PD-ABS-891
91720

ACTION MEMORANDUM TO THE MISSION DIRECTOR

FROM: Elizabeth Warfield, C/PDM EBW

THRU: Hilda Arellano, DDIR

DATE: September 12, 1994

Action Requested:

That you sign below approving the attached PACR.

Discussion:

The Special Project Assistance Fund (SPAF) reached PACD on March 31, 1994. The attached PACR was prepared by ODI and reviewed by PDM. It is in accordance with M.O. 3.2.: PACD and Project Phase Out Procedures.

APPROVED: _____ DATE: 9/27/94
William Stacy Rhodes
Director

DISAPPROVED: _____ DATE: _____
William Stacy Rhodes
Director

PROJECT ASSISTANCE COMPLETION REPORT
SPECIAL PROJECT ASSISTANCE FUND (SPAF)
NO. 520-0383

EXECUTIVE SUMMARY

The SPAF is a fund specifically designed to finance small development activities in communities assisted by Peace Corps Volunteers. The program was designed to encourage and support self-help efforts by local communities. The activities are analyzed, selected and approved for financing by representatives of both Peace Corps and CARE. The project funds have been administered by CARE and the individual projects have been implemented by community committees or groups supported by Peace Corps Volunteers. Most of the project activities financed under this program are small income generating, training and/or infrastructure projects.

BACKGROUND

The SPAF Program was originally defined through a Memorandum of Understanding between AID/Washington and Peace Corps/Washington, in January 1983. In March 1988, a Participating Agency Service Agreement (PASA) was signed between USAID/Guatemala and Peace Corps/Guatemala, obligating US$80,000 to fund project activities. On June 29, 1989, the original PASA Agreement was amended to extend the PACD, obligate an additional $100,000, and modify the scope of work to include other activities under the PASA agreement.

On several occasions, the Peace Corps/Guatemala was unable to execute the project in a timely manner due to the lack of administrative support. To overcome this situation, Peace Corps requested USAID's authorization to transfer to CARE/Guatemala the Project's management responsibility as well as the unexpended project funds. The Mission agreed to this request and proceeded to authorize such transfer by means of an Action Memorandum signed by the Mission Director on August 28, 1991.

Unfortunately, the newly appointed Peace Corps Director informed the Mission Director in October 1991 that, in accordance with internal regulations, Peace Corps was not in the position to subgrant funds to another institution in amounts exceeding US$25,000. USAID, CARE, and Peace Corps discussed this implementation bottleneck and concluded that the best option was to include CARE under the project as the administrator of project funds. As mutually agreed upon, CARE submitted a revised proposal to USAID/Guatemala in December 1991, for US$100,000 to continue activities under the SPAF program. The obligating document for this activity was a Handbook 13 grant with CARE.

PROJECT DESCRIPTION

The Peace Corps Project Assistance Fund (SPAF) is a fund specifically designed to finance small village level activities identified by Peace Corps Volunteers and selected by the Peace Corps Principal Country Representative in Guatemala. Most of the project activities financed under this program are small income generating, training and/or infrastructure projects.

The program basically was designed to stimulate and support self-help community initiatives identified and developed by local communities with the assistance of Peace Corps Volunteers. The program was administered by CARE. The funds were channeled to community groups which were responsible from the beginning to manage and account for funding. Once a proposal was approved by the Selection Committee an agreement was signed by the community representative and by the Directors of Peace Corps and CARE Guatemala. Subsequently, CARE prepared a check for the full amount of the grant that was presented to the community representative.

The project approval process and fund disbursement were meant to be relatively flexible processes, yet, maintaining and encouraging the Peace Corps project focus. CARE and Peace Corps regarded the process as one that strengthens local capabilities to plan and manage resources.

CARE/Guatemala used part of the SPAF funds for the costs required to maintain an efficient and timely review of project proposals and disbursement of funds. Also, unlike other self-help funds, CARE and Peace Corps had the support of the Volunteer and the CARE Project Coordinator in providing technical assistance and controls over the quality of implementation. The more intensive field supervision and TA inputs from the CARE Coordinator at the community level were considered direct project costs.

PROGRAM OBJECTIVES

The Peace Corps Small Project Assistance Fund (SPAF) is a fund specifically designed to finance small development activities in communities assisted by Peace Corps Volunteers. The activities were analyzed, selected, and approved for financing by representatives of both Peace Corps and CARE. The project was administered by CARE and implemented by community committees or groups supported by Peace Corps Volunteers.

The project was designed to stimulate and support local rural-based development initiatives and self-reliance efforts through timely and direct financial assistance. As communities manage their own activities and funds, they should gain experience that allow them to manage their own initiatives.

COUNTERPART CONTRIBUTION

As agreed by the USAID Mission Director and Peace Corps Director, CARE's role was limited to the administration of and accountability for the funds. Given that CARE performed an administrative function for the benefit of AID and Peace Corps, and CARE was unwilling to accept the grant if it was required to provide a counterpart contribution, a waiver eliminating the requirement that CARE provide the 25% counterpart contribution under the SPAF project was approved by Mission Director on March 3, 1992.

PROBLEMS AND DELAYS

On several occasions, the Peace Corps/Guatemala was unable to execute the project in a timely manner due to the lack of administrative support. To overcome this situation, Peace Corps requested USAID's authorization to transfer to CARE/Guatemala the project's funds. The Mission agreed to this request and proceeded to authorize such transfer by means of an Action Memorandum signed by the Mission Director on August 28, 1991. Unfortunately, the newly appointed Peace Corps Director informed the Mission Director in October 1991, that in accordance with internal regulations, Peace Corps was not in the position to subgrant funds to another institution in amounts exceeding $25,000. USAID, CARE, and Peace Corps discussed this implementation bottleneck and concluded that the best option was to include CARE under the project as the administrator of project funds.

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ACCOMPLISHMENTS

o During CARE's administration of this activity 53 projects were completed for a total amount of US$46,585.

o Up to 40% of the volunteers of the health and nutrition projects at some point during their two years of service made use of the SPAF funds.

o The projects which were implemented most frequently were building latrines and the training of health promoters and midwives. In general terms, they had more success and more use of latrines when there were less than 30 latrines instead of larger projects.

o Most of the training projects were oriented towards training new promoters, particularly those from more remote or inaccessible villages.

EVALUATION

At the completion of each project, the community provided to CARE a written evaluation report on the completion of the project, as well as all financial documentation. At the end of each quarter the volunteer committee assisted by the program coordinator provided to CARE a report summarizing the status of the overall program at the community level for ongoing and completed projects. These reports were submitted to USAID and Peace Corps as a progress report on the program.

On site supervision of project activities were made at initiation, the mid-point, and upon termination by the local PC volunteer, the CARE program coordinator, and members of the project committee. Due to the resignation of CARE program coordinator almost at the middle of the life of the project and the lack of CARE staff involved in this activity, only a few site visits were made to inspect projects. In any case all projects received supervision and an evaluation of final results by PC volunteers and CARE managed the funds providing appropriate administrative and financial procedures to ensure the expeditious approval and disbursement of funds for the community projects.

LESSONS LEARNED

o The project enabled the continuity of the Small Project Assistance Fund, and maintained the presence of Peace Corps Volunteers, CARE and USAID in rural communities, where usually other donor assistance is non-existent.

o Key focus areas for the project are locally-based endeavors oriented to increase productivity that can be sustained into the future.

o The project through the Volunteer relationship with local groups can continue to build community capacity to manage project resources, a major task in strengthening local democratic initiatives.

o For training programs to be successful, it is important to involve the health center or post directly, including the rural health technician, in the case of health promoters, and the professional nurse in the course for midwives.

o During the period of the training course, payment of per diem was vital for the attendance and stay of the health promoters and

midwives. To avoid subsequent conflicts, it was very important to check to see that the amount of per diem agreed with the amount paid by the Ministry of Health.

o Involving the community in the implementation of the projects was crucial for their success.

Prepared by:
Carol de Argueta/SPAF-PM/ODI