

PD-ABG-911
84687

AGENCY FOR INTERNATIONAL DEVELOPMENT

MALI

PVO CO-FINANCING PROJECT

SUPPLEMENT

AMENDMENT NUMBER THREE

UNCLASSIFIED

DATE: AUGUST 25, 1993

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

3

DOCUMENT CODE

3

COUNTRY/ENTITY

MALI

3. PROJECT NUMBER

688-0247

4. BUREAU/OFFICE

USAID MALI

5. PROJECT TITLE (maximum 40 characters)

Private Voluntary Organiza-
 tion Co-Financing

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 08 29 99

7. ESTIMATED DATE OF OBLIGATION

(Under 'B' below, enter 1, 2, 3, or 4)

A. Initial FY 93

B. Quarter 4

C. Final FY 99

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	300		300	50,000		50,000
(Grant)	(300)	()	(300)	(50,000)	()	(50,000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
TOTALS	300		300	50,000		50,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECIL CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)				16,120		33,880		50,000	
(2)									
(3)									
(4)									
TOTALS				16,120		33,880		50,000	

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To realize sustainable increases in the not-for-profit sector's capacity to promote Mali's Social and Economic development

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 06 92 07 94 03 99

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 911 Local Other (Specify) see Grant Article 6

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

To continue existing activities; increase project activities to include Family Planning; undertake a new Basic Education and Literacy Component; and develop initiatives that complement existing project activities.

17. APPROVED BY

Signature Charles W. Johnson
 Title Director
 USAID Mali



Date Signed MM DD YY
 08 25 99

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PVO CO-FINANCING PROJECT SUPPLEMENT

TABLE OF CONTENTS

	Page No.
Project Data Sheet	i
Project Paper Supplement Table of Contents	ii
Project Authorization Amendment	v
List of Acronyms	vii
I. PROJECT BACKGROUND	1
A. Introduction	1
B. Accomplishments to Date	1
1. Child Survival Sector	4
2. Microenterprise Development Sector	6
3. Natural Resource Management Sector	7
4. Pivot Groups	8
II. CONFORMITY TO USAID MALI PROGRAM	10
III. PROJECT PAPER SUPPLEMENT RATIONALE	10
IV. AMENDED PROJECT DESCRIPTION	13
A. Perceived Problems	13
1. In Child Survival, Family Planning and AIDS Prevention	13
2. In Basic Education and Literacy	15
3. In Microenterprise Development	16
4. In Natural Resource Management	18
5. With Institutional Development and the Social Economy	19
B. Amended Project Goal and Purpose	20
C. Expected Achievements	20
1. Child Survival, Family Planning and AIDS Prevention	21
2. Basic Education and Literacy	26
3. Microenterprise Development	29
4. Natural Resource Management	30
5. Institutional Development and the Social Economy	32
D. Project Outline and How it Will Work	35
1. Grants to NGOs and PVOs	36
2. Foundations to Create the Missing Middle	37
3. Specializing NGOs through Pivot Groups	38
4. Training Leaders in Institutional Development	39
5. Documenting Development Impact	40
6. Project Management	41

V.	CONTRACTING, PROCUREMENT AND IMPLEMENTATION PLAN	42
A.	Contracting and Procurement Plan	42
B.	Implementation Plan - Detailed Project Selection Criteria	43
C.	Selection Criteria - Summary of Points	47
VI.	REVISED COST ESTIMATE AND FINANCIAL PLAN	52
A.	Tables of Costs	52
B.	Financial Plan	56
1.	Studies and Audits	56
2.	Institutional Strengthening Grants	57
3.	Fiscal Year 1993 Budget	58
VII.	MONITORING, EVALUATION AND AUDIT PLAN	59
A.	Impact Monitoring	59
1.	PVO and NGO Internal Monitoring	59
2.	Operational Research Activities	59
3.	Pivot Group Monitoring	61
4.	Benchmark Development	61
5.	Comparative Impact	61
6.	USAID Field Monitoring	62
B.	Evaluation Plan	62
C.	Audit Plan	62
VIII.	TECHNICAL ANALYSES	63
A.	Administrative Analysis	63
B.	Economic Analysis	64
C.	Environmental Analysis	67
D.	Social Soundness Analysis	68
E.	Institution Building Analysis	68
F.	Options for USAID Financing of National NGOs	69
1.	Passive Partners	69
2.	Registering CCA-ONG	70
3.	Others	70
G.	Feasibility of a Foundation	70
IX.	ANNEXES	
A.	Logical Framework	72
B.	Budget and Financial Tables	78
C.	Project Statutory Checklist	86
D.	Economic Analysis Tables	111
E.	Waiver of Host Country Contribution per FFA Section 110	130
F.	Summary of Pivot Group Work to Date	131
G.	Amended Initial Environmental Examination	134

- H. Technical Reports (available in GDO/PVO office)
1. Interim Program Assessment Report, PVO Co-Financing Project, October 1992
 2. "Strategies d'Appui Institutionnel aux ONG et aux Organisations a la Base," K. Ouedraogo, April 1993
 3. "Document de Discussion pour une Proposition de Strategies Alternatives de Financement des ONGs Locales," I. Maiga, *Groupe de Recherche Action pour le Développement*, Mali, April 1993
 4. "Thoughts on the Creation of a Community Development Foundation in Mali," C. Grimm, undated)
 5. "Propositions pour la Création de Fondations au Mali." Study presented by Maitre Thiam Mohamed, Bamako, April 1993
 6. "Mali Projects Open Up Economic Opportunities for Women, Youth," R. Poulton, Front Lines, August 1992

ACTION MEMORANDUM FOR THE USAID MALI MISSION DIRECTOR

From: George Thompson, Chief, General Development Office



Action Requested: You are requested to approve the Project Paper Amendment and Project Authorization Amendment No. 3 for the Private Voluntary Organization (PVO) Co-Financing (688-0247) to increase the life-of-project funding by \$33,880,000 and to extend the Project Assistance Completion Date (PACD) by two years, to August 29, 1999.

Background: The PVO Co-Financing Project was authorized on August 29, 1989 for \$8 million with a PACD of August 30, 1995. In 1991, the Project was amended to add US \$8 million, raising total life-of-project funding to US \$16 million and extending the PACD to August 1997. An addition of US \$120,000 in September 1992 brought the total life-of-project funding to its current level of US \$16,120,000. Numerous incremental obligations for various grants to PVOs have been incurred. Total obligations as of June 30, 1993 were \$14,038,916. On June 7, 1993, the Assistant Administrator for Africa approved an ad hoc delegation of authority to the USAID Mali Mission Director to (1) amend the PVO Co-Financing Project Paper Authorization in an amount not to exceed US \$50 million for the life-of-project; and (2) extend the PACD to August 29, 1999.

Discussion: The PVO Co-Financing Project is the mechanism whereby USAID Mali supports international PVOs and indigenous non-governmental organizations (NGOs) throughout the country. In organizing this assistance to the PVO-NGO community, USAID concentrates its efforts in three priority sectors: Child Survival, Natural Resource Management, and Microenterprise Development. The Project aim is to promote Mali's economic growth through an improved distribution of resources and an increase in production, productivity and revenues at the village level. To date, the Project has awarded 20 grants to eight PVOs working with 12 NGO partners, in addition to 30 NGOs that are participating in technical coordination activities (via Pivot Groups) and 20 others in urban projects.

The purpose of this Project Paper Amendment is to increase the life-of-project funding by \$33.88 million and to extend the PACD in order to: continue existing activities; increase Project activities to include family planning; undertake a new Basic Education and Literacy component; and develop new initiatives that compliment existing Project activities, like examining the prospects for supporting the development of a foundation.

Beyond consolidating the gains already achieved under the Project, its implementation approach will be modified in three major areas: increased support for grassroots Malian organizations; improved impact measurement; and, increased support for developing complimentary activities. These are described below:

- a -

A. Increased support for grassroots Malian organizations: The Project Paper Amendment will increase support for Malian NGOs within the PVO-NGO partnership, upon whose success this project depends. This will redress a shortcoming identified in the 1992 Interim Assessment by establishing structures that will enable donors to support federations and associations of grassroots organizations, thereby strengthening their administrative and technical capacities to enable them to develop into NGOs. This will focus the program more sharply on developing more sophisticated local institutions (village associations, NGOs and civic groups) without drawing them into dependent relationships with USAID.

B. Improved impact measurement: Pursuant to the recommendations of the 1992 Interim Assessment, the Project will streamline program impact measurement and recording between the various grant recipients. This will occur through an interactive, ongoing feedback-response mechanism between the Project beneficiaries and Project management. It will also be accomplished through work with Pivot Groups, work with PVO partnerships, and links with the University of Mali and other local and sub-regional institutions and foundations. Further, the Project will publish the results of its activities in a format that explores, analyzes and records their impact.

C. Increased Support for developing complimentary activities: This will include support of existing and development of new professional Pivot Groups in Project sectors (e.g. Child Survival and Family Planning); and registering the first Malian NGO with AID/W to receive grants and perhaps act as an umbrella for other NGOs. USAID Mali is also actively studying the possibility of facilitating the creation of one or more endowments to provide a mechanism for longer-term support for NGOs and the new intermediate organizations while achieving greater autonomy from donors.

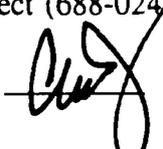
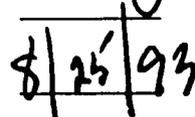
Justification: On June 7, 1993, the Acting Assistant Administrator for Africa approved an ad hoc delegation of authority to authorize the USAID Mali Mission Director to (1) amend the PVO Co-Financing Project Authorization in an amount not to exceed US \$50 million for the life-of-project; and (2) extend the PACD to August 29, 1999. This Amendment No. 3 will increase the life-of-project funding to \$50 million and will extend the PACD until August 29, 1999 (a ten-year life-of-project).

Recommendation: That you approve the Project Paper Amendment and sign the attached Project Authorization Amendment No. 3 to the PVO Co-Financing Project (688-0247).

Approved: _____

Disapproved: _____

Date: _____

- Attachments:
1. Project Paper Amendment Number Two
 2. Project Authorization Amendment Number Three
 3. Grant Agreement

drafted: PDO:CJennings:8/24/93

Clearance:

RLA: AAdams (draft) date: 8-23-93
GDO: GThompson (draft) date: 8-24-93
GDO: FWhiteHenry (draft) date: 8-24-93
GDO: LGorton AD date: 8-24-93
PROG: RGold RG date: 8/24/93
PROG: DAtteberry DA date: 21 Aug 93
PROG: M.Dienapo (draft) date: 8-24-93
ADP: CMcIntyre Lin date: 8/25/93
CONT: JDuvall (draft) date: 8-24-93
EXO: YKainth _____ date: _____

THIRD PROJECT AUTHORIZATION AMENDMENT

Project Name: Private Voluntary Organization Co-Financing

Project Number: 688-0247

Country: Mali

1. Pursuant to Section 496 of the Foreign Assistance Act of 1961, as amended, the Private Voluntary Organization Co-Financing Project for Mali was authorized on August 29, 1989. That Authorization is hereby amended as follows:

a. Paragraph A of the Authorization is amended by deleting it in its entirety and substituting the following in lieu thereof:

"A. Pursuant to Section 496 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Private Voluntary Organization Co-Financing Project ("Project") for the Republic of Mali ("Cooperating Country") involving planned obligations of not to exceed Fifty Million United States Dollars (US \$50,000,000) in grant funds ("Grant") over a ten year period from the date of authorization, subject to the availability of funds in accordance with the AID Operating Year Budget and allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the Project is ten years from the date of initial obligation. It will continue existing activities; increase Project activities to include family planning; undertake a new Basic Education and Literacy component; and develop new initiatives that compliment existing Project activities, like examining the prospects for supporting the development of a foundation."

b. Section C. of the Authorization is amended by adding the following new Section C.3.:

"3. Source/Origin of Commodities, Nationality of Services:

(1) Commodities financed by A.I.D. under the Project shall have their source and origin in countries included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing.

(2) The suppliers of commodities and services financed by A.I.D. under the Project shall have as their place of nationality countries included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing.

(3) Ocean shipping under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States or of countries in A.I.D. Geographic Code 935."

2. Except as expressly amended hereby, the Authorization remains in full force and effect.

Charles W. Johnson
Charles W. Johnson
Director, USAID
Date: 25 August 1993



Drafted:
RLA: DAAdams DAA date: 8-16-93

Clearances:

GDO: GThompson	<u>[Signature]</u>	date: <u>8-24-93</u>
GDO: LGorton	<u>[Signature]</u>	date: <u>8-24-93</u>
GDO: FWhite-Henry	<u>[Signature]</u>	date: <u>8-24-93</u>
ADO: CMcintyre	<u>[Signature]</u>	date: <u>8/25/93</u>
PRM: DAtteberry	<u>[Signature]</u>	date: <u>2/24/93</u>
PDO: CJennings	<u>[Signature]</u>	date: <u>8/24/93</u>
CONT: JDuvall	<u>[Signature]</u>	date: <u>8/24/93</u>
EXO: YKainth	<u>[Signature]</u>	date: <u>8/24/93</u>
PRM: RGold	<u>[Signature]</u>	date: <u>8/25/93</u>

LIST OF ACRONYMS

AID/W	Agency for International Development/Washington
BCG	Bacile Calmet Guerin
CCA-ONG	Comité de Coordination des Actions des Organisations Non-Gouvernementales
CREN	Centre de Rehabilitation et Education Nutritionnelle
FAA	Foreign Assistance Act of 1961, as amended
GDP	Gross Domestic Product
GRM	Government of the Republic of Mali
IRR	Internal Rate of Return
NGO	Non-Governmental Organization
PACD	Project Assistance Completion Date
PSC	Personal Services Contractor
PVO	Private Voluntary Organization
USAID	United States Agency for International Development

I. PROJECT BACKGROUND

A. Introduction

USAID Mali has strongly supported the participation of rural and urban poor, including women, in equitable, participatory and environmentally-sustainable development. The most direct and largest mechanism to do this is the PVO Co-Financing Project, which was authorized in Fiscal Year 1989.

The PVO Co-Financing Project was originally authorized at US \$8 million with a Project Assistance Completion Date (PACD) of August 30, 1995. In 1991, the Project Paper was amended to add an additional US \$8 million, raising total life-of-project funding to US \$16 million and extending the Project Assistance Completion Date to August 1997. A further US \$120,000 added in September 1992 brought the total life-of-project funding to its current level of US \$16,120,000. The Project goal, to promote economic development through more efficient resource allocation and increased production, higher incomes and improved well-being at the community level, has been only changed slightly from the initial project goal to note the Mission's intention to improve the social as well as the economic indicators at the community level specifically. The amended Project Purpose, to realize sustainable increases in the not-for profit sector capacity to promote Mali's social and economic development. This rephrases the initial Project Purpose more succinctly.

The PVO Co-Financing Project's underlying rationale is that local non-governmental organizations (NGOs) and their U.S. partners (called Private Voluntary Organizations, or PVOs), working with community-based groups and associations are, at present, the most effective agents of grassroots development in Mali. It is designed to mobilize people throughout Mali to solve their own problems. The Project is managed directly by the USAID Mali General Development Office. Day-to-day project management is handled by one personal services contractor (PSC) and two foreign service national project specialists and one project assistant.

This rationale has been proven by the results. USAID is helping the poorest of the poor to break the vicious circle of poverty at the subsistence level and begin a long and arduous, but rewarding struggle to improve the quality of their lives by their own efforts. The results speak for themselves.

B. Accomplishments to Date

Already in some of the most neglected populations in Mali the Project has saved literally thousands of children from dying from simply-treated ailments such as diarrhea, measles, and malnutrition, and innumerable mothers and children are healthier and happier due to family planning and prenatal care and training. Thousands of hectares of land have been saved from further degradation through the instigation of sustainable agroforestry and

agropastoral techniques. Thousands of hopelessly unemployed and underemployed have developed profitable enterprises through credit, training and community development efforts.

All of this has been accomplished in some of the most isolated areas of Mali. USAID project management have cost less than three percent of direct program costs by providing grants to U.S. PVO in partnership with Malian NGOs, and village and neighborhood associations. To date, 22 grants have been approved to nine PVOs working with 14 NGO partners (see Table 1 for details). Obligations under the Project to date have been about US \$13.2 million divided approximately equally among three sectors: Child Survival; Natural Resource Management; and Microenterprise Development.

Individual grants have ranged in size from US \$32,000 to just over US \$1.4 million with a mean size of US \$625,000. Grants have covered periods from one to five years but most (13 of the 22) have a life of two to three years. Funding for a total of 62 project-years has so far been obligated at an average level of US \$220,000 per project-year. Existing and anticipated applications for grants exceed US \$38 million.

The Interim Program Assessment was conducted by a team of locally-recruited, external consultants in June 1992. It was highly positive about the Project's general direction and impact. In terms of organization, it perceived the PVO-NGO partnership as improving institutional development of local groups. It judged one of this project's innovations - forming lead groups called Pivot Groups - very positively in terms of both professional competence-building and as sources of independent, non-governmental expertise and planning for the national social economy. In terms of impact, the Interim Program Assessment indicated that the PVO-NGO partnership delivery system has been very effective and efficient at involving and reaching Mali's rural and urban poor in the three priority sectors. This is supported below by both qualitative and quantitative data. U.S. PVOs and, increasingly, their local NGO partners, have been particularly effective at applying their expertise and experience in the informal, agricultural economies through their physical presence in geographically and economically-isolated areas where the Mission is otherwise unable to work. These areas also tend to be the poorest -- in a country that is 80 percent rural.

Table 1: PVO CO-FINANCING PROJECT OBLIGATIONS BY SECTOR
As of May 1993

PVO	Microenterprise Development	Child Survival	Natural Resource Management	TOTAL
World Vision	580,980	1,373,436	918,488	2,872,904
World Education	1,738,479	583,700	300,000	2,622,179
Near East Foundation	200,000	-	544,761	744,761
Appropriate Technology Int.	14,471	-	-	14,471
Save the Children	442,333	625,000	485,346	1,552,679
AFRICARE	395,401	433,253	1,199,804	2,028,458
CARE	250,000	318,117	781,800	1,349,917
Freedom from Hunger	80,000	25,000	-	105,000
Pivot Groups	700,000	567,407	666,866	1,934,273
TOTAL	4,401,664	3,925,913	4,897,065	13,224,642

Source: PVO Co-Financing Project, Interim Program Assessment, June 1992

1. Child Survival

The Interim Program Assessment identified many people-level impacts in the zones served by the Project. For example, in the Child Survival sector, the Project has worked in areas as remote from each other and from the center of national life as Menaka and Kolondiéba, so that mothers are discovering the importance of feeding their children correctly through the "road to health" charts that record monthly baby weights and declining health. In many areas of Mali, the only health services are funded by USAID and implemented by U.S. PVOs. For example, with Project support, World Vision has been working in Menaka, located on the northern desert frontier with the Niger Republic, with a local association of rural artisans called *Groupement d'Artisans Ruraux* that organizes nutrition centers. There, mothers see their babies' weights plotted on a three-color chart: green for "plump and healthy"; yellow for "ok"; and red for "danger." Tuareg mothers with frail babies receive training from World Vision and the *Groupement d'Artisans Ruraux* staff on enriched weaning foods, oral rehydration and hygiene. They also receive a food supplement, which is useful since this region was food deficit even before the 1990 rebellion disrupted commerce. Although the assumed fall in infant mortality among the babies of Menaka could not be adequately documented due to insecurity, Save the Children Federation records show a 50 percent reduction in mortality in only three years (see Table 2 below) with similar child survival plus pilot family planning techniques in the forest lands south of Kolondiéba in the far south of Mali. In this sector, some examples of Project accomplishments are that:

- the first-ever access to family planning services has been provided in 300 villages;
- infant mortality has almost halved in Kolondiéba;
- immunization coverage has doubled in Koutiala; and
- key indicators in all sector programs show substantial improvements (see Table 2).

Also, in the southern Mali area of Kolondiéba just North of the Ivory Coast, mothers are already receiving birth spacing training as part of the Child Survival package. This is particularly critical on this southern frontier where travellers import high levels of HIV and AIDS -- seven percent of the population may already be sero-positive. This family planning approach also works well in conjunction with the Child Survival aspects since mothers are receptive to the idea of birth control only once they can save their babies.

Table 2: ACHIEVEMENTS IN THE CHILD SURVIVAL SECTOR
Selected Interim Program Assessment Findings

USEFUL INDICATORS	Area	Past situation (1989)	Current situation (1992)
1. Percent women using oral rehydration therapy	Dioro	2.7 percent	31 percent
2. Percent of cases involving diarrheal diseases	Dioro	41.1 percent	20.6 percent
3. Percent of women who have made a prenatal visit	Kolondiéba	25 percent	66 percent
4. Birth rate	Kolondiéba	47 per thousand	28 per thousand
5. Neonatal death rate	Kolondiéba	49 per thousand	24 per thousand
6. Infant mortality rate	Kolondiéba	102 per thousand	59 per thousand
7. Child mortality rate	Kolondiéba	189 per thousand	109 per thousand
8. Immunization coverage	Koutiala	40 per thousand	81 per thousand
9. Average prescription cost	Niono	2,700 FCFA	900 FCFA
10. Percent of people with access to essential drugs	Bandiagara	12.9 percent	26.4 percent

2. Microenterprise Development Sector

This sector required much innovation and experimentation because USAID had never worked in it directly before. Some of the results:

- 145 new microenterprises have been created;
- over 6,000 individuals and groups and 49 NGOs have received management skills training (see Table 3);
- more than 120 civic groups have been formed in Bamako, Ségou and Sikasso since the urban environmental program began in late 1991; and
- 31 sustainable credit institutions run by and for women's groups have been created at the village level.

The Project has had excellent results with newly-introduced forms of enterprise that are recognized by Malian law, notably the Economic Interest Group, *Groupement d'Interet Economique*, which enable young people to work together in loose yet formal democratic structures. Table 3 mentions 16 such urban groups and 62 such associations (rural enterprises). Since the 1992 Interim Program Assessment, the former has risen to 26. This means that about 250 young unemployed graduates are creating private economic growth through activities like waste water disposal, composting, tree farming and construction. Much of this has been directed specifically at women. This project has already collaborated with World Education and local NGO's to train women's groups in various subjects that lead to private enterprise growth (e.g. business skills, or employee skills). This has been complemented by the greatly-widened scope of women's entrepreneurial activities during the last two decades. In rural areas, development projects and NGO's, with support from several donors, intervene to assist women improve their traditional methods and introduce new technologies and activities. In urban centers, access to improved education for more women, women's increased confidence in their capabilities, and the changing political, social and economic environments all encourage women to undertake private enterprise. The Project has dealt with women in development issues extensively in part because the criteria for selecting Project activities has included several such issues.

Table 3: ACHIEVEMENTS IN MICROENTERPRISE DEVELOPMENT
 Summary of Interim Program Assessment Findings

ACHIEVEMENTS IN THE MICROENTERPRISE SECTOR	BENEFICIARIES
Training Programs funded under Project from 1989 to 1992	- 5,880 individuals - micro business persons or those trying to become same or assist micro businesses, recruited from: -- 49 NGOs working in or desirous of working in microenterprise development -- 3 microbusiness partnerships -- 15 associations interested in microenterprise development
Microenterprise Creation	- 62 microbusinesspersons - 16 microbusiness partnerships - 62 associations - 5 unclassified types of businesses
Direct Beneficiaries	- 21,337 people in all groups combined

3. Natural Resource Management Sector

The emphasis in this sector has been on developing sustainable agriculture to replace the environmentally-degrading practices. Some accomplishments include:

- training in environmental awareness and improved, sustainable, soil, water and crop management techniques has reached over 4300 farmers;
- at least 35,000 people have benefitted directly from new sources of water supply; increased livestock, grazing and forest resources, and improved soil, water and crop management (see Table 4 for details); and
- twenty-two new Pastoral Associations and seven new Farmers' Associations have put control of their own natural resources in the hands of the rural producers for the first time since colonization. These associations receive participatory training in environmentally-sound natural resource management, often using traditional methods that had fallen into disuse.

No sector has been more important for the concept of democratic governance than that of Natural Resource Management. The very survival of natural resources in Mali depends upon decentralized management by the population itself. USAID and U.S. PVOs have been in the forefront of Natural Resource Management operational research, especially

in Mali's Fifth Region. In Koro, CARE-Mali intervened to stem the hatred of villagers against the National Forest Service by using theater and debate to stimulate Dogon villagers to recreate the *Ogokana* policing system used by their ancestors. At the other end of the Dogon Plateau near Douentza, Near East Foundation and their local partners, *Guamina* and Operational Research Development Group, *Groupe de Recherche Action pour le Développement*, have taken the democratic governance process further by helping villages to create associations that negotiate with the forest service to set up contracts for autonomous natural resource administration.

4. Pivot Groups

In addition to these people-level impacts, the Project has created three Pivot Groups in its priority sectors; Child Survival, Natural Resource Management and Microenterprise Development. These are discussed at length in section IV.D. It has further inspired the creation of two others, one in basic education and another in urban development. More than 50 NGOs participate in Pivot Groups, thus constituting a large reservoir of trained personnel actively engaged in mobilizing grassroots development. The Child Survival Pivot Group has shown especially rapid returns by beginning to draft a region-wide strategy for non-governmental intervention in the sector.

Table 4: ACHIEVEMENTS IN NATURAL RESOURCE MANAGEMENT
Summary of Interim Program Assessment Findings

NATURAL RESOURCE MANAGEMENT	ACHIEVEMENTS	
	Number	Beneficiaries
Project-funded programs, 1989 to 1992		
Training - villagers		4,373 persons
- technicians		164 persons
Improved water supply	100 wells	22,540 persons
	120 dams	3,840 persons
	12 boreholes	340 persons
Herd regeneration or rebuilding		
Pasture regeneration	275 hectares	330 families
Pastoral associations	22 created	12 oasis
Collective farming areas		
Village irrigation perimeters	125 hectares	640 persons
Soil and water management	290 hectares	1,092 persons
Farmers Associations	7 created	5,035 persons
Live fences	32,300 meters	470 persons
Small dikes	30,000 meters	34 persons
Forest plantations	50 private	50 persons
	98 collective	134 persons
Trees planted	61,173	600 persons
Natural forest and parks	6 improved	N/A

II. CONFORMITY TO USAID MALI PROGRAM

The Project expansion is consistent with USAID Mali's program. Mission goals are to promote economic growth, and improve the quality of life. The amended goal of this project is to promote economic development through more efficient resource allocation and increased production, higher incomes, and improved well-being at the community level. The original Project goal was simply sharpened and clarified to better communicate the Mission's intention to deal specifically with the social problems of local communities in Mali to achieve economic growth.

In addition to responding to Mission goals, the proposed Project expansion also supports the three Mission strategic objectives: to increase private sector participation in the economy; to increase incomes in areas of high productive potential; and to improve delivery of health and educational services. Funding criteria for Project grants targets grassroots development in four sectors that correspond to these objectives: Child Survival and Family Planning; Basic Education and Literacy; Microenterprise Development; and Natural Resource Management. An emphasis on birth spacing and family planning is central to child survival and literacy campaigns and will be included in every grant unless the proposer can offer overwhelming arguments for not including it.

In addition to reinforcing Mission strategy, the amendment Project also complements other USAID bilateral projects by carrying Mission strategic objectives into areas other projects cannot reach. This includes most notably the informal economy, and the agricultural economy in remote regions of Mali where NGOs are the only functioning development agencies.

III. PROJECT PAPER SUPPLEMENT RATIONALE

Mali remains one of Africa's poorest countries. This is changing due to the development efforts of the government, private Malians and donors. The principal rationale for this project remains reducing poverty and increasing incomes and family well-being through impact in the Child Survival, Natural Resource Management and Microenterprise Development sectors, each of which constitutes a long-term development challenge. The most important rationale for this amendment is that the Project is working but the NGO community is still being developed to absorb much more resources efficiently, and should be supported in doing so due to its successes to date. The Mission decided to channel resources through NGOs rather than giving it to Ministries through traditional bilateral mechanisms for several reasons, based mostly upon efficiency and access considerations, which are explained below. It also recognized a need to make a more concerted effort to incorporate women into the Project fully, particularly since women as a group represent the largest, poorest segment of society, which this project is designed to empower through both geographic and gender-based decentralization.

The time is opportune to consolidate gains and expand and deepen the impact of empowering the poorest people with this project's focus on grassroots organizations. USAID is now working with a democratically-elected government at the national level, which was not the case in 1988. Since then, the 1991 democratic upheaval has forced politicians to respond to the incontestable and unequivocal demand of the electorate as expressed at the national conference: to have the right to manage its own affairs. This has already been written into law. Hence, the political climate, combined with strong governmental interest in fostering the work of PVOs and NGOs in Mali, creates unique opportunities.

Political, economic and financial decentralization is occurring despite civil service resistance. This is critical since democratically-elected governments must respond to the public, and this includes providing meaningful opportunities for non-state actors to share some governance tasks. This project helps the government to decentralize and build democracy in many ways like assisting it in nurturing the development of private and associative intermediary organizations rather than burdening them with excessive regulations. One vital aspect of such a policy must be to strengthen the voices of such organizations to provide a countervailing power. Such a partnership between USAID, national policy makers, and the evolving bureaucracy will be a delicate balancing act, to which this project's success will be a major part of the Mission's contribution.

Expanding the Project through this amendment represents a conscious decision to increase the proportion of resources channeled through the social and private sectors of the Malian national economy. This aligns with U.S. Government policy. It also mirrors the commitment of the Government of the Republic of Mali (GRM) to develop its regions through decentralization, and to develop its private sector through developing private initiatives. For example, the Ministry of Territorial Administration recently added Decentralization to its name and houses a decentralization task force, and there is a specific "Minister for Employment, Professional Training, and Promotion of Private Initiative." Hence, the time was ripe to approach the GRM to assure that it was ready for this initiative to increase direct USAID resources to Malian NGOs significantly. The National Director for International Cooperation supports this effort fully, and agreed that he would sign an overall agreement for such assistance even without direct central government ministry involvement in managing the Project. He recognized that the government cannot provide all the development programs that Mali needed, and said that the GRM appreciated the work the NGOs had accomplished already, and welcomed their increased activities.

The expansion will support the institutional development of several organizations, described later. However, this does not imply building up a new, expensive NGO bureaucracy via institutional support, which the Mission has always avoided studiously, but rather building countervailing power via reinforcing solid and independent democratic institutions. Decentralizing them and allowing them their independence is the key to making them work for development. This is one reason that the Project will investigate seriously supporting different types of institutions such as federations of grassroots organizations (e.g. of village associations or credit unions) and foundations that may be able to capitalize

endowment funds from multiple sources. The Mission does not want to become too tied to any particular institution or organization, thereby threatening their independence or orientation towards the grassroots.

To underscore the importance of NGO fieldwork, the Mission has helped persuade several organizations to establish regional bases to decentralize themselves, and NGOs to adopt long-term commitments to the development process. With decentralized Malian governance structures, such as the *Collèges Transitoires* in the North and the *Communes Rurales* that elected councils will run nation-wide, the Mission will continue to emphasize the need for NGOs to commit themselves as long-term development partners to these local organizations and to encourage them to move out of the capital and into the regions.

In the light of the Project's success and impact during its first three years, the Interim Program Assessment team made three key recommendations to increase and improve the PVO Co-Financing Project's capacity and long-term impact: (1) to increase available funding and extend the Project over an additional period, in order to lengthen and deepen people-impact through the Child Survival, Natural Resource Management and Microenterprise Development Project components; (2) to seek ways to give NGOs that demonstrate sufficient experience and management capability greater autonomy and direct access to funding; and (3) to open funding possibilities to other development partners like associations, mutual benefit societies, local and regional development committees, village associations. It also suggested that the PVO Co-Financing Project continue to do "more of the same." However, this means not standing still, but doing better. It implies synthesizing the experience gained analytically and placing greater emphasis on measuring impact and publishing results; consolidating management and partnership to ensure the perennity of actions that NGOs have begun; and pushing existing programs to consolidate their impact by emphasizing employment and enterprise creation, or access to credit for groups newly-competent in self-organization or literacy. These specific activities are discussed in section IV.D.

Additional funding, combined with longer time frames for grants, should enable USAID Mali to consolidate gains already achieved under the Project and undertake additional activities that support the Project goal and purpose. Thus, grants previously awarded may be extended, and new grants funded, consolidating gains, increasing impact and increasing the number of regions the Project covers. To allow time to measure Project impact, the Project Assistance Completion Date will be extended to August 29, 1999.

IV. PROJECT AMENDMENT DESCRIPTION

A. Perceived Problems

1. In Child Survival, Family Planning and AIDS Prevention

Conditions in Mali's health sector remain far below standards achieved internationally.¹ Although life expectancy at birth has increased steadily -- from 39 years in 1960 to 45 years in 1990 -- it remains a full twenty years short of the world average as calculated by United Nations Development Program. The high levels of morbidity and mortality among children and women of child-bearing age are the most significant life expectancy limitations in Mali. Although it has decreased since independence, Mali's mortality rate of 13 deaths per 1,000 remains one of the highest on the planet. Infant and maternal mortality constitute a large proportion of this toll. About one child out of ten dies before reaching his or her first birthday and fewer than 80 percent reach age five. One birth out of a hundred results in the death of the mother. The three principal causes of child mortality -- diarrhea, malaria and acute respiratory infections -- are treatable or preventable by available technologies but remain widespread. In Mali there is only one health practitioner for 150,000 inhabitants and one health agent for 9,000 inhabitants. Only 15 percent of Malians have access to GRM health facilities, the rest must rely upon traditional healers except for areas covered by NGOs.

In the family planning realm, Mali's natural population increase of 3.7 percent per year (crude birth rate of 50 per 1,000 minus its mortality rate) ranks it among the ten highest in the world at over seven children per woman. Its high fertility rate of 182 per 1,000 is one of the strongest corollaries to infant, child and maternal mortality and morbidity. Almost half of all Malians are under 15 years old. Only four percent are over 65. This young population is exploding in number as today's children reach child-bearing age. At the present rate of population increase, excluding out-migration, Mali's population will double in 19 years from nine million in mid-1993. Early marriage and maternity contribute to this high rate: half of the country's females marry before their sixteenth birthday although 18 years is the legal minimum; and one in ten gives birth to her first child before she reaches her fourteenth birthday. A preference for large families and unavailability of contraceptives also promote fertility. Women surveyed often say they want high numbers of children and both Malian men and women tend to hold questioning, doubtful attitudes towards family planning, and lack information concerning contraceptives. In 1987, only one in four women could name a single contraception method, either modern or traditional. However, the existing demand for family planning is largely unmet, as various surveys have shown that intervals between births have a strong, positive impact on child mortality, and over half of Mali's women want to limit births or increase spacing. Furthermore, two projects in

¹ This discussion, as well as that of education problems, draw largely upon the unpublished CARE-Mali Multi-Year Plan for 1993-1997

Katibougou and Bla have established thoroughly that there are no cultural barriers to acceptance of family planning in Mali if accessibility to contraceptive supplies is guaranteed, and adequate counseling on contraceptive choices, proper use and side effects are provided. Over 50 percent contraceptive prevalence has been documented in many of the villages served. Thus, making reliable information and contraceptives available nationwide to those who also want to practice family planning is a major and critical objective.

The present situation makes the population a major constraint that limits growth in all other sectors. This means that population programs must become the overarching priority, absolutely required if overall development is to occur in Mali. The level of population increase already assures that no matter what actions are taken, the task is already enormous. It will make improvement in other sectors next to impossible in the foreseeable future. The 1983 RAPID report for Mali (a computer-generated report that shows the effects on the economy of different rates of population growth) already documented this. There is no way that resources can be found to provide schools, health facilities and economic endeavors to accommodate double the present population in only 19 years. The best that can be expected is to keep the overall per capita development levels where they are and improving potentials while making every effort to increase contraceptive prevalence. If family planning efforts are successful, the growth rate should begin to decline in about ten to 15 years. From there, further per capita improvements can be expected through other Project interventions.

AIDS Prevention has several linkages to both child survival and family planning. The disease was first identified in Mali in 1985. By 1987, 38 percent of Bamako's prostitutes carried HIV-I, HIV-II or both. In 1990, it had risen to 50 percent. The same year, two percent of blood donors tested sero-positive for HIV, four times as many as just three years earlier. By mid-1990, 338 cases of AIDS had been identified, and the disease had become the third greatest cause of hospitalization in the country.

Transmission through heterosexual contact is the primary cause of the increasing infection rates. The transfusion of contaminated blood and reuse of needles also contribute. Prenatal transmission is also common: about one third of children born to HIV-infected mothers are infected themselves. Since heterosexual contact spreads HIV infection, women and children are increasingly at risk. This biological time-bomb will continue to affect women and children adversely by increasing the burden on other health programs like those for maternal and child health and primary health care. Some estimates suggest that all the reductions in child mortality achieved through immunization and other health measures in Africa could be canceled out by deaths from AIDS.

The constraints to women's being active participants as opposed to passive beneficiaries of child survival, family planning and AIDS prevention activities are varied and intricate. However, they all contribute to deteriorated mother and child health. The major ones include:

- women's time being imposed upon by bearing, nursing and raising small children; and producing and processing food, cooking, securing water and fuel, cleaning, and caring for the sick or helpless. This places enormous demands upon women, particularly rural women;
- inaccessibility of health care facilities for primary care due to the long distances women have to walk to reach one;
- inadequate and non-functional health infrastructure (equipment and staff);
- insufficient incomes for most households, making health care costs like fees, transportation and medicines unaffordable;
- lack of women's information and education in hygiene and positive health care practices and behaviors;
- insufficient access to potable water, particularly in rural areas. The national potable water coverage rate is 21 percent, according to *Femmes et Enfants au Mali*;
- some religious traditional and cultural perceptions, practices, and behaviors like early marriage, excision and lack of birth spacing;
- lack of activity integration, e.g. considering child survival and family planning projects as merely health projects instead of as community development projects that address several development aspects;
- lack of appropriate health and family planning information;
- separation of preventive from curative services, e.g. providing maternity care without family planning counseling; treating diseases but lacking vaccination programs against them; and
- lack of sex education in schools and literacy programs that could reduce unwanted pregnancies as well as AIDS infection if condoms are also widely available.

2. In Basic Education and Literacy

Mali's formal educational system is inadequate and adapted poorly to its population's needs. In 1991, the gross enrollment rate in primary schools in Mali was less than 26 percent, one of the lowest in the world. Enrollment rates for girls have been particularly discouraging: they represented only 37 percent of Mali's primary students in 1991. Instead of increasing, overall enrollment rates in Mali stagnated in the late 1980s. Between 1970 and 1988, gross enrollment in primary and secondary schools froze, while student numbers dropped by more than 20 percent in the higher grades.

The results of this formal educational system failure are far-reaching. In Mali, only 31 percent of males over 15 years of age, and 15 percent of females, are literate (yielding a 23 percent average for adults). This is half the rate for sub-Saharan Africa as a whole. Rural literacy rates are much lower than urban rates.

With respect to education for females, tremendous efforts are needed to overcome numerous barriers. First, girls are traditionally married very early - between the age of 11 and 16, depending upon ethnic group. This prevents them from attending school and encourages them to dedicate themselves to household chores to fulfill their traditionally-

defined roles as wives, mothers and caretakers for all family members. Moreover, as unmarried girls they are expected to help their mothers with the housework or to take care of siblings thereby freeing their mothers to do other work. A "woman who cannot work" (i.e. do domestic tasks) heaps opprobrium upon her family - one who can is a source of pride when she marries. In the few cases where educated parents send their daughters to school, they tend to become teachers, nurses or midwives, thus perpetuating their educator and caretaker roles. The net effect of this bias is illustrated by girls' school attendance as a percentage of the total number of pupils. In 1990, it was assessed at 36.6 in primary schools, 34 percent in secondary schools, and a mere 13.1 percent in high school.² Although urban girls receive more schooling than rural girls, their dropout rate is still higher than boys'.

In 1962, the government encouraged mass education with a school system reform that granted equal access to education to all children without discrimination. This caused more urban parents to favor their daughter's education, which was useful. Yet, compounded with the rapid population growth, the net effect was to limit the government's capability to provide free schooling for all Malians. Parents had to help contribute to building schools and even in some cases to pay teachers, which prevented many children from attending school. Where these choices must be made, girls are the first to be excluded: traditional values, upheld by the marriage code, hold that husbands are the head of the family and must provide all its income - therefore boys have more need for education. There are also other contributing factors: the long distance between school and home; the lack of female teachers; and the irrelevancy of the school curricula to girls. The government hiring freeze has also restricted parents' willingness to educate children: children who cannot complete school become less prepared to supply manual labor to support families and become a burden to them instead. Despite attempts to raise girls schooling, donor-funded projects cannot operate everywhere and reach the 80 percent of children (95 percent of girls) who have no access to the formal, French-language system. Also, functional literacy programs for adult females under some development projects sometimes leave many local girls illiterate.

3. In Microenterprise Development

With a per capita income of US \$270 (1990), Mali is one of the world's poorest countries. Its economy is based upon the productivity of a volatile and undiversified agricultural sector, which itself depends upon a limited and fragile resource base.

In the early 1980s, Mali's economy experienced a series of economic and financial crises caused by a recurrent drought, deteriorating terms of trade, and the cumulative impact of years of inappropriate economic and financial policies. To redress the situation, in 1982 the GRM launched a series of economic adjustment programs that included reducing price controls of basic goods and services, reforming cotton and cereal marketing,

² Report by Madame Dibo Fanta Cissé, Ministry of Public Health, Social Action and Women's Promotion

liberalizing the regulatory environment, reforming parastatals, and redirecting the public investment program towards directly-productive and social sectors. By 1990, the financial and structural policies that had been put into place, combined with more favorable economic conditions, had resulted in economic performance that exceeded projections: Gross Domestic Product (GDP) was growing at 2.4 percent, the inflation rate was only 0.7 percent, the external deficit had been reduced to 13.9 percent of GDP, the budget deficit had been lowered to 7.7 percent of GDP, and the money supply had contracted by 2.3 percent.

Yet, despite these reforms, it will take decades for Mali to boast of a robust and stable economy. The most important constraint has been and continues to be population growth rate. At 3.7 percent, reduced by massive emigration, it often outstrips GDP growth meaning negative per capita growth. The 1990 per capita growth would be a negative 0.3 percent. Therefore, Mali continues to maintain a very high unemployment rate. Moreover, the lay-off of civil servants will continue as the structural adjustment program progresses. Underemployment, often seasonal, is also the norm in rural Mali. Recent political unrest has resulted largely from dissatisfaction among economically-frustrated and politically-disenfranchised groups, the most visible of which have been young, educated, and politically-vocal urban residents. In 1991, the destruction of private and government facilities during the January-March unrest, the post-overthrow disruption of numerous productive activities, and mediocre rains resulted in a 0.2 percent decline in the GDP.

The Microenterprise Development Pivot Group has identified the key inputs needed for promoting microenterprise like flexible access to small credit, access to appropriate productive technologies, and training in management techniques. These appear to constrain women's and men's activities equally.

Women must become more involved in microenterprise development, as well. Traditionally, Bambara birth attendants announce a baby's arrival by stating that "the baby is in the kitchen" if its a girl or "the baby is in the den" if it is a boy. This indicates the clear definition and distribution of male and female responsibilities: a woman's place is in the kitchen to perform domestic tasks to maintain the family, while a man belongs in the den where meetings are generally held and important decisions made. Nonetheless, rural women conduct many non-domestic entrepreneurial tasks to generate income like gathering and processing forest products, walking long distances to surrounding markets to sell their production surplus, gardening and others. However, they remain small-scale due to factors like inadequate technology and credit, insufficient markets to absorb the production, and low levels of technical and managerial skills and literacy. Demands of household tasks and numerous pregnancies also keep women from entrepreneurial activities. In urban areas, the combination of massive rural-to-urban migration and other social problems have created numerous and simultaneous problems and income requirements that males cannot cope with alone, so women must share in generating family income. There, women operate mostly in the informal sector by conducting activities ranging from selling cold water to travelling to remote countries to import and export goods. Some women operate in the formal sector owning processing plants and providing various goods and services. Though access to credit

remains a big constraint to undertaking or expanding entrepreneurial activities both in rural and urban settings for both men and women, it is significantly worse for women. Formal financial institutions are still reluctant to lend their money to women even though they recognize that women are good credit risks. Informal credit channels are often expensive and even so cannot meet all their credit requirements.

4. In Natural Resource Management

Mali's natural resource base is being degraded rapidly as evidenced by increasing soil erosion, decreasing soil fertility, and reduced biomass. For example, it is estimated that in the Guinean zone in southern Mali, soil erosion by wind and water is removing more than 6.5 tons of soil per hectare per year. Similarly, overgrazing has led to the degradation of pastures, particularly around water points and other areas where herds congregate. Symptoms of this overgrazing include the disappearance of perennial pasture species and their replacement with less-valuable annuals, the destruction of tree browse, and the destruction of the soil structure from trampling. Also, the forest cover around Bamako and other cities has been reduced and degraded markedly. This degradation is due to a combination of factors, the most important of which are excessive population growth, volatile rainfall and the endemic droughts of the last decades that have upset the balance between rural people and their environment. Improved management is itself constrained by several factors like inappropriate public sector policies, weak local institutions for supporting and facilitating the adoption of new management techniques and methods, and the state's inability to disseminate information about new technologies.

There are also serious and highly-controversial debates over whether traditional associations with a stake in natural resource management should be recognized by local authorities. These debates involve questions about decentralization, the State's power, and whether the National Forest Service should have the right to negotiate with villagers over the domain of their ancestors. This is critical since farmers will only protect inherited lands if they know that they can bequeath them to their children. It also raises questions about whether agreements will be respected: the Near East Foundation, on behalf of the villagers in Douentza, is already quarreling with the National Forest Service to uphold the agreements it signed in 1992.

Also, land tenure legislation itself is a problem in Mali. Theoretically, all lands are State property, which conflicts with traditional land ownership rights and the ever-increasing claims of villagers to the lands they occupy. Moreover, it is acknowledged generally that rural women have no land ownership rights. Rather, their husband or family leader grants them small plots of land to plant some crops, which he can take away at his pleasure. This discourages women from adopting the improved techniques available. Cases have been documented that when women did adopt improved techniques, landowners reclaimed their lands. However, since Mali's recent political changes, there is hope for change in land tenure rules. To this end, legal texts in this area are being reviewed for possible revision and the *Etats Généraux du Monde Rural* held in 1991 gave villagers a

forum for discussing their land tenure concerns with respect to natural resource management. A national seminar is scheduled to discuss all rural problems and make recommendations for future reforms;

There is an increased awareness that women are major users of natural resources in their daily activities like fetching water, collecting fuel wood and forest products such as medicinal plants. They also labor in communal fields, raise small ruminants, and farm individual plots to provide produce to complement the family diet and generate income. Yet, despite these important roles, women face numerous constraints. These include:

- lack of access to fertile lands, erratic rains and land degradation;
- social and religious discriminations;
- lack of confidence in themselves;
- insufficient organization and non-representation in village associations or groups where most decisions concerning the village are made
- lack of literacy training;
- lack of land tenure;
- lack of access to extension services and appropriate production inputs; and
- heavy workloads that allow little flexibility in activities.

In the last two decades, many NGOs have chosen to work at the grassroots level in numerous areas like reforestation, soil and water conservation, improved cookstoves, introducing improved seeds, forage and fencing. But their activities have not been developed to the point of involving women meaningfully. This is due to barriers like the difficulty in contacting women directly, intervention timeframes that are insufficient to address critical longer-term issues like women's participation in development activities, and their technical constraints, lack of land tenure, and resistance to them engaging in certain activities.

5. With Institutional Development in the Social Economy

There are also constraints at the level of the institutions working on the development problems described above. As the GRM redraws the lines of responsibility radically between the private and public sectors, it and donors must rely increasingly upon NGOs to promote community development. To absorb this increased demand for their services effectively, the institutional structures of Mali's NGOs need to grow. Despite their proven strengths, Mali's NGOs have several widespread institutional weaknesses, including:

- crude or non-existent management systems;
- lack of geographic and technical specialization;
- personnel instability;
- mismatches between personnel qualifications and organizational needs;
- unstable funding sources; and
- lack of proportional representation by women in NGO leadership ranks, and the NGOs concurrent lack of consideration for women's issues.

B. Amended Project Goal and Purpose

The Project goal is to promote economic development through more efficient resource allocation and increased production, higher incomes and improved well-being at the community level. This goal conforms to Mission and host government strategies, and has been only changed slightly from the initial Project goal to note the Mission's intention to improve the social as well as the economic indicators at the community level specifically.

The purpose of the amended Project is to realize sustainable increases in the not-for-profit sector's capacity to promote Mali's social and economic development. This rephrases the initial Project Purpose more succinctly. It also allows for the possibility of Project support in new sectors like Basic Education and Literacy, and support for Malian non-governmental development institutions like foundations with endowment funds.

C. Expected Achievements

The amendment addresses low levels of development and development constraints in four sectors: Child Survival and Family Planning, Microenterprise Development, Natural Resource Management and the newly-added Basic Education and Literacy. As described in section VI.A, Mali faces serious problems in all four of these sectors, and NGOs are well and uniquely positioned in each of them to provide grassroots assistance. The Project will help them to do so at two levels: first, by working with them to assure sound subprojects in each of the four sectors; and second, by addressing the constraints of the private, not-for-profit institutions and organizations that address these and other development problems. It will extend programs and achieve greater impact in the three existing sectors. It will also emphasize literacy training, family planning and AIDS awareness prevention, and link these to renewed encouragement for NGOs to work in literacy and basic education. It will develop new materials, including AIDS and birth spacing, to bring literacy in their mother tongue to rural and urban people without access to education, especially women and adolescents.

The targets provided below come from the Logical Framework, Annex A, and Project design team analyses of the other various people-level impacts that the Project is likely to achieve. Some targets are not measurable per se, but are elements of the designers' expectation of what will be accomplished in the various sectors. The Logical Framework indicators will be used to verify achievement outputs, purpose and goal, but the additional targets will help during monitoring to determine if all expected development aspects are occurring and guide the ongoing project development. Under the amended Project, eliciting sex-disaggregated data will correct the problems caused by its current lack of reporting. Using the gender-specific indicators that have just been developed will facilitate development and reporting for specific Project objectives to integrate women into the entire development process. This will help the Women in Development Coordinators and others to monitor this aspect of project implementation. The new indicators are also useful additions to the proposal selection criteria.

1. Child Survival, Family Planning and AIDS Prevention

The expanded Project will address Mali's health problems in Child Survival, Family Planning and AIDS prevention.

a. Child Survival

The June 1992 Interim Program Assessment concluded that the Mission should do "more of the same, but not just more of the same." Accordingly, the amended Project will establish new child survival programs and continue the existing ones to ensure a lasting impact in the long-term.

When the PVO Co-Financing Project began in 1989, PVOs could not find NGO partners with recognized experience and competence in the Child Survival sector. Through partnership and training, at least three NGOs will become specialized in child survival, family planning or AIDS prevention, and all PVOs working in this sector will have at least one NGO partner. To do this, the Amendment will use an additional US \$5 Million in Child Survival Funds made available to the Mission in Fiscal Year 1993 to fund a new collaborative Child Survival Program to be implemented by PVOs and their partners, using a community-based model. Employing this community-based model is one way that NGOs can contribute to decentralizing development actions by simultaneously promoting the action of democratic governance while bringing women into the development process. Only it can reach remote villagers with some sort of health care system and can bring them the information, motivation and access to birth spacing methods and family planning that can help their survival economically, ecologically, and physically in terms of better maternal and child health.

The Pivot Group will be asked to undertake a baseline survey to make firm estimates of the number of beneficiaries of existing child survival programs. Using results from existing PVO-implemented child survival programs, it is expected that infant and child mortality rates will be at least halved during the life of this project in affected geographic zones. Taking the 1987 Demographic and Health Survey's overall rates for Mali as a baseline, Project zones should have rates of infant mortality of, at the most, 65 per thousand, compared to current national averages of 106 per thousand. As shown in Table 5, the Mission expects these results, combined with other Project impacts, to lead to an overall national reduction in infant mortality to 80 per thousand. Thus, as a result of this amendment, the number of beneficiaries are expected to at least double between 1993 and 1999. Thousands of babies and young children will not die of diarrhea, malaria and acute respiratory disease. Thousands of mothers and children will be vaccinated reducing death and handicap from preventable diseases like tetanus, diphtheria, whooping cough, measles, rubella and polio. Clean and adequate water supplies, education about health risks, hygiene and prevention will further contribute morbidity and mortality reductions. Guinea worm infections will be prevented, eliminating one of the major causes of lost cultivation labor during the rainy season. Treatment to prevent blindness from onchocercosis will be extended

to a wider range of sufferers. Nutrition will be improved and women's status will be enhanced through complementary education and income-generating activities.

To leave women enough time and energy to attend information and education sessions that target positive impacts on women's and children's health, the Child Survival component will take into account additional duties that implementing child survival activities may impose on them. It will foster the integration of community development activities with health care delivery, concentrating on assessing and meeting beneficiaries' needs better. This will include:

- assisting communities to organize themselves to provide primary health care, like organizing a health committee in each village, each including one or two women to foster women's active participation;
- staffing village maternities with trained traditional birth attendants and delivering services;
- conducting a mass information campaign to convince women of the benefits of education sessions and activities on their own and their children's health. Researching with and among beneficiaries to find the most appropriate strategies for their social mobilization;
- fostering information, education, communication and training activities that target the adoption of mother awareness and the empowerment of child caretakers. Developing sustainable long-term training strategies and appropriate training materials, seeking to link training more closely with subsequent supervision;
- employing integrated approaches with synergistic effects upon the assimilation and adoption of mother and child protective behavior, like encouraging NGOs to design projects that implement both primary health care interventions, promote family planning, and AIDS Prevention, and also implement activities like female literacy and income-generation activities and small credit schemes that support core health activities and maximize programmatic impact upon beneficiaries; and
- inducing women to participate in other child survival activities like immunization, nutrition and growth monitoring by providing curative facilities for simple ailments as incentives.

To be successful, this will require doing two major things. First, informing women continuously about the objectives and targets before and during project implementation, and involving them at each activity planning phase. This will enable them to better prioritize their health problems, generate solutions independently of PVOs, and thus maximizing self-reliance. The participation process enables communities to understand the costs and benefits of project activities, and develop a sense of project ownership and confidence. Second, collecting and analyzing gender and ethnic-disaggregated baseline data to assess program impact on women better. Doing this in its child survival projects in Gao and Menaka enabled World Vision to assess project impact on girls in growth monitoring and make timely adaptations.

By employing the above measures, by the end of the Project the following will have been achieved in the child survival sector:

- by 1999, in zones for which Project grants are approved, the proportion of disease treated will reach 60 percent (currently estimated at less than 20 percent) and 60 percent of pregnant women will receive prenatal care (38 percent presently), while oral rehydration treated-diarrhea will grow from three to 50 percent;
- PVOs will have adopted a good, scientific but simple health information system, which is vital to identifying future program direction, planning strategically, and leading to appropriate program decision-making and impact monitoring and evaluation; and
- awareness and empowerment will be developed among more women and will have a direct incidence on improved mother and child health, increased female life expectancy and decreased infant and child mortality.

Table 5: CHILD SURVIVAL BENCHMARKS

	1987 ³	1992	1993	1994	1995	1996	1997	1998	1999
Percent immunization coverage for women ⁴	5	50	52	54	56	60	65	70	80
Percent immunization coverage for children 12-23 months ⁴	2	15	16.3	17.3	19	25	24	30	40
Percent of women using oral rehydration therapy ⁴	5.4	31	32	33	35	38	42	47	55
Percent of cases involving diarrheal diseases ⁴	40	21	20	19	18	16	14	10	5
Percent malnourished ⁵	24.4	24.1	23.4	23.1	22.4	21	19.5	17	15
Infant mortality ⁵ (per thousand)	108	107	108	105	100	95	90	85	80
National contraceptive prevalence rate (percent) ⁵	1.3	2.5	3.5	5	7	9	11	13	15
National literacy rate (percent) ⁶	23	24	24.5	25	26	28	30	32	35

b. Family Planning

Family Planning has become the priority of priorities for the USAID Mission, due to the constraints that the present population growth rate place upon all of the sectors with which it deals. Mali's projected increased overall contraceptive prevalence rates to 15 percent, noted above, are based upon an expected increase of at least 20 percent as in the Logical Framework but up to 50 percent in all Project areas, regardless of sector. The PVO Co-Financing Project will address Mali's population's rapid growth rate by making simple and discrete forms of contraception available to people who have never had the chance to use them before. Gaining control over population growth in Mali remains possible since fertility patterns can change in as little as a decade. Indeed, two small projects in

³ Demographic and Health Survey, Centre d'Etude et de Recherche sur la Population pour le Développement and Westinghouse, Bamako, 1987

⁴ 1992 immunization rate and diarrheal disease data are from AFRICARE Diaro Child Survival Project's final evaluation, dated December 1992. Remaining figures are Mission projections of improvement in similar project areas due to this Amendment

⁵ 1992 figures are USAID Mission estimates based upon 1987 Demographic and Health Survey

⁶ The United Nations Development Program reports 23 percent national literacy for 1989, based upon Ministry of Education Reports. Other figures are Mission projections

Katibougou and Bla have achieved over 50 percent contraceptive prevalence in many of the villages they cover. USAID's work on family planning in this project will be linked to its overall family planning program that will assure the availability and marketing of low-priced contraceptives throughout Mali, and will provide training in logistics and community-based distribution methods. Increased emphasis on family planning activities will not only reduce total births, but will also contribute to improved child survival rates through greater birth spacing. The 1987 Demographic Health Survey found infant mortality rates of only 81 per thousand amongst babies born after an interval of two to three years, compared to 202 per thousand amongst those born less than two years after their nearest sibling. Contraceptive prevalence rates in the zones for which grants are approved will reach at least 20 percent and will exceed 50 percent in highly-targeted areas by 1999. By 1999, the number of contraceptive users nationwide will have increased from 2.5 percent in 1992 to 15 percent.

c. AIDS Prevention

The Project will incorporate a new focus on AIDS awareness and prevention to help ensure that reductions in mortality rates from other measures are not canceled out by increasing AIDS cases. Stemming the spread of AIDS in Mali as described in section IV.A will require modifications in sexual behavior, and in particular an increased condom use and a decreased number of sexual partners. Much needs to be done to increase condom use: Mali's contraceptive prevalence rate in the late 1980s has been estimated at less than two percent overall and up to five percent in urban centers. In the fight against AIDS, program activities will target increasing the prevalence of condom use. In collaboration with the USAID-launched social marketing of condoms, creating the behavioral shift necessary to stem the spread of HIV infection will require public education, controlling other sexually-transmitted diseases, research, and AIDS counselling. To this end, PVO-NGO-community organization partnerships will educate people and support the national campaign with literacy, theater, health and birth spacing education, and free condom sample distribution. These program activities must demonstrate the need for undertaking significant behavioral changes discussed above. More than any other institutions, these partnerships have the capacity to integrate intervention strategies of community prevention programs into the cultural context by identifying and drawing upon the habitual actions, deeply-rooted beliefs and values and traditional networks to mobilize Mali in its battle against AIDS. Individual programs and the Pivot Group will establish baseline data for geographic areas where NGOs will work using grants awarded under this amended Project. By the end of the Project, at least 80 percent of adults will demonstrate AIDS prevention awareness in these areas.

2. Basic Education and Literacy

Given the seriousness of the education problem, USAID has become a major supporter of formal primary education in Mali. The US \$20 million Basic Education Expansion Project is part of the larger World Bank-led Fourth Education Project, which aims at improving the efficiency, equity and quality of formal, mainly French-language, education delivery, particularly in rural areas. The PVO Co-Financing Project's literacy activities will complement this and other formal sector activities by reinforcing non-formal literacy programs, and reaching portions of the population that formal systems have overlooked (e.g. much of the rural adult population and the large proportion of girls who don't attend school). The Government's experimental national language schools, which have existed for several years, private *écoles de base* and other NGO-sponsored *écoles des villages*, as well as the newly-proposed regional learning centers will all lead to new initiatives to be supported by this project. Literacy, with materials on AIDS and family planning, will become an element of every project.

The link between mothers' educational levels and child survival rates is well known and discussed in Box 1. Save the Children Federation's Child Survival Project in Kolondiéba study concluded that literacy training transfers skills and competence to women, giving them self-esteem and empowering them to acquire child health management behaviors with respect to children's immunization rates for all vaccines, and pre-natal visits. Further, surveys conducted by Freedom from Hunger have shown that linking provision of credit to an educational program can benefit not only women's social organization, women's incomes, and women's control of incomes but that higher incomes for women have a direct impact on child nutrition and health.

Literacy training and non-formal education, with particular emphasis on women and children outside the formal school sector, will increase literacy rates in Project zones and contribute to stronger programs and greater impact in the other sectors of this project. Moreover, increased literacy will play a vital role in empowering community-level structures that, under the new decentralization program, will become increasingly responsible for local-level development planning. Project funds will also support the production of materials in national languages. Translating legal texts and official documents into local languages will remove control from the francophone elite and place it directly in the hands of the community. As a result, men and women in rural areas and in neglected urban slums will feel more empowered and have greater influence over their families' well-being and destinies.

The amended Project will reach a greater number of communities and girls with formal education. It has many years of experience in community development in Child Survival, Natural Resource Management, and Microenterprise Development. The Education component added in this amendment will foster sustainable development by providing communities with reading and writing skills, in other words, with the ability to benefit from the world's knowledge. The Project will encourage the transition from informal to formal

schools using existing experimental schools for examples and regional learning centers to provide advice and materials. To provide this emphasis, the primary task of NGO's involved in this sector will be to raise the conscious levels of parents, village chiefs, opinion leaders and development partners with concrete and persuasive examples about the advantages of girls' education for the girls themselves, their families, the community and the whole country. This component will facilitate:

- securing commitments from parents to let girls in school as long as required, thereby avoiding early marriages;
- reducing the distance between school and home to avoid long and exhausting trips each way;
- organizing contests between school girls, schools and villages and rewarding the best performers to encourage emulation; and
- preferring to teachers native to the community and to women for teaching positions whenever possible. Offering female teachers incentives to accepting positions in remote villages.

By employing these measures, it is expected that in areas where the Project works by 1999:

- 50 percent of school-aged girls will be enrolled in the Project areas;
- 45 percent of girls will complete the elementary school;
- 40 percent will reach the ninth grade;
- 25 percent will continue on to high school;
- 25 percent will become functionally literate and numerate in their mother language;
- 20 percent will actually use their new skills by reading, writing, and keeping accounts.

Box 1

**WOMEN IN DEVELOPMENT
Education, Income, Empowerment and Health**

Education for women and girls is a key factor in increasing the survival chance of their offspring. The 1987 Demographic Health Survey for Mali,⁷ showed a near 50 percent reduction in infant mortality (to 74 per thousand) amongst children whose mothers had received at least primary level schooling compared to 139 per thousand for the children of mothers who had never been to school.

Non-formal programs, targeted at women, that link literacy with income generation and health education or that stress the crucial role women farmers play in improving agricultural production and natural resource management can have particularly impressive results. According to Freedom From Hunger,

"As a result of project activities, appreciable differences were found between program beneficiaries and control groups in levels of household income used directly for acquisition of more and better food for the family. The education component was responsible for significant child-survival, health and nutrition-related outcomes. The synergistic effect of credit with education resulted in the empowerment of women and led to women having a greater role in their families and communities":⁸

- 86 percent of borrowers reported "more income" (compared to 27 percent in the control group);
- 60 percent considered that their families listen to them more when discussing spending decisions (compared to 19 percent in the control group); and
- 85 percent believe that the health and nutrition of their preschool children had improved (compared to 40 percent in the control group).

⁷ *Centre d'Etude et de Recherche sur la Population pour le Développement*, Demographic and Health Survey, 1987

⁸ Credit with Education for Women, Freedom from Hunger, Project Proposal to USAID

3. Microenterprise Development

A central effect of structural reform in Mali has been to decrease the role of the state and increase dependence upon the informal economy. In Mali, microenterprises constitute the vast majority of employment opportunities. Statistics from 1976 showed that at least 58 percent of the population of Bamako, 65 percent of the population in urban Mali, and 89 percent of rural Malians were part of the non-wage (informal) and non-agricultural earning labor force. In 1987, it was estimated that 75 percent of all economic activity in Mali occurs in the informal sector. These numbers have probably increased, at least in the urban areas, due to structural adjustment policies that have so far led to a net decrease in formal sector jobs. The informal economy, and in particular micro-and-small enterprises, possesses the growth and employment potential to jump-start Mali's economy and offer more opportunity to the young graduates and soon-to-be-laid-off civil servants as the structural adjustment program continues. It also constitutes the breeding and training ground for the formal sector as informal businesses succeed and graduate into the semi-formal and formal sector, increasing state revenues and becoming a less hidden part of the economy.

The Microenterprise Development component addresses the problem of Mali's ailing economy, and the weak institutional, financial and human capacity of the otherwise dynamic, and increasingly-important informal sector. While the Pivot Group is addressing the constraints identified in section IV.B (i.e. access to small amounts of credit, limited access to appropriate technologies, and lack of training in management techniques), the Mission will also seek new technical resources to accelerate a breakthrough in employment and enterprise promotion. To this end, the Project Coordinator visited Senegal, Gambia and Ghana in late 1992, where he contacted and learned from other microenterprise development efforts, such as a model credit program started in Kaolak, Senegal, and an appropriate technology industrial development program in Ghana. Organizers of such programs are expected to submit proposals to attempt to replicate their successes in Mali under this Amendment.

Enterprises require individual property and institutional longevity, foreign concepts to Malian culture, which emphasizes collective ownership, sharing and inheritance. The disparate concepts intersect most easily in family enterprise, hence, much commercial activity is conducted within family enterprises. But this is less feasible in urban environments with large unemployment and diluted family structures. Here it is appropriate to introduce new forms of enterprise like the *Groupement d'Interet Economique*, discussed in section I.B.1.

Group and individual enterprises in both rural and urban areas will benefit from the microenterprise development program. Productivity will increase from introducing and developing new production and management technologies. Literacy and other training will give entrepreneurs the management skills essential to ensure long-term success. The Amendment will provide increased and improved training programs that will benefit 10,000 individuals between 1993 and 1999. This is expected to cause the number of new enterprises

created to at least double from 145 in 1992 to at least 290 (a Logical Framework indicator) and possibly triple to 435 in 1999 during the period of Project funding. To sustain this, the Amendment will emphasize training particularly to ensure the stability of income and the permanency of employment in enterprises supported by the program so that at least 75 percent of all the entrepreneurs supported by the Project sustain higher incomes for at least one year.

This Amendment will build upon experience to improve assistance to group or individual enterprises owned and run by women. In rural settings more literacy and managerial training will be needed to enable women to run their businesses adequately. Urban women need more training, too. Groups and associations of women entrepreneurs that exist already like the Association of Women Entrepreneurs, *Association des Femmes Entrepreneurs*, could be called upon to identify the appropriate training needs for women entrepreneurs. Market outlets should be found to encourage increased production. Exchange visits between individuals or groups of individuals both inside and outside of the country will promote diversified activities and boost trade exchange. Initiatives to creating village banks should be pursued and women educated in accessing credit funds. In urban centers, informal channels of credit (like savings clubs called *rontines*) should be identified and strengthened through adequate training and support. The amended Project will encourage these actions through both the grant award selection procedures, and through ongoing work with the Pivot Groups to develop such activities.

By the end of the Project, it is expected that:

- at least 50 percent of the targeted women will benefit from adequate literacy and managerial training or other kinds of training identified to address their needs;
- more credit will be available and easily-accessible to individuals or groups of enterprises;
- at least 50 percent of women in Project areas will have access to appropriate technologies and will have been educated in their proper use;
- women-owned business will double, and be managed competently, and will be aware of more market outlets to absorb their production;
- communication between women entrepreneurs will be enhanced greatly, in part through fora that will exist both at the national and international levels to exchange ideas and experiences; and
- gender-disaggregated data will be available through an improved monitoring and evaluation system.

4. Natural Resource Management

Activities under the amended Project will promote both proven and improved soil and water conservation techniques, sustainable methods for restoring and increasing soil fertility, and local forest resource management across a broader area, and introduce extensive

pasture and forage crop management programs. With USAID support, the GRM is already changing its policies to encourage decentralized natural resource management. Relieving the policy constraints provides the opportunity to undertake complementary activities to reinforce community-level capacities to manage local resources. Such improved natural resource management is essential for reversing land degradation, sustaining and increasing land productivity and broadening and diversifying the base for generating rural incomes. NGOs and PVOs are uniquely placed to provide this support due to their proven capacity for community development.

As the Logical Framework indicates, by 1999 the Project will provide at least 15,000 farmers with formal and non-formal training and exchange visits (increased from 4,373 in 1992). Recognizing their vital role in production and resource management, at least half of the farmers trained during the amendment period will be women. The area where farmers adopt improved soil and water management practices as a direct result of this project will increase from 290 hectares in 1992 to at least 1,000 hectares in 1999. Yields from these areas will stay consistently higher and relative improvements will be especially marked in years of below average rainfall. Another Project output will be the creation of cereal banks and grain stores (with seed selection) to promote food security. This is designed to benefit tens of thousands of people with higher incomes and a more secure food supply.

The Project will support community organizations at producer, village and supra-village levels to facilitate the move towards decentralized community management and control of agricultural land, forest, fishing and grazing resources, which is crucial for achieving sustainable production systems. This appears essential for motivating villagers to plant trees and hedges, carry out onerous soil-conservation work with rocks and ditches, and contour-plant grass bands. The number of associations created and functioning as a result of this project will increase from 29 in 1992 to at least 100 by 1999. Local community organizations will manage actively at least 1,000 hectares of pasture lands and 1,000 hectares of natural forest. Table 4 indicates that the Project has already made considerable progress in this area in short period.

With respect to women, this project has worked in partnership with U.S. PVOs and Malian NGOs since 1989. The Interim Program Assessment revealed that the NGOs have achieved tremendous results with villagers in general but their activities with women are limited. However, some noteworthy actions should be mentioned: the Near East Foundation in Douentza (Fifth Region) has involved women in soil and conservation techniques; the CARE project in Djenné has assisted the women's cooperative of Djenné successfully in gardening activities and provided it with an agent to help in technical problems; and in many villages around Djenné the CARE project has encouraged women to plant trees both for fencing and to generate income. To the extent feasible, implementing NGO's will involve women more meaningfully in more Project activities by:

- redressing land tenure issues by taking the next steps pursuant to the *Etats Généraux du Monde Rural*, described in section IV.C;

- convincing village men of the usefulness of involving women, to encourage women's participation;
- putting in place a permanent monitoring and evaluation system that uses operational research methodology to ensure women's participation;
- conducting frequent farmer-to-farmer visits by both village and group leaders and women themselves, and finding the best ways to facilitate women's participation in them;
- continuing to assure that women are involved in discussions before introducing such programs, and taking their concerns into consideration via the selection process; and
- creating cereal banks, a practice begun by groups of men and women pursuant to the drought of the last decades to deal with reduced food availability in many villages, and increasing the effectiveness of existing cereal banks. Beyond promoting greater food security, this also increases women's incomes and thereby can benefit their families.

By 1999, within Project areas, the Project will have:

- sensitized 50 percent of village chiefs and opinion leaders to women's longer use of individual plots (at least ten to 20 years);
- gotten 50 percent of targeted women to adopt improved soil and water conservation techniques;
- educated 50 percent of targeted women in extensive pasture and forage crop management techniques;
- given women more managerial and organizational training to enable them to run their cereal banks themselves;
- opened women's cereal banks in each targeted village, managed by women themselves providing them with increased incomes and better nutritional possibilities for their family members; and
- gotten NGO's working in this area to develop training plans, have quantifiable targets and benchmarks in their implementation plan, identify the constraints women face to attend training, and develop strategies to overcome them;
- collected and made available gender-disaggregated data.

5. Institutional Development and the Social Economy

In the realm of institutional development and the social economy, the Project will support four interrelated things: Pivot Groups; PVO-NGO partnerships; the development of an NGO umbrella system (whereby a PVO manages a large grant for the Mission, and makes sub-grants for operations run by other voluntary organizations); and the creation of independent financial institutions committed to providing long-term community level development assistance.

a. Pivot Groups

The Project will support at least the five existing Pivot Groups. Each Pivot Group will develop and promote an NGO strategy for interventions in each sector, and thereby become effective lobbyists for an alternative, community-based approach to development and an important source of non-governmental expertise and planning that supports the decentralization and democratic governance process. An excellent example of this will be the Mission-supported NGO strategy to promote family planning and to fight AIDS. The expanded Project will support for Pivot Groups and PVO-NGO partnerships (discussed next) to help professionalize NGOs and NGO personnel, and result in increasingly-effective U.S. PVOs collaborating with more competent and more professionally-run NGOs. By 1999, the five existing Pivot Groups and perhaps others will provide an active, participatory forum for exchanging information and improving its members' knowledge and experience. The different Pivot Groups will also interact together to assure that different sectors at the village level are integrated as efficiently as possible. The Basic Education and Literacy Pivot Group, which developed spontaneously and has been working closely with the Mission's Basic Education Expansion Project, will provide a partner for dialogue within its PVO and overall policies.

b. PVO-NGO Partnerships and an Umbrella-Funding NGO

To give greater autonomy and more direct access to funding to NGOs that demonstrate sufficient experience and management capability, the Project will help professionalize the NGOs by using the USAID registration requirements to demonstrate appropriate management paths to them. The amended Project will provide technical assistance to the *Comité de Coordination des Actions des Organisations Non-Gouvernementales* (CCA-ONG) to become registered with AID/W, as discussed above in section IV.A. Once it becomes registered, CCA-ONG and its elected funding committee, *Cellule d'Appui Financier et Technique*, will then act as an umbrella and make sub-grants to NGOs. Grants may be given to the CCA-ONG to provide technical training and audit services to member NGOs, associations, and other community-based organizations. This route will enhance the scope and flexibility of the Project significantly by enabling it to make grants to programs in zones where no PVOs are working and to tailor grant size according to the management capacity or need of new or small organizations. This will make it possible to support innovative programs, thus strengthening the search for truly local solutions to key problems, especially in culturally-sensitive areas like female excision, family planning and AIDS prevention. By the end of the Project, at least one grouping of local NGOs will be registered with USAID and will have sub-granted funds to NGOs.

By 1999, the amended Project targets that all PVOs will have at least one NGO partner for every sub-grant and program area, and the total number of NGOs involved in active partnerships with PVOs will have increased from 14 in 1993 to at least 20. These partnerships will benefit both parties for the good of Mali: PVOs will gain the specialist knowledge of the NGO personnel, which may be sociographic or technical (like appropriate

technology) and insisting on partnerships will give weight to the NGOs viewpoints and help ensure the long-term viability and continuity of PVO programs.

Under partnership arrangements, NGOs will benefit from institutional and organizational support, training, and on-the-job skills transfer. By the end of the Project, all NGO partners will have improved their own internal management by adopting sound accounting and management systems, thus increasing donor confidence and therefore funding stability, and developed long-term strategic plans that specialize increasingly either by sector or by geographical area. The NGOs will have coherent statutes and will respect them. They will use participative methods to monitor activities and evaluate impact. The NGOs will be trained to help ensure that they have stable personnel with the skills that each organization needs. Thus, the increasingly-professional and specialized NGOs will improve their effectiveness and long-term impact in the field. By the end of this project, each PVO will have developed an institutional and financial strategy with its NGO and community partners to ensure long-term action continuity and consolidated impact.

Partnerships will also benefit local community organizations. While the PVOs and NGOs are valuable and necessary catalysts of social and economic development, they themselves are not the objective of the Project. Rather, their role is to strengthen and empower community groups that will be capable of running local health and vaccination campaigns, organizing the development of the village domain, challenging abuses in the centralized management of forests and pastures, and establishing and managing mutualist credit and savings institutions, cereal and grain banks, and communal enterprises. Community organizations will be further strengthened by the creation of federations or unions of grassroots organizations that can address problems at a supra-village level. They will also receive basic education and literacy training to ensure that citizens, particularly women, have the skills needed to meet the challenge of decentralized governance. This also links institutional strengthening with employment creation through increased partnerships and training in support of the Mission's emphasis on long-term impact.

c. Financial institutions

The Project will study the feasibility of creating one or more local foundations and endowments, and possibly assist with their creation as a means of enabling USAID and other donors to strengthen and support community-level organizations, federations and associations of grassroots organizations. Support for independent national institutions committed to providing long-term financial and personnel development assistance to local NGOs, federations, credit unions, and other community-based organizations will give the NGOs more autonomy and strengthen the decentralization process. It will decrease monetary dependence upon overseas donors and ensure the long-term support crucial to success in sectors like natural resource management and locally-based development planning. It will support and sustain the democratization and decentralization process and impede the development of an NGO elite. If proven feasible, between one and three community development foundations will be established and will have started to make grants by 1999.

The PVO Co-Financing Project involves a small amount of money relative to the total NGO budget for Mali, which a baseline study in 1992 estimated at US \$33 million annually in 1990. However, there is nevertheless a risk that USAID could promote the development of a small elite of PVOs and NGOs that could become an obstacle between donors and grassroots organizations rather than a vehicle for democratic governance and grassroots development. This has not happened in Mali, but the precursors for such an outcome exist in Mali's recent past and in neighboring Senegal and Niger. In Mali, the *Union Nationale des Femmes du Mali* had a monopoly of power and money over women's affairs during the 1980s, manipulating donors while leaving Mali's women frustrated. In effect, women's NGOs were outlawed. Meanwhile the State tried to control the Malian NGO community by creating the *Secrétariat de Concertation des ONGs Maliennes* as a rival to CCA-ONG. So, to lessen the possibility of expanding the NGOs bureaucratic control over grassroots organizations, the amended Project will reach beyond the NGOs by exploring the potential for supporting the creation of foundations, discussed in IV.D.

The Project also envisages linking local and regional institutions of higher learning and research to provide intellectual inputs to the operational research methodology (discussed in section VII). The link to research will allow the Project to analyze the NGOs' socioeconomic impact more intensively. This is intended as another move toward the NGOs' professionalization and autonomy, and will bridge the gap between Malian higher education and the realities of economic and social life in the field.

D. Project Outline and How it Will Work

Future grantees will be required to use community development approaches. The interdependence of activities will be reemphasized by a requirement that all project proposals include literacy and numeracy programs, and that these in turn must include family planning, birth spacing and microenterprise management as part of the functional literacy package. Child survival by itself is not enough: mothers must be able to feed their children. To raise women's incomes, the Project must give mothers the means to control their fertility, to have the time to invest in productive activities. The same is true of natural resource management and girls' education. USAID will not require that all projects deal with all aspects of development at once, it will require simply that the basis for Project interventions be a bottom-up, community development approach that, as A.I.D. Administrator Atwood assured the Society for International Development, "will avoid operating within the narrow confines of the individual disciplines of development work."⁹ The Mission wants to assure to the extent practicable that PVOs and NGOs keep doing what they do best: assuring that the projects they develop come from the multiple and changing expressed needs of the population involved. Thus, in reviewing a grant request, USAID will demand that the proposed grantee

⁹ Atwood, Brian, speech to the Society for International Development, May 1993

has investigated the overall community needs in order that a given request includes all interventions required to foster sustained success.

The Government of the Republic of Mali will be involved in the Project to the extent that at least part of the funds will be obligated through a grant to it. The grant will give Project management authority and responsibility to USAID, to make all required contracts and sub-grants to the local firms, individuals, PVOs and NGOs with no further requirement for GRM approval. All Grantees will be required to have a registration agreement called an with the GRM called an *Accord Cadre*. The *Accord Cadres* require NGOs to provide the GRM with a yearly report of activities. So, GRM will continue to receive reports and be able to use them to monitor projects.

As discussed in section III, the Interim Program Assessment made three major recommendations for this project: (1) to increase available funding and extend the Project over an additional period, in order to lengthen and deepen people-impact through the Child Survival, Natural Resource Management and Microenterprise Development components; (2) to seek ways to give NGOs that demonstrate sufficient experience and management capability, greater autonomy and direct access to funding; and (3) to open funding possibilities to other development partners like associations, mutual benefit societies, local and regional development committees and village associations. The specific ways that the Project will adopt these recommendations is discussed next.

1. Grants to PVOs and NGOs

The expanded Project will increase attention USAID's overarching priority family planning, and also encourage programs to promote AIDS awareness and prevention. It will stress support for decentralized management and control, and encourage NGOs to become active partners with the new community-level structures for development planning. It will place greater emphasis on measuring impact, synthesizing and analyzing experiences, and publishing results. It will consolidate partnerships to ensure the perennity of PVO and NGO actions, and push existing programs to reinforce their impact by emphasizing employment and enterprise creation, or access to credit for groups newly-competent in self-organization or literacy.

Under this amended Project, grant size is unlikely to exceed US \$1 million, while overall grant length is generally expected to be five years or more. Long term commitment of the grantees to the areas and people they are serving will continue to be expected.

Technical assistance will be provided in participatory evaluation techniques, operational research methodology and publications. This technical assistance may be provided through the Pivot Groups, the CCA-ONG, through a foundation (endowment fund), through contracts by USAID or PVOs, through the Pivot Groups or, probably, through a combination thereof.

Existing activities under this Project will be evaluated, and further funding will be provided to pursue successful activities. The emphasis will continue to be on long-term impact, and the ongoing process of grassroots development. In favor of decentralization, NGOs will be encouraged to commit themselves to one or more *communes rurales*. There are 22 grants ongoing, most of which will be continued, and the number of grants will increase to more than 30. New grant applications are expected in the areas of Child Survival, and a Pivot Group strategy for family planning and AIDS prevention); education (*écoles de base*, literacy for women and adolescents); microenterprise development (e.g. enterprise loans and appropriate technologies); and natural resource management (e.g. soil conservation, sustainable agriculture and environmental education). In line with Mission strategies to focus and concentrate, all projects will likely illustrate major concerns with women, family planning and community-based development of institutions for democratic governance. In these areas, the PVO Co-Financing Project already has an excellent record.

2. Foundations to Create the Missing Middle

The PVO Co-Financing Project will study the feasibility of creating one or more foundations by supporting a series of activities that guide and facilitate the process. The eventual success of a community development foundation depends upon the dedication and support of a multitude of partners, both institutional and individual. Positive results from each stage of a series of consecutive steps will lead to obligating resources for the next activity, including generating continuing, enthusiastic support and commitment on the part of all involved. USAID does not intend to create a foundation in Mali. Rather, it will facilitate its creation if the idea proves feasible, and leverage other capital sources to make it as autonomous as possible. The following steps need to be taken to create one or more Malian community development foundations:

- studying and preparing legal and financial requirements and possibilities. Several background studies and recommendations have been undertaken prior to this amendment - see Annex H - that investigate current Malian legislative requirements for creating and operating an endowed community development foundation, as well as a discussion of funding mechanisms for the foundation. It is necessary to take the process much further, to assess the idea's feasibility;
- negotiating contracts for teams to study the legal and social framework of foundations and endowments in the Malian context. If the legal and social context is judged favorable, undertaking a detailed financial study that will produce plans for funding an endowment from various sources, none of which has so far been approved as Mission policy: external or internal commercial debt like Title III funds, reimbursement of credits issued through PVO grants, or grants from other foundations, governments, communities or elected bodies;
- reviewing texts covering NGOs and financial investments further to compare and assess their compatibility with the particular requirements of endowed foundations.

The existence of foundations in other countries and their experiences for funding development efforts will be especially important; there is no precedent in Mali for the type of institution being recommended. The studies' results may include a proposal to the GRM to create a new structure and a new legal framework for endowments;

- assisting those interested in creating such a foundation to elaborate one or more community development foundations' goals, structure and procedures. This would culminate in a draft text of the foundation's charter that can be submitted to the GRM to establish the foundation legally, and to various sources for pledges of financial support. If these interested parties decide to create an endowment or a foundation, they will identify individual foundation trustees and secure their commitment to the program. The foundation's operational procedures will be described in detail, and a preliminary identification made of the types of programs and activities for the foundation to support; and
- providing operational support for the foundation while additional financial resources are identified. Since the foundation would be expected to secure financial support from various sources over a long period of time, rather than a single endowment, those who will be responsible for obtaining ongoing support should be involved in the process from the very start. Those more associated with the foundation permanently should participate actively in the process to gain experience.

3. Specializing NGOs through Pivot Groups

As discussed in section IV.C, USAID's intention in creating them was to develop the NGOs' competence and the experience by incorporating them into groups of sector specialization, associated with a lead PVO. The Pivot Groups will lead to professionalizing NGO managers and encouraging certain NGOs to specialize in sectoral development with their staff's new specialist skills. This is necessary since the majority of NGOs in Mali do roughly the same things: more than one hundred claim to dig wells, promote gardening for women, and improve ponding. To this end, one PVO has been selected to lead each of the Child Survival, Natural Resource Management and Microenterprise Development sectors. Each of them will work with a group of persons from different NGOs who will become sector specialists. From this will result a new depth of analysis concerning the role and experiences of NGOs in each sector. In addition to improve understanding of the public, private and social sectors of the economy, the Pivot Groups should produce a Strategic Action Plan for NGOs working in the sector. As discussed above, the Basic Education and Literacy Pivot Group is working closely with the Mission's Basic Education Expansion Project and will provide a partner for dialogue within the Missions PVO and overall policies.

One of the most important roles of the Pivot Groups is to standardize collection, analysis and reporting of results and impacts of the projects within the various sectors. This

is not a simple requirement, and has not been accomplished yet, in any of the sectors, but will be a priority of the amended Project. The Mission will guide the Pivot Groups on developing standardized benchmarks for each sector based upon the objectively-verifiable indicators in the Logical Framework. The Pivot Groups will study different PVOs' methods for recording results and develop benchmarks that satisfy all the groups. These will be submitted to USAID for review and approval.

Within the CCA-ONG's overall coordination, the Pivot Groups bring the NGOs several concrete advantages, particularly time and resources for specialized analysis. Pivot Groups are the CCA-ONG's technical committees. They are working to evolve and test models for participatory evaluation, extension and animation work within each sector. USAID will fund additional training to support such initiatives, and encourage operational research models to improve impact monitoring of USAID-funded activities and to promote participative evaluation involving community beneficiaries.

Grants will be made to build up and develop the three existing Pivot Groups and to support the Basic Education and Literacy group that has been formed recently. Additional groups may also be supported if they develop spontaneously from NGO collaboration in other sectors. The amendment will stress the role of Pivot Groups in improving the technical capacities of NGOs through training programs, information and communication, exchange visits, and operational research projects. The Pivot Groups will also be asked to develop key indicators for evaluating impact in each sector and help harmonize evaluation, intervention and indicator models. They will encourage visits by correspondence or experience exchange visit among their members themselves or with similar organizations in Mali or elsewhere. Additional funds will be made available for Pivot Groups to conduct surveys to assess benchmark levels where these are not currently available to create a baseline of unique breadth.

The Project will continue to provide NGOs with advice, technical assistance and minor support like photocopying and documentation to strengthen their administrative and technical capacities. The Pivot Groups and PVO-NGO partnerships will provide technical and administrative training and support for individual operational research projects.

4. Training Leaders for Institutional Development

A main thrust of this Amendment concerns institution-building within the social economy, which consists of associations and groups, credit unions and savings groups, mutual societies such as *tontines*, cooperative groups and charities, and NGOs. In fact, the amount of money from the PVO Project going into this institution building is quite small relative to the bulk going toward program operations through grants to PVOs, which represents "more of the same."

The Malian social economy represents the nation's most dynamic sector. Whereas the public economy is financially bankrupt, and the private economy is stagnant in a

context of political doubt and world recession, the social economy is buoyant. Twenty years of subdued organization at the grassroots carried out by organizations such as *Operation Haute Vallée*, *Compagnie Malienne pour le Développement des Textiles*, and the NGOs is bearing fruit in this time of democracy and change. The 1991 popular revolution won the right of association, giving rise to a huge expansion of associative expression and initiative. The NGO community expanded from around 30 in 1980 to around 370 in 1993. Most of the new NGOs are local groups with little experience, yet they still represent a declaration of hope, an expression of intent, an illustration of initiative. And they represent, perhaps most of all, a source of experiment and support for new concepts of democratic governance.

This project conceives of institution building within this context of renewal and expansion. NGOs need to be more efficient and more effective. They need better accounting systems, stronger long-term financial stability and the capacity to develop strategic plans, more skilled staff, and a wider vision of what they can believe in and achieve. It is largely due to donors that NGOs prepare and execute unrealistically short one-year and two-year projects in sectors that require longer timeframes to accomplish Project objectives -- Child Survival and Family Planning; Natural Resource Management; Microenterprise Development; Basic Education and Literacy -- and to raise women's status and control of their incomes.

In this context, the Amendment seeks to push the voluntary organizations farther in their vision and in their capacity to execute programs. Training is therefore an essential Project component. It will make grants to or contracts with qualified institutions (one of which could be the CCA-ONG), to allow NGO staff (many of whom are young graduates, representing the future of the Malian nation) to gain access to professional training.

Types of training that may be proposed includes project design seminars, financial management (including overhead calculation), fund raising methods, community development skills for various specialized types of projects, personnel and administrative organization, marketing research skills, evaluation and auto-evaluation skills, local language courses for trainers, plus assisting with long-term voluntary internships or other methods to develop a cadre of skills professionals from the plethora of young graduates seeking work.

The aim is to strengthen the new generation of NGOs, so that they can become a motor for development, powerful tools working for better lives in poor rural areas, leading the drive for greater and successful decentralization, becoming cogs in the wheels of successful democratic governance.

5. Documenting Development Impact

Certain voluntary organizations are very good at analyzing and presenting data that show that their work is successful. Save the Children Federation has a unique data base on child survival in Kolondiéba (Sikasso Region), covering the 120,000 people living in the *Cercle*. Several papers have been published, or presented to international conferences.

Freedom from Hunger is at least as successful at presenting the data from their much smaller women's credit program in Dogo (Bougouni *Cercle* of Koulikoro Region). On the other hand, programs of agencies such as CARE, Near East Foundation, AFRICARE, World Vision and their local partners may have good results but these remain in project documents that are difficult to access, read and understand. In some cases, the skill, time and money to analyze and synthesize the data are lacking. USAID spends a lot of money worldwide on studies and evaluations, resulting in both illuminating and valuable literature. This project needs to improve its level of data analysis urgently. If establishing a data base through the Pivot Groups has been identified as a matter of urgency, this is no less true of the measurement of impact against the data base. Benchmarks are needed from which to start, and benchmarks to show when we have arrived, and how we got there. Economic analysis will also be made easier with a more functional data base.

The NGOs need to analyze and disseminate the results of their field work makes publishing one of this Amendment's priorities. Technical assistance and funding will be provided to local organizations to publish and disseminate articles, operational research reports, books and audio-visual material relevant to strategic management and the Malian development experience, especially those linked directly to this project. This assistance may be provided through the CCA-ONG, a Foundation, an Institute, Indefinite Quantity Contracts with a consulting firm, the Pivot Groups or, most probably, a combination thereof.

6. Project Management

In 1988, USAID Mali decided that an umbrella grant to a PVO would not be the best model for this project because the NGOs did not appear to be developed enough to take on large projects. Mali's development level required immediate and significant action by the non-governmental sector, and the PVOs had demonstrated a significant absorptive capacity. The Mission had several activities ready for implementation and others were being developed. Since an umbrella grant to one PVO would fund the types of activities that the Mission would probably fund anyway, the Mission opted to put most of its PVO projects under this one effort and have the PVOs develop the local NGOs as they responded to Mali's urgent development needs. The Mission reviewed the current management system in March 1993, and decided to retain the present management model. The PVO Co-Financing Project is designed to run 30 projects (sub-grants) in four different economic sectors, with a staff of four professionals (an expatriate PSC Project Manager, and three Malian staff). The USAID Mali General Development Office oversees its management.

USAID Missions that have used the umbrella model have failed to take advantage of PVOs to carry out their management tasks. The PVO dynamic of responding to various donors differs from that of a U.S. government agency answering to the President and Congress. USAID Mali hired a Project Manager with a voluntary agency background, enabling the Project Committee and the other Mission components to work with their new non-governmental partners in a language that they understand. Relations between PVOs and the USAID Mali are notably professional, friendly, constructive and creative.

The Interim Program Assessment noted the Project's management efficiency and the good relations between USAID Mission and PVO-NGO partners, but suggested that two Project staff were insufficient for its planned expansion. Thus, the Mission decided to organize the Project management unit so that a professional administrative assistant handles administrative tasks, while two Program Specialists assist the Project Manager: one an expert in natural resource management; the other in child survival with a Program Assistant to act as office manager and represent the professionals in their absence. To improve Project impact through work with the PVO-NGO partners and Pivot Groups, it also decided that at least one of the senior staff Project would be a woman.

V. CONTRACTING, PROCUREMENT AND IMPLEMENTATION PLAN

A. Contracting and Procurement Plan

This project does not require a large institutional contract as it has shown to function better than other projects analyzed by the Mission by using the least-costly contracting methods: local PSCs and small institutional contracts less than \$200,000. For non-PSCs of more than \$100,000 and PSCs of more than \$250,000, it is necessary to use the services of the Regional Contracting Officer. This requires more advanced planning, but has not caused any insurmountable obstacles to date. The only drawback of this system was the lack of an overall obligation document to avoid the end-of-fiscal-year pressures to obligate all funds allotted rapidly through grants and small contracts. This left the Project with no funds available sometimes for most of the fiscal year until new allotments arrived. The solution has been to negotiate a grant with the GRM to obligate some of the Project funds without requiring it to be responsible for the contracting or sub-granting of the funds. As a result, the existing system should prove to be more flexible and more efficient.

The contracting and grants required are mainly for the Project Management PSCs and for studies and audits as described in section IV.D.1. Funds for these purposes in Fiscal Year 1993 are planned for PSCs, baseline surveys, an evaluation, some publications, and a small amount of commodity procurement for office supplies and equipment. An audit will be proposed to the Controller again, but so far auditing USAID managed contracts and commodity procurement not been considered cost-effective. Moreover, the PVOs themselves audit all their major grants received. Annex B details the subprojects planned for obligation this year both within and without the Grant Agreement with the government. It also lists small contracts and procurement for this year and for the entire project.

The Mission has given special consideration to Gray Amendment PVOs like World Education and AFRICARE. The Financial Tables reflect this, including \$1,115,528 for these two entities in this year's budget, plus life-of-project estimates of \$12,730,000. The Project also encourages disadvantaged local firms and individuals to compete for contracts and has awarded several contracts to women-owned consulting firms and individuals of ethnic minorities. USAID Mali's requirements for NGO partnerships have

also helped develop minority and women-managed NGOs, like World Vision's partnerships with Gari and Tasset, Tuareg NGOs in the North; and World Education's work with women's NGOs in Bamako.

B. Implementation - Detailed Project Selection Procedures

The Project Committee will employ the same procedure to review proposals for subprojects under this amendment as those adopted under the first Project Paper Amendment. One of the positive characteristics of the implementation so far in this project is the easy communication that has developed between USAID and the NGO community. This has helped the Mission better understand the grassroots attitudes about its entire program and has helped the NGO community to better understand USAID requirements.

The technical criteria have been modified and approved to reflect strong emphasis on Family Planning and AIDS Prevention and on support to decentralized community-level structures. Additional criteria have been established to cover proposals relating to Basic Education and Literacy. Table 6 details the amended technical criteria.

In addition to the basic criteria, the Mission has set geographic and sectoral targets to assure that the the Project addresses its priorities. A computerized financial plan will be used in the review of new subprojects that will assure that the Project will not deviate from the following parameters.

Geographically, the Mission wants to be sure that a too disproportionate amount is not allocated to the North. It has decided that giving a double weight to the population of the Northern region of Mali including the Sixth, Seventh and Eighth Regions plus a third of the Fifth, is reasonable to adjust for past neglect and assure a presence. That means that with 19.4 percent of the population of approximately nine million Malians, a weighted proportion of new investments would be 32.4 percent. USAID's detailed budget table shows 30.2 percent, which is lower that necessary. USAID will assure compliance with this parameter further as new proposals are received.

Sectorally, the Mission wants to make sure that Family Planning is truly the overarching priority, so it has developed a refined system to assure that the projects proposed provide a minimum percent of their efforts to family planning to assure that the percentage of family planning for the entire project stays above 20 percent with the target of 25 percent and the other four sectors keep below 20 percent with microenterprises as the lowest priority. In order to achieve the overall percentages, projects with low Family Planning levels had their overall levels reduced to the benefit of projects with high Family Planning effort levels.

The Project will require that CCA-ONG and other intermediate agencies provide criteria for sub-grants in their proposals. Usually, grants to these intermediate agencies will be intended to provide services to NGOs, or for sub-granting in accordance

with strict rules set out in the terms of the grant. No such grant will be made without pre-establishing rules.

In the majority of cases, grants will be made for specific tasks like training courses in management and audit for NGOs and village associations, conducting studies or evaluations, analyzing and publishing operational research results on program impact, supporting staff and office costs related to creating an institution or an endowment, or funding specific endowment-related activities like debt conversion.

At least one grant is expected to be made for small projects for NGOs working in family planning and AIDS prevention. Sub-grants will be made according to criteria pre-established by the Pivot Group, as reviewed and approved by the Mission. Such a review will take account of the need for flexibility in funding categories, to ensure that communities can determine their own priorities. It might insist that Five-Year Plans and funding are envisaged at the time of each sub-grant project review, and fix maximum sub-grant authorized amounts. At a minimum, the criteria developed for these and any other sub-grants will include having:

- qualified staff of at least two accountants;
- organization chart and functional duties showing separated principal accounting activities;
- accounting procedures manual that includes all transactions of money, equipment and materials; and
- an accounting system that meets 121 (d) criteria.

The method for analyzing grant proposals is based upon objectively-verifiable indicators, and upon Project Paper criteria. Each criteria carries a certain number of points. Proposals lose points where they are weak.

1. Step 1

The Project staff person assigned to a given component ("staffer") analyzes each the grant application to determines if it is complete, based upon the criteria of the Project itself and the criteria for project proposals found in Handbook 13. If some element is missing, the staffer must inform the Project Officer and notify the applicant of the missing element so it can be provided. If the proposal is obviously beyond the Project scope, the staffer will draft a letter from the Mission to the applicant stating so. If everything is in order, the staffer will designate a Technical Committee to review the proposal and assure distribution of copies of the Application and a strength-weakness chart to the Project Committee members. The staffer distributes copies of the Application to the Controller's Office, and the Management Office with an information copy going to the Director's Office. The Project Officer will draft a basic document, the Project Review Memorandum, for all projects reviewed. The staffer will begin drafting this memo as soon as the Technical Committee is selected. That will be the one of the first entries of this basic

document, which will not be finalized until the end of the review process. The Project Review Memorandum will include a running summary of all review actions, issues, written and verbal communications with all concerned parties in the review. Other issues papers, memos, and letters may be prepared, but all will be summarized in the Project Review Memorandum until review is complete and an application has been finally approved or rejected.

2. Step 2

Every proposal is reviewed by a small Technical Committee of four or five persons: representatives from USAID Mali's General Development and Agricultural Development Offices, depending upon its content, the Program Officer or his or her designate, one women in development member and the Project Manager. The Management Office and the Controller are not required to attend until the Project Committee review. Any interested mission staff may attend, but Project Committee members or their designates, or written inputs, are required for quorum.

3. Step 3

Each Project Committee member completes a strength-weakness chart, which has space to note and justify all lost points for each criterium listed below. Points are lost for weaknesses with each justification citing page and paragraph for easy reference. The criteria are grouped by themes that provide paragraph titles for the Project Review Memorandum as well as issues paper(s), if required. The charts are signed by Technical Committee members and remain on file as proof of the rigorous review process. The Technical Committee meets and agrees upon a value for the proposed project, and on any issues to be raised. It then takes one of two actions as discussed in Step 4. In either case, this is the point where USAID officially ensures that the proposed project fits the geographic and sectorial parameters, is community-based, has considered family planning and literacy and has taken all the women in development issues into consideration. There will be ongoing interactions between USAID and the grant proposer to explain the former's concerns and understand the latter's proposed initiative. It is also the point where the proposed project is weighed against budgetary limits in relation to other proposals received and expected.

If the proposed project is ongoing and requests additional funding, this will also be the point where the Mission assures that it has met all its commitments under the existing funding prior (e.g. secured gender-disaggregated data), using a checklist of the terms of the original grant(s) and USAID requirements. At first, it will include:

verifying that the implementation plan is submitted, approved and adhered to or modified by mutual agreement;

- verifying that the Logical Framework is submitted and approved, and that it conforms to the standardized indicators as soon as they are developed by the Pivot Groups and approved by AID; and
- verifying that the proposed project uses standardized baseline and other data collection systems as soon as they are developed by the Pivot Groups and approved by AID.

Additions may be made to the checklist as needed. The staffer will also complete this checklist whenever incremental funding is planned. Even though no review will be required normally, the checklist will be attached to the PIO/T and Grant Agreement to assure the Grantee complies with all ongoing requirements of the grant.

By October 1, 1993, USAID will give the Pivot Groups guidance on the kinds of targets that should be developed for each sector based upon the objectively-verifiable indicators in the Logical Framework. Each Pivot Group will be expected to submit a standardized list of benchmarks for their sector by December 31, 1993. USAID and each Pivot Group are expected to agree upon an initial list of standardized benchmarks by March 1993.

4. Step 4

a. For all projects, the staffer will discuss with the Control and Management staff separately any issues that must be addressed in an issues paper, if necessary, or at least the Project Review Memorandum, and points to be raised with the NGO.

b. For low-scoring project proposals, more detailed discussion or analysis may be needed in certain areas. The staffer prepares an issues paper for the Project Committee. This case requires the investment of more staff time in the proposal, in addition to more time by the Technical Committee members.

c. For a high-scoring proposal that appears to meet all the USAID criteria, the Project Committee completes the draft Project Review Memorandum. This would include projects that have been altered after Project Committee review through discussions and correspondence with PVOs to better meet the criteria and increase their score. The Project Review Memorandum may raise additional points, and provide clarifications received from the PVO and NGO partners who have submitted the application. Conditions might be imposed. This draft memorandum is submitted to the Project Committee for review and approval.

5. Step 5

If the Project Committee approves a project proposal, a grant is prepared for signature by the Grant Officer. The staffer negotiates any final conditions and the final budget with the applicant, finalizes the Project Review Memorandum, and prepares and circulates a PIO/T for clearance. The staffer or the Mission Environmental Officer then prepares an Initial Environmental Examination cover sheet based upon the environmental analysis in the application and circulates it in the Mission, REDSO and AID/W as required for necessary approvals and clearances. The staffer prepares the Memorandum of Negotiation and finalizes the Grant Letter or Grant Agreement for the funding citation by the Controller, and secures the Negotiating Officer's and Grant Officer's signatures. For incremental funding actions, Step 5 is the only step in addition to completing the Step 3 checklist.

The criteria below are used to evaluate the technical quality of PVO applications for awarding cooperative agreements. These criteria update those found in the original Project Paper. PVOs are not expected to delineate specific subprojects within villages in their applications. However, applicants must invest sufficient time to consult with regional officials and villagers to identify development needs within a geographical area of concentration and to determine the types of activities that might be appropriate given prevailing conditions. The participation of beneficiaries in project design is an essential criterion for approval.

C. Selection Criteria - Summary Table of Points

The following criteria will be used to evaluate the PVO applications to award cooperative agreements, and will be included in the Request for Applications sent to PVOs.

<u>#</u>	<u>Criteria</u>	<u>Points</u>
1.	Organization and Clarity of Application	25
2.	PVO's Previous Experience	50
a.	Demonstrated experience in designing and implementing projects in developing countries, particularly Africa	(30)
b.	Demonstrated capability to provide home office support, including logistics, recruitment and personnel support	(20)
3.	PVO's Technical Expertise (see Table 6, Amended Technical Criteria for Project Selection)	150

4.	Expertise of Proposed Long-Term Expatriate Staff	100
	a. Administrative skills	(25)
	b. Approximately half of staff are female	(25)
	c. Technical skills relevant to proposed program	(50)
5.	PVO's Philosophy and Approach	150
	a. Evidence of bottom-up planning in designing work plans, identifying subprojects and preparing proposals	(50)
	b. Evidence of involving communities in project implementation	(50)
	c. Utilization of and support for private sector	(25)
	d. Awareness and utilization of existing public sector services for activities related to this project	(25)
6.	Program Description	225
	a. Proposal's responsiveness to realistic priorities as expressed by the groups of intended beneficiaries	(75)
	b. Likely project sustainability by beneficiary populations, cost effectiveness and replicability	(50)
	c. Responsiveness to capabilities and institutional needs of Malian NGO partner who will share responsibilities for intervention	(50)
	d. Completeness of implementation plan	(25)
	e. Adequate monitoring mechanisms, evaluation, operational research, Rapid Rural Appraisal plans	(25)

7.	Training	100
	a. Appropriateness of proposed approach toward formal and informal training for community associations	(25)
	b. Special attention to training needs of rural women, especially literacy training	(50)
	c. Attention to formal and informal training needs of staff	(25)
8.	Collaboration with & Creation of Indigenous NGOs	75
	a. Completeness of plans to collaborate with an indigenous NGO, or local group	(50)
	b. Training plans to strengthen the indigenous group's capabilities, both men and women	(25)
9.	Sensitivity to Social Factors	75
	a. Proposal's responsiveness to women's roles in community development, and to promoting family planning	(50)
	b. Incorporation of local associations and organizations into project development plans assuring an integrated community development approach	(25)
10.	Financial Contribution	50
	PVO's demonstrated willingness to bring its own financial resources into Mali for project implementation (25 percent minimum is required). This will also be	

considered as evidence of the PVO's long-term ongoing
development in its area of operation

TOTAL

1,000

- * In addition to scoring these criteria, the Project Committee will produce general observations on the proposed project's overall design, practicability, and likely success.
- ** While evaluation points are awarded for the completeness of the implementation plan, and for the financial contribution, both are prerequisites for consideration of an application.

Table 6: AMENDED TECHNICAL CRITERIA FOR PROJECT SELECTION

#	<u>CRITERIA</u>	<u>Points</u>
1.	<u>Child Survival</u>	<u>50</u>
	a) Child spacing and family planning	25
	b) AIDS awareness and prevention	5
	c) Immunizing mothers and children	5
	d) Nutrition and growth monitoring	5
	e) Promoting oral rehydration therapy and village training	5
	f) Health education and hygiene	5
2.	<u>Natural Resource Management</u>	<u>35</u>
	a) Water conservation and management	5
	b) Soil conservation and erosion control	5
	c) Sustainable methods of maintaining and improving soil fertility	5
	d) Natural vegetation conservation and regeneration	5
	e) Natural resource education, extension, training	5
	f) Community level-management and control of resources (e.g. land-use, forests, pasture and forage)	10
3.	<u>Microenterprise Development</u>	<u>30</u>
	a) Informal sector management and credit expertise	5
	b) Formal economic and business and banking expertise	5
	c) Marketing	5
	d) Production and technology	5
	e) Contribution to the economic status of women	5
	f) Sustainability of structures and employment	5
4.	<u>Basic Education and Literacy</u>	<u>35</u>
	a) Non-formal and adult education expertise	5
	b) Literacy and post-literacy	5
	c) Links to programs in sectors of child survival and family planning, microenterprise development and natural resource management	7.5
	d) Sustainability of structures at community level	5
	e) Use of local languages	5
	f) Support for groups especially rural women and girls outside the formal school sector	7.5

VI. REVISED COST ESTIMATE AND FINANCIAL PLAN

A. Tables of Costs

Tables 7 through 10, below, provide the financial information for this third amendment of the PVO Co-Financing Project. Annex B contains more detailed budget and financial information in Tables 11-16.

Table 7: LIFE-OF-PROJECT FINANCIAL PLAN, SUMMARY					
Cost Elements	Prior Total Authorized	This Amendment	Total Authorization	Percent Total	Percent Each Sector
Grand Total	16,120,000	33,880,000	50,000,000	100.0	
Grants to PVOs and NGOs	13,920,000	32,755,000	46,675,000	93.4	
Program Grants	13,920,000	29,505,000	43,425,000	86.9	
- Family Planning			11,931,000		27.5
- Child Survival			8,946,000		20.6
- Natural Resource Management			8,142,000		18.8
- Basic Education & Literacy			6,991,000		16.1
- Microenterprise Development			7,415,000		17.1
Institutional Strengthening	0	3,250,000	3,250,000	6.5	
CCA-ONG Member Support			400,000		
Training			1,650,000		
Sub-Grants to NGOs			1,200,000		
Project Administration	1,750,000	520,000	2,270,000	4.5	
Project Management			1,900,000		
Support			370,000		
Studies	400,000	555,000	955,000	1.9	
Baseline			100,000		
Evaluation & Monitoring			130,000		
Analyses			125,000		
Publication & Dissemination			100,000		
Community Foundation Studies			500,000		
Audit	50,000	50,000	100,000	0.2	

Table 8: REVIEW MATRIX TO DETERMINE OPTIMUM SECTORAL SPLIT FOR NEW PROJECTS

PVO	PROJECT TITLE	Fiscal Year 1999 Total	Family Planning	Child Survival	Natural Res. Management	Microent. Development	Basic Education
		45,425,000	12,456,879	9,198,693	8,568,519	7,535,114	7,665,795
	Percent by Program Sector		27.4%	20.3%	18.9%	16.6%	16.9%
	New Project Percent		26.3%	12.7%	21.3%	6.0%	33.8%
Doguder International	New Proposal	2,000,000	526,000	253,000	426,000	120,000	675,000
World Vision	Menaka Child Survival	1,530,364	153,036	1,071,255	0	122,429	183,644
	War Victims	120,000	0	120,000	0	0	0
	Seventh Region Initiatives	2,588,832	129,442	258,883	1,294,416	517,766	388,325
	<i>Acord, Projet de Rehabilitation</i>	234,380	0	0	234,380	0	0
World Education	Promotion of Women	2,038,479	509,620	101,924	101,924	917,316	407,696
	Urban Revitalization	3,373,763	674,753	168,688	506,064	1,180,817	843,441
Near East Foundation	Douentza Forestry	860,630	86,063	0	602,441	86,063	86,063
	Tarabe	764,612	76,461	0	535,228	76,461	76,461

Table 9: BUDGET FOR COSTS OTHER THAN PROGRAM GRANTS

COST ELEMENT	AMOUNT
GRAND TOTAL	6,575,000
Project Administration	1,900,000
Project Coordinator 1990-1999	1,012,000
Assistant Coordinator 1991-1992	240,000
Program Specialist 1993-1999	200,000
Project Management Assistant 1991-1999	200,000
Two Clerks	248,000
Support Costs	370,000
Furniture	20,000
Computers	90,000
Typewriters	10,000
Photocopies	50,000
Supplies	20,000
Translations	50,000
Communications	70,000
Rent and Utilities	60,000
Studies	955,000
Baseline Survey (5 sectors)	100,000
Evaluations (4)	80,000
Initial Environmental Examinations	25,000
Operational Research Monitoring	50,000
Economic Analysis	50,000
Impact Analysis	50,000
The Book of the Project	50,000
Impact Studies Publishing	50,000
Endowment Studies: - legal	200,000
- financial studies	200,000
- other support	100,000
Audits	100,000
Institutional Strengthening Grants	3,250,000
CCA-ONG audit - accounting service for NGOs	300,000
Operational research for NGO evaluation (higher education)	100,000
Training courses for NGOs and associations	1,650,000
Grants to NGOs via CCA-ONG: five years x \$20,000 per annum	1,200,000

Table 10: PVO CO-FINANCING BUDGET FOR 1993

COST ELEMENT	AMOUNT
GRAND TOTAL	8,800,000
Total Grant	3,661,802
Project Administration	76,000
Project Coordinator 1990-1999	0
Assistant Coordinator 1991-1999	0
Program Specialist 1993-1999	25,000
Project Management Assistant 1991-1999	20,000
Two Clerks	31,000
Support Costs	14,000
Supplies	2,000
Translations	2,000
Communications	5,000
Rent and Utilities	5,000
Studies	275,000
Baseline Survey (5 sectors)	100,000
Operational Research Monitoring, Economic and Impact Analysis	50,000
Publications	75,000
Endowment studies: e.g. legal and financial	50,000
Audit	25,000
Institutional Strengthening Grants	50,000
CCA-ONG audit - accounting service for NGOs	0
Operational Research for NGO evaluation (univ)	0
Training courses for NGOs and associations	50,000
Grants to NGOs via CCA-ONG: five years x \$20,000 per annum	0
Sub-Grants to PVO & NGO Programs	3,221,802
Child Survival & Family Planning in Timbuktu, Gao & Kidal	2,721,802
CARE - Macina Child Survival	500,000
Direct Grants to PVOs & Direct USAID Contracts	5,138,198
Direct Grants: PVO, Project Name	4,901,579
World Vision, Seventh Region Initiatives	800,672
World Education, Urban Revitalization	675,000
Near East Foundation, Tarabe	80,481
ATI, Strengthening Technology	144,018
Freedom from Hunger, Credit for Women	200,000
Save the Children, Pivot Population Strategy	1,500,000
AFRICARE, Niafunke Natural Resource Management	440,528
CARE, Timbuktu Rural Development	505,945
CARE, Djenne Agrisystem	475,383
Save the Children, Pivot Pop. & Child Survival Studies	79,552
Administrative Support Contracts (USAID Direct Contracts)	236,619

B. Financial Plan

Tables 7 through 16 (Tables 11 through 16 are located in Annex B) provide several different perspectives on the Project's Financial Plan. Table 7 summarizes how all Project funds are divided among different types of elements. Percentages of each element are given to demonstrate the low overhead of the Project and its sectoral priorities. Family Planning has been upgraded from a part of Child Survival to a financial component that stands alone. From the estimated total amounts planned for this sector, it is evident that it will become the overarching priority. Table 12, shows the overall design matrix that was used to adjust the budget by sectors. During implementation, family planning will be made an overarching priority in an integrated fashion to assure that its interventions have the accompanying support required for their optimal acceptance and sustainability. The Project will assure the sectoral priorities are mixed adequately both through encouraging proposals in the areas that lag behind in project funding. Possibly more importantly, though, the Mission will use an overall project financial table like Table 8 when analyzing the Project budget. This automated financial tool, which is simply a modification of Table 12, will calculate the proposed project's sectoral split and go on to determine the impact on overall project sectoral percentages. In this way, USAID can encourage the PVO proposing the project immediately to put so much more funds in one sector and less in another. The proposer must convince the Mission that such a readjustment is absolutely unfeasible to gain approval without it. The Project tables also calculate automatically the percent of the project that goes to the northern Mali, where USAID has an historically high level of PVO assistance. The computer has calculated that on a basis of a two to one weighted population level for the North to assure a significant presence, the amount to the North should still not exceed 32.4 percent. The budget for program grants was adjusted, as shown in the chart below, the calculation for which is at the bottom of Table 11 in Annex B.

1. Studies and Audits

Table 9 details all Project costs not part of program grants. These include the administrative and support costs for personnel, supplies and equipment, but also an indicative list of studies and institutional strengthening grants that are planned under the Project. Studies include baseline surveys of the five different sectors, at \$20,000 per sector, to assure that the Mission has the best information available for each sector. These efforts will use local consultants and firms as much as possible, keeping costs to a minimum and supporting the local economy. Four evaluations are planned to evaluate both the overall Project and individual subprojects or components. They are estimated at average \$20,000 each. A line item for Initial Environmental Assessments is included since the Project Paper assures that a thorough environmental review would be done if significant impact were suspected. Operational research and monitoring is the most effective way known to assure sound subproject implementation. Up to five such efforts are contemplated at \$10,000 each. Economic analysis has been added to assure that the Mission can prove the high rates of return calculated for this amendment's economic analysis. Two or three important studies are contemplated based on terms of reference to be developed in collaboration with the

Mission Economist. They are estimated at between \$20,000 and 30,000 each. Impact analysis is closely related to the economic analysis, and as terms of reference are developed they may be combined either fully or partially to avoid duplications. These were estimated at the same cost.

Another important area is publications. The Project will competitively-select an experienced author to write the Project story. This will be used as a source of information, a model for other donors and countries, and possibly as a fund raising effort for local NGOs. It is estimated that a highly-qualified author will be required for several months to complete this requirement, and the cost is estimated at \$50,000. In the long term, it may provide revenue to the Project. Wide publication of impact studies and evaluations are considered essential to pass the message that grassroots development works. Ten thousand dollars per year have been budgeted to publicize what this project does.

The Mission has set aside \$100,000 for audit that will cover four or five audits.

2. Institutional Strengthening Grants

This cost element of over three million dollars is the key to the new initiatives of this expanded Project. It addresses more than any other part of the Project the areas for improvement identified in the Interim Program Assessment. Just as AID/W provides such grants to U.S. PVOs, USAID believes it overdue in providing a significant self-improvement opportunities to local NGOs. A grant to the CCA-ONG is contemplated to provide audit and accounting services to NGOs. This will enhance the management of local funds by small NGOs that otherwise would be hard-pressed to procure such services. USAID Mali has budgeted \$50,000 per year for six years to provide such services.

Operational Research grants that target self-assessment of the larger as well as the smaller NGOs will also strengthen local research institutions. USAID Mali estimates that grants of \$100,000 will provide the desired impacts.

USAID Mali has budgeted \$1.65 million to training for NGOs, associations, and actual or perspective NGO employees over the next seven years. This is an average of \$235,000 per year to provide grants to PVOs and NGOs who will train their own

Calculation of percent of program grants going to North

Actual percent going to North	% to North	Total New Funds to North	Total New Funds to South
	28.9%	6,198,484	15,245,931

North Allotment Calculation

% population in north (incl. third Mopti+6th, 7th & 8th)		19.4%
of 9 million =	1,741,800	X 2
north population weighted by 2=	3,483,600	
Tot population weighted by 2=	10,741,800	
% allowable for North	32.4%	

personnel and especially train trainers. Subjects will include anything that will strengthen NGOs in Mali: e.g. fund raising, management skills, financial management, project design, literacy, sectorial technical skills and evaluation. These funds may be granted to Pivot groups, PVOs, NGOs or associations and training organizations. The Mission might consider funding a proposal from an NGO to train Young Graduates as volunteers to work for projects and NGOs with these funds.

USAID Mali has set aside \$1.2 million for sub-grants to NGOs through an umbrella mechanism with the CCA-ONG. This was the intent of the original designers of this project, and will finally come to fruition once CCA-ONG becomes registered. These funds could be granted to a PVO to do the same thing or become program grant funds if the CCA-ONG does not become registered. It is expected that approximately five-year grants at \$20,000 per year will be made to the ten best NGO proposals.

The endowment studies are expected to cost \$200,000 for further legal work, \$200,000 for long-term analysis of the financial and fund raising potential for endowments, and another \$100,000 for further review that comes out of the legal and financial studies. The Mission still does not know exactly how much this program will cost, but does not want to under estimate. Funding not required can be put to good use in program grants.

3. Fiscal Year 1993 Budget

The budget for this year, \$8.8 million will be broken into several categories. The remaining funding of the Project is in process of being obligated and adds up to approximately \$2 million. Also, the Mission is obligating funds to the GRM to be sub-obligated to the PVOs, NGOs and contractors for the various items listed in Table 10 above. The amount to be obligated to the government for sub-grants to PVOs totals \$3.27 million, with \$50,000 of that going to institution strengthening grants. The administrative, support, and study costs are also listed in Table 10 and total \$390,000, bringing the grand total of the grant to \$3.66 million. The remaining \$5.14 million will be granted or contracted directly.

VII. MONITORING, EVALUATION AND AUDIT PLAN

A. Impact Monitoring

Ongoing monitoring and activity modifications will be conducted using PVO and NGO internal monitoring, operational research activities, Pivot Groups, benchmark development, comparative impact, and USAID field monitoring.

1. PVO and NGO Internal Monitoring

Each PVO and NGO conducts regular internal monitoring exercises. Some of their reports are available in USAID Mali, and show real professional expertise in the sector (e.g. CARE in Natural Resource Management). The Project will encourage partner NGOs actively to develop ongoing operational research activities within their programs and to provide in-depth monitoring of actions and feedback from beneficiaries that lead to modifying and improving actions (see Box 2).

2. Operational Research Activities

The Project will conduct ongoing operational research activities to offset the notorious difficulty of measuring social change and establishing precise numbers for achievements. To do this, every grant awarded will include a requirement for ongoing participatory monitoring of activities and evaluation of impact. Where quantitative indications are impossible (e.g. for key objectives like social changes, organization strengthening, empowerment, status of women), qualitative assessment will be required. The Project will recruit short-term operational research advisors locally, mainly from the NGO sector, to develop the in-house expertise of partner NGOs and PVOs. This expertise will help with analyzing results, drawing conclusions, and modifying Project activities accordingly. The Logical Framework, provides indicators for monitoring each subproject. These are the base indicators from which the Pivot Groups will develop their standardized benchmarks and database system.

3. Pivot Group Monitoring

The Pivot Groups will monitor activities informally through exchanging information and organizing field-visits and training courses after the 1993 rains. These will involve most (and probably all) the subprojects between 1991 and 1994. Pivot Group members will, in effect, monitor each other, and the process will stimulate emulation. The Pivot Groups will play a more formal roles through developing indicators for both monitoring activities and evaluating impact. Links will also be made between the Pivot Groups and local and regional institutions of higher learning (e.g. the University of Mali, scheduled to open in 1993) to provide additional intellectual input and academic support.

Operational Research, sometimes called Research-Action, is a method of participatory research where the individual undertaking the research simultaneously plays a key role in the resulting action.

Operational Research is based upon a philosophy of doubt described by Chambers as pluralism:

"This pluralism is an ideology based on doubt, puzzlement and agnostic openness to evidence and argument. . . it is multi-disciplinary by commitment. It requires political economists to ask about material conditions (climate, population, the environment, human and physical conditions) and the physical ecologist to ask about social relations (wealth, power, patronage, who controls and benefits from what and who gains and loses from what) and to ask repeatedly what should be best done."¹⁰

Operational Research commits a program to permanent participative evaluation.

"Participatory evaluation emerges as the (evaluation) model most closely attuned to the needs of the NGO programs . . . where every action is analyzed through 'research', and the results of the research lead inevitably to improved action because the actors and their fieldworker-helpers are involved in the process of analysis. Morale and efficiency are improved, and impact is enhanced."¹¹

Operational Research is a powerful training tool for NGO staff and community leaders, with proven effectiveness in the field. It provides the only effective method for ongoing participative monitoring and auto-evaluation of project impact in the field. It results in improved understanding, more competent employees, more control for the villagers and a more effective, efficient and professional NGOs. It brings villagers, local development agents, PVOs and NGOs together to analyze impact and constraints at the community level.

¹⁰ Rural Development: Putting the Last First, R.L. Chambers, Longmans, Essex, 1983

¹¹ Putting People First: Voluntary Organizations and Third World Development, M. Harris and R. Poulton, eds, Macmillan, 1989

4. Benchmark Development

Cross-program comparisons by Pivot Group members produced indicators that guided the Interim Program Assessment, which itself produced illustrative figures of impact drawn from various PVO and NGO programs around Mali. Many of these figures will serve as benchmarks for the Project for the 1992 to 1999 period. However, the benchmark data is far from complete and will require further work under the expanded Project to provide a baseline for key indicators for each sector, particularly for areas of new or increased emphasis like family planning, AIDS Prevention, Basic Education and Literacy; and to community participation and mobilization. Thus, the Project will invest in operational research techniques to follow key indicators. It will do so through Pivot Groups, PVO-NGO partnerships, and perhaps links with the University of Mali and other local or sub-regional institutions and foundations like *Innovation et Reseaux pour le Développement* in Dakar, and the University of Science and Technology in Kumasi. A major challenge will be reducing the long list of official USAID child survival indicators to a few key ones that the NGOs can measure at reasonable cost.

5. Comparative Impact

In ethnic, climatic and ecological terms, Mali is at least three nations whose country's boundaries have been fixed by historical accident. This is important when considering concepts such as national food self-sufficiency since commercial circuits do not follow current political boundaries, or in measuring and evaluating impact in the field. Thus, to simply say that comparing the natural resource management achievements of World Vision in Menaka and Save the Children Federation in Kolondiéba are of limited relevance would understate the utter impossibility of finding any common factors between the two environments and thereby understanding the causes of ecological damage. Yet many PVOs probably make such comparison already. However, it could be very useful to compare the situation in northern Ivory Coast with the achievements of Save the Children Federation in southern Mali; or likewise assess their activities in Menaka in comparison with Niger, northern Burkina Faso, or projects in Mauritania. Links to the appropriate Institute of the University of Mali may allow Pivot Groups and USAID to undertake such analyses. Extracting collaboration between USAID Missions may also be possible.

6. USAID Field Monitoring

USAID project and technical personnel will conduct additional monitoring to ensure that projects are progressing in line with Detailed Implementation Plans. They will visit all programs at least once a year.

B. Evaluation Plan

The evaluation plan comprises several interlocking and complementary elements. These include incorporating all the results from monitoring, discussed above, the Interim Program Assessment, and evaluations.

The Pivot Groups' combined analysis and cross-project comparison of the subprojects, discussed above, will provide a primary stage of evaluation, and is expected to lead to the evolution of sectoral evaluation models, and produce indicators that will guide the 1994 evaluation and later programming. The Pivot Groups' analysis will be complemented by the results of the ongoing operational research and USAID field monitoring, also discussed above. The Project will recruit short-term operational research advisors locally to help with analyzing results and drawing conclusions about impact.

The Interim Program Assessment was conducted as planned in the third Project year (June 1992).¹² A formal evaluation will be conducted during the fifth Project year, in July 1994. For this, each Pivot Group will carry out a sectoral evaluation of PVO and NGO activities in their sector, testing their selected methodologies and indicators. A separate group of locally-recruited evaluators will assess the Project's institution-building aspects and USAID Project management support. A third evaluation, similar to the second, will occur in 1996. An appropriate institute of the University of Mali may be invited to contribute to the operational research analyses and to assess comparative impact. A final evaluation will be conducted in March 1999, six months before the end-of-Project on August 29, 1999 and will include at least one external expert to be selected by USAID.

C. Audit Plan

Per AID Inspector General guidance, the PVO subprojects including the Malian NGOs receiving U.S. dollar funds in excess of \$25,000 must be audited every year as part of their requirements to keep their registration with USAID. Funds have been set aside to meet AID audit requirements. It is anticipated that the first audit will occur during Fiscal Year 1994. The audit line item may also provide funds to conduct audits of an individual grant or an umbrella of sub-grantees, upon the determination by AID that it will help strengthen the management of program activities.

The U.S. PVOs are not supposed to be part of this audit plan, unless AID decides otherwise. The justification is that the PVOs normally receive regular audit from their home offices. They are expected to assure that each of their partners is audited annually.

¹² Interim Program Assessment, PVO Co-Financing Project, USAID Mali, October 1992

USAID Mali reserves the right to assess the financial management capabilities of Malian NGOs and U.S. PVOs for whom U.S. dollar funds are to be provided. USAID Mali also reserves the right to assess NGO and PVO accounting practices and procedures and to require audits if deemed necessary.

The first local audit of a PVO using a firm from the Inspector General's list of accredited audit firms is occurring this year. It is expected that the use of such type of audits by local firms will be continued.

VIII. TECHNICAL ANALYSES

A. Administrative Analysis

In 1992, Datex Inc. studied the PVO and NGO project management design in 12 umbrella projects and identified the following management system options:¹³

- an external project implementation unit under the leadership of a U.S. agency (two in Zaïre, one in Liberia, one in Senegal, the Kenya Rural Enterprise Project, and another project in Malawi);
- an external project implementation unit under the leadership of a national agency (the original Kenyan Co-Financing project later revised after implementation problems);
- in-house responsibility for project implementation (Mali, Mozambique, and Chad);
- project management within the Mission with a major role for the governmental counterpart agency (Sudan); and
- a hybrid arrangement, e.g. Somalia with major implementing responsibility and authority in the Ministry of Interior, supported by a management unit with contract to a PVO.

The PVO Co-Financing Project was designed to be implemented directly by USAID Mali's General Development Office with one locally-hired PSC to serve as the Project Manager. The PSC is assisted by one Project Management Assistant, two Program Specialists, and two secretaries.

In April 1993, USAID Mali discussed these management options and decided to keep the responsibility for Project implementation in-house. It considered this preferable given the Project's experience to date and its centrality to Mission strategy. The Mission rejected contracting-out because it would likely involve higher costs and a lengthy contracting

¹³ Designs for Collaboration: A Study of PVO and NGO Umbrella Projects in Africa, J. Otto and A. Drabek, Datex Inc., September 1992

process. Likewise, it rejected funding through a Government structure as likely to increase administrative delays, and no Malian NGO has the capacity at present to undertake such a task. The current Project arrangement of contracting certain activities via the Pivot Groups is considered a good way of capitalising on the PVO's and NGO's technical expertise. Therefore, no management change is envisaged.

B. Economic Analysis

The general cost efficiency of PVO activities has been suggested in AID policy guidance and by the AID Advisory Committee on Voluntary Foreign Aid in its 1988 Report, The Effectiveness of Private Voluntary Organizations. Moreover, the small and disperse nature of PVO interventions spread the Project risks and increase the probability that the benefits are distributed more broadly than the initial interventions, as successful interventions are replicated beyond the that of the initial Project.¹⁴

Given this proven efficiency and the difficulties of undertaking an economic analysis for such a broad range of potential activities, a prior economic analysis was not undertaken for the Project Paper or its first amendment. Implementation to date has been successful enough to create the momentum for this amendment to allocate additional funds to continue and extend these services. With the substantial increase in funding under consideration USAID Mali has undertaken an economic analysis to establish the potential financial and economic viability of these investments, and to help establish the criteria for the selection of grants to be financed.¹⁵

With this amendment, the Project will continue to support direct delivery of services in Child Survival, Family Planning, Natural Resource Management, and Microenterprise & Credit Development. It will also add a new set of activities on Functional Literacy. The Project also finances some potentially important upstream supportive activities that are deemed essential to sustain and improve the delivery of the direct services. These include support to PVO pivot groups organized around the topics of the direct service activities, technical assistance and studies including the study of the possibility of creating an endowment to help broaden the delivery of services through Malian community based

¹⁴ This effect was highlighted in the Sahel Sub-Regional Natural Resources Management Assessment, which notes that the technical courses given in the Development of the Haute Vallée project have been taught in the field with substantial spread effects (Opportunities, Vol III, p. 26)

¹⁵ Although the Mission recognizes the worth of many activities that lack economic and financial viability, these activities will generally not be sustained after the donor leaves. Therefore, every effort will be made to select activities that can be made viable on financial and economic grounds in order to improve their sustainability

grassroots associations. The indirect upstream activities could significantly improve the efficiency of the delivery of the more direct services by the PVO and NGO community.

This analysis takes advantage of the distinction between the direct and supportive activities to determine the extent to which the financial incentives are sufficient to bring forth necessary cooperation from the target groups, and then to establish whether this financial return is sufficiently large to potentially cover the indirect services provided by the Project. Both are essential determinants of sustainability. Good financial returns insure willing cooperation of the beneficiaries while economic viability justifies spending the resources from a social perspective. To the extent that this social cost improves the productivity of the direct services, the higher financial returns to the beneficiaries of the direct services should be enough to cover those indirect costs. This would at least show the potential of sustaining the activities when donor financing is no longer available. Actual payoff will depend crucially upon the quality of implementation by the individual PVOs.

The range of potential activities to be financed under the Project is broad and the demand for funding is certain to be in excess of the supply. Clear selection criteria for funding individual grants is therefore essential. In general the potential financial and economic viability of proposed activities should be explicitly and realistically addressed in grant proposals. Viability should be an important factor in the selection process because these are the kind of activities that are likely to be sustained.¹⁶ Given the scarcity of resources, other things being equal, those activities selected by the grantees with the likelihood of higher potential payoff are more likely to be self-sustaining. Moreover, sustainable activities will generate resources to consolidate and broaden the development effort while unsustainable ones raise expectations that cannot be fulfilled and lead to a feeling of hopelessness.

To the extent data has been found on the results of activities that are expected to be financed, this analysis has been based on the practical experience of implementing similar activities in Mali, or elsewhere. Specific examples of activities undertaken in each of the focus areas are used as building blocks for the analysis of these areas. The results obtained in each area show the potential financial viability of these activities. USAID

¹⁶ Section V shows the grant selection criteria to be used by the project committee and the procedures to be followed when reviewing individual grant applications. These include both economic and financial criteria to establish the probable viability of the activities. But more important than the criteria, is the process of review which, now that it is taken off the fiscal year cycle and will not be so rushed, will develop systems to use the model developed in this analysis to review individual projects economic returns in order to maximized benefits and minimized costs. This should optimize economic and financial returns of the new subprojects.

determines the economic viability of the Project by bringing together this information on the direct activities with the costs providing the supportive services.¹⁷

The availability of quantified or reasonably quantifiable relevant information drove the selection of activities included in the analysis. They should not therefore set limits on the choice of interventions to be supported. Rather, the analysis should guide the selection of grants and their implementation by setting expectations on the financial and economic returns that are needed and can be achieved when interventions are appropriate and efficiently implemented. The possibility of replicating similar small-scale activities in different locations is simply assumed. Since the environment where an activity will be undertaken determines its potential success, grant requests should include an analysis that shows that indeed proposed activities are viable from a financial and economic standpoint.

The Project's overall Internal Rate of Return (IRR) in the basic scenario is 21.1 percent.¹⁸ With a discount rate of 12 percent, the social net present value is 2.8 billion FCFA. At the rate of exchange of 250 FCFA per dollar, this is 154 percent of the proposed Project investments. This shows the Project to be economically viable and fully justifies the proposed allocation of funds. The financial analysis also shows the activities to be highly productive. Natural Resource Management activities have a financial IRR of 30.5 percent, and Child Survival and Family Planning activities have IRRs of 26.3 percent and

¹⁷ In each direct intervention area, the Mission has used one or two quantifiably-available experiences in the delivery of the kind of activities likely to be financed under the project. The internal rate of returns and other summary measures of the potential of the project are, in effect, derived from the average of the information obtained. In the basic scenario, the Economic Analysis adds the cost information for the indirect supportive activities but assumes no increase in the returns of the final direct activities.

¹⁸ The assumptions and parameters used in the analysis are located in Annex D. In general, the available quantifiable information is sketchy, highly-variable and site-specific. This situation therefore requires 1) close monitoring and evaluation of activities that are eventually financed to generate a more solid data base; and 2) mid-term adjustments to insure the activities' economic viability during the next evaluation.

29 percent respectively.¹⁹ Microenterprise and Credit Development and Functional Literacy activities have IRRs of 40.7 percent and 22 percent respectively.²⁰

At a discount rate of 20 percent, the net present value for Natural Resource Management, Child Survival and Family Planning activities are 155 percent, 129 percent, and 142 percent respectively. Microenterprise Development and Credit activities and Functional Literacy activities have net present values of 109 percent and 104 percent respectively. The higher discount rate of 20 percent is chosen for the financial analysis to account for the fact that the Sahel environment makes the targeted population extremely risk averse. The economic analysis uses the relatively standard lower rate of 12 percent. Given the potential positive spread effects of the activities for the economic development of Mali, these type of activities can be justified even when their economic IRR is much smaller. Tables for all analyses are found in Annex D.

C. Environmental Analysis Summary

The Initial Environmental Examination (IEE) categorically excluded the technical (Project Management) assistance portion of the Project from environmental review and recommended that the threshold decision on each subproject be deferred. This was approved by the Africa Bureau Environmental Officer (89 State 263169) and Regional Legal Advisor (89 Dakar 9125) with the understanding that subprojects would be reviewed by the Mission Environmental Officer with the Regional Legal Advisor's clearance prior to financing. This approach has been modified for this major increase in the life-of-project. A revised IEE with concurrence from AID/W is attached in Annex G.

¹⁹ The examples used in the Natural Resource Management activities are taken from a report prepared by an evaluation team for a CARE-Mali intervention that built a small dike in the *Cercle de Dire* in Timbuktu. The examples used for the Child Survival and Family Planning activities are from the Dioro Child Survival Proposal and reports and the Save the Children Family Planning Operational Research project reports. We developed benefits data from the World Bank Better Health in Africa draft report of 1992 and their Second Health and Population Project Appraisal Report of September, 1990.

²⁰ The examples used in the Microenterprise and Credit Development and the Basic Education and Functional Literacy activities used: Opportunities by Asif Shaikh et al, October 1988; the Final Evaluation Report on the Mali Urban Revitalization Project by Jill Harmsworth et al, April, 1993; the World Bank Appraisal Report on the AGETIPE Project, 1990; the Near East Foundation Tarabe Project Proposal, 1991; the *Evaluation Conjointe du Volet Alphabetisation Fonctionnelle*, OHVN/USAID, July, 1991; and, the Women's Health Action Agenda for the 90's, NICH, June 1991.

Each PVO seeking a grant will provide USAID with an environmental analysis of its proposal based upon guidance provided by USAID's General Development Office. Then, the Project Manager will prepare an IEE for each subproject prior to its final technical approval. Based upon this information, the USAID Mali Environmental Officer or the Regional or Africa Bureau Environmental officer will make a threshold determination for the proposed activities according to their potential environmental consequences, and require additional environmental reviews accordingly. All subproject Initial Environmental Examinations and Catagorical Exclusions will be approved by the Mission Director and cleared by an A.I.D Legal Advisor.

D. Social Soundness Analysis Summary

The Social Soundness Analysis conducted for the Project Paper remains relevant for the sectors where it has been working since 1989. However, the four years of Project activities have tested its assumptions and qualified them somewhat through experience: women do participate in Project activities; and PVOs and NGOs are generally more in touch with local communities than one would expect with other alternatives. New Project activities address social concerns, like women's participation, primarily through institutional means. The Project will continue to work through Mali's local social and economic institutions to provide long-term benefits to people in remote and poor communities, and to insist upon the sustainability of benefits to these populations. By funding community organizations and NGOs, an independent and permanent funding source with the institutional knowledge of the capacity of local institutions will be able to bring funding closer to the grassroots level. Similarly, by registering a local group of NGOs, the Project will reinforce the not-for-profit private sector's sustainability and increase its responsiveness to local development needs. These two actions of funding community organizations and NGOs, and registering local NGOs, will decentralize development. This reinforces GRM and USAID policy and will help empower local groups.

E. Institution Building Analysis

NGOs in Mali are valued increasingly as executing agents for community development, state decentralization and social democratization activities. The goal of Project-funded institutional support is to professionalize the NGOs and prepare them to contribute this social and economic development. Mali's NGOs have great strengths and have proven their effectiveness, yet they are generally still young and have certain weaknesses. Project experience has also demonstrated that while certain PVOs can build capacity in their partner NGOs, the structure of other PVOs is not as conducive to a sound partnership. Conversely, experience reveals that NGOs frequently prefer to implement their own projects independent of PVO partners. The areas where NGOs need improvement most immediately include:

- improving institutional organization, including separating policy and execution functions;
- increasing rigor and transparency in administration through developing administrative procedures, and clear and strictly-applied institutional regulations;
- specializing geographically and technically;
- improving accounting procedures;
- developing better funding-seeking methods; and
- improving field work methods, including those for reinforcing democratic development in communities.

The Project will also provide institutional support for community grassroots organizations in Mali, which are becoming increasingly well-organized into federations, via training with follow-up, exchanging experiences through local and national visits, supporting Operational-Research, and conducting civil education campaigns informing people of their rights and responsibilities as citizens. These activities will emphasize:

- organizing and forming federations;
- organizing and training women and youth;
- literacy training for empowerment;
- advocating democratic ideals; and
- training for managing local development activities.

F. Options for USAID-Financing of National NGOs

Malian NGOs are proving to be effective community development agents. At present, however, USAID can only make grants through institutions registered with AID/W. As a result, this project does not fund any local NGOs directly, but instead work in partnerships with U.S. PVOs funded by this project and thus benefit indirectly through sub-grants. Several possibilities exist to fund NGOs more directly, the two most viable of which, in the short-term, are a system of passive PVO partners and registering the CCA-ONG.

1. Passive Partners

With the Passive Partner option, PVOs registered with USAID would receive grants from USAID and pass them on to NGOs to execute. They would maintain a more passive role in Project planning and implementation, and simply serve as a conduit for the funds (forgoing their negotiated indirect cost rate overhead). However, whether PVOs will accept playing this role is unclear since they cannot remain passive about financial accounting and reporting under AID Grants.

2. Registering CCA-ONG

A second option would be to channel Project funds through the main coordinating organization for Malian NGOs, CCA-ONG, which is well on the way to being registered with USAID. Its reach and experience make it a good institution to direct funds to other NGOs. It has 95 members and 50 associate members, and its permanent financial and technical office, the *Cellule d'Appui Technique et Financier*, has experience in managing the funds for over 101 projects, including Band-Aid, the centrally-financed Natural Resource Management project, and Natural Resource Management Pivot Group funds in collaboration with CARE. It is run by an elected voluntary committee, which is presently chaired by Save the Children Federation-USA.

3. Others

Other less-preferred options include funding NGOs through: sectoral Pivot Groups; the *Secrétariat de Concertation des ONG Maliennes* (a less experienced coordinating body); an umbrella system that uses a research institution like is done in Senegal and Zaïre; or having USAID fund local NGOs and other NGO groupings directly.

G. Feasibility of a Foundation

USAID Mali seeks to mobilize greater energy and resources to create and support national structures in Mali that are committed to long-term, sustainable development through local NGOs, village associations, civic groups and associations and federations of grassroots organizations -- thus increasing both the quantity and improving the quality of their outreach. USAID's interest in a foundation flows logically from these objectives. Its goal in this effort will not be necessarily to endow a foundation financially and directly, but rather to create an institutional structure that can secure resources independently for long-term, self-sustaining development interventions. In doing so, it distinguishes conceptually between the endowment as a fund, and the foundation as an institution. USAID may consider supporting the development of more than one foundation as most appropriate to Mali's circumstances and needs.

The foundation(s), an endowed non-governmental, capital-accumulating organization managed by independent trustees and officers, would encourage and sustain an active civil society by providing support and resources for a wide variety of activities and programs. Its strength and significance would derive from its independence and complimentary actions. Through the financial and institutional support of both productive and humanitarian programs, the foundation would offer an essential alternative to government agencies, NGOs, and private, for-profit concerns. It would be called upon to play a critical role in developing and strengthening Malian society by offering long-term financial and political security for independently-conceived and executed NGO development programs. It should be able to overcome some of the constraints associated with short-term,

donor-supported projects. Further, the foundation would focus on broadening participation in the development process by representing and supporting peoples and groups not usually associated with bilateral and multilateral development programs. Reliable, extended support for these groups would give them the experience and credibility needed to be productive in a dynamic civil society.

Mali has little experience with the legal and operational mechanisms associated with autonomous development institutions, and no legal precedent for creating a foundation as such. However, the democratically-elected government is favorable to USAID initiatives to support lasting development structures, and appears ready to support their initiation. The steps appear clear and must be taken now to flow with the momentum of recent political emphases on democratization and decentralization, and to allow the external, initially USAID, support to be both effective and phased-out by the 1999 Project Assistance Completion Date.

While establishing grassroots development foundations is a relatively new concept in the developing world, its creation would offer intriguing possibilities for planning and implementing long-term development actions. The processes employed in creating an endowed foundation in Mali would differ from those followed in wealthier countries by depending more heavily upon government support for its legal creation, and upon donors rather than private sources for its funding. Also, it is more likely to receive incremental funding rather than a single, large endowment. To assist in its creation, this project may support a series of activities that guide and facilitate the process. Positive results from each stage of a series of consecutive steps could lead to obligating resources for the next activity. It is hoped this would generate continuing, enthusiastic support and commitment of a multitude of partners, both institutional and individual, to ensure its success.

IX. ANNEXES

A. Logical Framework

PRIVATE VOLUNTARY ORGANIZATION CO-FINANCING (688-0247)
FISCAL YEARS 1994 TO 1999

GOAL	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Promote economic development through more efficient resource allocation and increased production, higher incomes and improved well-being at the community level	<p>Decrease the number of people highly vulnerable to famine from 400,000 in 1997 to 250,000 by 1999</p> <p>Decreases in percentage of infants between three and 36 months old who are severely malnourished, as measured in height for weight, from 24.4 percent in 1987, to 15 percent by 1999</p> <p>Decreases in national infant mortality rates from 108 per 1,000 in 1987 to 80 per 1,000 by 1999</p> <p>Increases in contraceptive prevalence rate in rural areas from 1.3 percent in 1987 to ten percent by 1999</p> <p>Increases in the national adult literacy rate from 23 percent in 1989 to 35 percent by 1999</p>	<p>Famine Early Warning System Reports</p> <p>Demographic and Health Surveys</p> <p>Ministry of Education, and UNDP Reports</p>	<p>The GRM continues to maintain generally positive institutional relations with PVO and NGO community</p> <p>The political climate remains stable enough to implement the programs</p> <p>Mali is not hit by major droughts</p>

PURPOSE	END OF PROJECT STATUS INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Sustainable increases in private not-for profit sector capacity to promote Mali's social and economic development.</p>	<p>NGOs will participate actively in newly created decentralized governing structures in all regions of Mali</p> <p>At least one independent national development institution will have been established</p> <p>NGOs will practice professional management as indicated by: existence of long-term strategies; participatory monitoring and evaluation; transparent financial systems</p>	<p>AID project evaluations</p> <p>Foundation annual reports</p> <p>PVO grantees' reports</p>	<p>There is a sufficient resource base at the village and local level to sustain development activities</p> <p>GRM policies allow decentralized activity and social and economic growth</p>

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>OUTPUT 1: Increased private non-profit sector impact on child survival, family planning, and AIDS prevention.</p>	<p>Infant mortality and morbidity rate less than 65 per 1,000 by 1999 in every community in which PVOs have been working for more than two years (national average in 1987 was 108 per 1,000)</p> <p>Contraceptive prevalence rate in PVO project areas at least 20 percent (1987 national average was 1.3 percent)</p> <p>At least 80 percent of adults demonstrate AIDS prevention awareness in Project Child Survival PVO communities after two years of intervention by 1999</p> <p>Ten NGOs specialized in family planning, AIDS prevention or Child Survival (up from one in 1993)</p> <p>All PVOs in this sector have NGO partners by 1999 (up from zero in 1993)</p>	<p>Child Survival project reports and evaluations</p> <p>PVO project reports</p> <p>Pivot Group reports</p> <p>USAID Project evaluations and monitoring reports</p>	

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
OUTPUT 2: Increased private non-profit sector impact on micro-enterprise development.	The number of new enterprises in project funded programs will have doubled from 145 in 1992 to 290 in 1999	USAID Project evaluations	GRM policies will continue to favor the non-formal sector, and informal job and small business creation
OUTPUT 3: Increased non-profit private sector outreach in sustainable rural productive development	<p>Increase total number of trainees in natural resource management techniques up from 4,373 in 1992 to 15,000 by 1999</p> <p>Improved soil and water management practices increase from 290 hectares in 1992 to 1,000 hectares in 1999</p> <p>Number of rural producer associations created or supported by project up from 29 in 1992 to 100 in 1999</p>	USAID Project monitoring reports; PVO Project reports; Pivot Group reports; Project evaluations	
OUTPUT 4: Support for non-formal basic education in the private not-for-profit sector	Increases in rate of female literacy in communities in which project grantees working to 25 percent (up from national average of 15 percent)	Project evaluations; Basic Education Pivot Group reports	

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>OUTPUT 5: Creation of at least one new Pivot Group, and improved institutional capacity for all Pivot Groups.</p> <p>OUTPUT 6: Not-for-profit sector organizational capacity strengthened by PVO Partnerships.</p>	<p>Pivot Group meetings of at least 25 participants are held at least once each month</p> <p>Pivot Groups develop strategic action plans meeting project approved criteria</p> <p>Pivot Groups carry out strategic plans before August 1, 1999</p> <p>Pivot Groups develop and promote strategies for NGO intervention by 1995</p> <p>Ten-year action and sustainability plans meeting project-established criteria developed for each partnership by 1999</p> <p>Institutional plans meeting project-established criteria developed for each partnership by 1999</p> <p>Financial plans meeting project-established criteria developed for each partnership by 1999</p>	<p>Pivot Group meeting minutes</p> <p>Project monitoring reports; Pivot Group reports</p> <p>PVO and NGO partner project reports</p> <p>USAID mid-term monitoring and evaluations</p>	

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>OUTPUT 7: Improved NGO management systems.</p> <p>OUTPUT 8: Guidelines developed for establishing national community development foundations.</p> <p>OUTPUT 9: One or more associations of NGOs registered with USAID.</p> <p>OUTPUT 10: Project-supported publications improve public and specialist knowledge of non-profit sector experience.</p>	<p>20 NGOs in active partnership with PVOs (up from 14 in 1993)</p> <p>At least 20 NGOs regularly develop, execute or complete: strategic plans; basic financial management systems (including a budget, and external and internal audits); coherent statutes; and participatory impact monitoring by 1999</p> <p>Guidelines disseminated</p> <p>Project will have made at least one umbrella grant to an association of NGOs by 1999</p> <p>At least ten case studies, monographs, individual reports or audio-visual documents produced and distributed to project partners</p>	<p>Project monitoring and evaluation reports</p> <p>Grantee reports</p> <p>Project semi-annual reports</p> <p>Project monitoring and evaluation reports</p> <p>Project monitoring and evaluation reports</p>	<p>Malian law allows the creation of an independent, locally-based endowment structure</p> <p>PVOs and NGOs produce and publish records of their development experiences</p>

Table 11: DETAILED GRANT BUDGET

PVOs	PROJECT TITLE	GRANT NUMBER	LOCATION	BUDGET	ADDITIONAL TO FY-93	TOTAL FY-93	ADDITIONAL TO FY-99	TOTAL FY-99	NORTH \$	SOUTH \$
WORLD VISION	Menaka Child Survival	9128	Gao, Menaka & Ansongo	1,030,364 (1,030,364)	0	1,030,364	500,000	1,530,364	500,000	
	War Victims	2383	Bamako, Kati	120,000 (120,000)	0	120,000	0	120,000		0
	Seventh Region Initiatives	1175	Gao, Menaka & Ansongo	1,488,160 (2,088,832)	800,672	2,288,832	300,000	2,588,832	300,000	
WORLD EDUCATION	Promotion of Women	0196	Bamako	1,038,479 (1,038,479)	0	1,038,479	1,000,000	2,038,479		1,000,000
	Urban Revitalization	1303	Bamako, Sikasso	1,698,763 (1,698,763)	675,000	2,373,763	1,000,000	3,373,763		1,000,000
	Basic Education Pivot						500,000	1,000,000		500,000
NEAR EAST FOUNDATION	Douentza Forestry	0177	Douentza	460,630 (460,630)	0	460,630	400,000	860,630	400,000	
	Tarabe	1304	Mopti & Tarabe	284,131	80,481	364,612	400,000	764,612	400,000	
ATI	Strengthening Technology	1326		31,971	144,018	175,989	724,011	900,000		724,011
FREEDOM FROM HUNGER	Credit for Women	2157	Dogo, Keleya	105,000	200,000	305,000	795,000	1,100,000		795,000
SCF,WED,FFH AND OTHER	Literacy and Basic Education Activities						1,000,000	1,000,000		1,000,000
SAVE THE CHILDREN FEDERATION	Integrated Rural Development	0179	Kolondieba	1,402,679 (1,402,679)	0	1,402,679	1,000,000	2,402,679		1,000,000
	Family Planning	1316	Kolondieba	150,000 (150,000)	0	150,000	150,000	300,000		150,000
	Child Survival Pivot	2079		567,407 (567,407)	79,552	646,959	420,448	1,067,407	42,045	378,403
	Pivot Group Population Strategy initial funding before an NGO population project is developed		Bamako and Southern Region		1,500,000	1,500,000	5,587,228	7,087,228		5,587,228
	Pivot Group initiative for child survival and family planning in the north								1,278,198	
	Timbuctu		Sixth Region		1,100,000	1,100,000		1,100,000		
	Gao		Seventh Region		1,221,802	1,221,802	1,278,198	2,500,000		
	Kidal		Eighth Region		400,000	400,000		400,000		

AFRICARE	Pesticide Visual Aids	2160	Baguineda	99,804	0	99,804	0	99,804		0
	MED Pivot Group	2078		700,000 (1,500,000)	0	700,000 (1,500,000)	600,000	1,300,000		600,000
	Niafunke Natural Resource Managem	0257	Niafunke	1,395,401 (1,835,929)	440,528	1,835,929	400,000	2,235,929	400,000	
	Sixth Region Drought Assistance Dioro Child Survival supplementary feeding, family planning, management natural resource management	1176	Dire, Goundam Segou, Dioro	533,253 0	0 0	533,253 0	1,000,000 150,000	1,533,253 150,000	1,000,000	150,000
TRANS-CENTURY	ACEP Credit Program (5-year loan)		Bamako, Segou Kayes	0	0	0	500,000	500,000		500,000
I.T.D.G.	Technology Transfer Unit		Segou	0	0	0	400,000	400,000		400,000
CARE	Timbuktu Rural Development	1173	Timbuktu	896,800	505,945	1,402,745	398,055	1,800,800	398,055	
	Natural Resource Management Pivot Group			(896,800) (968,723)						
	Macina Child Survival	9127	Macina	318,117 (318,117)	500,000	818,117	500,000	1,318,117		500,000
	Djenne Agrisystem	2158	Djenne	135,000 (135,000)	475,383	610,383	689,617	1,300,000		689,617
ACORD	Support for Women Heads of Family (PD&S \$55,000)	2378	Gao	0	0	0	150,000	150,000	150,000	
	Gao, Menaka, Kidal		Seventh Region							
	Timbuktu: 94-97		Eighth Region Sixth Region	0 0	0 0	0 0	1,000,000 300,000	1,000,000 300,000	1,000,000 300,000	

TOTAL

8,123,381 20,579,340 21,142,557 42,221,897 6,168,298 14,974,259

Table 12: DESIGN MATRIX FOR SETTING SECTORAL SPLIT BY PRIORITIZED PARAMETERS

PVOs	PROJECT TITLE	TOTAL FY-99	FAMILY PLANNING	CHILD SURVIVAL	NATURAL RESOURCE MANAGEMENT	MICRO- ENTERPRISE DEVELOPMENT	BASIC EDUCATION
WORLD VISION	Menaka Child Survival	1,530,364	153,036	1,071,255	0	122,429	183,644
	War Victims	120,000	0	120,000	0	0	0
	Seventh Region Initiatives	2,588,832	129,442	258,883	1,294,416	517,766	388,325
	ACORD Project de Rehabilitation	234,380	0	0	234,380	0	0
WORLD EDUCATION	Promotion of Women	2,038,479	509,620	101,924	101,924	917,316	407,696
	Urban Revitalization	3,373,763	674,753	168,688	506,064	1,180,817	843,441
NEAR EAST FOUNDATION	Douentza Forestry	860,630	86,063	0	602,441	86,063	86,063
	Tarabe	764,612	76,461	0	535,228	76,461	76,461
ATI	Strengthening Technology	900,000	45,000	0	90,000	675,000	90,000
FREEDOM FROM HUNGER	Credit for Women	1,100,000	220,000	220,000	0	440,000	220,000
SCF/WED/FFH/OTHER	Literacy and Basic Education Activities	1,000,000	200,000	200,000	0	0	600,000
SAVE THE CHILDREN FEDERATION	Integrated Rural Development	2,402,679	480,536	600,670	360,402	360,402	600,670
	Family Planning	300,000	300,000	0	0	0	0
	Child Survival Pivot	1,067,407	533,704	533,704	0	0	0
	Pivot Group Population Strategy initial funding (before an NGO population project is developed)	7,087,228	6,024,144	354,361	0	354,361	354,361
	Pivot Group initiative for child survival and family planning	0					
	Timbuctu	1,100,000	220,000	660,000	0	0	220,000
	Gao	2,500,000	500,000	1,500,000	0	0	500,000
Kidal	400,000	80,000	240,000	0	0	80,000	

AFRICARE	Pesticide Visual Aids	99,804	0	49,902	49,902	0	0
	MED Pivot Group	1,300,000	130,000	0	0	1,040,000	130,000
	Niafunke Natural Resources Management	2,235,929	223,593	223,593	1,341,557	223,593	223,593
	Sixth Region Drought Assistance	1,533,253	153,325	919,952	153,325	153,325	153,325
	Dioro Child Survival supplementary feeding, family planning, management and natural resource management	150,000	37,500	0	37,500	37,500	37,500
TRANS-CENTURY	ACEP CREDIT PROGRAM (5-year loan)	500,000	50,000	0	50,000	350,000	50,000
I.T.D.G.	Technology Transfer Unit	400,000	40,000	0	40,000	280,000	40,000
CARE	Timbuktu Rural Development	1,800,800	180,080	180,080	900,400	180,080	360,160
	Natural Resource Management Pivot Group	968,723	0	0	774,978	0	193,745
	Macina Child Survival	1,318,117	263,623	922,682	0	0	131,812
	Djenne Agrisystem	1,300,000	130,000	130,000	780,000	130,000	130,000
ACORD	Support for Women Heads of Family (PD&S \$55,000) Gao, Menaka, Kidal	150,000	30,000	30,000	30,000	30,000	30,000
		1,000,000	200,000	200,000	200,000	200,000	200,000
	Timbuktu: 94-97	<u>300,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
TOTAL		42,425,000	11,730,879	8,745,693	8,142,519	7,415,114	6,390,795

Table 13: SUMMARY COSTS ESTIMATE AND FINANCIAL PLAN (US\$)
For Fiscal Year 1993

	A.I.D		OTHERS (PVOs)		TOTAL		GRAND TOTAL
	FOREIGN EXCHANGE	LOCAL CURRENCY	FOREIGN EXCHANGE	LOCAL CURRENCY	FOREIGN EXCHANGE	LOCAL CURRENCY	
Project Administration	0	76,000	0	0	0	76,000	76,000
Support Costs	0	14,000	0	0	0	14,000	14,000
Studies	137,500	137,500	0	0	137,500	137,500	275,000
Audit	0	25,000	0	0	0	25,000	25,000
Institution Strengthening Grants	0	50,000	0	0	0	50,000	50,000
Subgrants to PVO	3,221,802	0	805,451	0	4,027,253	0	4,027,253
Direct Grants to PVOs & A.I.D Contracts	5,138,198	0	1,284,550	0	6,422,748	0	6,422,748
Total	8,497,500	302,500	2,090,000	0	10,587,500	302,500	10,890,000

Host country contribution cannot be calculated until proposals are received
i.e. all uncommitted grant funds can be allocated to any new grant.

Table 14: METHODS OF FINANCING AND IMPLEMENTATION

ITEMS	IMPLEMENTATION METHOD	FINANCING METHOD	\$US AMOUNT	
			THIS GRANT	LOP TOTAL
Project Administration	AID Direct Contract	Direct Payment	76,000	1,900,000
Support Costs	AID Direct Contract	Direct Payment	14,000	370,000
Evaluation	AID Direct Contract	Direct Payment	275,000	955,000
Audit	AID Direct Contract	Direct Payment	25,000	100,000
Institution Strengthen. Subgrants	AID Direct Contract	Direct Payment	50,000	3,250,000
Program Subgrants to PVOs	Direct Grants	Costs Reimbursement	4,027,253	29,988,382
A.I.D Direct Grants	Direct Grants	Costs Reimbursement	4,027,253	21,620,663
AID Direct Contracts	AID Direct Contract	Direct Payment	<u>295,774</u>	<u>2,245,774</u>
TOTAL (all available funding sources combined)			8,790,280	60,429,819

Table 15: PROJECT OUTPUTS AND INPUTS BY PERCENT

ITEM	FAMILY PLANNING	CHILD SURVIVAL	NATURAL RESOURCE MANAGEMENT	MICRO- ENTERPRISE DEVELOPMENT	BASIC EDUCATION	PROJECT SUPPORT	INSTITUT. STRENGTH.
A.I.D	24	18	16	15	14	6	7
Others Donors	5	4	4	3	3	0	0

Table 16: SUMMARY LIFE-OF-PROJECT COSTS ESTIMATE AND FINANCIAL PLAN (US\$)
For Fiscal Year 1993

	A.I.D		OTHERS (PVOs)		<u>TOTAL</u>		<u>GRAND TOTAL</u>
	FOREIGN EXCHANGE	LOCAL CURRENCY	FOREIGN EXCHANGE	LOCAL CURRENCY	FOREIGN EXCHANGE	LOCAL CURRENCY	
Project Administration	1,012,000	888,000	0	0	1,012,000	888,000	1,900,000
Support Costs	259,000	111,000			259,000	111,000	370,000
Studies	382,000	573,000	0	0	382,000	573,000	955,000
Audit	50,000	50,000	0	0	50,000	50,000	100,000
Institution Strength. Grants	0	3,250,000	0	0	0	3,250,000	3,250,000
Subgrants to PVO	23,286,321	880,481	5,821,580	0	29,107,901	880,481	29,988,382
Direct Grants-PVOs & A.I.D Contracts	18,432,956	825,242	4,608,239	0	23,041,195	825,242	23,866,437
Total	\$43,422,277	\$6,577,723	\$10,429,819	\$0	\$53,852,096	\$6,577,723	\$60,429,819
Total AID funding	\$50,000,000						

Host country contribution can not be calculated until proposals are received.
 No contingency was budgeted due to the special nature of this project, i.e. all uncommitted grant funds can be allocated to any new grant.

C. Statutory Checklist

5C(2) - ASSISTANCE CHECKLIST

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

A. **CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS**

1. **Host Country Development Efforts** (Foreign Assistance Act of 1961, as amended Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

U.S. Private Trade and Investment (FAA Sec. 601(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

3. **Congressional Notification**

a. **General requirement** (FY 1993 Appropriations Act Sec. 522; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or

a. No; b. Yes, through strengthening indigenous NGOs; c. Yes, indirectly through activities related to microenterprise development; d. Yes, by encouraging growth in number of individual enterprises; e. Yes for agriculture; f. No.

Many grantee recipients will be U.S. PVO's.

for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the Appropriations Act notification requirement has been waived because of substantial risk to human health or welfare)?

Yes, a Congressional Notification was submitted in FY 1993 and expired without objection on.

b. **Notice of new account obligation** (FY 1993 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

Not applicable

c. **Cash transfers and non project sector assistance** (FY 1993 Appropriations Act Sec. 571(b)(3)): If funds are to be made available in the form of cash transfer or non project sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

Not applicable

4. **Engineering and Financial Plans** (FAA Sec. 611(a)): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Not applicable

5. **Legislative Action** (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

Not applicable

6. **Water Resources** (FAA Sec. 611(b); FY 1993 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

Not applicable

7. **Cash Transfer and Sector Assistance** (FY 1993 Appropriations Act Sec. 571(b)): Will cash transfer or non project sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for non project sector assistance)?

Not applicable

8. **Capital Assistance** (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

Not applicable

9. **Multiple Country Objectives** (FAA Sec. 601(a)): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

Responses are the same as those given in A.1

10. **U.S. Private Trade** (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade

Many grantee recipients will be U.S. PVO's

channels and the services of U.S. private enterprise).

11. Local Currencies

a. Recipient Contributions

(FAA Secs. 612(b), 636(h)):
Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

All grantee recipients will contribute at least 25 percent of project costs in actual and in-kind support. There are no U.S.-owned local currencies.

b. U.S.-Owned Currency

(FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No

c. Separate Account (FY

1993 Appropriations Act Sec. 571). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

There are no local currency generations

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

12. Trade Restrictions

a. Surplus Commodities (FY 1993 Appropriations Act Sec.

520(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

No

b. Textiles (Lautenberg Amendment) (FY 1993 Appropriations Act Sec. 520(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, pre-feasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

No

13. Tropical Forests (FY 1991 Appropriations Act Sec. 533(c)(3) (as referenced in section 532(d) of the FY 1993 Appropriations Act): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

No

14. PVO Assistance

a. Auditing and registration (FY 1993 Appropriations Act Sec. 536): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? Yes

b. Funding sources (FY 1993 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? Yes

15. Project Agreement Documentation (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). Cable will be transmitted immediately after project agreement is signed

16. Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric Yes

units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

17. **Women in Development** (FY 1993 Appropriations Act, Title II, under heading "Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased? Yes

18. **Regional and Multilateral Assistance** (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs. No

19. **Abortions** (FY 1993 Appropriations Act, Title II, under heading "Population, DA," and Sec. 524):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No

b. Will any funds be used to lobby for abortion? No

20. **Cooperatives** (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? Yes

21. **U.S.-Owned Foreign Currencies** Not applicable

a. **Use of currencies** (FAA Secs. 612(b), 636(h); FY 1993 Appropriations Act Secs. 507, 509): Are steps being taken to assure

that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.

b. Release of currencies (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No

22. Procurement

a. Small business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

Yes

b. U.S. procurement (FAA Sec. 604(a) as amended by section 597 of the FY 1993 Appropriations Act): Will all procurement be from the U.S., the recipient country, or developing countries except as otherwise determined in accordance with the criteria of this section?

Procurement will be in accordance with DFA procurement guidelines

c. Marine insurance (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?

Not applicable

d. Non-U.S. agricultural procurement (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

Not applicable

e. Construction or engineering service- (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the

Not applicable

FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

f. Cargo preference shipping (FAA Sec. 603): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?

No

g. Technical assistance (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes

No Federal procurement are anticipated

h. U.S. air carriers (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?

Yes

i. Termination for convenience of U.S. Government (FY 1993 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Yes

j. Consulting services (FY 1993 Appropriations Act Sec. 523): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Yes

k. Metric conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurement, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Yes

l. Competitive selection Procedures (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

23. Construction

a. Capital project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used?

Not applicable

b. Construction contract (FAA Sec. 611(c)): If contracts for construction are to be financed,

Not applicable

will they be let on a competitive basis to maximum extent practicable?

c. Large projects, Congressional approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress?

Not applicable

24. U.S. Audit Rights (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

Not applicable

25. Communist Assistance (FAA Sec. 620(h)). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries?

Not applicable

26. Narcotics

a. Cash reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated?

Yes

b. Assistance to narcotics traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities that we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance?

Yes

27. **Expropriation and Land Reform** (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? **Yes**
28. **Police and Prisons** (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? **Yes**
29. **CIA Activities** (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? **Yes**
30. **Motor Vehicles** (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? **Yes**
31. **Military Personnel** (FY 1993 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? **Yes**
32. **Payment of U.N. Assessments** (FY 1993 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? **Yes**
33. **Multilateral Organization Lending** (FY 1993 Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? **Yes**
34. **Export of Nuclear Resources** (FY 1993 Appropriations Act Sec. 510): Will assistance preclude use **Yes**

of financing to finance the export of nuclear equipment, fuel, or technology?

35. Repression of Population Yes
(FY 1993 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

36. Publicity or Propaganda No
(FY 1993 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress?

37. Marine Insurance Yes
(FY 1993 Appropriations Act Sec. 560): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate?

38. Exchange for Prohibited Act No
(FY 1993 Appropriations Act Sec. 565): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law?

39. **Commitment of Funds** (FAA Sec. 635(h)): Does a contract or agreement entail a commitment for the expenditure of funds during a period in excess of 5 years from the date of the contract or agreement? No

40. **Impact on U.S. Jobs** (FY 1993 Appropriations Act, Sec. 599):

(a) Will any financial incentive be provided to a business located in the U.S. for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce the number of U.S. employees of that business? No

(b) Will assistance be provided for the purpose of establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply? If so, has the President determined and certified that such assistance is not likely to cause a loss of jobs within the U.S.? No

(c) Will assistance be provided for a project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country? No

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. **Agricultural Exports (Bumpers Amendment)** (FY 1993 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the No

United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

2. **Tied Aid Credits (FY 1993 Appropriations Act, Title II, under heading "Economic Support Fund"):** Will DA funds be used for tied aid credits? No

3. **Appropriate Technology (FAA Sec. 107):** Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? Yes

4. **Indigenous Needs and Resources (FAA Sec. 281(b)):** Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government. The entire implementation strategy and project purpose is to strengthen the ability of local populations to take control of their own particular development needs.

5. **Economic Development (FAA Sec. 101(a)):** Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? Yes

6. **Special Development Emphases (FAA Secs. 102(b), 113, 281(a)):** Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in

A) Target populations are the rural, village poor.
B) Project support is uniquely channeled through PVO's and indigeneous NGO's.
C) Project is consistant with the GRM decentralization efforts.

the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

D) There are special economic activities for women.
E) Not applicable

7. Recipient Country Contribution (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Yes, Section 110 is being waived

8. Benefit to Poor Majority (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes

9. Abortions (FAA Sec. 104(f); FY 1993 Appropriations Act, Title II, under heading "Population, DA," and Sec. 534):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to

coerce or provide any financial incentive to any person to undergo sterilizations? No

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No

d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? Yes

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? No

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization? No

10. Contract Awards (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

11. Disadvantaged Enterprises
(FY 1993 Appropriations Act Sec. 563): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

Eligible Grey Amendment PVO's will be encouraged to submit proposals

12. Biological Diversity (FAA Sec. 119(g): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

A) Yes, through the natural resources management component; B) - D). No.

13. Tropical Forests (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act):

Yes

a. A.I.D. Regulation 16:
Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

b. Conservation: Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities

Yes

which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

Not applicable

c. Forest degradation:

Will assistance be used for: (1) the procurement or use of logging

equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively under graded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively under graded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

No

d. Sustainable forestry:

If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

Not applicable

e. Environmental impact statements: Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?

Not applicable

14. **Energy** (FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the

FY 1993 Appropriations Act): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?

Not applicable

15. **Debt-for-Nature Exchange** (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.

Not applicable

16. **Deobligation/Reobligation** (FY 1993 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

Not applicable

17. **Loans**

a. **Repayment capacity** (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

Not applicable

b. **Long-range plans** (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

Not applicable

c. **Interest rate** (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum

during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

Not applicable

d. Exports to United States (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

Not applicable

18. Development Objectives (FAA Secs. 102(a), 111, 113, 281(a)): Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

Responses are the same as those in B.6.

19. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A):

a. **Rural poor and small farmers:** If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

Assistance will increase farmer productivity

b. **Nutrition:** Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

Nutrition education and training is a common component of project health activities

c. **Food security:** Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

Increasing food production increases the amount of income available to buy food in the event of years of shortages.

20. **Population and Health (FAA Secs. 104(b) and (c)):** If assistance is being made available for population or health activities,

describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

Project health activities will focus on village based, basic health delivery systems that are comprehensive, integrated, and sustainable at the village level.

21. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens non-formal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

Literacy centers will be created to provide training in literacy, numeracy, agriculture and community development to both adults and school age children.

22. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

Not applicable

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of

energy resources that are environmentally acceptable and require minimum capital investment;

Project implementation is to be conducted through U.S. and local PVO's.

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

c. research into, and evaluation of, economic development processes and techniques;

Project implementation is through U.S. and local PVO's.

d. reconstruction after natural or manmade disaster and programs of disaster preparedness;

Not applicable

e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

Not applicable

f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

Not applicable

23. Capital Projects (Jobs Through Export Act of 1992, Secs. 303 and 306(d)): If assistance is being provided for a capital project, is the project developmentally sound and will the project measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level?

Not applicable

Not applicable

D. Economic Analysis Tables

The following tables provide the basic data and assumptions used in the Economic Analysis of this Project Paper Amendment. The model developed on Lotus software permits the sub-projects to be examined for their potential financial and economic return by simply entering the information into the different types of project analyses. Where possible, this process should help determine those activities in a project are more cost-effective as well as financially and economically viable, thereby aiding in project design. The PVO Co-Financing Project staff and the USAID Economist assist PVOs and NGOs to accomplish these analyses during their project design and review.

ANNEX D Table 1: Costs of PVO Co-Financing Amendment 3
(000 Dollars) 680 33,880
3,250

TOTAL USAID+ PVO	USAID GRAND Total	USAID Grant Total	USAID Other Total	PVO Funds 1/ 0.25
38,014	33,880	32,755	1,125	4,134

GRANTS NRM	GRANTS ChildSur	GRANTS Family Plan	GRANTS FunctLit	GRANTS MSE&Credit	GRANTS Institutions	OTHER Endowment	OTHER TA	OTHER Studies	OTHER Ev+Aud+Sup	OTHER Contingency
0.19	0.21	0.28	0.16	0.17	0.00	0.00	0.27	0.08	0.21	0.00
2,908	3,498	5,758	2,024	2,351	3,250	500	520	55	50	0

(000 FCFA)

TOTAL USAID+ PVO	USAID GRAND Total	USAID Grant Total	USAID Other Total	PVO Funds 1/ 0
9,503,610	8,470,000	8,188,750	281,250	1,033,610

GRANTS NRM	GRANTS ChildSur	GRANTS MicroEnt	GRANTS FunctLit	GRANTS Credit	GRANTS Institutions	GRANTS Endowment	OTHER TA	OTHER Studies	OTHER Ev+Aud+Sup	OTHER Contingency
0	0	0	0	0	0	0	0	0	0	0
728,985	874,383	1,439,408	505,889	587,778	812,500	125,000	130,000	13,750	12,500	0

1/ Assumed that all grants will be matched at 25 percent

ANNEX D Table 2a: Costs and Benefits of PVO Co-Financing Amendment 3, Natural Resource Management
(000 FCFA)

Year	NRM Total Costs B/C ratio:	NRM Total Benefits 2.38	DireRice 1/ Barrage Costs	Windbreaks Costs	Sum of Activity Costs	26 B/C ratio:	DireRice 1/ Barrage Benefits 1.76	Windbreak Benefits 3.08	Sum of Activity Benefits 2.38
NPV	726,985	1,732,891	14,443	12,999	0	27,443	25,438	39,976	65,414
1	329,813	0	4,500	7,950		12,450	0	0	0
2	161,330	96,957	1,500	4,590		6,090	3,660	0	3,660
3	123,183	96,957	1,500	3,150		4,650	3,660	0	3,660
4	39,736	96,957	1,500	0		1,500	3,660	0	3,660
5	39,736	253,916	1,500	0		1,500	3,660	5,925	9,585
6	39,736	253,916	1,500	0		1,500	3,660	5,925	9,585
7	39,736	253,916	1,500	0		1,500	3,660	5,925	9,585
8	39,736	253,916	1,500	0		1,500	3,660	5,925	9,585
9	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
10	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
11	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
12	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
13	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
14	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
15	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
16	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
17	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
18	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
19	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
20	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
21	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
22	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
23	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
24	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585
25	39,736	359,880	1,500	0		1,500	3,660	9,925	13,585

Discount Rate ** 0

** Rate used to get NPV for the costs and benefits of the activities used to estimate project costs and benefits

NB: NPV of costs of activities divided into proposed project expenditures give multiplier

Proposed expenditures used as a project cost without counterpart in benefit stream which biases benefit stream downward

1/3

a294 ANNEX D Table 2a.i: Benefit and Cost Calculations of the Dire Digue (CARE Mali)
p322

Year	(000 FCFA)				Costs Project	Costs Labor	Costs	Costs	Benefits Yield (sac/Ha) 1/ w/o Proj	Benefits With Proj	Cultivated Benefits From Output Increment
	COSTS TOTAL	BENEFITS TOTAL	NET BENEFIT	NPV							
	NPV	14,443	25,438	10,995							
1	1,988	4,500	0	(4,500)	4,500						
2	1,989	1,500	3,660	2,160				5			
3	1,990	1,500	3,660	2,160						9	3,660
4	1,991	1,500	3,660	2,160						13	3,660
5	1,992	1,500	3,660	2,160				20		40	3,660
6	1,993	1,500	3,660	2,160							3,660
7	1,994	1,500	3,660	2,160							3,660
8	1,995	1,500	3,660	2,160							3,660
9	1,996	1,500	3,660	2,160							3,660
10	1,997	1,500	3,660	2,160							3,660
11	1,998	1,500	3,660	2,160							3,660
12	1,999	1,500	3,660	2,160							3,660
13	2,000	1,500	3,660	2,160							3,660
14	2,001	1,500	3,660	2,160							3,660
15	2,002	1,500	3,660	2,160							3,660
16	2,003	1,500	3,660	2,160							3,660
17	2,004	1,500	3,660	2,160							3,660
18	2,005	1,500	3,660	2,160							3,660
19	2,006	1,500	3,660	2,160							3,660
20	2,007	1,500	3,660	2,160							3,660
21	2,008	1,500	3,660	2,160							3,660
22	2,009	1,500	3,660	2,160							3,660
23	2,010	1,500	3,660	2,160							3,660
24	2,011	1,500	3,660	2,160							3,660
25	2,012	1,500	3,660	2,160							3,660

digue: longueur (m)

320

mare de N'gourou: Size (Ha)

160

Prices: 45 FCFA/Kg

1/ one sac=(Kg) 100

2/ Recurrent cost assumed similar to DHV costs of production with traditional technology

ANNEX D Table 3d Benefit-Cost Analysis of PVO Co-financing Amendment 3
aa212 (000 FCFA)
an237

	Overall	NRM	ChildSur	Family Plan	FunctLit	MPE&Credit
Present Discounted Value of Costs	4,171,905	571,061	639,343	1,281,744	331,304	436,994
Present Discounted Value of Benefits	4,361,995	886,815	822,650	1,829,954	344,630	477,947
Net Present Value	190,091	315,754	183,307	548,209	13,326	40,953
Discounted Benefit Cost Ratio	1.046	1.553	1.287	1.428	1.040	1.094
Benefit Cost Ratio	3.244	4.988	3.574	6.218	1.525	1.341
Internal Rate of Return	0.211	0.305	0.263	0.290	0.220	0.407
IRR Guess	0.600	0.700	0.900	0.800	1.000	0.800
DATA, PARAMETERS AND ASSUMPTIONS						
Discount Rate	0.20	0.20	0.20	0.20	0.20	0.20
Efficiency of Project Management 1/	100%					

1/ 100 percent means all funds go into final activities; 0 means that all funds go into administration activities.
We are using 100% because all administrative costs are considered as sunk costs due to the fact that the activities will continue and be replicated after the project without administrative costs.

a343 ANNEX D Table 2a.ii: Benefit and Cost Calculations of Windbreak Intervention 1/
 p384

Year	COSTS TOTAL	BENEFITS TOTAL	NET BENEFITS	Initial Costs Project	(FCFA) Costs Labor	Costs	Costs	Benefits Yield	Benefits Fuelwood
					50			600	
					60			0	1
				trees				50	1,050
0	1,988	0	0						
1	1,989	0	0						
1	1,990	7,950	0	(7,950)	3,000				
2	1,991	4,590	0	(4,590)	900				
3	1,992	3,150	0	(3,150)					
4	1,993	0	0	0					
5	1,994	0	5,925	5,925			5,400	525	
6	1,995	0	5,925	5,925			5,400	525	
7	1,996	0	5,925	5,925			5,400	525	
8	1,997	0	5,925	5,925			5,400	525	
9	1,998	0	9,925	9,925			5,400	525	
10	1,999	0	9,925	9,925			5,400	525	
11	2,000	0	9,925	9,925			5,400	525	
12	2,001	0	9,925	9,925			5,400	525	
13	2,002	0	9,925	9,925			5,400	525	
14	2,003	0	9,925	9,925			5,400	525	
15	2,004	0	9,925	9,925			5,400	525	
16	2,005	0	9,925	9,925			5,400	525	
17	2,006	0	9,925	9,925			5,400	525	
18	2,007	0	9,925	9,925			5,400	525	
19	2,008	0	9,925	9,925			5,400	525	
20	2,009	0	9,925	9,925			5,400	525	
21	2,010	0	9,925	9,925			5,400	525	
22	2,011	0	9,925	9,925			5,400	525	
23	2,012	0	9,925	9,925			5,400	525	
24	2,013	0	9,925	9,925			5,400	525	
25	2,014	0	9,925	9,925			5,400	525	

1/ From Opportunities by Asif Shaikh et al, October 1988

IRR	0.27
guess	0.50
NPV	6,782.49
discount	0.20

ANNEX D Table 2b: Costs and Benefits of PVO Co-Financing Amendment 3: Child Survival
(000 FCFA)

Year	ChildS	ChildS	dioro	Sum of			Sum of			
	Total	Total	Costs	Costs	Costs	Activity	Activity	Activity		
	Costs	Benefits	Costs	Costs	Costs	Costs	Benefits	Benefits	Benefits	
	B/C ratio:	1.88				0	B/C ratio:	0.35	ERR	1.88
NPV	615,782	1,646,890	423,337,596	0	0	423,337,596	147,090,581	0	797,351,566	
1	195,185	0	94,500,000			94,500,000	0		0	
2	182,012	49,054	88,122,000			88,122,000	23,750,000		23,750,000	
3	201,369	98,186	97,494,000			97,494,000	47,537,500		47,537,500	
4	188,196	147,279	91,116,000			91,116,000	71,306,250		71,306,250	
5	59,002	178,378	28,566,000			28,566,000	86,362,781		86,362,781	
6	60,024	209,477	29,061,000			29,061,000	101,419,595		101,419,595	
7	61,149	240,577	29,605,500			29,605,500	116,476,693		116,476,693	
8	61,149	271,677	29,605,500			29,605,500	131,534,077		131,534,077	
9	61,149	302,778	29,605,500			29,605,500	146,591,747		146,591,747	
10	61,149	333,879	29,605,500			29,605,500	161,649,706		161,649,706	
11	61,149	364,981	29,605,500			29,605,500	176,707,954		176,707,954	
12	61,149	365,102	29,605,500			29,605,500	176,766,494		176,766,494	
13	61,149	365,224	29,605,500			29,605,500	176,825,326		176,825,326	
14	61,149	365,346	29,605,500			29,605,500	176,884,453		176,884,453	
15	61,149	365,469	29,605,500			29,605,500	176,943,875		176,943,875	
16	61,149	365,592	29,605,500			29,605,500	177,003,595		177,003,595	
17	61,149	365,716	29,605,500			29,605,500	177,063,613		177,063,613	
18	61,149	365,841	29,605,500			29,605,500	177,123,931		177,123,931	
19	61,149	365,966	29,605,500			29,605,500	177,184,550		177,184,550	
20	61,149	366,092	29,605,500			29,605,500	177,245,473		177,245,473	
21	61,149	366,218	29,605,500			29,605,500	177,306,701		177,306,701	
22	61,149	366,345	29,605,500			29,605,500	177,368,234		177,368,234	
23	61,149	366,473	29,605,500			29,605,500	177,430,075		177,430,075	
24	61,149	366,601	29,605,500			29,605,500	177,492,228		177,492,228	
25	61,149	366,730	29,605,500			29,605,500	177,554,687		177,554,687	

a450 ANNEX D Table 2b.i: Benefit and Cost Calculations of Diaro Child Survival Project1/
p491

Year	COSTS TOTAL	BENEFITS TOTAL	NET BENEFITS	Initial Costs Project	(FCFA) Costs Labor	Costs	Costs	Benefits drug cost savings	Benefits health
				315,000,000					5.00
				per book				732	500
				pup/yr			82	250	60,000
0	0	0							
1	94,500,000	0	(94,500,000)	94,500,000					
2	88,122,000	23,750,000	(64,372,000)	78,750,000			5,000,000	15,000,000	
3	97,494,000	47,537,500	(49,956,500)	78,750,000			10,000,000	30,000,000	
4	91,116,000	71,306,250	(19,809,750)	63,000,000			15,000,000	45,000,000	
5	28,566,000	86,362,781	57,796,781				15,000,000	60,000,000	
6	29,061,000	101,419,595	72,358,595				15,000,000	75,000,000	
7	29,605,500	116,476,693	86,871,193				15,000,000	90,000,000	
8	29,605,500	131,534,077	101,928,577				15,000,000	105,000,000	
9	29,605,500	146,591,747	116,986,247				15,000,000	120,000,000	
10	29,605,500	161,649,706	132,044,206				15,000,000	135,000,000	
11	29,605,500	176,707,954	147,102,454				15,000,000	150,000,000	
12	29,605,500	176,766,494	147,160,994				15,000,000	150,000,000	
13	29,605,500	176,825,328	147,219,828				15,000,000	150,000,000	
14	29,605,500	176,884,453	147,278,953				15,000,000	150,000,000	
15	29,605,500	176,943,875	147,338,375				15,000,000	150,000,000	
16	29,605,500	177,003,595	147,398,095				15,000,000	150,000,000	
17	29,605,500	177,063,613	147,458,113				15,000,000	150,000,000	
18	29,605,500	177,123,931	147,518,431				15,000,000	150,000,000	
19	29,605,500	177,184,550	147,579,050				15,000,000	150,000,000	
20	29,605,500	177,245,473	147,639,973				15,000,000	150,000,000	
21	29,605,500	177,306,701	147,701,201				15,000,000	150,000,000	
22	29,605,500	177,368,234	147,762,734				15,000,000	150,000,000	
23	29,605,500	177,430,075	147,824,575				15,000,000	150,000,000	
24	29,605,500	177,492,228	147,886,728				15,000,000	150,000,000	
25	29,605,500	177,554,687	147,949,187				15,000,000	150,000,000	

1/ From AFRICARE's Diaro Child Survival Proposal July, 1991; World Bank, Better Health in Africa draft report, 1992; and Second Health and Population Pro

IRR	0.26
guess	0.40
NPV	88,749,010.87
discount	0.20

ANNEX D Table 2c: Costs and Benefits of PVO Co-Financing Amendment 3, Family Planning
(000 FCFA)

Year	F.P. Total Costs B/C ratio:	F.P. Total Benefits 2.22	Costs	Costs	Costs	Sum of Activity Costs	0 B/C ratio:	Benefits 0.77	Benefits ERR	Sum of Activity Benefits 2.22
NPV	1,399,877	1,115,388	16,458,200	0	0	16,458,200	12,753,368	0	36,489,775	
1	819,922	0	9,375,000			9,375,000	0		0	
2	822,283	239,964	9,402,000			9,402,000	2,743,750		2,743,750	
3	4,723	479,927	54,000			54,000	5,487,500		5,487,500	
4	7,084	483,754	81,000			81,000	5,531,250		5,531,250	
5	7,793	484,738	89,100			89,100	5,542,500		5,542,500	
6	8,572	485,820	98,010			98,010	5,554,875		5,554,875	
7	9,429	487,010	107,811			107,811	5,568,488		5,568,488	
8	9,429	488,320	107,811			107,811	5,583,461		5,583,461	
9	9,429	489,761	107,811			107,811	5,599,932		5,599,932	
10	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
11	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
12	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
13	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
14	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
15	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
16	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
17	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
18	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
19	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
20	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
21	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
22	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
23	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
24	9,429	491,345	107,811			107,811	5,618,051		5,618,051	
25	9,429	491,345	107,811			107,811	5,618,051		5,618,051	

a500 ANNEX D Table 2c.i: Benefit and Cost Calculations of Save the Children's Family Planning Operational Research Project 1/
p541

Year	COSTS TOTAL	BENEFITS TOTAL	NET BENEFITS	Initial Costs Project 18,750,000	(FCFA) Costs Labor	Costs	Costs	Benefits drug cost savings	Benefits health	Benefits savings on 5.00 less children		
0	0	0	0									
1	9,375,000	0	(9,375,000)	9,375,000								
2	9,402,000	2,743,750	(6,658,250)	9,375,000				6,250	37,500	2,700,000		
3	54,000	5,487,500	5,433,500					12,500	75,000	5,400,000		
4	81,000	5,531,250	5,450,250					18,750	112,500	5,400,000		
5	89,100	5,542,500	5,453,400					18,750	123,750	5,400,000		
6	98,010	5,554,875	5,456,865					18,750	136,125	5,400,000		
7	107,811	5,568,488	5,460,677					18,750	149,738	5,400,000		
8	107,811	5,583,461	5,475,650					18,750	164,711	5,400,000		
9	107,811	5,599,932	5,492,121					18,750	181,182	5,400,000		
10	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
11	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
12	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
13	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
14	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
15	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
16	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
17	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
18	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
19	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
20	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
21	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
22	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
23	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
24	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		
25	107,811	5,618,051	5,510,240					18,750	199,301	5,400,000		

1/ From Save the Children's Family Planning Operational Research Proposal and reports, July, 1991 thru March 1993; World Bank, Better Health in Africa draft report, 1992; and Section 4, Health and Population Project, Sept, 1990.

IRR	0.29
guess	0.40
NPV	8,268,238.37
discount	0.20

ANNEX D Table 2d: Costs and Benefits of PVO Co-Financing Amendment 3, Basic Education and Functional Literacy
(000 FCFA)

Year	FuncL Total Costs B/C ratio:	FuncL Total Benefits 1.22	Costs	Costs	Costs	Sum of Activity Costs	0 B/C ratio:	Benefits 0.38	Benefits ERR	Sum of Activity Benefits 1.22
NPV	257,383	192,292	33,661,712	0	0	33,661,712		12,795,073	0	41,138,088
1	75,143	0	5,000,000			5,000,000		0		0
2	88,669	32,912	5,900,000			5,900,000		2,189,970		2,189,970
3	87,166	65,951	5,800,000			5,800,000		4,388,378		4,388,378
4	40,577	98,927	2,700,000			2,700,000		6,582,566		6,582,566
5	55,997	99,118	3,726,000			3,726,000		6,595,286		6,595,286
6	57,336	99,310	3,815,100			3,815,100		6,608,069		6,608,069
7	58,809	99,503	3,913,110			3,913,110		6,620,916		6,620,916
8	58,809	99,697	3,913,110			3,913,110		6,633,827		6,633,827
9	58,809	99,892	3,913,110			3,913,110		6,646,803		6,646,803
10	58,809	100,088	3,913,110			3,913,110		6,659,844		6,659,844
11	58,809	100,285	3,913,110			3,913,110		6,672,950		6,672,950
12	58,809	100,483	3,913,110			3,913,110		6,686,121		6,686,121
13	58,809	100,682	3,913,110			3,913,110		6,699,358		6,699,358
14	58,809	100,882	3,913,110			3,913,110		6,712,662		6,712,662
15	58,809	101,083	3,913,110			3,913,110		6,726,032		6,726,032
16	58,809	101,285	3,913,110			3,913,110		6,739,469		6,739,469
17	58,809	101,488	3,913,110			3,913,110		6,752,973		6,752,973
18	58,809	101,692	3,913,110			3,913,110		6,766,544		6,766,544
19	58,809	101,897	3,913,110			3,913,110		6,780,184		6,780,184
20	58,809	102,103	3,913,110			3,913,110		6,793,891		6,793,891
21	58,809	102,310	3,913,110			3,913,110		6,807,668		6,807,668
22	58,809	102,518	3,913,110			3,913,110		6,821,513		6,821,513
23	58,809	102,727	3,913,110			3,913,110		6,835,427		6,835,427
24	58,809	102,937	3,913,110			3,913,110		6,849,411		6,849,411
25	58,809	103,143	3,913,110			3,913,110		6,863,465		6,863,465

ANNEX D Table 2e: Costs and Benefits of PVO Co-Financing Amendment 3, Micro & Small Enterprise (MSE) & Credit
(000 FCFA)

Year	MSE&Credit Total Costs B/C ratio:	MSE&Credit Total Benefits 1.17	Chemical Fertilizer 1/ Costs	Mali Urban Revitalization Costs	Sum of Activity Costs	Sum of Activity Costs	0	B/C ratio:	Chemical Fertilizer 1/ Benefits	Mali Urban Revitalization Benefits	Sum of Activity Benefits	1.17
NPV	408,762	411,737	207,686	722,479,197	0	0	722,686,883	92,205	508,149,946	843,226,289		
1	126,077	107,866	26,480	154,988,768			155,015,248	0	132,623,651	132,623,651		
2	269,844	240,358	26,480	331,753,927			331,780,407	34,000	295,492,650	295,526,650		
3	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
4	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
5	42,880	64,666	26,480	52,696,181			52,722,661	34,000	79,474,090	79,508,090		
6	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
7	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
8	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
9	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
10	42,880	64,666	26,480	52,696,181			52,722,661	34,000	79,474,090	79,508,090		
11	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
12	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
13	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
14	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
15	42,880	64,666	26,480	52,696,181			52,722,661	34,000	79,474,090	79,508,090		
16	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
17	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
18	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
19	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
20	42,880	64,666	26,480	52,696,181			52,722,661	34,000	79,474,090	79,508,090		
21	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
22	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
23	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
24	42,116	64,666	26,480	51,756,855			51,783,335	34,000	79,474,090	79,508,090		
25	42,880	64,666	26,480	52,696,181			52,722,661	34,000	79,474,090	79,508,090		

1/Opportunities by Asif Shaikh et al., October 1988. NB This example was found successful due to error of authors
They used total benefits instead of incremental benefits on intervention. The IRR in this analysis assumes only 25 % of the costs

ANNEX D Table 2e.i Benefit and Cost Calculations of Chemical Fertilizer Intervention 1/

Year	COSTS TOTAL	BENEFITS TOTAL	NET BENEFITS	Initial (FCFA)					Benefits Yield	Benefits Yield	Benefits	TOTAL BENEFITS
				Costs Project	CostsQ Recurrent	CostsP	Costs	Costs				
				FertCompl	150	140			400	85		
				Urea	50	130						
				ULV	5	1,000						
				Herbicide	2	250						
0	0	0										0
1	26,480	0	(26,480)		26,480							0
2	26,480	34,000	7,520		26,480				34,000			34,000
3	26,480	34,000	7,520		26,480				34,000			34,000
4	26,480	34,000	7,520		26,480				34,000			34,000
5	26,480	34,000	7,520		26,480				34,000			34,000
6	26,480	34,000	7,520		26,480				34,000			34,000
7	26,480	34,000	7,520		26,480				34,000			34,000
8	26,480	34,000	7,520		26,480				34,000			34,000
9	26,480	34,000	7,520		26,480				34,000			34,000
10	26,480	34,000	7,520		26,480				34,000			34,000
11	26,480	34,000	7,520		26,480				34,000			34,000
12	26,480	34,000	7,520		26,480				34,000			34,000
13	26,480	34,000	7,520		26,480				34,000			34,000
14	26,480	34,000	7,520		26,480				34,000			34,000
15	26,480	34,000	7,520		26,480				34,000			34,000
16	26,480	34,000	7,520		26,480				34,000			34,000
17	26,480	34,000	7,520		26,480				34,000			34,000
18	26,480	34,000	7,520		26,480				34,000			34,000
19	26,480	34,000	7,520		26,480				34,000			34,000
20	26,480	34,000	7,520		26,480				34,000			34,000
21	26,480	34,000	7,520		26,480				34,000			34,000
22	26,480	34,000	7,520		26,480				34,000			34,000
23	26,480	34,000	7,520		26,480				34,000			34,000
24	26,480	34,000	7,520		26,480				34,000			34,000
25	26,480	34,000	7,520		26,480				34,000			34,000
	0	34,000	34,000						34,000			34,000

1/ From Opportunities by Asif Shaikh et al, October 1988 (Fansebougu)

IRR 28.33%
 guess 40.00%
 NPV 8,873
 discount 0.20

123

ANNEX D Table 2e.ii Benefit and Cost Calculations of Mall Initial (FCFA)					CostsQ	CostsP	Costs	Costs	Costs	Benefit	Benefit	Benefit	Benefit	TOTAL
Year	COSTS TOTAL	NET BENEFITS TOTAL	NET BENEFITS	Costs Project	Initial	recurrent				savserv yr1	health/yr	vehav/kmyr	value added	BENEFITS
					469,682,933			1						31
														153
														162,600
0	0	0												0
1	154,988,768	32,623,651	(22,365,117)		154,988,768					106,307,201	10,466,621	15,769,029		132,623,651
2	331,753,927	295,492,650	(36,261,278)		314,674,165	17,079,762				216,018,560	31,716,730	47,757,360	38,125	295,492,650
3	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	76,250	79,474,090
4	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	114,375	79,474,090
5	52,696,181	79,474,090	26,777,908		0	52,696,181				0	31,716,730	47,757,360	162,600	79,474,090
6	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
7	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
8	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
9	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
10	52,696,181	79,474,090	26,777,908		0	52,696,181				0	31,716,730	47,757,360	152,500	79,474,090
11	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
12	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,600	79,474,090
13	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,600	79,474,090
14	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,600	79,474,090
15	52,696,181	79,474,090	26,777,908		0	52,696,181				0	31,716,730	47,757,360	152,500	79,474,090
16	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
17	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
18	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
19	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
20	52,696,181	79,474,090	26,777,908		0	52,696,181				0	31,716,730	47,757,360	152,500	79,474,090
21	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
22	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
23	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
24	51,756,855	79,474,090	27,717,234		0	51,756,855				0	31,716,730	47,757,360	152,500	79,474,090
25	52,696,181	79,474,090	26,777,908		0	52,696,181				0	31,716,730	47,757,360	152,500	79,474,090
	0	0	0							0				0

1/ From Final Evaluation Report on the Mall Urban Revitalization Project, Jill Harmsworth, April, 1993.

IRR	40.66%	+WB EA of AQETIP													
		cinca	bidca	pvmt	trash	dumps	bins	roads	latrines	water	cleanup	other			
guess	40.0%	%totcost	100.0%	38.0%	10.0%	2.0%	18.0%	3.0%	3.0%	4.0%	5.0%	2.0%	5.0%	10.0%	
NPV	50,344,098	%maintcost		10.0%	2.0%	ev5yrs	25.0%	10.0%	10.0%	20.0%	10.0%	1.0%	10.0%	1.0%	
discoun	0.20	recurcost	51,756,855	17,847,191	939,326	0	21,134,832	1,408,989	1,408,989	3,767,303	2,348,316	93,933	2,348,316	469,663	
		other recur	939,326		939,326										
		benefit	ssvserv yr1	322,415,761	127,525,000	160,800,000	0	8,990,967	0	0	8,951,643	3,670,057	1,468,023	3,670,057	7,340,114
		health/yr		31,716,730	24,851,375	317,174	0	4,455,881	0	0	0	1,650,000	450,000	192,600	
		vehav/kmyr		47,767,360		250,480					47,506,880				

Cost assumption: The contributions by the communities have been discounted by half because it is assumed that about half is labor and this would be labor given to any community project outside of normal productive hours.

734,011,433 734,011,433 ----- 734,011,433 734,011,433 734,011,433 734,011,433 734,011,433 734,011,433

Benefits Assumptions: the savings per year are based on the estimated amounts of savings in infrastructure and service cost for each type of activity. Some savings used the World Bank figures for the similar AQETIPE project (e.g. trash collection). Others assumed 10% below normal cost of provision (e.g. latrines and other construction); considering the cases studied these savings are probably underestimated. The Health saving are the amount per year saved by assuming that the population which benefits from the different activities will have reduced sick days. Standard assumption was that one sick day was worth 500fcfa, and half the population was working and that a fifth to half of that lost an average of one day per year due to the inactivity which was corrected by the project. The vehicle savings amounts were taken directly from the World Bank AQETIPE project.

ANNEX D Table 3a. Summary Cost of PVO Co-financing Amendment 3
ab81
aq119
(000 FCFA)

Year	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs
	Direct	Support	Overall	NRM	ChildSur	Family Plan	FuncLit	MPE&Credit	Pivot	Endowment	TA	Studies	Ev&Audit	Conting
					c135	c177	c222							
1	1,546,140	1,093,750	2,639,890	329,813	195,185	819,922	75,143	126,077	812,500	125,000	130,000	13,750	12,500	0
2	1,524,137	0	1,524,137	161,330	182,012	822,283	88,669	269,844						
3	458,557	0	458,557	123,183	201,369	4,723	87,168	42,116						
4	317,710	0	317,710	39,736	188,196	7,084	40,577	42,116						
5	205,408	0	205,408	39,736	59,002	7,793	55,997	42,880						
6	207,784	0	207,784	39,736	60,024	8,572	57,338	42,116						
7	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
8	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
9	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
10	212,003	0	212,003	39,736	61,149	9,429	58,809	42,880						
11	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
12	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
13	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
14	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
15	212,003	0	212,003	39,736	61,149	9,429	58,809	42,880						
16	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
17	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
18	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
19	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
20	212,003	0	212,003	39,736	61,149	9,429	58,809	42,880						
21	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
22	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
23	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
24	211,239	0	211,239	39,736	61,149	9,429	58,809	42,116						
25	212,003	0	212,003	39,736	61,149	9,429	58,809	42,880						
TOTAL	8,278,337	1,093,750	9,370,087	1,488,529	2,047,611	1,849,528	1,522,251	1,388,420	812,500	125,000	130,000	13,750	12,500	0
Exchange rate	250 FCFA/\$													
COSTS														
Direct	1 Grants (nrm,ce,me,li,credit)													
Indirect	1 Grants other													

ANNEX D Table 3b Summary Benefits of PVO Co-financing Amendment 3
 ab127 (000 FCFA)
 aq165

Year	Benefits Direct	Benefits Support	Benefits Overall	Benefits NRM	Benefits ChildSur	Benefits Family Plan	Benefits FunctLit	Benefits MPE&Credit	Benefits Pivot	Benefits Endowment	Benefits TA	Benefits Studies	Benefits Ev+Audit	Benefits Conting
					d135	d177	d222							
1	107,868	0	107,868	0	0	0	0	0	107,868					
2	659,245	0	659,245	98,957	49,054	239,964	32,912	240,358						
3	805,688	0	805,688	98,957	98,186	479,927	65,951	64,668						
4	891,583	0	891,583	98,957	147,279	483,754	98,927	64,668						
5	1,080,816	0	1,080,816	253,918	178,378	484,738	99,118	64,668						
6	1,113,189	0	1,113,189	253,918	209,477	485,820	99,310	64,668						
7	1,145,672	0	1,145,672	253,918	240,577	487,010	99,503	64,668						
8	1,178,276	0	1,178,276	253,918	271,677	488,320	99,697	64,668						
9	1,316,976	0	1,316,976	359,880	302,778	489,761	99,892	64,668						
10	1,349,858	0	1,349,858	359,880	333,879	491,345	100,088	64,668						
11	1,381,157	0	1,381,157	359,880	364,981	491,345	100,285	64,668						
12	1,381,476	0	1,381,476	359,880	365,102	491,345	100,483	64,668						
13	1,381,797	0	1,381,797	359,880	365,224	491,345	100,682	64,668						
14	1,382,119	0	1,382,119	359,880	365,346	491,345	100,882	64,668						
15	1,382,442	0	1,382,442	359,880	365,469	491,345	101,083	64,668						
16	1,382,768	0	1,382,768	359,880	365,592	491,345	101,285	64,668						
17	1,383,095	0	1,383,095	359,880	365,718	491,345	101,488	64,668						
18	1,383,423	0	1,383,423	359,880	365,841	491,345	101,692	64,668						
19	1,383,753	0	1,383,753	359,880	365,968	491,345	101,897	64,668						
20	1,384,085	0	1,384,085	359,880	366,092	491,345	102,103	64,668						
21	1,384,419	0	1,384,419	359,880	366,218	491,345	102,310	64,668						
22	1,384,754	0	1,384,754	359,880	366,345	491,345	102,518	64,668						
23	1,385,091	0	1,385,091	359,880	366,473	491,345	102,727	64,668						
24	1,385,429	0	1,385,429	359,880	366,601	491,345	102,937	64,668						
25	1,385,770	0	1,385,770	359,880	366,730	491,345	103,148	64,668						
TOTAL	30,400,747	0	30,400,747	7,424,490	7,318,082	11,500,818	2,320,018	1,835,532	0	0	0	0	0	0

Exchange rate 276 FCFA/\$
 COSTS
 Direct 1 Grants (nrm,ca,ma,fl,credit)
 Indirect 1 Grants other

ANNEX D Table 3c: Summary Net Benefits of PVO Co-Financing Amendment 3

aa165

(000 FCFA)

aq207

Year	Net Benefits Direct	Net Benefits Support	Net Benefits Overall	Net Benefits NRM	Net Benefits ChildSur	Net Benefits Family Plan	Net Benefits FunctLit	Net Benefits MPE&Credit	Net Benefits Pivot	Net Benefits Endowment	Net Benefits TA	Net Benefits Studies	Net Benefits Ev+Audit	Net Benefits Conting
1	(1,438,274)	(1,093,750)	(2,532,024)	(329,813)	(195,185)	(819,922)	(75,143)	(18,212)	(812,500)	(125,000)	(130,000)	(13,750)	(12,500)	0
2	(864,892)	0	(864,892)	(64,373)	(132,957)	(582,319)	(55,757)	(29,486)	0	0	0	0	0	0
3	347,130	0	347,130	(26,226)	(103,183)	475,205	(21,215)	22,549	0	0	0	0	0	0
4	573,873	0	573,873	57,221	(40,918)	476,670	58,350	22,549	0	0	0	0	0	0
5	875,408	0	875,408	214,180	119,376	478,945	43,121	21,785	0	0	0	0	0	0
6	905,404	0	905,404	214,180	149,453	477,248	41,974	22,549	0	0	0	0	0	0
7	934,433	0	934,433	214,180	179,428	477,582	40,695	22,549	0	0	0	0	0	0
8	967,037	0	967,037	214,180	210,528	478,891	40,889	22,549	0	0	0	0	0	0
9	1,105,737	0	1,105,737	320,144	241,629	480,332	41,084	22,549	0	0	0	0	0	0
10	1,137,855	0	1,137,855	320,144	272,731	481,916	41,280	21,785	0	0	0	0	0	0
11	1,169,918	0	1,169,918	320,144	303,833	481,916	41,477	22,549	0	0	0	0	0	0
12	1,170,237	0	1,170,237	320,144	303,954	481,916	41,875	22,649	0	0	0	0	0	0
13	1,170,558	0	1,170,558	320,144	304,075	481,916	41,873	22,549	0	0	0	0	0	0
14	1,170,880	0	1,170,880	320,144	304,197	481,916	42,073	22,549	0	0	0	0	0	0
15	1,170,439	0	1,170,439	320,144	304,320	481,916	42,274	21,785	0	0	0	0	0	0
16	1,171,529	0	1,171,529	320,144	304,443	481,916	42,476	22,549	0	0	0	0	0	0
17	1,171,855	0	1,171,855	320,144	304,567	481,916	42,679	22,549	0	0	0	0	0	0
18	1,172,184	0	1,172,184	320,144	304,692	481,916	42,883	22,549	0	0	0	0	0	0
19	1,172,514	0	1,172,514	320,144	304,817	481,916	43,088	22,549	0	0	0	0	0	0
20	1,172,082	0	1,172,082	320,144	304,943	481,916	43,294	21,785	0	0	0	0	0	0
21	1,173,180	0	1,173,180	320,144	305,069	481,916	43,501	22,549	0	0	0	0	0	0
22	1,173,515	0	1,173,515	320,144	305,196	481,916	43,709	22,549	0	0	0	0	0	0
23	1,173,852	0	1,173,852	320,144	305,324	481,916	43,918	22,549	0	0	0	0	0	0
24	1,174,190	0	1,174,190	320,144	305,453	481,916	44,129	22,549	0	0	0	0	0	0
25	1,173,766	0	1,173,766	320,144	305,582	481,916	44,340	21,785	0	0	0	0	0	0
TOTAL	22,124,410	(1,093,750)	21,030,660	5,935,970	5,271,371	9,651,290	798,667	467,112	(812,500)	(125,000)	(130,000)	(13,750)	(12,500)	0

Exchange rate

275 FCFA/S

COSTS

Direct

1

Grants (nrm,cs,me,fl,credit)

Indirect

1

Grants other

127

ANNEX D Table 3d Benefit-Cost Analysis of PVO Co-financing Amendment 3

aa212

(000 FCFA)

an237

	Overall	NRM	ChildSur	Family Plan	FunctLit	MPE&Credit
Present Discounted Value of Costs	4,171,905	571,061	639,343	1,281,744	331,304	436,994
Present Discounted Value of Benefits	4,361,995	886,815	822,650	1,829,954	344,630	477,947
Net Present Value	190,091	315,754	183,307	548,209	13,326	40,953
Discounted Benefit Cost Ratio	1.046	1.553	1.287	1.428	1.040	1.094
Benefit Cost Ratio	3.244	4.988	3.574	6.218	1.525	1.341
Internal Rate of Return	0.211	0.305	0.263	0.290	0.220	0.407
IRR Guess	0.600	0.700	0.900	0.800	1.000	0.800
DATA, PARAMETERS AND ASSUMPTIONS						
Discount Rate	0.20	0.20	0.20	0.20	0.20	0.20
Efficiency of Project Management 1/	100%					

1/ 100 percent means all funds go into final activities; 0 means that all funds go into administration activities.
 We are using 100% because all administrative costs are considered as sunk costs due to the fact that the activities will continue and be replicated after the project without administrative costs.

ANNEX D Table 3d Benefit-Cost Analysis of PVO Co-financing Amendment 3
 aa212 WITH 12% DISCOUNT (000 FCFA)
 an237

	Overall	NRM	ChildSur	Family Plan	FunctLit	MPE&Credit
Present Discounted Value of Costs	5,111,001	726,985	874,382	1,439,406	505,889	587,776
Present Discounted Value of Benefits	7,875,176	1,732,891	1,646,890	3,191,334	618,248	685,813
Net Present Value	2,764,175	1,005,906	772,507	1,751,928	112,360	98,037
Discounted Benefit Cost Ratio	1.541	2.384	1.883	2.217	1.222	1.167
Benefit Cost Ratio	3.244	4.988	3.574	6.218	1.525	1.341
Internal Rate of Return	0.211	0.305	0.263	0.290	0.220	0.407
IRR Guess	0.600	0.700	0.900	0.800	1.000	0.800
DATA, PARAMETERS AND ASSUMPTIONS						
Discount Rate	0.12	0.12	0.12	0.12	0.12	0.12
Efficiency of Project Management 1/	100%					

1/ 100 percent means all funds go into final activities; 0 means that all funds go into administration activities.
 We are using 100% because all administrative costs are considered as sunk costs due to the fact that the activities will continue and be replicated after the project without administrative costs.

129

ACTION: AID-2 INFO: AMB DCM ECOV

VZCZCBP0420
OO RUEHBP
DE RUEHFK #8298 2141135
ZNR UUUUU ZZH
O 021135Z AUG 93
FM AMEMBASSY DAKAR
TO RUEHBP/AMEMBASSY BAMAKO IMMEDIATE 9796
INFO RUEHC/SECSTATE WASHDC IMMEDIATE 7860
BT
UNCLAS DAKAR 08298

LOC: 064 583
02 AUG 93 1137
CN: 61887
CBRG: AID
DIST: AID

AIDAC

BAMAKO FOR PRM/ATTEBERRY; SECSTATE FOR GC/AFR P. JOHNSON

E.O. 12356: N/A
SUBJECT: PRIVATE VOLUNTARY ORGANIZATION (PVO)
CO-FINANCING PROJECT 688-0247: WAIVER OF REQUIREMENT
FOR HOST COUNTRY CONTRIBUTION

PLA CLEARS THE MISSION'S MEMORANDUM TO AA/AFR REQUESTING
A WAIVER OF THE 25 PERCENT HOST COUNTRY CONTRIBUTION
REQUIREMENT UNDER SECTION 110 OF THE FOREIGN ASSISTANCE
ACT OF 1961, AS AMENDED. JOHNSON

BT
#8298

NNNN

UNCLASSIFIED

DAKAR 08298

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 10 1993	
DAKAR	
ACTION: PRV	
INFO:	
PRM	
AFR	
ASST	
ACCT	
INFO	
GEN	
EDD	
JAC/GSO	
CHRON	
RF	



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR
AFRICA

FROM: *J. W. C. Gilmore*
Judith W. Gilmore, Acting Director, AFR/SWA

SUBJECT: Mali - PVO Co-financing Project, 688-0247,
Waiver of Host Country 25 Percent Contribution
Requirement

Problem: Your approval is required to waive the requirement in Section 110 of the Foreign Assistance Act of 1961, as amended (the FAA), for the Government of Mali to make a minimum 25 percent host country contribution to USAID/Mali's PVO Co-financing project, 688-0247.

Background: This activity is the project mechanism whereby USAID/Mali provides support to international and indigenous private voluntary organizations (PVOs) and non-governmental organizations (NGOs) throughout the country. In organizing this assistance to the PVO-NGO community, USAID concentrates its efforts in three priority sectors: (1) child survival, (2) natural resources management, and (3) small enterprise development. The aim of the project is to promote Mali's economic growth through an improved distribution of resources and through increased production, productivity and revenues at the village community level. To date, the project has awarded 20 grants to 8 PVOs, who in turn have established partnerships with 12 NGOs. There are also an additional 10 NGOs who are participating in technical coordination activities, via pivot groups.

On June 7, 1993, you granted an ad hoc delegation of authority to the USAID/Mali Mission Director to (1) increase the Life-of-Project funding from \$16.12 million to \$50 million and (2) extend the project assistance completion date to August 29, 1999. This amendment will allow the project to continue existing activities; increase project emphasis in family planning; undertake a new basic education and literacy component; and develop new initiatives which complement existing project activities (e.g. examining the prospects for supporting the development of a foundation).

In past years, assistance to Sahelian countries was furnished pursuant to the FAA Section 121. The Agency made a determination that Sahelian countries were not required to meet the host country contribution requirements of FAA Section 110, which by its terms requires a minimum 25 percent country contribution for assistance made pursuant to Sections 103 through 106. As a consequence of the repeal of FAA Section 121 and the addition of the new FAA Section 496(d), the host country contribution requirement is now applicable to Mali and all Sahelian countries.

Discussion: The PVO Co-financing project essentially awards grants to PVOs working in Mali with NGO. It does not work directly with the Central Government of Mali (GRM), nor does the GRM have formal influence on the awards process upon signing the project agreement. Thus, with the GRM largely outside this project's implementation process, this is not a bilateral project in the classic sense.

Moreover, Mali's economic profile is extremely weak at this point and the GRM continues to grapple with severe budgetary constraints, which in large part is a result of the GRM's structural adjustment program that is being carried out with assistance from the International Monetary Fund, the World Bank, USAID and other donors. The program calls for expenditures to be limited by revenues. Due to the new and fragile democratic government's difficulty in raising revenues in the repressive fashion that the previous government used, it is barely able to raise adequate revenues for essential services. Requiring new expenditures would cripple the GRM's budget situation even more.

In spite of these severe financial constraints, the GRM has consistently contributed to achieving USAID/MALI's bilateral project objectives by supplying personnel, equipment, materials and other in-kind contributions. Under the present project, local populations, local government services and the PVO grantees all provide significant cash and in-kind resources. These are impossible to estimate accurately right now since sub-project proposals must be reviewed first. USAID/Mali expects the PVO matching contribution to be 25 percent.

Pursuant to FAA Section 11, d) and A.I.D. Handbook 1, Chapter 2, Appendix 2G, paragraph 1E, the host country contribution requirement may be waived on a case-by-case basis for relatively least developed countries (LDCs). Mali is on the most recently issued United Nations General Assembly (UNGA) list of LDCs, and is therefore eligible to be considered for the requested waiver.

Authority: Pursuant to FAA Section 124(d) and Delegation of Authority No. 403, The Acting Assistant Administrator for Africa (and persons acting in that capacity) is authorized to waive the host country contribution requirement of FAA Section 110 for Mali.

Recommendation: That you approve a waiver of the requirement for Mali to provide a minimum 25 percent host country contribution to the PVO Co-financing project, 688-0247.

Approved: J. F. Hill

Disapproved: _____

Date: 8/8/93

Attachment:
Ad Hoc Delegation of Authority

Clearances:

AFR/SWA:WDarkins W DATE 8/2/93
AFR/DP:JGovan JG DATE 8-4
GC/AFR/:PJohnson PJ DATE 8/1/93
A-DAA/AFR:TBork TB DATE 8/1/93

Drafted by AFR/SWA:Johnson:caj:7/29/93:77465:maliwav.pvo

BEST AVAILABLE COPY

F. Summary of Pivot Group Work to Date

1. Child Survival

Save the Children Federation-USA has taken the lead for the Child Survival Pivot Group, which now involves around 40 NGOs. It has accomplished much conceptual work in liaison with USAID and GRM, and also even led the Pivot Group in a series of strategy-design meetings beforehand. The Pivot Coordinator (a public health specialist, an excellent communicator and trainer who formerly edited the journal *Mali Santé Publique*) has spoken at seminars and GRM meetings frequently as the voice of the NGOs. Hence, Pivot Group concept has already born fruit in the sense that a concerted NGO lobby has begun to function.

The Group has moved into joint training via sessions that occur at the invitation of health programs. The first three were hosted in 1992 by Save the Children Federation-USA in Kolondiéba in 1993, Save the Children Federation-UK in Doentza, and Plan International in Banamba. This concerted movement has now led to a proposed joint NGO strategy for family planning, AIDS and community-based health services in Bamako and surrounding regions. This strategy will be reviewed for initial funding by USAID before the end of the 1993 rainy season.

The U.S. PVOs working in the health sector (Save the Children Federation, Plan, CARE-Mali, AFRICARE, and World Vision) have not yet found good Malian NGO partners because, beyond USAID Child Survival grants, few resources have been available in the health sector for NGOs. Since independence, Mali's health specialists have consisted almost entirely of the public sector. Mali started to recognize the role in health of the private and social sectors only in the past three years. The dominance of the public sector has caused services such as education and health to drag behind the rest of society.

The Pivot Group was created partly to encourage NGOs to become interested in the health and family planning sectors. The social economy needs health-oriented NGOs since health is the weakest area of Malian NGO expertise. In 1993, the Mission initiated an experimental NGO strategy design for Sixth, Seventh and Eight regions to determine whether community based health services can be provided to the population through the NGOs. These are regions have populations of about one million people living either in sedentary villages along the bend of the Niger River, or scattered in nomadic camps of Bozo fishermen or Tuareg herders. Distances are great, and access to medical services is very limited.

The Pivot Group affords an opportunity to confront NGOs with a health challenge in northern Mali, to see whether it is possible to complement inadequate medical infrastructure of the government with a community-based social medical service. If the

challenge is accepted, many NGOs will be working in health and family planning by the end of the decade whereas none existed before the Pivot Group was created.

2. Natural Resource Management

CARE-Mali is the lead PVO in this sector, in recognition of its Africa-wide expertise in this domain. It is part of the three-member natural resource management consortium that manages a major AID project that channels AID/W funds to local NGOs working in natural resource management, of which CCA-ONG handles the Malian portion. This CARE-CCA axis has emerged as central to the Pivot Group, which is housed in the CCA-ONG building. This co-location will allow the Pivot Group's operational-research team to work with the managers AID project managers.

The Pivot Group's operational-research team is led by a social scientist and trainer, who has recruited a female forester and a male agronomist to complete the team. They will develop participatory monitoring and evaluation models with NGOs and GRM agencies working in project's three initial sectors. This will allow the elaboration of intervention strategies appropriate to NGOs in Mali, and the definition of certain common evaluation indicators.

The Pivot Group has already gathered meetings of 30 participants from 20 NGOs. Its key function will be to strengthen the training, strategy, analysis and operational-research components of NGO activity in natural resource management, and lead to further work on its decentralization. Articles have been written on the creation of local management models for policing and organizing the village domain, called the *terroir*. The Pivot Group's work will allow NGOs to develop greater understanding of the holistic nature of the ecodevelopment systems, and hence lead to better impact of the Natural Resource Management component.

3. Microenterprise Development

The Microenterprise Development sector has also been rather neglected by the NGOs, particularly with respect to productive enterprises and urban enterprise. Overall, none of the U.S. PVOs or Malian NGOs is very experienced in this area, particularly in the urban environment. Yet, there is wide experience in the realm of rural microenterprise, women's gardening and rural credit, cereal and seed banks and artisan development. Considerable gaps still exist in technological skills (e.g. machines for transforming primary products), the energy sector, conceptual areas concerning credit and savings, and appreciation of the nature and dynamics of the private sector, which has never been part of the administrative educational models of the formal system in Mali.

To begin to redress this, AFRICARE has taken on the pivotal role for microenterprise development, running it jointly with one Malian partner, *Association Malienne pour le Développement*, which was selected from among four applicants. AFRICARE has experience of micro-agribusiness in rural areas (Second, Fourth and Fifth

Regions), while *Association Malienne pour le Développement* has worked with artisans in Bamako and has interesting ideas on the technologies needed for recycling produce. To impart additional expertise, a coordinator was supplied by the Community Economics Corporation of Boston.

The Microenterprise Development Pivot Group took on a central role appropriate to its title in June 1991, becoming the focal point for the Malian portion of the GEMINI study of six sub-sectors of the Malian economy, entitled Growth and Equity through Microenterprise Investments and Institutions, which provided a first-class data-base for some of the Pivot Group's work. This consultancy helped reinforce efforts to strengthen indigenous NGO capacity. Multiple analyses of the role of microenterprise were undertaken. NGO participation and research assistant selection for GEMINI was organized through the Pivot Group, which will also play an important role in the dissemination of the study's findings.

The Pivot Group has met over a full year, with up to 60 participants from about 35 NGOs. The Coordinator has drawn up a five-year program, in which the group has identified three areas as strategic priorities: poverty lending and micro credits; appropriate technology for productive units; and microenterprise management training.

4. Basic Education and Literacy

World Education has the pivotal role in this sector, although much its dynamism and reflection has come from staffers of Save the Children Federation, various Malian NGOs, and *La Sahelienne*, which publishes children's books and national language materials.

Unlike the other groups, this group was created by the internal dynamic of the NGOs themselves rather than by a design decision incorporated into an AID Project Paper. The need arises from the financially bankrupt state of the Malian educational system and its deliberate neglect for 23 years by the military regime, and the degree of divorce between the residual French colonial administrative education system and the daily realities of Malian villagers. Since 80 percent of Malians who will never enter a school, there must be better ways to invest scarce donor and government educational resources. New ideas are needed, new models are being tested, and the Pivot Group members are in the forefront of Malian educational thinking.

NGOs have discovered the villages' hunger for knowledge. Youth have invaded literacy classes for village managers and women, learning twice as quickly as their parents. This has resulted in the creation of national language literacy classes for adolescents. If alternative models exist that the NGOs have tested and that work, then a forum to debate and disseminate this new information is needed. The Pivot Group is identifying a role for itself, while working on NGO strategies for *écoles de base*, *écoles communautaires*, and literacy for youth and adolescents, particularly girls and young women.

Project Purpose

The Project will support initiatives by U.S. Private Voluntary Organizations (PVOs) through which the Mission will reach villages and local levels with innovative approaches to Child Survival, Family Planning, Natural Resource Management, Microenterprise Development and Functional Literacy, it will also provide for technical assistance and support for the administration of the Project. Beyond consolidating the gains already achieved under the Project in Child Survival, Natural Resource Management and Microenterprise Development, USAID plans to modify its approach in three major areas: increased support for grassroots Malian organizations; improved impact measurement, and; increased support for development of complimentary activities. In addition, the Mission has made Family Planning an overarching priority that will improve future development in all the sectors.

A. Increased support for grassroots Malian organizations: The Project Paper Amendment will provide more support for Malian NGOs within the PVO-NGO partnership, upon whose success this project depends. This will redress a shortcoming identified in the 1992 Program Assessment by establishing structures to enable donors like USAID to support federations and associations of grassroots organizations. Strengthening their administrative and technical capacities will enable them to develop into NGOs. This will focus the program more sharply on developing more sophisticated local institutions (village associations, NGOs and civic groups) without drawing them into dependent relationships with USAID.

B. Improved impact measurement: Pursuant to the recommendations of the 1992 Program Assessment, the Project will streamline program impact measurement and recording between the various grant recipients. This will occur through an interactive, ongoing feedback-response mechanism between the Project beneficiaries and the Project itself. It will also be accomplished through work with Pivot Groups, projects with PVO partnerships, and links with local and sub-regional institutions like the University of Mali, and foundations. Further, the Project will publish the results of its activities in a format that explores, analyzes and records their impact.

C. Increased Support for developing complimentary activities: This will include support of existing and development of new professional Pivot Groups in Project sectors (e.g. Child Survival and Family Planning); and registering the first Malian NGO with AID/W to receive grants and perhaps act as an umbrella for other NGOs. USAID Mali is also actively studying the possibility of facilitating the creation of one or more endowments to provide a mechanism for longer-term support for local NGOs and the new intermediate organizations while achieving greater autonomy from donors.

Impacts

The subproject activities are not yet and cannot yet be identified to the degree necessary to proceed with an IEE. Therefore, the IEE should be deferred to the time of the submittal of each proposal by the PVO in question (See 216.3[A][7]).

Environmental Monitoring and Mitigation by PVOs/NGOs

The earlier phases of this project were given a Delegation of Authority to allow the local approval of PVO/NGO activities. This DOA served the initial purposes of the project, but with the start up of a fourth phase the project will use the procedure set out below.

Each of the PVO/NGO proposals will be reviewed and classified, as explained below. If an environmental assessment is required, it will be conducted by the PVO itself, or contracted for with project funds, prior to reviewing the final Proposal.

So that the individual interventions are designed in an environmentally-sustainable manner, the Mission Environmental Officer (MEO) and/or project officers should provide each of the NGOs/PVOs involved in the transition program with a copy of the AFR "Environmental Guidelines for NGO/PVO Field Use". The proposals will also spell out how negative impacts will be mitigated, when, and if, they are detected during monitoring and evaluation.

Below is a procedure for ranking proposals based on the above guidelines. Thus, the PVO grant manager categorizes the proposed interventions according to the following scheme:

Category 1: sub-projects or grants that would normally qualify for a categorical exclusion under Reg 16 (e.g., community awareness initiatives, training at any level, provision of technical assistance, etc.). Construction or repair of facilities under 10,000 sq. ft. (approx. 1,000 sq. m.) would fall under this category.

Category 2: sub-projects or grants that would normally qualify for a negative determination under Reg 16 based on the fact that the grantee used an environmentally-sound approach to the activity design (e.g., the grant design followed, and the grant manager has access to and will follow, a series of guidelines for the design of small-scale environmentally-sound activities in forestry, agriculture, irrigation, water supply, rural roads, etc.). Extensive rehabilitation of facilities and construction of structures exceeding 10,000 sq. ft. would normally fall in Category 2. Funding levels would normally also be in excess of \$100,000 per project.

Category 3: activities that have a clear potential for undesirable environmental impacts, such as those involving land development, forest harvesting, planned resettlement,

penetration road building, substantial potable water and sewage construction, and projects involving the procurement and/or use of pesticides. Also, some light industrial plant production or processing (sawmill operation, agro-industrial processing of forestry products) could qualify. Finally, any intervention operating in a critical habitat for threatened or endangered species, or other similar activity where a possibility exists for significant negative environmental impact, must be placed in this category. All items listed in Reg. 16 (Sect. 216.2(d)(1)) are automatically included.

The following scenario for review and approval is to be applied:

The Mission Environmental Officer will review grants in all the above categories, and pass on any grants in Category 3, and possibly some from Category 2, to the Regional Environmental and Legal Officers (REDSO) for further review. These will then be passed to the Bureau Environmental Officer for approval.

It is assumed that the majority of grants will fall within Categories 1 and 2, and if they are for small amounts (less than \$100,000) they could be approved locally, providing that the Mission receives from the Bureau Environmental Officer a Delegation of Authority (DOA) for this purpose.

In any event, the Mission Environmental Officer (MEO) and/or PVO grant manager would on a routine basis pass to the REO and Bureau Environmental Officer a up-dated list of grants, with summary of activity where necessary, in order to keep them apprised of the area and scope of activities involved.

The standard practice used in earlier phases was to follow up on IEE recommendations, if any, during subproject monitoring visits by technical officers, the Mission Environmental Officer, and his or her Deputy, who also have technical monitoring and assistance obligations under this project. This practice will continue.

If the funding level is in excess of \$100,000, sub-projects in Categories 2 and 3 will still need to be reviewed by the Regional and/or Bureau Environmental and Legal Officers.

Recommended Environmental Threshold Decision

Pursuant to 22 CFR 216.2(C)(1)(i), the Technical Assistance portion of the Project is recommended for a Categorical Exclusion because they will not affect the environment. This pertains to both ongoing activities and the new Basic Education and Literacy component.

The procedure to be used in this PVO Project is that, sub-grant proposals will be designed and implemented with reference to the Africa Bureau PVO/NGO Environmental Guidelines, and these Guidelines will also be utilized by the Mission Environmental Officer in review and approval of the proposals for sub-grants.

Also, all sub-grant activities will be classified according to a 3-tier category scheme. This 3-tier scheme has been further clarified in the present IEE.

Funds will not be disbursed under the sub-grants until individual environmental reviews of the sub-grant activities are completed on a case-by-case basis, in reference to the above Guidelines. The Guidelines will be adhered to during sub-grant implementation.

Regarding the present IEE, a deferral is recommended since sub-grants will be dealt with on an individual basis.

It is recommended that a Delegation of Authority for local environmental approval by the mission of the individual sub-grant activities be issued by the Bureau Environmental Officer (BEO) in accordance with the environmental review procedure outlined herein. The Mission Environmental Officer (MEO) will pass to the Regional Environmental Officer and Bureau Environmental Officer for review any Category 3, and possibly some Category 2 sub-grants in order to assist in the determination as to the need for further environmental assessment and mitigation activities.

In any event, up-dated lists of sub-grants, with a summary of activities, will be submitted to the REO and BEO, to keep them apprised of the area and scope of activities involved.