
the process of organizing

٣-١ وسوف تعمل هيئة كبير مع
الجمعية لفته قد تصل الي
ثلاث سنوات لتنمية قدراتها
لتنفيذ مشروعات المجتمع
التنموية . وفي حالة ما

CSDAs to raise matching funds to be used to establish a loan fund to implement small economic activities. CARE, the ENGO, and the MSA will sign a SEAD Contract if the ENGO decides to implement a revolving loan fund.

إذا تم اختيار الجمعية للعمل بالمشروع فإنه سوف يتم تنظيم عملية التنفيذ بحيث تستطيع الجمعية الحصول على المنحة المقدمة من هيئة كبير لمشروع القروض لتنفيذ مشروعات صغيرة لزيادة الدخل .
وإذا اقرت الجمعية تنفيذ مشروع القروض سوف تقوم هيئة كبير والجمعية ومديرية الشؤون الاجتماعية بتوقيع الاتفاقية النهائية

2. ENGO Obligations

Using the project goals as guiding principles, the ENGO will:

٢- التزامات الجمعية:

اتخاذ اهداف المشروع كمبادئ استرشادية وستقوم الجمعية بما يلي:

- 2.1 Recruit a group of at least five community volunteers (CVs) (including 3 females) and establish committees responsible for carrying out activities and acting as links between the ENGO and the community.
- 2.2 Work with CARE staff to train and organize CVs and Board Members around key skills and activities necessary to plan, implement, monitor and evaluate CSDAs.
- 2.3 Organize public meetings, community conferences and other activities to adequately assess community needs. Then, identify solutions, organize local and outside resources, and implement projects to address the needs of the community.
- 2.4 Obtain and require permits and approvals for identified project activities.
- 2.5 Hold meetings at least once each month, attended by a

١-٢ اختيار خمس متطوعين من بينهم ثلاث متطوعات علي الأقل وتشكيل اللجان اللازمة لإدارة أنشطة المشروع والعمل كحلقة وصل بين المجتمع والجمعية .

٢-٢ التعاون مع اعضاء هيئة كبير في تدريب وتنظيم المتطوعين وأعضاء مجلس الاداره في المهارات والانشطة الضرورية لتخطيط وتنفيذ ومتابعة وتقييم أنشطة المجتمع التتموية

٣-٢ تنظيم الاجتماعات العامه والمؤتمرات او أي أنشطة أخرى علي النحو الكاف الذي يحدد احتياجات المجتمع والتعرف على الطول وتنظيم الموارد المحلية والخارجية لمواجهة احتياجات المجتمع وتنفيذ المشروعات التي تقابل احتياجات المجتمع .

٤-٢ الحصول على التصریحات والموافقات الخاصه بالمشروع من الجهات المعنيه

٥-٢ عقد اجتماع شهري واحد علي الاقل يحضره الغلبية اعضاء

majority of ENGO board members, CVs and Committee members, to make planning, management, and evaluation decisions. Provide CARE with a copy of meeting notes.

مجلس الاداره والمتطوعين والمتطوعات واعضاء اللجان المشكله لمناقشة الموضوعات الخاصه بتخطيط وادارة وتقويم أنشطة المشروع وكذلك اتخاذ القرارات اللازمه - ويتم موافاة الهيئه بمسورة من محضر الاجتماع .

2.6 If the ENGO decides to establish a revolving loan fund for SEAD, it should realize that the community is responsible for contributing 50% of the budget (in cash and in kind) and may use the value of CSDAs to raise the in-kind portion of the contribution.

٦-٢ اذا ابدت الجمعية الرغبة في تنفيذ مشروع القروض لتنفيذ مشروعات صغيره لزيادة الدخل ، يصبح المجتمع ملزما بتوفير ما قيمته ٥٠% من ميزانية المشروع عينية او نقديه او كلاهما . ومن الممكن ان تغطي قيمة هذه المشروعات المساهمه العينية للمشروع .

2.6.1 To start a revolving loan fund at the minimum of LE 5,000 as a grant from CARE, the ENGO needs to raise LE 5,000 in the community to match this amount. At least 10% (LE 500) of this must be raised in cash. The other portion of this amount (up to LE 4,500) can be an in-kind contribution from the community, using the resources the ENGO organizes to implement CSDAs (such as land, labor, and materials) to be valued for this contribution.

١-٦-٢ للبدء في مشروع قروض يكون الحد الأدنى لمنحة الهيئه -٥٠٠٠ جم (فقط خمسة الاف جنيه) ويكون لزاما علي الجمعية توفير مبلغ خمسة آلاف جنيه لمقابلة مساهمة الهيئه علي ان يتم توفير ١٠% علي الاقل من هذه المساهمه بما يوازي خمسمائة جنيه في صورة نقدية . اما باقى المساهمه وقدره ٤٥٠٠ جم اربعة الاف وخمسمائة جنيه يمكن ان يوفرها المجتمع في صوره عينية مستخدما الموارد المتاحة للجمعية لتنفيذ أنشطة المجتمع التنمويه مثل اراضى - عماله - خامات علي ان يتم تقييمها كمساهمه للجمعية . ومن الضروري ان تكون الجمعية علي دراية تامه بهذه الاجراءات وقت توقيع الاتفاقية .

2.6.2 In-kind contributions can only be considered for those CSDAs implemented after first contact with CARE.

٢-٦-٢ ويمكن احتساب المساهمات العينية للجمعيات بداية من اتصال الجمعية بالهيئه

2.7 After CARE has trained and supported the ENGO and CVs through the planning and implementation process for a number of CSDAs, it is assumed that the ENGO will continue to carry out the process alone.

٧-٢ بعد ان تقوم هيئة كبير بتدريب وتدعيم الجمعيه والمتطوعين والمتطوعات من خلال عملية التخطيط والتنفيذ لعدد من مشروعات المجتمع التنمويه فانه من المتوقع ان تستمر الجمعيه في القيام بدورها في تخطيط وتنفيذ مشروعات المجتمع التنمويه بمفردها.

2.8 Throughout the period of the CID Program, ENGOs will occasionally be asked to help assess the impact of the program.

٨-٢ خلال فترة برنامج مبادرات المجتمع للتنميه سوف يطلب من الجمعيه في بعض الاحيان المشاركه في تجميع بعض البيانات والمعلومات التي سوف تساعد في معرفة تأثير البرنامج.

3. CARE Obligations

٣- التزامات هيئة كبير

CARE will provide training, technical and administrative support to the ENGO through the period of the project agreement. Specifically CARE will:

تقوم هيئة كبير بتقديم المعونه الفنيه والتدريبيه والاداريه للجمعيات طوال فترة العمل بالاتفاقيه وسوف تقوم الهيئه بما يلي:

3.1 Provide training for ENGO board members, and community volunteers to carry out various activities involved in the community sponsored development process.

١-٣ تقديم التدريب لاعضاء مجلس الاداره والمتطوعين والمتطوعات ليقوموا بدورهم في مختلف الأنشطة المتعلمه بتنمية المجتمع.

3.2 Participate in the monitoring and evaluation of project activities in collaboration with ENGO members.

٢-٣ المشاركه في المتابعه والتقييم لأنشطة المشروع بالتعاون مع اعضاء مجلس الاداره.

3.3 Provide guidelines for valuing the in-kind contributions from CSDAs toward the SEAD component.

٣-٣ وضع قواعد لتقييم المساهمات العينييه لأنشطة المجتمع التنمويه التي سوف تستخدم مستقبلا كمساهمات عينييه لتنفيذ مشروعات صغيره لزيادة الدخل.

3.4 Strengthen the linkage between the ENGO and the Regional Federation (RF) to enhance future support from RF to ENGO.

٤-٣ تقوية العلاقات بين الجمعيات والاتحاد الاقليمي وذلك لتنشيط دور الاتحاد مستقبلا في دعم الجمعيات.

4. Project Period

This project is for a maximum period of three years beginning with the date of this letter of agreement. The length of the project period depends on the progress of the ENGO in managing its activities and in acquiring community development skills.

4.1 If the ENGO signs an SEAD revolving loan contract with CARE, the project length may be extended to include up to three years from the date of that contract.

4.2 Annual reviews of CID procedures will be done by the ENGO, MSA, and CARE. Based on these reviews, project activities may be redesigned.

4.3 At the end of the SEAD project agreement, a final evaluation will be done by the ENGO, MSA and CARE.

5. Agreement Termination

5.1 It is understood that the parties of this agreement will exert all possible effort to achieve the project goals. However, should unforeseen circumstances arise which make it necessary to terminate the project, either party can initiate termination. Such termination can be affected by a formal letter to the other party.

CARE may terminate the

٤ - مدة المشروع :

مدة هذا المشروع قد تصل الي ثلاث سنوات بدءا من تاريخ توقيع هذه الاتفاقية وتعتمد طول فترة المشروع على مدى نجاح الجمعية في ادارة انشطتها وقد تمها علي اكتساب المهارات الخام. بتنمية المجتمع.

٤-١ في حالة توقيع الجمعية اتفاقية مشروع القروض مع الهيئة تمتد فترة العمل بهذه الاتفاقية لمدة قد تصل الي ثلاث سنوات من تاريخ توقيع هذه الاتفاقية.

٤-٢ يتم عمل مراجعه سنويه لاسلوب تنفيذ برنامج تنمية مبادرات المجتمع بمعرفة كل من هيئة كبير - الشؤون الاجتماعيه - الجمعية . وبناءا علي هذه المراجعه قد يعاد تصميم البرنامج .

٤-٣ في نهاية مدة المشروع يتم عمل تقييم نهائي للمشروع بمعرفة كل من : هيئة كبير - الشؤون الاجتماعيه - والجمعية .

٥ - انتهاء الاتفاقية :

٥-١ من المفهوم ان كل اطراف الاتفاق تسعى لتحقيق اهداف المشروع ولكن في حالة الاخلال بشرط من شروط الاتفاقية او ان تجد ظروف غير متوقعة تستلزم انتهاء المشروع قبل المده المقرره له فعلى الطرف الذي يرى ذلك ضروريا ان يخطر الطرف الاخر كتابه بخطاب رسمي موضحا الاسباب التي دعتخ الي ذلك بمدة لاتقل عن ثلاثون يوما قبل انتهاء هذا الاتفاق.

ومن حق الهيئة ان تنهي

agreement in the following events:

1. Delay of the ENGO to address its obligations listed in item # 2 for a maximum period of 3 months.

2. Delay of the ENGO in signing a revolving loan fund agreement for a maximum period of 6 months as a result of failure to collect the matching fund.

الاتفاقية في الاحوال الاتيه :

١ - تاخر الجمعيه في الوفاء بالتزاماتها المنصوص عليها بالبند رقم (٢) لمدته اقصاها ثلاثة اشهر .

٢ - تاخر الجمعيه في توقيع اتفاقية القروض نتيجة عدم قدرتها علي الوفاء بالحد الأدنى من التزاماتها الماليه لمدته اقصاها ستة اشهر .

This Agreement is signed on:

وقعت هذه الاتفاقية في :

First Party: CARE
Project Coordinator

الطرف الاول: منسق مشروعات
هيئة كير مصر

Name: _____

الاسم : _____

Signature: _____

التوقيع: _____

Second Party: Chairman

الطرف الثاني: رئيس مجلس
الاداره

Name: _____

الاسم : _____

Signature: _____

التوقيع: _____

Witness: Dept. of Social Affairs

الشاهد: مديرية
الشئون الاجتماعيه

Name: _____

الاسم : _____

Signature: _____

التوقيع: _____

9/1991

120

SEAD CONTRACT

SMALL ENTERPRISE ACTIVITY
DEVELOPMENT CONTRACT

CID PROGRAM

Draft, July 7, 1991

Within the context of the Community Initiated Development (CID) Program being implemented by the Ministry of Social Affairs and CARE-Egypt and with reference to the CID program plan of operation and training signed by the MSA on Jan. 14, 1991, the board of directors and CARE-Egypt agree to implement a revolving loan fund for the purpose of enhancing income generation and economic development in the community. Specifically, the ENGO and CARE-Egypt agree to the following:

1. General Agreement:

CARE-Egypt agrees to give a grant to establish a revolving loan fund in the ENGO in order to make credit available to the CID program target population in the community (as defined in Section 2.1.4).

CARE-Egypt agrees to provide training in the ENGO, to disburse loans and monitor the fund. CARE-Egypt also agrees to offer initial follow-up support to the ENGO in approving loans, and maintaining and tracking the loan fund.

The ENGO agrees to maintain the revolving loan fund for a period of at least three years.

2. ENGO Obligations:

2.1 The ENGO will be responsible to provide a

عقد تنمية انشطه اقتصاديه صغيره

برنامج مبادرات المجتمع للتنمية

مسوده - ٧ يوليه ١٩٩١

في اطار برنامج مبادرات المجتمع للتنمية والمنفذ من خلال هيئة كير بالتعاون مع وزارة الشؤون الاجتماعية وبالإشارة الي خطة العمل والتدريب للبرنامج الموقعة بين الطرفين بتاريخ ١٤ يناير ١٩٩١ وافق مجلس ادارة جمعية

وهيئة كير / مصر علي تنفيذ برنامج قروض دائره بفرض زيادة الدخل وتنمية المجتمع اقتصاديا ولقد وافقت الجمعية وهيئة كير بالتحديد علي التالي :

١ - اتفاق عام :

توافق هيئة كير مصر علي منح جمعية مبلغ نقدي لإنشاء برنامج قروض دائره بفرض اتاحة القروض للمجموعات المستهدفه في المجتمع من خلال برنامج مبادرات المجتمع للتنمية (ارجع للبند ١-٤ من التزامات الجمعيه) .

وتوافق هيئة كير - مصر علي القيام بالتدريب اللازم لاعضاء مجلس ادارة الجمعيه علي كيفية صرف القروض ومتابعة رأس المال . كما توافق هيئة كير - مصر بتقديم العون للجمعيات في المتابعه الاوليه في منح القروض واعتمادها .

وتوافق الجمعيه علي ان تستمر في تطبيق برنامج القروض الدائره لمدة لا تقل عن ثلاث سنوات .

٢ - التزامات الجمعيه :

١ - علي الجمعيه ان تساهم بتبرعات مادية وعينية من افراد المجتمع

contribution in cash and in kind equal in value to the sum of CARE cash grant. At least 10% of the matching fund must be a cash contribution deposited into the loan fund account.

The in-kind portion of the matching fund may come from the value of community contributed land, labour, and materials for CSDAs organized by the ENGO. The value of the in-kind contribution must be well documented and verified by an independent committee.

2.2 ENGO recruits the technical administrative staff needed to track and maintain the fund including Loan Officer, Loan Committee, CP and CVs.

2.3 ENGO shall provide incentives when necessary from the 3% (or more) administrative costs, or from its own resources if needed.

2.4 ENGO makes the loan fund available to the CID target population: (maximum income per person per family LE. 30,00, applicants should be at least 18 years old, and 50% of the fund value should be targeted to women).

2.5 ENGO appropriately maintains the fund and keeps it active. 90% of the loan fund and the collected monthly installment should be in use at any time.

2.6 Open a bank account specifically for the loan fund under the name of the project and keep the required financial records to be subject to review by MSA and CARE Staff.

2.7 Process loan applications, disburse loans, provide ongoing support and advice to loan recipients, and record repayment

علي ان تكون قيمة هذه المساهمه مساويه لمنحة هيئه كبير ويراعي ان تكون نسبه 10% علي الاقل من قيمة المساهمه نقدا ويتم ايداع هذه النسبه (10%) في حساب المشروع، يمكن ان تكون المساهمه العينية في صورة اراضي او عماله او أي خدمات تستخدم في الانشطه المجتمعيه التي تقوم بتنفيذها الجمعيه ولا بد ان تكون قيمة المساهمه العينية مسجله بطريقه دقيقه وصحيحه وتراجع وتعتمد بمعرفة لجنة تقييم مستقله.

٢- تقوم الجمعيه بجلب وتعيين عماله فنيه اداريه لادارة ومتابعة راس المال مثل مسئول القروض ولجنه القروض والموجه والمتطوعين .

٣- تقوم الجمعيه عند الضروره بتقديم حوافز من نسبة 3% مصروفات اداريه او من مواردها الخاصه اذا تطلب الامر.

٤- تتيح الجمعيه فرص الحصول علي قروض للفئه المستهدفه من المجتمع (دخل الفرد في الاسره 30 جم شهريا كحد اقصى والا يقل عمر المتقدم عن 18 سنه علي ان تستهدف السيدات بنسبه 50% من راس مال القروض بنهايه المشروع.

٥- تقوم الجمعيه بالمحافظه علي راس المال بطريقه تسمح بادارته باقصى كفاءه علي ان تحافظ علي نسبه تشغيل لا تقل عن 90% من راس المال والاقساط الشهريه المحصله لاستخدامها في اي وقت.

٦- فتح حساب خاص في البنك للقروض تحت اسم برنامج مبادرات المجتمع للتنميه ، والاحتفاظ بجميع السجلات والدفاتر لمراجعتها من قبل طاقم العمل من هيئه كبير ومديرية الشئون الاجتماعيه .

٧- استكمال طلبات القروض ، صرف القروض ، تقديم المشوره والعون للمقترضين دائما، تسجيل اقساط السداد لاستخدامها في اداره

transactions to take responsibility to manage the loan fund.

برامج القروض •

2.8 ENGO will track the progress of the loan fund and monitor the impact of the loan fund on the community.

٨- متابعة اموال القروض ومتابعة تأثيرها على المجتمع •

2.9 After CARE's involvement with the program the ENGO agrees to maintain the revolving loan fund.

٩- توافق الجمعيه على استمرار ادارتها للقروض وذلك بعد انتهاء دور هيئه كير في ادارة البرنامج •

** If the ENGO fails to fulfill any of the above obligations, CARE reserves the right to re-allocate the fund to another ENGO.

** في حالة عدم وفاء الجمعيه بالتزاماتها الوارده عليه تحتفظ هيئه كير بحق اعاده تخصيص رأس المال لجمعيه اخرى •

3. CARE-Egypt obligations:

٣- التزامات هيئه كير :

CARE will:

تلتزم هيئه كير - مصر بالاتي:

3.1 Provide funds to establish the revolving loan fund.

١- تقديم رأس المال لانشاء مشروع القروض •

3.2 Provide training and support for community volunteers, community promoters, loan officer, the loan committee and ENGO board members.

٢- تدريب وتقديم العون للمتطوعين والموجهين ومسئول القروض ولجنة القروض واعضاء مجلس ادارة الجمعيه •

3.3 Provide technical and administrative support to the ENGO through the period of the project agreement.

٣- تقديم المعونه الفنيه والاداريه للجمعيه اثناء اتفقيه المشروع •

3.4 Jointly participate in the monitoring and evaluating project activities along with ENGO members.

٤- بالتعاون مع الجمعيه تقوم هيئه كير بمتابعة وتقييم انشظة المشروع •

4. MSA obligations:

٤- التزامات مديريه الشؤون الاجتماعيه

4.1 MSA will designate liaisons at the governorate, district and community level to provide necessary support and ensure that project activities are in accordance with existing laws.

١- تقوم مديريه الشؤون الاجتماعيه بتعيين مندوبي اتصال علي مستوي المحافظات والمراكز والقرى لتقديم العون اللازم وللتأكد من ان انشظة المشروع تتوافق مع القوانين الساريه بالدوله •

4.2 Social Unit Leader (SUL)

will serve as the project liaison at the community level. S/he will serve as technical advisor to the loan committee on social aspects of loan application. S/he will also provide monthly reports on the progress of project activities to the district level.

4.3 MSA will identify and utilize training resource persons with appropriate skills.

4.4 MSA jointly with CARE will be responsible to re-allocate the fund to another ENGO in case of termination of this contract.

4.5 MSA should review the project financial records.

4.6 After CARE's involvement with the program, the MSA will carry on the monitoring of the program activity.

5. Project Period:

5.1 This project is for a maximum period of three years beginning with the date of signing the initial Letter of Agreement. The actual length of the project period depends on the ENGO's progress in acquiring skills and demonstrating capabilities to manage its own loan fund. The projected three-year time period is contingent upon the CID program being extended for additional time before June 30, 1993. If, for any reason, the CID program is not extended, CARE involvement in all project activities must end on June 30, 1993.

5.2 At the end of the project agreement period a final

١- يقوم رئيس الوحدة الاجتماعيه بدور مسئول الاتعمال علي مستوى القرية حيث تقدم المشوره الفنيه للجنة القروض في النواحي الاجتماعيه بطلبات القروض . ويقوم بتقديم تقرير شهري عن أنشطة المشروع الي لجنة المركز .

٢- تقوم مديرية الشؤون الاجتماعيه بتوفير القوى البشريه ذات الكفاءة لاستخدامها في عملية التدريب .

٤- تكون مديرية الشؤون الاجتماعيه بالتعاون مع هيئة كير مسئوله علي إعادة تخصيص رأس المال لجمعيه اخرى في حالة انتهاء هذا التعاقد .

٥- تقوم مديريةية الشؤون الاجتماعيه بمراجعة السجلات الماليه الخاصه بالمشروع .

٦- بعد انتهاء دور هيئته كيرفي ادارة البرنامج ستتولي مديريةية الشؤون الاجتماعيه متابعة سيرالبرنامج .

٥- مدة الاتفاقية:

١- مدة المشروع ثلاث سنوات علي الاكثر منذ تاريخ توقيع هذه الاتفاقية . تتوقف المده الفعليه للمشروع علي مدي اكتساب الجمعيه للمهارات واشباتها الكفاءه اللازمه لادارة برنامج القروض . حيث ان مدة الثلاث سنوات المتوقعه للمشروع تتوقف علي امكانية مد اتفاقية المشروع لمده اخري قبل ٣٠ يونيو ١٩٩٣ . في حالة عدم مد المشروع لاي سبب فيجب ان تنهي هيئة كير مشاركتها في أنشطة البرنامج في موعد اقمامه ٣٠ يونيو ١٩٩٣ .

٢- وفي نهاية مدة اتفاقية المشروع يتم عمل تقييم نهائي بمعرفه

evaluation will be held by the ENGO, MSA and CARE.

الجمعية ووزارة الشؤون الاجتماعيه
وهيئة كير- مصر.

Appendix 1

Committees and staff needed for managing the loan fund:

اللجان والافراد اللازمين لادارة برامج القروض:

Loan Committee

Will consist of at least 4 members: two members of the ENGO board, the CP, and a full or part time loan officer. The social unit leader will serve as technical advisor on social aspects of loan applications. A CARE field officer will serve as technical advisor on loan policies and procedures. The Loan Committee's role is to review applications, prioritize them, and give final decisions within 2 weeks.

لجنة القروض:
تتكون من اربعة اعضاء علي الاقل كالاتي: عضوان من مجلس ادارة الجمعيه، الموجه ومسئول القروض. ويقوم رئيس الوحده الاجتماعيه بدور المستشار الفني للجنة فيما يخص الجوانب الاجتماعيه بطلبات القروض. ويقوم مسئول ميداني من هيئة كير بدور المستشار الفني فيما يخص سياسة واجراءات منح القروض. وتكون مهمة لجنة القروض مراجعة طلبات القروض وترتيبها حسب الاولويات والبت في هذه الطلبات في مدة لاتزيد عن اسبوعين.

The loan committee could invite the participation of a number of community members for technical advice when necessary.

تقوم لجنة القروض بدعوة بعض اعضاء المجتمع طلبا للمشوره الفنيه اذا اقتضى الامر.

Community Volunteers (CVs)

Their role is to promote the project to the target group, assist potential loan recipients in completing loan applications, follow up on the implementation of individual activities, keep records, and help the loan officer in collecting monthly installments.

المتطوعين والمتطوعات:

ويكون مهمة هؤلاء المتطوعين: التعريف بالمشروع لدي الفئات المستهدفه بالمجتمع، مساعدة المقترضين في استكمال طلبات القروض، متابعة تنفيذ الانشطة الفرديه، حفظ السجلات، مساعدة مسئول القروض في جمع الاقساط الشهرية.

Community Promoter (CP)

Will be a member of the loan committee, give advice and training to CVs, monitor their records, and participate in promoting the project.

الموجه والموجهة:

هو/هي احد اعضاء لجنة القروض ويقوم باعطاء المشوره والتدريب اللازمين للمتطوعين والاشراف علي سجلاتهم والمشاركه في التعريف بالمشروع.

Appendix 2

2.1 Loan system

2.1.1 The maximum size of an individual loan is LE. 1500,00 and for a group loan is LE. 3000,00. Exceptions may be

الملحق (٢):

١- نظام القروض:

١-١ يبلغ الحد الاقصى للقروض للفرد الواحد ١٥٠٠ جم وللجماعه ٣٠٠٠ جم. في بعض الحالات تجوز الاستثناءات حسب اهمية النشاط

granted due to the importance of the activity to the overall community, and/or to the viability of the activity. Exceptions should be discussed separately.

وحاجة المجتمع اليه وكذلك جدواه الاقتصادية. وتناقش هذه الاستثناءات في كل حاله علي حده.

2.1.2 Loans will be given at a minimum of 18% interest rate. The interest rate should be adequate to:

٢-١ تمنح القروض بفائده قدرها ١٨% علي الأقل وفقا لما يلي:

a) Maintain the capital of the fund against inflation; and

١ - المحافظة علي اصول رأس المال امام معدل التضخم.

b) Cover administrative and service charges.

ب - تغطية المصروفات الاداريه

2.1.3 Recipients will contribute 10% of the value of the loan.

٣-١ يساهم المقترض بنسبه تبلغ ١٠% من قيمة القرض.

2.1.4 Loan committee members and their households are barred from receiving loans. A maximum of 30% of BMs and CVs who are not on the loan committee are eligible to receive loans if they are in the target group.

٤-١ لايجوز لاعضاء لجنة القروض وذويهم ان يحصلوا علي قروض. يسمح لنسبه لا تتعدى ٣٠% من أعضاء مجلس ادارة الجمعيه والمتطوعين من غير المشتركين في لجنة القروض ان يحصلوا علي قروض اذا توافرت فيهم شروط المجموعات المستهدفه.

2.2 Garantees:

٢- الضمانات:

2.2.1 A dated check must be signed by the loan applicant for the value of the loan and inflation. This check can be purchased from a stationery store.

١ - يقوم المقترض بتوقيع شيك مؤرخ بقيمه القرض ونسبة الفائده. ويمكن شراء مثل هذه الشيكات من أي مكتبه.

2.2.2 In case of a delay in loan repayment for a period of time (to be determined by the CDA), the ENGO will charge 10% penalty. In case of more than a two month delay, the remainder of the loan should be paid immediately.

٢ - وفي حالة تاخر السداد (عن مده تقررها الجمعيه) توقع نسبة ١٠% من قيمه القرض غرامه علي المقترض. وفي حاله تاخر السداد عن شهرين يتم الزام المقترض بدفع باقي قيمة القرض بالكامل فورا.

2.2.3 Each client will sign a loan contract, also signed by one male or two female witnesses.

٣ - يوقع كل مقترض عقد يتم توقيعه بمعرفة شاهد من الذكور او شاهدتان من الاناث.

This agreement was reviewed and agreed

تم مراجعة هذه الاتفاقية والموافقة عليها بمعرفة الاطراف الآتية:

1. For the ENGO:

Name:

من الجمعية:

Signed:

الاسم:

Title: ENGO Chairman

التوقيع:

Date:

اللقب: رئيس الجمعية

التاريخ:

2. For the Ministry of Social Affairs:

من وزارة الشؤون الاجتماعيه:

Name:

الاسم:

Signed:

التوقيع:

Title: MSA

اللقب: مديرية الشؤون الاجتماعيه

Date:

التاريخ:

3. For CARE-Egypt:

Name:

من هيئة كير - مصر:

Signed:

الاسم:

Title: Project Coordinator

التوقيع:

Date:

اللقب: مدير المكتب

التاريخ: