

PD-ABM - 440
980 26

FINAL REPORT

MID-TERM EVALUATION OF
THE PVO CO-FINANCING PROJECT
USAID/NICARAGUA

Contract No. 524-0313-C-00-5058-00

Presented to:
USAID/Managua, Nicaragua

Presented by:
DevTech Systems, Inc.
1629 K Street, NW, Suite 800
Washington, DC 20006

Ronald Bobel
Alicia Grimes
Maria Gutierrez Valencia

July 1995

DEVTECH

FINAL REPORT

MID-TERM EVALUATION OF THE PVO CO-FINANCING PROJECT
USAID/NICARAGUA

Contract Number
524-0313-C-00-5058-00

Presented to:
USAID/Managua, Nicaragua

Presented by:
DevTech Systems, Inc.
1629 K Street, NW, Suite 800
Washington, DC 20006

Ronald Bobel
Alicia Grimes
Maria Gutierrez Valencia

July 1995

TABLE OF CONTENTS

CHAPTER	PAGE
EXECUTIVE SUMMARY	v
LIST OF ACRONYMS	ix
I. BACKGROUND AND INTRODUCTION	1
II. THE QUESTIONS OF THE EVALUATION PART I - ASSUMPTIONS OF THE PROJECT PAPER AND THEIR CONTINUED RELEVANCE AND VALIDITY.	3
A. Original Project Paper Assumptions	3
B. Suggested Project Paper Design Modifications	5
C. Options Available for Continued Strengthening of the USAID-PVO Partnerships	8
D. Appropriateness of PVO Eligibility	12
E. Effectiveness of the PMU Mechanism	13
F. Extension of the PMU Mechanism through the PACD	16
III. QUESTIONS OF THE EVALUATION PART II - EARLY IMPACT ON BENEFICIARIES AND NATURAL RESOURCES AND CONTRIBUTIONS TO PROJECT PURPOSE.	18
A. Project Ability to Improve the Lives of Target Beneficiaries	18
B. Meaningful Impact	19
C. Modifications to Project Design and Monitoring Process Needed to Maximize Potential for Impact	24
IV. QUESTIONS OF THE EVALUATION PART III - DETERMINE CONTRIBUTION OF PROJECT ACTIVITIES TOWARD BUILDING LOCAL CAPACITY TO SUSTAIN ACTIVITIES BEYOND THE PACD.	27
A. Are Sub-Projects Designed to Develop Local Capacity to Sustain Activities Beyond the PACD?	27
B. Contribution of Capacity Building Activities to Effective Sub- Project Implementation	30
C. Conclusions Drawn About the Effectiveness of Each of the Three General Types of Capacity Building Activities Employed Under the Project	32
D. Effectiveness of PMU Institution Building Activities	34

V.	QUESTIONS OF THE EVALUATION	36
	PART IV - DETERMINATION IF MONITORING MECHANISMS ARE THOROUGH AND APPROPRIATE TO ENSURE THAT SUB-PROJECTS ARE BEING IMPLEMENTED AS DESIGNED AND ON SCHEDULE.	
A.	Adequacy of Systems in Place to Monitor and Track Sub-Project Implementation	36
B.	Sufficient Quality of Follow-up Action by the PMO on PVO Implementation	38
C.	Are Grant Agreement Terms Being Met?	39
VI.	QUESTIONS OF THE EVALUATION	41
	PART V - ANALYSIS OF PROPOSAL SCREENING, DESIGN AND APPROVAL PROCESS AND HOW IT CONTRIBUTED TO OR HINDERS ACHIEVEMENT OF PROJECT PURPOSE.	
A.	Efficiency and Timeliness of Present PMU and Mission System for Processing of Proposals	41
B.	Responsiveness of PVOs to Feedback on Their Proposal Submissions Provided by USAID and the PMU	42
C.	How Can the Project Improve the Assistance It Offers to PVOs in Preparation and Refinement of Proposals	44
D.	Are the Roles and Responsibilities to Complete the Funding Process of Local PVOs Clear to All Concerned Parties	44
E.	Adequacy of the System in Place in Place for the Review of Title III Proposals Submitted by PVOs.	45
F.	Level of Quality of the PMU's Analysis of Proposals Adequacy of Communications between USAID, the PMU, PVOs and the Secretariat	46
G.	Adequacy of Communications	46
VII.	QUESTION OF THE EVALUATION	48
	PART VI - ASSESSMENT OF THE RELATIONSHIP BETWEEN GRANT PORTFOLIO SIZE AND THE ABSORPTIVE CAPACITY OF PVOS, THE PMU, AND THE ADMINISTRATIVE BURDEN TO THE MISSION AS IT RELATES TO OVERALL PROJECT EFFICIENCY AND IMPACT.	
A.	Appropriateness of Grant Sizes to Both US and Local PVO Capacity to Manage Such Grants and Deliver Sub-Project Outputs as Planned and on Schedule	48
B.	Assuming that Proposal Review and Approval Process	49

	Is Streamlined, How Large Can the Project Become without Outstripping the Management Capacity of the Mission?	
C.	What Is the Optimal Level of Grant Funding for This and Any Future PVO Project?	51
D.	How Can the Project Be Bounded to Assure Activities Are Completed by the PACD?	52

APPENDICES

- A. Scope of Work**
- B. List of Documents Reviewed**
- C. List of Contacts**
- D. Three Trip Reports, Maria Gutierrez Valencia - (1) Catholic Relief Services; (2) save the Children; and (3) Project Concern International**
- E. PVO Questionnaire**
- F. Child Survival Area - Proximal and Contextual Interventions.**

Executive Summary

This summary is organized to provide: objectives, purpose of the evaluation, methodology, findings, and conclusions and recommendations of the Final Report/Mid Term Evaluation of the PVO Co-Financing Project, USAID/ Nicaragua.

A. Objectives

The USAID/Nicaragua authorized the PVO Co-Financing Project (USAID Project #524-0313) in 1991 at a funding level of US\$ 15 million for U.S. based PVOs. USAID approved an additional US\$ 6 million bringing the total dollars funding to US\$ 21 million. The mission approved an additional amount of approximately US\$ 9 million from trust funds and from generations under Title III bringing the grand total to just under US\$ 30 million. The goal of the project is to address the vast social needs of the country and the deteriorating condition of the natural resource base. The purpose of the project is to "increase the adoption of preventative health and family planning practices among the target population, to expand employment opportunities for lower income families, and to promote sustainable natural resource management among farmers".

The mission awarded a contract to Development Associates to establish a Project Management Unit (PMU). The unit began work in April of 1992. Sixteen sub-projects have been signed and ten sub-projects are under consideration. The areas being funded are: health with concentration on child survival (largest number approved), environmental resource management, and micro-enterprise development. The project has been expanded to provide direct assistance to local PVOs under the Title III program. There has been one Local Private Voluntary Organizations (LPVO) project signed and more are pending with a total of ten LPVO projects expected.

B. Purpose of the Evaluation

The Mission, after a series of project reviews, decided to conduct a formative and mid-term evaluation to determine the effectiveness of the overall project design and the PMU's capabilities, early impacts, and to assist the Mission in making further decisions with regard to this endeavor. DevTech Systems, Inc., under AID contract 524-0313-00-5058-00 (see Appendix A, Scope of Work) with Ron Bobel, Maria Gutierrez-Valencia, and Alicia Grimes (USDA employee on RASA to USAID) as evaluators, was contracted to complete the evaluation. DevTech Systems, Inc. staff provided editorial services.

C. Methodology

The evaluation team reviewed documents from USAID including the project paper, the USAID/Development Associate's contract, and project files at USAID/Nicaragua and at the PMU in Managua. Many documents on the PVOs and LPVOs were studied at the PMU offices (see appendix B for a complete list of documents and files reviewed). Some seventy-five documents and files were reviewed (see Appendix B). The evaluators also made on-site visits to Development Associates/Washington Headquarters, fifteen U.S. based PVOs in Nicaragua, five

LPVOs in Nicaragua, and nine field trips/site visits in Nicaragua (three are described in Appendix D). In the course of the evaluation, the contractors interviewed fifty individuals at the PMU, USAID/Nicaragua, and 18 PVOs. Approximately 100 beneficiaries provided direct feedback to the three evaluators. Nine of the fifteen PVOs and LPVOs responded to the PVO questionnaire (see appendix C, List of Individuals).

The evaluators addressed six critical themes, which were refined as the evaluation developed, including: assumptions underlying the original Project Paper and their continued relevance and validity, early impact on beneficiaries and natural resources, the contribution of project activities towards building local capacity to sustain activities beyond the PACD, monitoring mechanisms to assure that the project is being implemented as designed and on schedule, proposal screening design and approval process and its effect on the project's purpose, relationship between grant size and absorptive capacity of the PVOs and the PMU and the administrative burden on the mission.

D. Major Conclusions and Recommendations

Major conclusions and recommendations correspond to the major findings under the six major themes set out in the scope of work.

With regard to the first theme, which deals with the major assumptions of the project paper, the evaluators drew twenty conclusions from which they proposed nineteen recommendations. Five of the higher priority conclusions with their corresponding recommendations follow below:

- We conclude that certain important design assumptions did not prove valid particularly with regard to donor coordination and *recommend that the PMU and USAID/GDO develop interactions at the field level to assist PVOs access sources to fund complementary activities.*
- We conclude that there are cases in which PVOs require more than three years to meet sub-project objectives and *recommend that USAID/GDO request an extension of the PACD which will allow PVOs to extend the implementation periods of the sub-projects to longer than three years.*
- We conclude that more integration is needed with USAID projects and *recommend that USAID/Nicaragua use the more competent PVOs as delivery mechanisms in projects designed by USAID's technical offices in health, rural development, private enterprise and democratization.*
- We conclude that a PVO umbrella type mechanism might offer valuable services to the PVO community and *recommend that a demand analysis be undertaken by the PMU to determine the degree of interest among the PVOs receiving assistance as part of this project.*
- We conclude that the PMU continues to provide needed services and *recommend that*

USAID/GDO request the Mission to extend the PMU services to the PACD of the project in mid 1998.

With regard to the second theme, on beneficiary and natural resources impact, we drew nine conclusions and made nine recommendations and regard the following conclusions and recommendations as the three of highest priority:

- We conclude that PVOs are very effective in the ability to have a direct impact on the lives of beneficiaries and ***recommend that the USAID continue to implement a PVO approach as part of its assistance strategy.***
- We conclude that a lack of medicines and commodities limits the potential impact in child survival programs and ***recommend that the PMU with USAID support assist the communities in requesting and obtaining these items from the Ministry of Health.***
- We conclude that cases of overemphasis on project design have impaired impact and ***recommend that the USAID place less emphasis on perfecting project design and more on assisting PVO partners to achieve impact.***

With regard to the third theme, the contribution of project activities toward building local capacity to sustain activities, in the body of the report the evaluators draw thirteen conclusions and make six recommendations. Three of the higher priority conclusions and their corresponding recommendations are:

- We conclude that the LPVOs' and PVOs' capacity building activities contributing to the effectiveness of the sub projects' implementation have had positive impacts and ***recommend that the PMU with USAID/GDO encouragement continue and expand these efforts.***
- We conclude that the Co-Fi Project has not placed sufficient attention on creating or strengthening LPVOs on a national level and ***recommend that the PMU place emphasis on this in its work with the Secretariat by offering its services in financial management, project design and other key management issues to the LPVOs.***
- We conclude that PMU institution building exercises have been effective in the area of financial administration but weak until recently in the other technical areas, specifically the NRM area, and ***recommend that the PMU hire a local assistant for the NRM specialist.***

With regard to the fourth theme, the adequacy of monitoring mechanisms to ensure sub projects are implemented as designed and on schedule, in the body of the report there are six conclusions drawn and four recommendations made. Two high priority conclusions with their appropriate recommendations follow:

- We conclude that adequate systems are in place to monitor and track implementation, except in the NRM area where more information could be collected and ***recommend that the PMU establish a more comprehensive information system for NRM activities.***
- We conclude that attempts to make material changes through DIPs is a problem and ***recommend that the PMU and USAID/GDO continue close vigilance on such DIP use.***

In terms of the fifth theme, proposal screening, design, and approval and its impact on achievement of project purpose, the body of this report offers ten conclusions and makes twelve recommendations which result in two priority conclusions and recommendations.

- We conclude that the long processing time for sub project approval is having negative consequences for the project and ***recommend that the PMU with USAID/GDO guidance revise the review system to shorten and streamline the sub project approval process.***
- We conclude that the current system for review of LPVO sub-projects under the Title III program is working poorly and ***recommend that USAID/GDO initiate a contract amendment for the PMU so that the administrative responsibilities for the review process be turned over to the Secretariat with the PMU serving as technical and financial advisor, while maintaining their clearance authority.***

Finally, regarding the sixth theme, grant portfolio size and absorptive capacities of the PVOs and PMU and the administrative burden to the Mission we offer the following. In the body of the report the team draws nine conclusions and makes ten recommendations which result in two priority conclusions and recommendations in this executive summary.

- We conclude that there are a few cases in which a PVO could handle a grant of a larger size, however, we ***recommend that USAID/Nicaragua not authorize additional funding for current activities due to the current administrative burdens on the PMU and the USAID Mission.***
- We conclude that signed sub-projects are proceeding as scheduled, except in the NRM area where problems have been identified, but ***recommend that the PMU closely monitor them to determine if output targets are being met to take corrective action when necessary.***

Acronyms

ADRA	-	Adventist Development & Relief Agency
AFS	-	Agro-Forestry Systems
ARDO	-	Agriculture and Rural Development Office
CAM	-	Central American Mission Church
CBE	-	Community Base Enterprises
CENADE	-	Centro de Apoyo y Desarrollo Rural
CO-FI	-	Co-Financing
CRS	-	Catholic Relief Services
CS	-	Child Survival
DA	-	Development Associates, Inc.
DAFER	-	Desarrollo Agro-Forestal y Empleo Rural
DIP	-	Detailed Implementation Plan
EA	-	Environmental Assessment
EIA	-	Environmental Impact Assessment
EOP	-	End of Project
FBE	-	Family Base Enterprises
FSN	-	Foreign Service National
FUNCOD	-	Fundacion Nicaraguense para la Conservacion y el Desarrollo
GON	-	Government Of Nicaragua
ICI	-	Intermediate Credit Institutions
IMP	-	Integrated Pest Management
INATEC	-	Instituto Nacional Technico
INPRHU	-	Instituto de Promocion Humana
ISAD	-	Social Development Institute of the Assembly of God Church
LAC	-	Latin American/Caribbean
LOP	-	Life Of Project
LPVO	-	Local Private Voluntary Organization
ME	-	Micro-Enterprise
MEO	-	Mission Environmental Officer
MINSU	-	Ministerio de Salud, National Level
NGO	-	Non-Governmental Organization
NR	-	Natural Resources
NRM	-	Natural Resources Management
PACD	-	Project Activity Completion Date
PCI	-	Project Concern International
PL-480	-	Public Law 480
PMU	-	Project Management Unit
PP	-	Project Paper
PRC	-	Project Review Committee
PSC	-	Personal Service Contractor

PVO	-	Private Voluntary Organization
RFA	-	Request For Assistance
RFP	-	Request For Proposal
SCF	-	Save the Children Federation
SILAIS	-	Ministry of Health, Regional Level
TA	-	Technical Assistance
USAID	-	United States Agency for International Development
USAID/N	-	United States Agency For International Development/Nicaragua
WRC	-	World Relief Corporation

Chapter I

DEVTECH

MID-TERM EVALUATION OF THE PVO CO-FINANCING PROJECT USAID / NICARAGUA

Chapter I Background and Introduction

A. Background

The PVO Co-Financing Project was initiated at a time of transition in Nicaragua. A new democratic government was taking on the task of reorienting the economic structure of the country toward free enterprise and more open markets. It was realized that the public sector had neither the human resources or the financial condition to address the vast social needs of the country nor the deteriorating condition of the natural resource base. With the re-initiation of U.S. economic assistance it was concluded that an effective way to address these problems was through the community of PVOs in the United States many of which have long experience working in the developing world in general and in Nicaragua in particular. The latter were largely inactive during the Sandinista regime. This was the basic context for the Project.

The USAID/Nicaragua authorized the PVO Co-Financing Project (USAID Project #524-0313) in 1991 at a funding level of US\$ 15 million for U.S. Based PVOs. The goal of the project is to address the vast social needs of the country and the deteriorating condition of the natural resource base. The purpose of the project is to "increase the adoption of preventative health and family planning practices among the target population, to expand employment opportunities for lower income families, and to promote sustainable natural resource management among farmers".

It was decided to work through a Project Management Unit (PMU), selected through competitive procedures. The PMU contract was awarded to Development Associates and the Unit began operations in April 1992. The PMU unit was to assist the Mission evaluating and selecting separate proposals and monitoring the implementation of all the sub-project activities.

Since that time sixteen sub-projects have been signed, through a combination of grant and cooperative agreements, and ten more are under active consideration. The Project has increased in size and USAID has approved an additional \$6 million bringing the total dollar funding to \$21 million. Local currency from trust funds and from generations under Title III bring the total package to just under \$30 million.

The leading sector is health with a concentration on child survival with eight sub-projects signed and three under consideration. The environmental resource management sector has four sub-projects signed and four are under consideration. The micro-enterprise sector has four sub-project activities signed with three under consideration. In addition USAID expanded the Project to provide direct assistance to local PVOs through the Title III program.

The mission, after a series of project reviews, decided to conduct a formative and mid-term evaluation to determine the effectiveness of the overall project and the PMU's capabilities, early impacts, and to assist the Mission in making further decisions with regard to this endeavor. DevTech Systems, under USAID contract 524-0313-00-5058-00 with Ron Bobel, Maria Gutierrez-Valencia, and Alicia Grimes (USDA employee in RASA to USAID) as evaluators, was contracted to complete such and evaluation. The final report was edited by the DevTech Systems, Inc. staff.

B. Introduction

The mid-term evaluation considered and addressed some 27 questions related to six major issues or themes presented in the scope of work. The six major themes are:

- The assumptions underlying the original Project Paper (PP) and their continued relevance and validity. (six questions)
- The early impact on beneficiaries and natural resources. (three questions)
- The contribution of project activates toward building local capacity to sustain activates beyond the PACD. (five questions)
- The monitoring mechanisms to assure that projects are being implemented as designed and on schedule. (three questions)
- The proposal screening, design, and approval process and its effect on the project's purpose. (six questions)
- The relationship between grant size and absorptive capacity of the PVOs and the PMU and the administrative burden on the Mission. (four questions)

This report begins with an Executive Summary which is followed by this Chapter I, Background and Introduction, and continues with Chapters II through Chapters VII corresponding to the six themes detailed above. The evaluation concludes with a series of appendices which are: the Scope of Work, List of Documents Reviewed, List of Contacts, Three Trip Reports, the PVO Questionnaire, and Child Survival Area - Proximal and Contextual Interventions.

Chapter II Assumptions of the Project Paper and Their Continued Relevance and Validity

The first theme addresses the assumptions underlying the original Project Paper and their continued relevance and validity. Key findings are that several assumptions did not bear out including those related to other donors providing complementary needs, for example potable water and medicines for the child survival activities, and that PVO sub-projects would be integrated with other USAID funded projects and that USAID technical offices would be involved in monitoring. There are deficiencies in both areas.

With regard to the PVOs themselves we find that in many cases they need more than the three year period for implementation of their sub-projects to make an impact at the beneficiary level, especially in the areas of natural resources and child survival. In addition, there is an expressed interest among most of them that they would be interested in participating in some sort of umbrella grouping that would be responsive to their continuing needs, especially in information sharing. In the child survival area the sub-projects will need to find a continuing source of funding to meet their financial needs as cost recovery is not feasible at the poverty levels being addressed. Cost recovery is highly probable in the micro-enterprise activities as well as for the economic activities in the natural resource sub-projects.

We also find that the PP assumptions concerning the need for a PMU were correct and that the overall performance of the PMU has been quite good especially in the last year when its technical staff was augmented in the three functional project areas. In view of the heavy workload, especially in monitoring, during the three years leading up to the PACD, it is apparent that these services should continue.

A. What has evolved during the project implementation which may support or reject original project paper design assumptions?

The following are key assumptions in the original Project Paper (PP):

- That the GON was incapable of responding to critical needs.
- That there would be three areas of emphasis: health, employment generation, and natural resources.
- That grant funding could only be disbursed to U.S. based PVOs.
- That other donors would address complementary needs in the health area such as potable water and medicines.
- That all PVOs receiving grants would have access to technical assistance, particularly in the area of natural resources.
- That current project would constitute a "phase I" and would cover about 8 or 9 projects, with grants sizes ranging from US\$500,000 to US\$3 million.
- That integration with USAID projects would automatically occur as USAID's technical offices would play a key role in monitoring sub-projects once they reach

- the implementation stage.
- That mere encouragement of U.S. PVO-LPVO partnerships would result in significant strengthening of local institutions.
- That a for-profit firm would be the best option for running the PMU for reasons stated on pages 8 and 9 of ANNEX G, and that there were only two other options than the institutional contractor: an umbrella PVO group or a USAID PSC/FSN staff group.

While many of the key assumptions above continue to be relevant, however six are no longer valid. Comments on the latter follow:

First, other donors have only partially addressed the complementary needs in activities related to child survival, specifically with regard to potable water and nutrition activities. These deficiencies are having an adverse effect on the child survival sub-projects being supported with Project funds and, if not corrected, will likely reduce the benefits flowing from sub-project interventions.

Second, technical expertise to cover the natural resources sub-projects is not sufficient to meet their continuing needs. The nature of the technical problems, especially in the health and natural resource areas, are such that continued technical support on an intermittent basis is required. The recruitment by the PMU of expatriate staff having expertise in these areas of emphasis mid way through the Project was an important factor in addressing these needs.

Third, the "phase one" is in the process of producing nearly triple the number of sub-projects (8 or 9) estimated in the PP. The demand for assistance resulted in one Project amendment adding \$6 million and the use of local currency trust funds as well. In addition, a Title III component was added which is expected to result in as many as eight or nine sub-projects restricted to LPVOs.

Fourth, integration with other USAID projects has not been successful as yet and the technical offices are not playing a role in monitoring the sub-projects in their functional areas. The PVO-Co Fi Project is operating, for the most part, parallel to them. There is no sense of "ownership" of Co-Fi sub-projects by the three corresponding technical divisions, hence, no time to work on proper integration. The inability to monitor the sub-projects, as was assumed in the PP, was verified by all three technical offices.

Findings:

Other donors have only partially addressed complementary needs.

Technical expertise is not sufficient to cover natural resource sub-projects.

There is not likely to be a second phase to the Co-Fi Project.

The Project is turning out nearly triple the number of sub-projects than originally anticipated.

Integration with other USAID projects has not achieved the levels originally as assumed in the PP.

Conclusions:

The evaluation team concludes that certain design assumptions have changed or were not implemented as planned.

We conclude that deficiencies in providing needed complementary activities by other donors are having an adverse effect on child survival sub-projects.

We conclude that USAID technical staff are stretched too thin to be able to monitor or integrate PVO activities into their projects.

Recommendations:

The PMU and USAID should develop interactions at the field level in order to assist PVOs in accessing donor sources available to them for complementary activities.

The USAID should seek to integrate PVO activities into projects currently being designed in the three functional areas covered in the Co-Fi Project.

B. What modifications in the project design should be enacted in order to address evolving needs of the PVO sector which were not envisioned in the Project Paper?

U.S. PVOs which have received guidance and gained experience under the Co-Finance Project should be better able to design and implement their own projects with less assistance from a PMU type organization. LPVOs which have had little or no experience working with USAID, however, would continue to benefit from the type of assistance currently being provided.

With one exception USAID has restricted the implementation period of sub-projects to a maximum of three years and, in the case of those which are still not signed into grant or cooperative agreements, a lesser period to correspond to the current PACD of the Project. (We have seen only one case in which the implementation period was five years.) In many cases a PVO project will require at least five years to achieve meaningful results and to improve chances for sustainability.

Five of the PVOs have remarked to us that they would have preferred to stretch out their individual sub-projects to five years or more as that much time is needed to have the type of beneficiary impact they seek and to strengthen the delivery systems through their counterparts to improve the chances of sustainability. Relevant to this point is the following from Policy Determination 17, Micro-enterprise Development Program Guidelines "AID should strive to obtain life of project funding for more than the three to five year norm and allow for the long term assistance... to achieve the result necessary for sustained operations beyond the project life". We

believe this quote can accurately be applied to other PVO type projects besides micro-enterprise.

Nonetheless, we realize that the funding constraints faced by the USAID, combined with its desire to maximize the number of U.S. PVOs operating in Nicaragua after a long period of inactivity, led it to require that PVOs submitting proposals restrict the assistance period to three years. For some of them this was quite appropriate.

With regard to the evolving needs of the type of assistance required, we find that five of the more experienced PVOs, especially after their initial exposure to operating in Nicaragua under the current Project, will have a greater need for continued financial assistance to carry out their mission than for technical assistance and training to build their own organizational capacity. However, the latter will still be needed by their counterpart organizations and it should be the U.S. PVOs continuing responsibility to provide for those needs.

The likely exception to the need for financial assistance are the micro-enterprise oriented PVOs, all of which have received substantial sums for revolving credit programs. The interest charges on the loans they make should allow them to expand from these internally generated funds. However, there may be cases in which a PVO may want to expand more rapidly than loan repayments will allow and, thus, seek additional financial assistance. Not enough progress has yet been made on micro-enterprise sub-projects to make a judgement on this matter.

We would also cite the possible usefulness of the PVOs to have an institutional structure to provide information, conduct round tables, and perform a number of tasks of continuing benefit to the PVO community. Additional comments on this subject are made below.

In the child survival area various modifications could be enacted in order to address evolving needs of PVOs. For instance, they should have the option to include installation of potable water systems (low cost water pumps) as a key component of their child preventive health strategy in communities identified as having serious problems associated with sanitation and hygiene due to lack of potable water. This being beyond the available AID funding levels, a mechanism could be developed by the USAID to facilitate the ability of PVO sponsored projects to access funds for this purpose provided through other multilateral or bilateral donors.

Another area in which modifications to the Project might be appropriate is in the design of integrated projects such as health and income generation. For example, in the child survival area, World Relief Corporation provides assistance and advice to women in the cultivation of small vegetable gardens and in some cases participates in other agricultural activities organized by WRC.

In the natural resources area, both technical and financial management needs for PVOs remain high as they strive to make their programs sustainable. The biological, social and economic elements of these projects are complex and variable. Access to credit, inputs and technology for sustainable production, economic planning and forecasting and tools to reduce transaction costs are needed to ensure rural growth. A degree of social cohesion is also key for maximizing

effectiveness and efficiency. Finally, a policy environment which provides incentives for sustainable agriculture, forestry, conservation and NRM is necessary. Some of the above implies a role for the public sector (or in its absence, donors) to ensure success for these projects.

PVOs interviewed, including TechnoServe (TNS), World Relief Corporation (WRC), and CENADE expressed a need for assistance in areas such as marketing, credit, soil conservation, forestry and gender issues. Much of this can be made by strengthening linkages with other institutions and facilitating access to information. However, with the restructuring of the Ministry for the Environment and Natural Resources (MARENA), support for tree planting, prevention of forest encroachment (Siapaz Reserve), and other forestry activities has been greatly reduced in both the Jinotega and Rio San Juan Departments. In the case of WRC, support from CATIE in the areas on Integrated Pest Management (IPM), environmental assessment, coffee and forestry appears to have been successful, but severe cuts in USAID funding of CATIE programs such as Madalena, could greatly reduce CATIE's presence in the near future. Bi-lateral support from donors of the GON for regional technical institutions is urgently needed to maintain their presence in Nicaragua.

Findings:

Except in one case the USAID has restricted the implementation period of sub-projects to three years.

Five of the more experienced PVOs will have a greater future need for financial support rather than technical assistance.

The PVOs involved in microenterprise should be able to continue their sub-projects with internally generated funds from their credit components.

In child survival, modifications could be made to address the most critical needs of PVOs.

In natural resource sub-projects, both technical and financial management needs for PVOs remain high.

Conclusions:

The team concludes that maximum implementation periods of three years are insufficient in many cases.

We conclude that there will be continuing financial needs for most of the PVOs to be able to sustain their activities.

We conclude that additional financial assistance is not needed for the four PVOs currently receiving funding under the Project unless they significantly expand coverage.

We conclude there is the option of including potable water systems as a key component of child health and survival.

We conclude that PVOs working in natural resources will continue to have needs for technical support on specific problems or project components and that there are a number of linked recommendations consistent with these needs as outlined below.

Recommendations:

Future USAID assistance made available to the more experienced US based PVOs should focus on the financial needs of the sub-projects to allow for their continued consolidation and expansion.

USAID should allow PVOs to stretch out the implementation period of their sub-projects to longer than three years when justified.

For child survival sub-projects, a mechanism should be developed by the USAID to facilitate the ability of PVO sub-projects to access funds from other donors.

The PMU should follow its plan to assist PVOs in NRM and their cooperators to access sources of technical, financial and marketing information and support.

The PMU and USAID should assess whether any of their microenterprise projects or rural credit programs, or those of other donors can support these project beneficiaries.

USAID should make every effort to integrate these PVO projects with the Private Agricultural Services Project (PAS) and link them with the two key national agricultural producer associations (if and where appropriate)--Nicaraguan Association of Producers and Exporters of non-traditional products (APENN) and the Agricultural Producers Association of Traditional Products (UPANIC) to advise PVOs and farmers on markets and post harvest handling.

USAID's Agriculture and Rural Development Office (ARDO), should continue to support the projects in the area of IPM--not just monitoring pesticide use, but offering alternatives and immediately responding to serious problems--such as the leaf cutter ant problem in Rio San Juan.

C. What are the options available for a continued strengthening of the USAID-PVO partnership in Nicaragua beyond PACD?

We see four options, or a combination of them, that the USAID could consider. One pertains specifically to NRM activities while the other three are generic in nature.

The first is to utilize the more competent PVOs as channels to carry out USAID's strategic objectives in Nicaragua. Under this scenario a component of a USAID project would be reserved for the designated PVOs which could deliver the services needed to carry out project objectives. In such a case, as the USAID would know exactly what it wants from a PVO, an RFA would be issued and the PVO providing the best proposal and demonstrating the best capabilities in terms

of meeting the project's needs would be selected. Since the PVO would be carrying out functions related to the needs of the project, rather than its own agenda, the appropriate instrument would seem to be a cooperative agreement or a contract.

This type of arrangement would mean that the USAID technical officer overseeing the project, and the long term institutional contractor hired to administer it, would have direct relationships to the PVO or the PVOs (as there may be a need for more than one under any particular project) and the PVO activities would be integrated into the USAID supported project rather than operating parallel to it.

This arrangement would reduce the administrative burden on the USAID, as it would not have to consider a number of disparate proposals and negotiate a multitude of grant agreements, only make a selection from responses to one or more RFAs. Furthermore, it would have the assistance of the institutional contractor administering the project. Bringing in the PVO as part of a wider project would make the work of the PVO more effective. It would allow the USAID to integrate an outreach mechanism into its projects, utilizing a delivery system that has proven effective in reaching beneficiaries at the community level. Such integration has not been achieved under the Co-Fi Project. The amount of funding for PVOs would depend on the number of projects being assisted by USAID.

A second option is for the design of a smaller PVO CO-FI 2 Project which would build on the experience of the first one allowing for the continued consolidation and/or expansion of the activities being undertaken by PVOs currently receiving funding under PVO Co-Fi 1. As PVOs gain additional experience working with their counterpart organizations, their ability to manage a wider span of control should allow them to bring in additional counterparts or use the existing ones to reach out to more individual beneficiaries. To do this, however, requires a continuing injection of financial resources for management and operational needs.

Applying option 2 funding would be restricted to those already working in Nicaragua and which have substantially met their objectives under the current Project, including LPVOs receiving assistance under the Title III program. The Co-Fi 2 project would not be initiated until near the PACD of the current Project, or sometime in 1998, in order that the results of that activity can be evaluated and lessons learned incorporated into the new project design.

To reduce the administrative burden on the USAID a PMU-like structure would continue to be needed, which might be operated by a PVO umbrella or a for profit US or local consulting group, as is the case in the Dominican Republic. It is possible, by that time, that an umbrella organization will already have been established and operating with its focus on providing services to its PVO members. The mechanism to operate the follow on Co-Fi project would be more oriented to assisting the PVO community rather than serving the needs of the USAID and better meet the new USAID-PVO partnership guidelines. It would be delegated authority to approve funding, under fairly stringent guidelines, up to a certain fiscal level. Amounts above that level would be cleared by the USAID.

The project would be oriented to those organizations already working in Nicaragua, and which have proven successful in carrying out their mission. The PMU level of effort for project design assistance, baseline surveys, and assistance in the preparations of DIPs would be substantially less than under the current contract. The amount of funding required for a follow-on project would depend on a demand analysis during the project design.

A third option that was considered and rejected was a new PVO project that would concentrate on providing assistance to, and through, LPVOs in order to build local capacity as a strategy to solve local problems. This approach would require a large technical assistance support element as well as funds to pay for the administrative overhead of financially weak LPVOs. While this approach would have considerable merit as part of a large assistance program it would appear to have a much lesser priority under current budgetary restrictions; the direct impact on poor beneficiaries would seem to be much less per dollar spent than if funds were channeled through the PVOs, and their counterpart organizations, which have gained experience working as part of the current Project.

Even if it is determined that an umbrella PVO is not the best mechanism to carry out the PMU-type functions, it still might be a worthwhile component of USAID assistance as it could be an effective provider of information and other services and a lobbying voice for its membership. The structure, functions, participants and funding requirements of such an organization would depend on the scale of its duties and the number of such organizations which would be interested in taking part. In this regard, the questionnaire faxed to all the PVOs participating in the Project asked if there would be interest in pursuing this idea. Of the nine PVOs responding, eight expressed such interest. (See appendix E PVO Questionnaire). The decision to form such an organization, including the functions it would undertake, must come from the PVOs and not USAID.

Leading to the final option, there is a need for USAID to work with PVOs in implementing many of its programs, particularly due to the ineffectiveness of public sector institutions to do so at the local level. In addition, there is a very strong linkage between forest conservation, sustainable development and the participation of civil society. The success of any NRM projects will depend on local involvement. The Mission environmental officer (MEO) expressed a keen desire to utilize US and LPVOs to implement activities which complement the NRM project in BOSAWAS and/or other aspects of Strategic Objective (SO) #2, Program Output (PO) #5 "natural resources being used more rationally" He also stated that currently "he did not have a mechanism" to work with PVOs and this highly valued PVO Co-Fi. Such a mechanism must be created for continued strengthening between PVOs and USAID by Strategic Objective.

Option for strengthening the PVO partnership in the future, particularly in the NRM area, would be the creation of a sustainable funding mechanism such a National Environmental Fund (NEF) which could be used to fund grants to local PVOs or USPVO-LPVO partners. A NEF describes a variety of mechanisms including national-level trust funds, foundations and endowments. A principal feature of NEFs is their ability to provide a long-term source of financial support to organizations responsible for implementing conservation and sustainable development activities.

This is extremely important to sustain NRM activities which tend to be service oriented and for which there are no sources of public funds and is key for strengthening institutions and involving civil society in conservation and development. USAID has helped establish a number of NEFs in the Hemisphere under President Bush's Enterprise for the Americas Initiative (EAI). The EAI linked debt reduction with programs which promote environmental protection and child survival. Although the future of the EAI program is uncertain, the idea of NEFs remains popular among donors because of their distinct advantages.

Findings:

We find that there are five options to consider to continue strengthening the USAID-PVO partnership in Nicaragua beyond the PACD.

One option is to utilize the more competent PVOs as channels to carry out AID's strategic objectives in Nicaragua.

Another option would be to design a second Co-Fi project restricted to those PVOs already working in Nicaragua which have substantially met their objectives under the current Project.

A third option would be to design a project concentrating on the needs of LPVOs.

A fourth option is to provide assistance to establish an umbrella PVO.

A final option is to create a sustainable funding mechanism for a national environmental fund.

Conclusions:

We conclude that it would be in USAID's interest to utilize the more competent PVOs to help carry out AID's strategic objectives through its projects in rural development, health and employment generation.

We conclude that the best option for a second Co-Fi project is to concentrate on the continuing needs of those PVOs participating in the current project.

We conclude that there would be considerable benefit in providing assistance for a PVO umbrella.

We conclude that a sustainable funding mechanism for future NRM projects is needed to finance projects; to include broader participation by the private sector; and to build national capacity in this area.

Recommendations:

The USAID should integrate PVOs as a component of service delivery in the projects it is designing in the functional areas such as health, rural development, and job creation.

USAID should seek to provide future assistance to those PVOs which have had successful

activities under the current Project and LPVOs who demonstrate capability under the Title III program.

USAID, through the PMU, should conduct a demand analysis to determine if the non-political PVO community in Nicaragua, especially those participating in the current Project, desires to establish an umbrella organization.

The PMU should investigate the concept of a "National Environmental Fund" as a source of sustainable funding for PVO projects in the environment and/or other areas.

D. Are PVO eligibility criteria appropriate?

We have reviewed the eligibility criteria as outlined on pages sixteen to eighteen in the project paper and would agree that, with the exceptions discussed below, they continue to be appropriate to the circumstances of the PVO community and the conditions prevalent in Nicaragua. However, we cite some areas in which the criteria is not being applied as written in the project paper or with which we are not in agreement.

The PP states that higher priority is to be given to PVOs which "have funding for its core staff in Nicaragua from sources other than AID." This seems to have been breached as there are few cases in which AID has not funded at least a portion of the core staff in Nicaragua.

We believe the higher priority given to PVOs which can "demonstrate...particular expertise or competence with the proposed activities" should be raised to a requirement as it is not advisable to grant scarce resources to an organization which cannot demonstrate such expertise.

It would appear that there is no longer a need to limit proposals to U.S. PVOs but this is not a problem currently as the Title III program is providing local currency funding for a number of LPVOs.

Finally, for reasons stated above and in line with USAID policy, we do not believe sub-projects should be limited to three years if there is clear justification that more time is needed to achieve impact and improve chances for sustainability.

Finding:

We find that the criteria established in the project paper are well reasoned requiring only minor adjustment as discussed under the conclusions and recommendations.

Conclusions:

We conclude that core staff of US based PVOs should not be funded by USAID but as part of the PVO contribution to the sub-project.

We conclude that it should be necessary for a PVO to demonstrate competence in the field of its proposed activity.

We conclude that sub-projects should not necessarily be limited to three years.

Recommendations:

Future grants to US based PVOs should require that their core staff in Nicaragua be funded from sources other than USAID.

Grants for LPVOs under Title III should allow for USAID to fund a portion of core staff on a declining basis during the implementation period.

We recommend the length of implementation period not be restricted to three years.

E. How well has the PMU mechanism worked?

The PMU has served as an effective tool in relieving a heavy administrative burden on the USAID. Guiding the PVOs in the preparation and revision of project proposals and in the detailed implementation plans and baseline data surveys in order to bring them to an acceptable level to satisfy the various concerns of USAID staff has proven to be very time consuming. This burden is even greater with the expanded duties to provide such services to LPVOs under the Title III program. However, the opinion of eight of the fifteen PVOs interviewed is that the PMU has provided effective guidance and the arduous process has improved their plans.

As sixteen of the PVO sub-projects have already been approved by the USAID and grant agreements signed, a great deal of attention is being devoted to working with them on developing the standards for their baseline surveys, giving advice on preparation of their detailed implementation plans (DIPs) and providing the continuing monitoring and technical support functions required. PMU staff has spent considerable time in visiting the sub-projects and in providing detailed reports on their findings.

In the financial management area the PMU has been successful in identifying consultants and auditing firms to assist LPVOs in the establishment of accounting and internal control systems. Finally, nine of the PVOs have remarked on the usefulness of the PMU's efforts to bring them together to share information and discuss common problems and issues.

On the negative side of the ledger is the fact that several of the earlier long term staff members were not as highly qualified in the specific technical areas being stressed to meet the technical monitoring requirements set out in the contract, especially those set out in *III. Contract Objectives*. This is surprising given the design assumption that a for profit firm could attract such talent. It is only in the last year that the PMU has put together the full range of talent called for and nine of the PVOs have noted an improvement in the quality of the assistance they are receiving.

This point can be illustrated by a review of NRM activities. Until 6 months ago, the PMU mechanism has not worked very well in the NRM area due to the lack of a qualified NRM specialist on its staff. This is evident when reviewing the NRM project proposals which contain

any number of the following: miss-use of technical terminology, overly ambitious goals or inappropriate indicators, activities described as 'natural forest management' which according to USAID policy should have never gone forward without a full-blown EIA, or budgets which do not adequately support certain conservation activities. Some PVOs, such as CENADE, expressed a need for the PMU to conduct more coordination activities among the PVCs, little had been done in this area.

This is changing with the addition of a highly-qualified NRM specialist at the PMU who is both sensitive to PVO needs and knowledgeable about NRM projects in the region. The NRM specialist is making a strong effort to revitalize PMU tasks in this area which include developing a good system for tracking information with the MIS specialist; coordinating a workshop for PVOs to focus on key problem areas; coordinating with USAID on how to better fit into its S.O.S.; coordinating the IMP consultant on pesticide use and pest control options; making field trips to very remote areas; and coordinating with the PL480 Secretariat regarding the one operational grantee (CENADE) and at least three pending proposals/agreements (FUNCOD, INPRHU, and ANDES). The PMU NRM specialist has expressed to the PMU Executive Director the need for an assistant which is justified given the above situation.

On a more general level, the PMU is perceived by at least eight PVOs as one which constitutes an extension of USAID but which lacks authority and has little decision making power. There were expectations by four PVOs, that the PMU was going to be a clearinghouse where they could not only obtain information directly but get their problems solved without the PMU having to consult first with USAID. As expressed by the key officials of these organizations interviewed for this evaluation, the PVOs would prefer to communicate directly with USAID because in some instances they feel they can get faster direct answers.

According to three of the PVOs needing assistance in the preparation of their baseline study, they did not get the assistance they were expecting from the PMU. Instead they just received copies of the John Hopkins Baseline Study Model.

We noted some complaints regarding the PMU's lack of independence, under its contract with USAID. Some of the PVOs do not understand, that USAID has to operate through the PMU channel considering its staffing limitations compared to the number of sub-projects to be dealt with on a continuing basis. The PMU was set up to serve as an intermediary between the PVOs and the USAID and is performing that function as was expected in the Project Paper and in its contract.

An important function of the PMU is to monitor activities and ensure that reporting is presented accurately and on time. To monitor projects in the three functional areas being covered in the Project, however, requires a level of expertise beyond the scope of a mere generalist. This, along with the expanded number of activities than originally contemplated, may have been the deciding factor in USAID's decision to increase funding for the PMU and upgrade its technical capabilities. The original contract with Development Associates is not clear, with some clauses open for interpretation. However, several clauses do discuss the need for technical assistance and we are

not satisfied that performance was adequate in this regard until the arrival of the two expatriates and an additional expatriate already resident in Nicaragua within the last year.

In addition to informal interviews with USAID staff from technical offices, the Program Office and the General Development Office, a questionnaire was distributed to determine USAID's perspective on the PMU performance. Available staff members were asked to rate the PMU's performance on each task listed in their SOW in Development Associate's contract.

Of eight staff members who received the questionnaires, five responded, from PDIS, OFIN, the Front Office, PEPs. According to this mixed group of staff, the PMU scored highest in assisting grantees and sub grantees in financial management and tracking, and on monitoring and reporting to USAID on subproject implementation. The PMU has the poorest performance in designing an effective MIS system to track subproject impact, although most staff members could not rank this activity. The respondents also believe the PMU is doing a fairly good job on liaising between PVOs, USAID, the GON line ministries and other donors. In general, the respondents are very satisfied with the PMU's presentation of concept papers and content of their comments on grantee proposals; implementing USAID criteria for project proposals and assisting PVOs to revise proposals to meet USAID requirements. Although it is listed as part of PMU's SOW in DA's contract, "drafting grant agreements" was considered by all respondents to be "not applicable", possibly indicating that this was inappropriate task for the PMU in the SOW.

The above indicates that, from the perspective of at least five USAID staff members, the PMU is performing very well in most areas. A number of key technical and program staff did not participate in the survey which affects the results. In general however, USAID's overall satisfaction with the PMU confirms what the team found in their informal interviews with USAID.

Findings:

We find that the PMU has served as an effective tool in relieving a heavy administrative burden on the USAID.

Several of the earlier staff members were not as highly qualified as necessary in the three functional project areas.

The PMU NRM specialist has expressed a need for an assistant.

The PMU is perceived by some PVOs as one which lacks authority and decision making power.

An important function of the PMU is to monitor activities and provide technical support.

Conclusions:

We conclude that the PMU has been important in administering the many facets of the Project as well as allowing it to expand to a current sixteen signed sub-projects.

We conclude that the performance of the PMU in the area of technical support has

improved considerably since three technical experts were brought on board in the last year to oversee the three functional areas of assistance.

We conclude that, in order to maximize performance and make up for lost time, the PMU/NRM specialist is in need of assistance.

We conclude that PVOs are correct in their perception regarding the lack of decision making power on the part of the PMU but that is consistent with their contract.

Recommendation:

USAID and/or the PMU should justify the addition of an NRM assistant to "catch up" on required tasks in this area and to assist with the PL 480 projects, most of which are NRM in scope.

E. Should this mechanism be extended through the PACD?

There is general agreement that the PMU has done a competent job with the some exceptions, in performing the tasks it has been assigned under the Project. The determining factors in deciding whether the PMU contract should be extended through the PACD are the likely workload, the other options available to handle it and the availability of funds.

By the time the PMU contract expires in June 1996 all sub-projects should be in various stages of implementation. (This assumes that procedures are streamlined under the Title III program; if not then several LPVO sub-projects are likely to be pending.) However, we have seen that there are numerous and detailed technical support functions required to monitor the sub-projects properly and that there will be a heavy workload especially considering that about ten of the sub-projects are yet to be signed.

The other options we see to a continuation of the PMU function is to turn it over to either the USAID or an organization representing the PVOs. These were also the options discussed in the original PP and we cannot envision others that would be in the realm of the possible. Our interviews at the USAID, especially with the technical offices involved, made it clear that staff are already overburdened with all their current responsibilities and could not undertake this additional workload even with the addition of local staff.

We believe the umbrella concept might be a viable one but would take time to create, staff, and gear-up in order to operate at the level of efficiency currently being attained by the existing contractor. This option should only be considered when, and if, a AID decides to support another PVO Co-Fi project in the future. In fact, the PP states that this option "could have considerable appeal as an implementation mechanism for a follow-on project already in steady state operation". (p.21)

Findings:

We find that there is general agreement that the PMU has done a competent job, especially after

the three functional specialists arrived.

There will be a continuing heavy workload in sub-project monitoring and technical support even after the current expiration date of the PMU contract.

The other options available for project monitoring are the USAID, a new contractor, or an umbrella PVO.

Conclusions:

We conclude that the PMU is an essential ingredient for the success of the Project.

We conclude that other options to the PMU are not viable at this time.

Recommendation:

USAID/N should maintain the PMU mechanism through the PACD of the Project.

Chapter III Early Impact on Beneficiaries and Natural Resources and Contribution to Project Purpose.

The second theme addresses the early impact on beneficiaries and natural resources. There is evidence that, even at this relatively early stage, there are improvements in the lives of people in each of the three functional areas being supported including more revenue generation by female recipients of micro-enterprise loans, reduction in maternal/child deaths, and improved living conditions on farms. Deficiencies were noted, however, in the natural resource management projects as well as in the child survival projects. Regarding the former, the deficiencies pertained more to the conservation than the production aspects, while in the latter the improved information flowing to beneficiaries was causing a strain at health posts as the women were asking for supplies that were not, in many cases, available.

With regard to project design and monitoring and its relation to impact, the team finds that there were occasions of overemphasis on the project design process, especially in the natural resources area. This resulted in delays having negative impact on the sub-project achievements.

In child survival activities, the interventions are viewed as proximal in nature as they focus on distinct and measurable outputs rather than contextual interventions which aim at inducing societal changes in the population targeted for primary intervention.

A. Project's ability to improve lives of target beneficiaries.

There is clear anecdotal evidence that the Project has begun to improve the lives of target beneficiaries. In the microenterprise area one team member heard short, and sometimes emotional, speeches by at least 50 beneficiaries and talked to five *promotoras* during visits to three village banks and a ceremony at FINCA/N in which 60 women received their cash loans for the next quarter. The common message was that the loans were used, or to be used, to expand their businesses resulting in increased sales and revenues or to start new businesses. This, along with the reduced borrowing costs at the village bank compared to the traditional money lender, has resulted in a number of cases of substantially higher income levels allowing the women to better feed and cloth their families and make home improvements. These have served to improve their lives. There is also evidence that bringing women together in a group of thirty to form individual village banks has had the effect of ending feelings of isolation and replacing them with a feeling of group solidarity, a sense of empowerment, and signs of mutual support. This is a more subjective measure but one which brings a psychological sense of well being to members of the group.

The project has improved the lives of some of the target beneficiaries in rural areas as well. TechnoServe, for example, has proven that it can meet the unusual challenge of working with ex-combatants, a group of beneficiaries with a significant degree of mistrust of outsiders. In less than the one and-a-half years that the sub-project has been in operation, the PVO has managed to gain the trust and interest of beneficiary groups, assisted them to organize themselves into productive, responsible units which set targets and manage funds; assisted them to renew their lives by

working in tree seedling production and crop management; and improved the lives and esteem of women by providing them with a source of income. Although they are still at risk, people who had virtually nothing are now able to eat, work the land, understand basic financial concepts, and build homes on what now can be considered their own titled land. In addition, a recent letter from sub-commander Gonzalez of the Jinotega Police Department notes a 40% decrease in serious crimes in the sub-project area in 1994 and attributes this to TechnoServe's interventions.

Finding:

We find that the Project has begun to improve the lives of target beneficiaries.

Conclusion:

We conclude that there is considerable potential for wide scale impact on improving the lives of people who gain access to services provided under the Project.

Recommendation:

USAID/Nicaragua should continue to implement a PVO approach as part of its development assistance strategy.

B. Meaningful Impact?

The most significant cause of delay in sub-project implementation and impact has been the underestimation of the time needed to gear up, partly caused by the hiatus in the presence of US PVOs in Nicaragua for over a decade. There have been problems in personnel recruitment, salary approval on the part of the USAID and instances of unanticipated staff turnover. In addition there have been delays in the preparation of acceptable Detailed Implementation Plans (DIPs) and baseline surveys, both of which are required by the USAID.

In microenterprise, only one of the sub-projects, Finca, has reached the operational stage. By the end of the first quarter of 1995, 70 village banks had been formed, 2,022 women have received loans, a total of 506 new enterprises have been created, and another 1,612 enterprises strengthened under that sub-project.

For natural resources and rural development projects, meaningful, long-lasting impact is very difficult to determine in three years or less since most subprojects have not even reached their midterm point. Many perennial and tree crops do not come into production for at least three, five or even fifteen years, and a normal amount of time is needed to account for external influences and variables, such as climate, market prices and insects. It takes at least three years for people to adopt and grasp new concepts. Sound natural resource management requires a combination of behaviors and technologies. These must be introduced incrementally as they compete with more immediate needs of people, such as food and income, and could be labor intensive and culturally counter-intuitive.

With regard to early progress in natural resource management, findings are a bit unsettling. During her field visit to TechnoServe sites, the NRM USAID team member found that

beneficiaries were not employing practices to ensure soil conservation on steep slopes; were not employing shade in the nursery to protect coffee seedlings; were planting basic grains on the steepest of slopes when sometimes they had the choice of planting tree crops and perennial and reserving flatter areas for grain production; and were not considering the use of hedge rows, vegetative barriers or gully plugs as soil conservation options.

When the evaluator asked the technical director of the project, he replied that it was too early to introduce these concepts to the beneficiaries, which is understandable, but the PVO did not offer any detailed plan of how they were going to introduce these technologies in the remaining eighteen months of the sub-project. In addition, the evaluator gathered from her conversations that the technical expertise in these conservation technologies seemed to be lacking among the PVO staff and extension workers. Indeed, the Country Director indicated a need for technical assistance in this area, as well as in the area of gender issues.

In the area of child survival, the project has made a significant contribution so far in reducing maternal/child deaths through its interventions. Mid-term evaluations conducted at WRC, Save the Children (SC) and CRS indicate that significant impact was achieved by these organizations in the time the project has been in operation. In addition, Project Concern International (PCI), ADRA and Project Hope final evaluations (from a previous project) demonstrate that significant results can be obtained in three year projects. However, most PVOs interviewed felt that three years is a very short time for a project to be able to achieve significant results.

Following is a table compiled for the PMU's quarterly report indicating the targets and numbers achieved by the project so far. It is important to note that the various sub-projects are at this point in various stages of implementation mainly due to the varying dates in which grant agreements were signed and the sub-projects were initiated:

The project is not free of problems. A major problem the team found in the child survival area is that sub-project activities create a tremendous demand for services through its educational campaigns, but the PVOs need to rely on other sources for the actual delivery of services, and these sources are the MINSA. The problem is that MINSA(national) might not be able to satisfy such a demand because of the inefficiency of its operation such as lack of medicines at the SILAIS(regional) level.

continue on next page

CHILD SURVIVAL/HEALTH SUB-PROJECTS' PROGRESS

SELECTED PROCESS INDICATORS	LOP	JAN - MAR '95	TO DATE	% OF LOP
No. Of Volunteers Trained: CDD	1,114	450	1282	115
No. Of Volunteers Trained: ARI	1,114	206	1115	100
No. Of Community Health Committees Formed and Functioning	772	20	463	60
No. Of ORUs Created/Functioning	374	149	369	99
No. Of Mother who Received Messages About Prevention & Treatment of Diarrhea	36043	19805	28973	80.4
No. Of ARI Attention Units Created and Functioning	11393	7154	11254	99
No. Of Women who Received Messages About the Importance of Breast-feeding	42964	10453	19741	46
No. Of Mothers who Received Messages about Immunization	36043	26978	28295	78.5
No. Of Women of Child Bearing Age who have Received Messages about FP	28082	15355	17270	61

The Save the Children mid-term evaluation refers to lack of medications in the local health units as a major problem in the Project. The mid-term evaluation indicates that these concerns were expressed by the communities in which Save the Children operates, during focus group meetings, interviews with mothers and community health volunteers, interviews with community leaders, and interviews with project field staff.

During field visits to child survival sub-projects there were opportunities to talk with both health workers and beneficiaries in communities like Los Planes del Arenal and San Pedro in Departamento Masaya which are served by CRS(see Appendix D); Las Nubes, Departamento de Chinandega served by Save the Children ; Zona Central Barrios 19 de Julio, Jorge Dimitov, Domitila Lugo, Selim Shible and Hilario Sanchez . During these visits several complaints were expressed by beneficiaries of lack of medicines and equipment at the community health posts. Among the most severe complaints was that about the health post at Ticuantepe. According to members of the community when a beneficiary is referred to that center the latter usually refers the person back to the *casa base* because of lack of medicines. During visits to the Zona Central/Managua Barrios with PCI's Project Director staff also complained about the lack of medications and equipment at the Health Posts.

During the visits (see Appendix D) the evaluator had the opportunity to discuss various subjects with both mothers and health workers. There were two major complaints heard from both the mothers and the promoters: 1) the high rate of child malnutrition in these areas; and 2) the lack of medications at the health centers serving the areas. The major complaint from both promoters and Project Directors was that it has taken at least one and a half years for them to actually start having direct contact with the community because of all the bureaucratic red tape in terms of documentation that needs to be prepared for USAID before the project even starts. Another comment regarding factors that have affected the project is the past transport strike which prevented some volunteers in the CRS project's health workers from mobilizing to the areas where they are training.

Some PVOs have expressed interest in expanding their activities. The PMU's Project Officer for child survival programs is in agreement that all agencies involved in the project are at present in a suitable condition to expand due to their already established structure and their community base has already shown positive results. However, the projects are still in very early stages of implementation and expansion at this point could sacrifice the quality of the services and possibly overburden the PVOs' capacity to effectively achieve their objectives. On the other hand, expanding the project without MINSA having solved its lack of medicines problem would only contribute to more frustration on the part of the PVOs.

While coordination with counterparts, such as MINSA, is valued by the project at all levels, and is considered by project staff, both at PVO and LPVO levels, as integral to the achievement of project goals, it is also a fact that although the project can and should be able to make a significant impact in the community via teaching preventive health behaviors to mothers, the actual impact this intervention can make in the communities depends upon factors beyond the project's control. These factors are:

- availability of antibiotics and/or medicines at the SILAIS as the project continues creating a demand for these services;
- continuous shift in personnel at the health centers;
- apathy and lack of motivation on the part of MINSA staff; and
- lack of financial resources in the health sector.

Findings:

Underestimation of the time needed for PVOs to mobilize has been a serious cause of delay in sub-projects.

In microenterprise, only one sub-project, Finca, has begun its lending program to beneficiaries.

For natural resource and rural development projects long lasting impact is very difficult to determine in three years or less.

Early progress in natural resource projects has been poor in utilization of soil conservation and in other sustainable agricultural practices.

In the area of child survival, there are examples of significant contributions in reducing maternal/child deaths.

Most PVOs in child survival believe three years is a short time for a project to achieve significant results.

In the child survival area, sub-project activities create a large demand for services which other organizations, especially MINSA, are to supply but frequently do not have.

Conclusions:

We conclude that, although exceptions can be cited, in most cases three years is too short a period to achieve significant results in the areas of natural resources management and child survival.

We conclude that a lack of available medicines and commodities at local health units limits the project's contribution towards overall impact of these interventions in the communities and damages the trust of the recipients.

We conclude that, for natural resource management projects, soil conservation technologies on steep slopes, and in some cases other sustainable agricultural practices, are not being implemented sufficiently to result in purpose level outputs.

Recommendations:

With regard to child survival, it is recommended the PMU with USAID/GDO support assist the communities in requesting and obtaining medicines and commodities from the MOH.

With regard to natural resource management, we recommend that the PMU requests the PVOs to develop plans addressing their weaknesses in natural resource management, determine whether these plans are sound, and accelerate technical assistance and training interventions in appropriate soil conservation and sustainable agricultural technologies.

C. Modifications to project design and monitoring processes needed to maximize potential for impact.

Occasions of an overemphasis by USAID on the project design process, most notably for the natural resources sub-projects, have resulted in delays which have adversely affected achieving impact. Although the PVO Co-Fi Project was authorized on July 1, 1991, (four years ago) only two of the twelve sub-projects have been in the implementation stage for a little over two years, four have been in operation for 1.5 years, and six have been in operation for less than a year. In addition, two proposals in the natural resources area have been pending final approval for 1.5 years or more, and those groups reported: 1) having to forego seasonal windows for planting trees and crops, which could result in a 6-12 month delay in direct benefits of income or food; 2) a significant challenge in maintaining the interest of potential beneficiaries, who have expectations and whom are becoming resentful; 3) a need to invest their own time and resources to maintain the above, which puts a considerable strain on organizations which have very low operating budgets; and 4) devaluation and inflation effects on budgeted line items which significantly increases prices of supplies and rents.

In the area of natural resources, in particular, there is a need for local technical support in appropriate technologies and methodologies which would result in the type of impact USAID seeks. These areas include gender issues and soil conservation/sustainable agriculture, and value-added processing/marketing. The current project design requires PVOs to provide, access and finance technical assistance and training from their headquarter offices. This strategy works fine for PVOs which have an excellent track record in this area and which have had a long-standing local presence in the country. However, PVOs currently operating under the project have shown some weaknesses in identifying, and accessing, good technical assistance and training. A short-term TA flown in from the US will not work. What is needed is a locally-based resource and better linkages to existing programs and successful projects.

In terms of monitoring, for natural resources projects, the PMU NRM specialist indicates that there are potential problems in the validity of output indicator data and in summarizing data from the various PVOs. There are problems with the project indicator. First two of the four indicators are not in the original project goals. Second, the lack of a standardized method for definition and collection of data makes it difficult for numbers from different PVOs to be compatible. The area under non-traditional crops does not necessarily translate into sustainable management, particularly if those crops are annual root crops. The problem of identifying good indicators for environmental management has always been a challenge. The PMU must ensure that all parties involved are aware of the definitions, and that definitions and explanations of what these measurements actually reflect appear in footnotes in all summary tables being reported to USAID/Nicaragua and AID/W. The PMU NRM specialist is aware that there are large differences between PVOs in how numbers of women beneficiaries are being defined and counted. In some cases only women with home gardens and nurseries are being considered, and they may be under-accounted for as they are probably engaging in other tasks. There should also be a method for accounting for indirect beneficiaries.

Quarterly reports from the PMU to USAID consist of a synthesis of all PVO quarterly reports. The team found a few problems with these reports: i) indicator tables are confusing, with missing footnotes explaining the LOPs, and only partial data included. ii) Problems reported may be taken out of context, giving the wrong impression of PVO progress. iii) some attachments, such as correspondence highlighting internal personnel problems are thought to be inappropriate. Normal implementation constraints and challenges are made to look ominous when they appear in a summarized report, and depict USAID partners in a negative light unnecessarily.

In the child survival area, interventions which form the mainstay of the PVO Co-Financing project work in the various regions of the country have the merit of directing activities towards distinct and measurable outputs. These interventions could be qualified as *proximal*, as they involve, in most cases, one or more measures of primary prevention aimed at reducing vulnerability to childhood diseases with a direct focus on the child. In order to implement these strategies, each sub-project went through sequential phases: design, baseline data collection, implementation (including the strengthening of capacity of implementing groups through managerial capacity building, training and provision of technical support by the PMU), the production of educational guidelines and communication materials, and monitoring/evaluation.

In contrast to *proximal* interventions, *contextual* interventions, which are largely absent from the PVO Co-fi approach and scope of work, aim at inducing societal changes in the population targeted for primary intervention, so as to reduce concurrently individual and collective vulnerability to childhood diseases and morbidity. (See Appendix F for illustrations of how proximal and contextual interventions complement each other.)

The evaluator had the opportunity to discuss various subjects with both mothers and health community workers during these visits. There were two major complaints heard from both the mothers and the promoters: 1) the high rate of child malnutrition in the area; 2) the lack of medications at the Tiquantepe, health center. The major complaint from both the promoters and the Project Director was that it has taken at least one and a half years for them to actually start having direct contact with the community because of all the bureaucratic red tape in terms of documentation that needs to be prepared for USAID. Another comment regarding factors that have affected the project is the past transport strike which prevented some volunteer health workers from mobilizing to the areas where they're training.

Findings:

We find that there have been occasions of over emphasis on the project design process by both the PMU and the USAID.

In the area of natural resources there is a lack of local technical support in appropriate technologies and methodologies.

Also in the natural resources area there are potential problems in the validity of output indicator data and in data summary.

Contextual interventions are largely absent from the PVO Co-Fi approach and scope-of-work.

Malnutrition is a severe problem among the children who are to benefit by interventions of the various sub-projects.

Conclusions:

We conclude that in cases the overemphasis on the project design process have impaired impact, especially in NRM sub-projects.

We conclude that there is a need for local technical assistance support in appropriate technologies and methodologies in NRM sub-projects.

We conclude that a lack of a standardized method for the definition and collection of data makes it hard for numbers from different PVOs to be comparable.

We conclude that the malnutrition a major problem.

Recommendations:

In order to achieve more impact, the PMU and USAID/GDO should place less emphasis on perfecting initial project design and more on assisting PVO partners to achieve impact.

The PMU should assist PVOs in accessing local technical assistance support in appropriate technologies and methodologies in NRM projects and in establishing better linkages to existing programs.

The PMU MIS specialist should devise a standardized method for the collection of compatible data.

In the area of nutrition the PMU should assist PVOs interested in seeking to coordinate with the Secretariat in charge of the PL480 commodities to be used in community nutrition centers.

Chapter IV Determine Contribution of Project Activities Toward Building Local Capacity to Sustain Activities Beyond the PACD.

A. Are sub-projects designed to develop local capacity to sustain activities beyond the PACD?

In terms of building local PVO capacity, the overall PVO Co-Financing project, given its size and scope, has not developed as planned. The exception to this is in the microenterprise area as discussed below.

In the other functional areas, only two child survival projects and two NRM projects are working directly with LPVOs. Even though the project encourages U.S. PVOs to work with LPVOs, this is not happening as programmed. The project could work with a greater number of LPVOs to strengthen its initiatives.

USAID invested considerable effort into forming and strengthening a few organizations, particularly one--CENADE--which grew out of an organization aligned with the ex-resistance. CENADE has received substantial amounts of technical assistance from two large PVOs, World Relief Corporation and TechnoServe at the encouragement of USAID. CENADE, represents an accomplishment, but there are many more receiving little or no assistance. In the microenterprise area, considerable work has been undertaken by three of the US PVOs (Finca, Action, and Opportunity) in establishing and/of strengthening LPVOs.

In the NRM area, the establishment of Community-Based Enterprises (CBEs) or Family-Based Enterprises (FBEs) by TechnoServe (TNS) and a revolving seed bank by WRC, combined with the training of local beneficiaries, has potential for sustaining activities beyond the PACD. TechnoServe has had notable success with its strategy to establish CBEs/FBE's for groups of ex-combatants which works well under the current social, economic and political condition of the area. TechnoServe has devoted significant energy into eliminating constraints to sustainable rural development by securing individual/family titles for beneficiaries and then focussing heavily on building leadership and managerial capacity. Beneficiaries from three different communities were very enthusiastic about the project. The TechnoServe Country Director also reported that a number of leaders had made contact with key government institutions that had a role in agricultural production and marketing. These community leaders also regularly participate in TNS staff meetings and offer input into project implementation and expansion into new communities. This strategy seems to hold a lot of promise, although experts report that similar types of organizations (cooperatives) have ceased to exist throughout LAC without external assistance for a longer period of time.

WRC's project is designed to create and strengthen producer unions to supply agricultural and marketing services to subsistence farmers. WRC also focusses on institutional strengthening of local church-based NGOs (CAM and ISAD) to build capacity to carry out similar agricultural interventions, and to obtain funds from other donors. WRC and its cooperators are heavily invested in building the capacity of local *promotores* through training.

A large part of WRC's strategy has been to train beneficiaries in grain storage and to establish a revolving seed bank to ensure a sustainable seed supply. The idea is to lend farmers one quintal of bean seeds during the sowing season and to collect twice that much at harvest (when seed value is reduced) so that WRC and its cooperators can lend seeds to other farmers in the region. Unfortunately, quality control problems have forced the project to sell its current stock as food and buy a new supply of certified seed. Nevertheless, the concept of grain storage appears to be catching on. World Relief Corporation (WRC), Social Development Institute of the Assembly of God Church (ISAD) and Central American Mission Church (CAM) are well linked to local institutions such as Instituto Nacional Tecnico (INATEC), ADP (Swedish Aid Program), Las Esparancitas, PRODES (Dutch Aid Program), MARENA and the World Food Programme.

Both the above U.S. PVOs involved in NRM, as well as CENADE, which is receiving funds under the PL480 Secretariat, are actively involved in pursuing other sources of funding to maintain or expand their programs.

In the area of microenterprise, we find that both administrative and financial capacity is being built to sustain, and even expand, activities beyond the PACD. The US PVOs sponsoring the four sub-projects are establishing ACCION(local PVO), or enhancing the ability of their counterpart organizations to administer microenterprise development through technical assistance, training and provision of credit.

It is the large credit element in the microenterprise area which allows the sub-projects to achieve long term financial sustainability. The revolving funds established as part of each of the sub-projects are lent out to micro entrepreneurs at rates of interest from some 24% to 36% a year with other charges, such as maintenance of value for inflation, bringing total charges to about 47% in some cases. As the funds are provided as a grant from AID to the PVO they can revolve indefinitely and the interest can be used to pay for administrative costs of the operations in Nicaragua.

In child survival, sub-project activities are designed to develop the capacity of both MINSA staff and community volunteer health workers through seminars and workshops. Neighborhood health committees with an average of ten promoters, who are selected by the community, are responsible for the coordination and follow-up of programmed activities. This is the standard model for primary health care projects and is one that strongly emphasizes community participation.

Relating to development of local capacity in terms of strengthening local organizations, in the child survival area there are two organizations involved in developing local capacity: WRC and CRS. According to the 'Memorandum of Understanding' between WRC and the Central American Mission Church (CAM), WRC agrees to provide under the PVO Co-fi project funding to CAM to cover some of CAM's operational expenditures. Only three areas of technical assistance to CAM that could be considered institutional strengthening are mentioned in the agreement: project development, generation of projects, and financing. The second agreement with the Social Development Institute of the Assembly of God Church (ISAD), and Church of the Nazarene is an agricultural project. These agreements contain various clauses indicating that

WRC will provide training and orientation to ISAD's technicians. It appears that, in the case of WRC, only the agreement with ISAD has the potential for institutional strengthening.

In the case of CRS, a 'Work Contract' was signed by both CRS and the *Comision de Promocion Social Arquidiocesana* (COPROSA) officials in which the responsibilities of both organizations regarding expenditures and purchase of fixed assets are specified. During the Team's interview with the CRS staff we were informed that CRS has indeed provided technical assistance to COPROSA in the establishment of an accounting system and in primary health techniques. CRS also works with CARITAS in Matagalpa Jinotega and with SoyNica. CRS provides technical assistance to these LPVOs in management and finance.

The project is at present in the process of completing training of health and community workers so that the capacity at the community level to sustain activities beyond the PACD is installed. The PVOs would have to maintain the health workers and *brigadistas* motivated to work in their communities for the reasons already explained. Although the projects do not seem to have motivational problems with community health workers at present, the potential for changes in the lives of these workers makes these sub-projects vulnerable to a certain degree.

Findings:

We find that, except for the area of microenterprise, the PVO Co-Fi Project has not met planned outputs in terms of building local PVO capacity.

Considerable effort has been made in forming and strengthening a few LPVOs.

In the NRM area, the establishment of community based enterprises, a revolving seed bank and producer unions have potential for sustaining activities beyond the PACD.

In the microenterprise area, both administrative and financial capacity is being built to sustain activities.

In child survival, seminars and workshops are key tools to develop the capacity of community volunteer health workers.

Conclusions:

We conclude that the Co-Fi Project has not placed sufficient attention on creating and/or strengthening LPVOs.

We conclude that in the child survival area, the development of ability to sustain activities beyond the PACD depends upon the creativity of the PVOs to continue motivating their volunteer health force.

We conclude that the sub-projects are designed to develop the capacity to sustain themselves with regard to administration but only the microenterprise sub-projects and the farmer business activities in the NRM projects.

We conclude that both NRM projects being implemented by two USPVOs and the one designed by an LPVO are designed to develop local capacity beyond the PACD.

We conclude that the others, particularly the child survival sub-projects, will have to seek alternative funding sources or rely on the individual community or other donor support to sustain themselves beyond the PACD.

Recommendations:

From now until the PACD, the PMU with USAID/GDO support should seek to strengthen as many local PVOs as possible.

The PMU should continue to emphasize for its LPVO clients institutional strengthening in finance, project design and key management issues such as fund-raising and sustainability.

B. Are capacity building activities contributing to effective sub-project implementation?

In the child survival area, sub-project activities are designed to develop local capacity through seminars and workshops. Neighborhood health committees with an average of ten promoters, who are selected by the community, are responsible for the coordination and follow-up of programmed activities. During these exercises health workers are trained in child survival outreach activities. PVOs, like Save the Children, have introduced pilot efforts in early childhood nutrition and reproductive health education for adolescents.

To date, the activities carried out by the PVOs in building the capacity of the health workers to deliver a better service are contributing to implementing the project effectively. The only exception to this norm took place at the initiation of the World Relief sub-project activities when a large number of *brigadistas* resigned from the project.

The primary example of local institutional capacity-building which has taken place under the project is that of the creation of CENADE. CENADE grew out of the Centro Nacional de Planificación y Administración de los Polos (CENPAP), a program which supported re-instatement of the ex-resistance. CENPAP, unable to qualify for donor support, went to USAID for assistance. The PMU subsequently conducted a diagnostic study of the organization and recommended that it redefine its mission, change its parameters and broaden its clientele. In June of 1992, USAID and the PMU participated in a workshop during which CENPAP decided to become an NGO. USAID and the PMU then strongly urged TechnoServe to partner with CENADE. TNS played an important role in CENADE's initiation into functioning as a civil PVO. Not only did TechnoServe support CENADE financially through paying for its computer, vehicle and portions of its Director and Sub-director's salaries, but exposed CENADE to their program and put partnership to the test. Although the PMU reports that the relationship has been strained between TechnoServe and CENADE, with TechnoServe being the main offender, the NRM Team member extensively interviewed both and found this to be untrue. It is clear that both organizations benefitted from the process and, although TechnoServe will not be working

with CENADE in Quilali, both organizations have signed an agreement for a longer lasting informal partnership.

CENADE also went on to partner with other organizations as well. After CENADE was awarded the grant from the PL480 Secretariat, the PMU suggested they also contact WRC for assistance, as WRC was working in the same region. CENADE went to WRC for assistance on designing their baseline survey, and signed an agreement with them to cooperate. Since then they have participated in some training interchanges and received seed donations and food from the World Food Programme component of WRC's project. CENADE however, is cautious about the food and seed component, which may conflict with their attempts to reverse the welfare attitude of their beneficiaries, and motivate them into private enterprise.

Although CENADE's program has only been in operation for five months, the LPVO has had tremendous exposure to two completely different approaches to rural development and NRM. According to CENADE, they are taking the best elements of both projects and trying to adjust them to meet their local project conditions. This should have a positive impact on their sub-project implementation.

In the microenterprise area great care is being taken to develop the financial control systems, and provide the training needed to operate them. The system is to be utilized by the PVOs in keeping track of the flow of funds to the village banks and other entities providing credit to microenterprises. In addition, attention is being given to training the promoters and other staff responsible for organizing and training the small village banks and similar entities. These activities have resulted in the initial success observed in the FINCA sub-project.

The relationship between Accion and Fama, which predates the assistance provided under this Project, has resulted in a local PVO which has demonstrated its capability in distributing credit under an assistance program funded by Austria. Finally, Opportunity is in the process of building a new LPVO and getting ready to handle sub-project funds. The latter program has not started using sub-project funds.

Findings:

We find that in the child survival area sub-project activities are designed to develop local capacity through seminars and workshops.

Activities carried out by PVOs in building capacity of health workers to deliver a better service are contributing to effective project implementation.

The primary examples of local institutional building are in the creation of CENADE and the efforts of Accion to build Fama.

In microenterprise care is being taken to develop financial control systems and train promoters so that the credit program becomes sustainable.

Conclusions:

We conclude that capacity building of CENADE by TechnoServe and WRC has had a positive impact on the LPVO's sub-project design and start up implementation.

We conclude that Accion has demonstrated ability in preparing Fama to undertake a larger credit program than it is currently operating.

Recommendation:

We recommend that the PMU use both the CENADE and Fama models in future efforts to build the institutional capacity of LPVOs.

C. Can any conclusions be drawn about the effectiveness of each of the three general types of capacity building activities employed under the Project?

This question addresses the contribution of project activities toward building local capacity to sustain activities beyond the PACD. On the negative side, we observe that insufficient emphasis has been placed on building local PVO capacity. Instead of working with many of these LPVOs, a great deal of time and effort have been spent on strengthening a few such organizations, such as CENADE, and working with non-LPVO community, church, and other groups.

In the micro-enterprise projects progress has been made in building local capacity to administer the credit programs and in providing sound business advice to beneficiaries. Financial sustainability is built into these sub-projects as the positive interest rates will allow the PVOs to operate with these repayments. The economic activities for farmers in the natural resources projects also have potential for sustainability. The situation in the child survival area is more problematical as there is no cost recovery and success depends on retaining, or the ability to continue training, a core of volunteers.

The PMU has been very effective in providing assistance in the establishment of accounting and internal control systems, particularly with local PVOs. In other technical areas, however, the performance was not as good until the PMU brought on specialists in the three project functional areas less than a year ago. The three areas where capacity building happens are:

- U.S. PVO establishes formal presence in Nicaragua and works directly with local groups (FINCA Opportunity)
- U.S. PVO teams up with and through a local PVO without establishing a formal presence (ACCION)
- LPVO works directly with beneficiaries (Title III).

Project Concern International (PCI) includes teachers among the groups that are receiving specialized courses in each of the intervention areas, as well as in general health and hygiene. Another innovative approach utilized by Project Concern International is the "Child-to-Child" program which teaches children to use theater and puppetry to transmit health messages to their peers.

In microenterprise there are four sub-projects signed into cooperative agreements. Three of them follow the model whereby a US PVO establishes a formal presence in Nicaragua and works directly with local groups two of which are LPVOs. The other sub-project, Accion-Fama, is one in which the US PVO teams up with an LPVO without establishing a formal presence.

In the Accion-Fama relationship a considerable amount of technical support was provided to Fama by Accion prior to the time the cooperative agreement was signed. Although Fama is now stronger organization, the capacity building activities are continuing in order to allow it to expand geographical coverage and increase the amount of credit provided to beneficiaries. The technical assistance component provided by Accion includes specialized courses, cross fertilization through visits to Accion projects in other countries, consulting visits from Accion's home base, and the supply of training materials to Fama.

Opportunity offers a unique case in that its local partner was disqualified due to internal financial irregularities after the cooperative agreement was signed. Opportunity then started from scratch to form a new LPVO asserting that no existing organization could meet its requirements. It is too early to judge this arrangement. The Finca/International arrangement with Finca/Nicaragua also includes a strong capacity building element through technical assistance and training of local staff.

Findings:

We find that, in child survival there are eight US PVOs active under the Project with local groups and only two cases are the local groups LPVOs.

In microenterprise, three of the four US PVOs are working in conjunction with LPVOs although one US PVO, Accion, has not established a formal presence in Nicaragua.

In the Accion-Fama arrangement, technical support was provided by Accion before the cooperative agreement was signed under the project.

Opportunity's local partner was disqualified and it began a new LPVO.

Conclusions:

We conclude that the most effective type of arrangement for building capacity is that in which a US PVO establishes a formal presence and works directly with a local PVO.

We conclude that as in the case such as the one involving Accion and Fama, the indirect approach can succeed when the local PVO is one that previously has demonstrated operational strength and has highly capable leadership.

We conclude that the greatest chance for success of direct support of LPVOs is when they receive technical and managerial support from more experienced PVOs.

Recommendation:

We recommend that USAID/GDO initiate a revision of the subproject approval process to

include the requirement that U.S.PVO's incorporate LPVOs into all new sub-projects and provide for LPVO capacity building.

D. How effective are PMU institution building activities?

In the financial management area the PMU has played a very important role in assisting LPVOs establish accounting and internal control systems. Another way in which the PMU has provided assistance to the PVOs is by way of continuous communication with them to improve their financial reports. The financial reviews conducted by the Unit also have contributed to the improvement of the PVO's reporting system.

According to the Project Paper (p.11, Annex D), the PMU is responsible for assisting LPVOs in improving their administrative, monitoring and evaluation capacities, which includes providing guidance in baseline evaluation data collection.

The NRM evaluation team member interviewed CENADE, FUNCOD, and IMPRUH. All three reported that they had significantly benefitted from the assistance provided by the PMU in modernizing and strengthening their financial and administrative systems. IMPRUH, for example, can now manage 100 projects on its computerized financial system, whereas before it could only manage eight.

Although PMU institution-building activities have been strong in the financial area, they have been weaker in some specific technical areas. In the NRM area, for example, the absence of a highly-qualified NRM specialist weakened support in this area. Currently the NRM specialist is trying to strengthen DIPs, revise indicators, establish a standard MIS system, organize seminars, build a resource center and solicit articles for Nicavance. Monitoring these projects requires field visits to very remote areas and is time-consuming. For these reasons, the PMU NRM specialist has requested that a NRM assistant recruited to the PMU.

Findings:

In the financial management area the PMU has played an important role in assisting LPVOs establish accounting and internal control systems.

The PMU institution building has been strong in the financial area and at the beginning of the project it has been weak in some specific technical areas.

Conclusion:

We conclude that the PMU institution-building exercises have been very effective in the areas of financial management and administration but weak until recently in the other technical areas.

Recommendations:

It is recommended that the PMU issue periodic communications to the PVOs explaining the different financial management interventions scheduled to be carried out by their Unit

at the PVOs.

We recommend that USAID/GDO initiate an amendment to the Development Associates contract so that the PMU can hire a local assistant for the NRM specialist.

Chapter V. Determine if Monitoring Mechanisms are Thorough and Appropriate to Ensure That Sub-Projects are Being Implemented as Designed and on Schedule.

The fourth theme addresses the monitoring mechanisms to assure that projects are being implemented as designed and on schedule. The three levels of monitoring, the PVO itself, the PMU, and the USAID are adequate for this purpose; furthermore performance by the three parties, with a few exceptions, has been good. PMU staff spends considerable time visiting the individual sub-projects and reporting on their findings.

This close monitoring may be an important factor why most of the grant and cooperative agreements are being adhered to. There have been occasions where the PVOs have tried to materially change their sub-projects through the detailed implementation plan (DIP) rather than an amendment to their agreement but the PMU and USAID have managed this well.

A. Are adequate systems in place to monitor and track sub-project implementation?

The system in place to monitor and track sub-project implementation is adequate. Essentially monitoring is at three levels. The primary responsibility is with the PVO project director who fulfills these requirements by a combination of field visits to the target communities, meetings with counterpart staff in the field, preparation of reports required by the USAID, consultations with the PMU backstops and the USAID PVO coordinator and financial staff, and participation in evaluations of his/her sub-project.

The second level of monitoring is by the PMU whose personnel review the monthly financial and quarterly progress reports submitted by the PVO to track the use of funds, the flow of sub-project activity, the compliance with the terms and conditions of the grant and the indicators set out in the detailed implementation plan, and to detect possible problem areas. The PMU makes a summary of these reports, along with its own inputs, and submits its own monthly and quarterly reports to the USAID.

PMU staff, with occasional participation by USAID staff and many times the PVO Project Coordinator, periodically conducts site visits to view the operations of sub-projects, receives briefings on sub-project status, discusses project impact with a random sample of target beneficiaries, and discusses key issues with PVO representatives.

The USAID/GDO also monitors sub-project activities, relying heavily on the PVO Project Coordinator as well as the staff of the USAID Office of Finance for financial compliance. There is little or no monitoring by the technical offices corresponding to the three functional areas. A detailed review is made of the monthly financial and quarterly progress reports compiled by the PMU and close consultation is maintained between the PMU and the USAID with the PVO Coordinator the principal point of contact.

In reviewing the documentation related to the monitoring system, the one area of concern is the voluminous nature of the quarterly reports submitted by the PMU. We believe a portion of this material could be condensed without the loss of report quality required by the contract with AID. Two USAID officials expressed their exasperation with the sheer volume they receive on a quarterly basis and questioned the cost effectiveness.

In the NRM area, monitoring the subprojects requires visits to the project sites, a number of which are a full-day's drive from Managua.

In measuring change and impact across a broad population, a more sophisticated monitoring system will be necessary which will consider a statistically sound number of data points, adequately representing beneficiaries (including those farthest away, less successful, etc) and farm types (agro-ecological conditions, size, distance from road, etc) and taking into account variables. Computerized monitoring systems utilizing modern technology are being employed which are proving to be effective and cost-efficient, and which are becoming more available. They have the advantage of rapidly highlighting lessons learned and feeding back into project implementation. These systems should be considered for tracking and guiding USAID-supported activities in the future. Some PVOs are already testing some of these technologies.

Findings:

We find that the system in place to monitor and track sub-project implementation is at three levels, the PVO administration, the PMU, and the USAID has been good.

The quarterly reports submitted by the PMU to the USAID are long and costly.

Monitoring NRM sub-projects require field visits which are quite long.

A more sophisticated information monitoring system would yield data in the NRM area.

Conclusions:

We conclude that adequate systems are in place to monitor and track sub-project implementation except in the NRM area where more information could be collected.

We conclude that the quarterly reports submitted by the PMU to the USAID are too long and not cost effective.

We conclude, in the NRM area, that the project could go much further with monitoring systems, through which a lot of valuable information could be collected that could be used by the PVOs, LPVOs, USAID, other donors and researchers.

Recommendations:

We recommend that the USAID/GDO review reporting requirements with appropriate staff at USAID/GDO and work with the PMU on a plan to condense the quarterly reports without the loss of essential information.

We recommend that the PMU establish a more comprehensive information system for NRM activities.

We recommend that USAID/GDO and PMU should develop a monitoring system which will yield it and the development community valuable information. USAID should encourage the PVOs to publish as much data and findings on their programs as possible and should consider more sophisticated systems in the future.

B. Is the quality of follow-up action by the PMU on PVO implementation sufficient?

With regard to the microenterprise area only one of the four sub-projects has reached the implementation stage, Finca. However, another involving Opportunity International was signed at the beginning of 1995 and, although not yet operational in terms of credit operations with micro entrepreneurs, it has been engaged in an effort to form a new counterpart LPVO as its previous counterpart was found to have severe financial irregularities. We find the efforts undertaken by the PMU in contracting a local auditing firm, and coordinating closely with it during the financial review, were instrumental in anticipating and preventing a large potential problem had the sub-project proceeded with that counterpart organization.

The PMU played a useful role, along with O/Fin, in heading off an attempt by Finca to change the parameters of its sub-project in its detailed implementation plan (DIP), essentially by cutting back on the amount of funds allocated to beneficiaries under the credit component and allocating them to administrative support costs. The decision was that if Finca wanted to pursue such a change it should request an amendment to its cooperative agreement and present its justification rather than using the DIP to do so. We believe the PMU-USAID follow up action on this point demonstrated good judgement. Similar problems have cropped up in other DIPs as well and both O/Fin and the PMU have taken appropriate follow up action.

With regard to activities in the child survival area, they are followed-up by PMU staff through regular field visits and analysis of both process and impact data. Regular field visits are recorded in the staff's trip reports and feedback is sent to the PVO on the results of the visit.

In the financial management area, the US based PVOs have established accounting and internal control systems that feed into their home office systems. For many this happened before joining the PVO Co-financing project. The PMU has provided assistance through continuous contact and correspondence with the PVOs upon receipt of their monthly reports and periodic financial reviews. During these reviews the PMU's finance staff verifies expenditures by using a simplified method.

The only area that has proven to be problematic for the finance staff has been the unavailability of figures for indirect costs incurred by the PVOs' home offices. At the time of presentation of monthly reports by the local branch to the PMU these figures are usually not available. This is because PVOs use bottom-top information systems; therefore the local office of any PVO would

not have these figures available until a month after the expenses occurred and a month after the local office has presented its monthly report on expenditures to the PMU as mandated by their Grant Agreements.

Findings:

We find that efforts of the PMU in uncovering financial irregularities with Opportunity's LPVO's counterpart avoided a potential future problem.

The PMU and O/Fin have discovered attempts by PVOs to change basis sub-project parameters via the DIP.

A difficult area for the PMU finance staff has been the unavailability of figures for indirect costs incurred by PVO's home offices.

Conclusions:

We conclude that the follow-up actions by the PMU in the areas of microenterprise and child survival activities are adequate and should be commended in the specific microenterprise cases.

Recommendations:

None

C. Are grant agreement terms being adhered to?

In the microenterprise area only one sub-project has reached the implementation stage. In that case, as discussed above, a substantive change was attempted in the DIP but USAID's O/Fin and the PMU determined it was serious enough to require an amendment to the Cooperative Agreement if FINCA wanted to pursue such a course. The O/Fin representative stated that such attempts by PVOs to make material changes through the DIP was becoming a problem.

In the NRM area, grant agreements are being adhered to for the most part. TechnoServe has had some difficulty in the timely delivery of some outputs such as its mid-term evaluation and environmental review plans for the Quilali extension. It also appears that the PVOs require more motivation to implement some of the environmental components such as conservation where they have less experience, interest and/or confidence.

Findings:

We find that PVOs are attempting to make material changes through the DIP.

TechnoServe has had some difficulty in the timely delivery of some outputs.

TechnoServe represents a good example of why strict adherence to grant agreements is not quite as important to success as USAID may believe.

Conclusions:

We conclude that attempts by PVOs to make material changes through DIPs is becoming a problem.

We conclude that all the PVOs working in the NRM area are adhering to grant agreements, although TechnoServe has had difficulty producing deliverables on a timely basis.

Recommendations:

The PMU should continue to remind TechnoServe of deliverables due under its grant agreement.

The PMU and USAID/GDO should continue to exercise close vigilance on review of DIPs to assure that material changes are not made which would change the intention of the grant agreement.

Chapter VI Analysis of Proposal Screening, Design and Approval Process and How it Contributes to or Hinders Achievement of Project Purpose.

The fifth theme addresses the proposal screening, design, and approval process and its effect on the project's purpose. We find that there have been cases of inordinate delays in approving sub-projects especially for LPVOs under the Title III program where, in addition to the PMU and USAID review. The GON's PL480 Secretariat is also brought into the process but only after the USAID review is complete. There are specific cases where such delays have caused harm to the LPVO and its beneficiaries. Part of the problem, stems from a number of weak proposals submitted by the PVOs and the PMU and USAID's review ultimately resulted in stronger project designs. How far to go in improving design at the risk of damaging the sub-project is a judgement call that must be decided on a case by case basis.

We find that PVOs have generally been quite responsive to feedback on their proposals but there has been resistance to change on the part of CRS for its micro-enterprise activities and on the part of TechnoServe in the natural resources area.

A. Does the present system on the part of the PMU and the Mission provide for efficient and timely processing of proposals?

Our consideration of this question is directed to only the Co-Financing Project and not Title III as the latter is discussed in those sections below specifically directed to the Title III program.

We have found that the present system of processing proposals is neither timely nor efficient. Five of the PVOs have indicated that there have been inordinate delays between the time proposals were submitted and feedback provided to them. Three PVOs have complained that when their proposals are resubmitted there are new questions to answer which were not raised in the previous review. The long processing time is partially due to the weakness of the initial proposals submitted making it necessary for the PMU and USAID/GO to raise additional issues to strengthen the proposals.

In the natural resources management area, the team's NRM advisor finds that USAID also has its particular preferences for sub-project emphasis and invests significant time in directing the proposal to meet its needs. It would appear that the turnaround time in many cases has been excessive. Some USAID technical offices, such as ARDO, have been slow to respond with comments.

The long processing time, in addition to causing a delayed startup in the sub-projects, has also required revisions to be made in the proposals due to changed circumstances such as added costs due to price increases and other factors.

Once a proposal has been submitted to the USAID, it should go through only one Project Review Committee meeting. If supplemental information is required from the PVO it should be the responsibility of the PMU to work with the PVO in preparing such information. The PMU should

be delegated the authority to determine when all relevant issues have been satisfied and give final approval with the support of the USAID PVO Coordinator.

The PMU would need to document its findings and USAID would not go through another round of clearance by the Project Review Committee. An alternative to such authority could be given to the PMU for grants up to a certain amount, with the current system unchanged for larger grants. These changes would require an amendment to Mission Order 510.

The suggested system is based on Agency experience in working with intermediate credit institutions (ICIs) such as development banks. Once AID has determined that such an organization has the internal capacity to meet AID approval criteria, that responsibility is given to the ICI and AID monitors and makes an occasional review to satisfy itself that the ICI is acting responsibly. We believe that the PMU has demonstrated that it has the capacity to perform a similar function and should be given that authority up to a specified grant limit.

Findings:

We find that the system of processing proposals is neither timely or efficient.

Reasons for the long processing time include inordinate delays within the USAID review system and weakness in the original proposals submitted.

The long processing time has meant that certain proposals need to be revised due to changed circumstances.

Conclusions:

We conclude that the long processing time for sub project approval is having negative consequences for the Project.

We conclude that the approval process could be further streamlined.

Recommendation:

We recommend that the PMU with USAID/GO guidance revise the review system to shorten and further streamline the sub project approval system.

We recommend that additional authority be delegated to the PMU for making decisions once the PRC defines the major issues to be addressed.

B. How responsive have PVOs been to feedback on their proposal submissions provided by USAID and the PMU?

We have found that in general, but with some exceptions as noted below, both US based and Nicaraguan based PVOs have been responsive and have undertaken a substantial amount of extra work to satisfy the additional analysis and information requested by the two parties.

We point to the following exceptions to this general conclusion. TechnoServe was not responsive

to feedback received on the proposal it submitted for the Quilali extension which resulted in some delays of its approval. The TechnoServe Regional Director assured the PMU that they were revising the proposal and turned in a proposal that was almost identical to the original. To cite another case, a LPVO (INPRHU), feedback for them has been costly and has meant re-examining every property title for the PL480 Secretariat to see if it is in dispute.

There have been difference between the PVOs and USAID/PMU regarding priority areas. This continues to be evident in the DIPs where targets are revised and supposedly made more realistic. In the case of TechnoServe quintuple the area to be planted with grains, without making equal adjustments in conservation activities. In the case of CENADE, the opposite occurred, they refused to make any changes under their DIP, and had to be asked by the PMU NRM advisor to look at more realistic numbers. In the case of Catholic Relief Services, USAID and the PMU asked that the number of target regions in the microenterprise program be reduced from five to three, the revised proposal made a reduction of only one area with a considerable reluctance to make another cut.

The team noted a potential problem between USAID and the PMU. USAID sometimes takes a different stance on monitoring and management issues than do the PMU technical experts. This causes conflicts and sends mixed messages to the PVOs. This causes difficulties when the PMU notifies the PVOs of overdue deliverables and warns them of potential actions. The PVOs respond by contacting USAID directly and often requirements are changed.

Findings:

In general, PVOs have been responsive to feedback on their proposal submissions with occasional exceptions of TechnoServe and CRS.

USAID occasionally takes a different stance on monitoring and management issues than do the PMU technical experts.

Conclusions:

We conclude that, in some cases, the cost in terms of time delays in sub-project start-up and the expenses incurred in providing the extra information required outweighed the benefits gained in improving the project design or the administrative capacity of the PVO.

We conclude, that in the cases showing deficiencies in responding a PVO reportedly chose to overlook proposal feedback and showed clear signs of what some communications specialists call "resistance".

We conclude that in many cases the PMU and USAID/GDO are not consistent in their response to their response to proposal submissions.

Recommendation:

The PMU (with the USAID/GO support) be responsive to deliver consistent feedback to PVO proposal submissions.

C. How can the Project improve the assistance it offers to PVOs in preparation and refinement of proposals?

We find that much has already been done, especially in the last year, to improve assistance to PVOs in proposal preparation. This improvement is largely due to the quality of staff brought on board in the past year. In this regard we cite the financial management staff and the work they have been doing in improving the accounting and financial management systems of applicants. The PVOs are quite happy with the current set of professionals assigned to monitor and provide technical support in the three functional areas of project activity in health, microenterprise, and natural resources and forestry.

Efforts need to be more concentrated on working with LPVOs in view of their weaknesses and the likelihood that as many as eight new sub-projects will be approved for LPVOS under Title III.

Findings:

Much has been done in the last year to improve assistance to PVOs in proposal preparation.

LPVOs will require such assistance as they prepare proposals under the Title III program.

Conclusion:

We conclude that assistance for proposal preparation is needed for LPVOs.

Recommendations:

We recommend that the PMU make an analysis of likely assistance requirements on the part of the LPVOs which will be completing proposals for Title III funding and acquire expertise on a short-term basis to assist it in meeting these requirements.

We recommend that USAID/GDO request short term technical assistance from Title III funds and that locally available expertise be utilized to a maximum extent.

D. Are the roles and responsibilities to complete the funding process of LPVOs clear to all concerned parties?

We have found that the roles and responsibilities are clear to the USAID, the PMU and the Secretariat, but that the system in place is working poorly. This point is more properly addressed below. There is substantial evidence that the LPVOs are confused about the roles and responsibilities of the three parties mentioned above. One of them was surprised to learn that, after completing the approval process at USAID, the process had to be repeated over again at a Nicaraguan Government entity, the Secretariat. The PVO claimed not to have known about this step and additional requirements were introduced.

Findings:

We find that the roles and responsibilities are clear to the USAID, the PMU, and the Secretariat.

Some of the LPVOs are confused about the roles and responsibilities of the three parties.

Conclusions:

We conclude that, although the roles and responsibilities are clear to the three parties themselves the system in place is working poorly.

We conclude that there is confusion on roles and responsibilities outside the group of entities which are administering the project. The target group of LPVOs is confused about the roles of the different entities involved, which causes problems in Project administration and outreach.

Recommendation:

We recommend that, rather than try to explain the current poorly functioning system to LPVOs, it will be much more productive to change it.

E. Is the system in place for review of Title III proposals submitted by LPVOs adequate?

We view the current system for review of the Title III programs highly inadequate and believe the administration of these funds is the most significant short coming of the Project. The normal process is for proposals to be considered by the PMU and the USAID before the Secretariat is given an opportunity to present its own issues and express its opinion. As the LPVOs have less experience and are weaker than US PVOs the process to bring their proposals to adequate standards is even longer than the US based PVOs. After this process is complete, the Secretariat begins its own review process and often to brings up new issues. When this process is complete there is a final approval step at the USAID. As important sub-project conditions may have changed during this period, it may be necessary for the LPVO to perform additional analyses. We have found the level of frustration with the review process high among the organizations seeking assistance under the Title III program and believe their concerns are reasonable.

Findings:

We find the current system for the review of Sub-projects under the Title III program inadequate.

The level of frustration with the review process among LPVOs seeking funding is quite high.

There is dissatisfaction with the review process at the Secretariat.

Conclusions:

We conclude that the current system is working poorly and, unless improved, will continue to lead to frustration and long delays in there review process and in the utilization of the local currency being generated under Title III.

Recommendations:

USAID should give the Secretariat, with the help of the PMU, primary responsibility for the administration of the LPVO sub-projects under Title III.

The PMU should become the technical and financial advisor to the Secretariat and the latter should take primary responsibility in the review and approval of proposals from the LPVOs.

The PMU should be given the authority to clear final approval prior to signing of an appropriate agreement with the concurrence of the USAID PVO Coordinator.

F. How is the quality of the PMU's analysis of proposals?

We have reviewed a number of files to judge the nature of the PMU analysis and have found their analysis and comments have improved considerably since the hiring of the three technical experts in the three functional areas. Prior to that time there were deficiencies in the analysis of technical aspects of proposals with advice more oriented to the more general mechanistic aspects of AID requirements such as description of the Log Frame.

Finding:

The PMU's analysis of proposals has improved since the hiring of three technical experts less than a year ago.

Conclusion:

We conclude that the PMU is capable and is now meeting the requirements of its scope of work in the analysis of proposals.

Recommendation:

The performance of the PMU in its analysis of proposals is an important reason why we believe that it should be delegated additional authority to clear final approval of LPVO sub-projects under the Title III program.

G. Are communications between USAID, the PMU, PVOs and the Secretariat adequate?

The best communication system exists between the PMU and USAID which is greatly facilitated by the excellent working relationship between the PMU chief-of-party and the USAID PVO coordinator.

Communications are also adequate with the PVOs. However, five have mentioned that they continue to be confused as to the primary point of contact and this has resulted in some letters are addressed to the PMU and some are not. There is continued confusion regarding which entity, the PMU or the USAID, is responsible for what. A discussion of this point could be part of the round-tables that the PMU organizes with the PVOs.

A degree of dissatisfaction was expressed by two PVOs regarding the lack of courtesy on the part of the PMU by providing with them the quarterly reports that are sent to USAID nor other publications issued by the PMU in which their sub-projects are described. An example of this is the "Profile of PVO Activity in Nicaragua", a small booklet funded under the Project. One PVO

representative commented that she would have described the sub-project differently had she been given a draft copy before publication.

With regard to communications with the Secretariat, its representatives stated that it is only brought into the communication chain once the PMU and the USAID have gone through their own rather lengthy decision process for approving sub-projects.

Findings:

We find the best communication is between the PMU and the USAID.

Five PVOs are confused as to the primary point of contact for them.

The Secretariat is only brought into the process after the PMU and USAID have completed their own process.

Conclusion:

We conclude that communications can be improved with the PVOs and with the Secretariat.

Recommendations:

The PMU should take a series of actions to its PVO clients to clarify the communication process and explaining the PMU's responsibilities under the Project.

The PMU should give the PVOs an opportunity to review any material prepared for publication which refers to them.

Chapter VII Assessment of Relationship Between Grant Portfolio Size and the Absorptive Capacity of PVOs, the PMU, and the Administrative Burden to the Mission as it Relates to Overall Project Efficiency and Impact.

The sixth, and last, theme addresses the relationship between grant size and absorptive capacity of the PVOs and the PMU and the administrative burden on the Mission. While three of the experienced PVOs could likely handle grants of a larger size, for the other PVOs, management capacity is fully utilized in administering current activities. USAID would only be able to handle a larger project of this nature if most of its proposal review and approval authority were delegated to a PMU type structure. We find that management capacity of both the USAID and the PMU is stretched to the maximum under current conditions.

A. Are the grant sizes appropriate to both US and LPVO capacity to manage such grants and deliver sub-project outputs as planned and on schedule?

We have found that grant sizes are either appropriate for the PVOs capacity to manage and deliver sub-project outputs as scheduled or, in the case of three more experienced PVOs, that the capacity exists to manage grants of a larger size especially if the implementation period is allowed to exceed three years.

In certain cases the size of the grant was cut back more for budgetary constraints on the part of the USAID than management capacity limitations of the PVO. For instance, the ability of AID to provide funding of some US\$1.5 million for the Accion-Fama sub-project was predicated on the availability of matching funds from AID Washington. Without that supplement the AID assistance would have been less even though there was reasonable evidence that the sub-project had the capability to utilize the entire \$1.5 million.

The most significant cause of delay in sub-project implementation has been the underestimation of the time needed to gear up, partly caused by the hiatus in the presence of US PVOs in Nicaragua for over a decade. There have been problems in recruitment, salary approval on the part of the USAID and instances of unanticipated staff turnover. In addition there have been delays in the preparation of acceptable Detailed Implementation Plans (DIPs) and baseline surveys, both of which are required by the USAID.

However, once these obstacles are overcome the sub-projects in the microenterprise and child survival areas appear to be operating in accordance with approved implementation plans in terms of delivering outputs.

In the NRM area, the NRM team member has determined that TechnoServe, WRC, and CENADE are currently operating at maximum capacity to manage these grants. This judgement is based on some of the implementation and administrative difficulties that the PVOs are having. TNS has had difficulty in timely adherence to some grant requirements for reporting. In addition, they have had to add an expatriate financial administrator mid-stream and have required emergency interventions in the home office. All three organizations may meet sub-project outputs

Under the current arrangement the USAID is facing a problem. The PVO Coordinator's contract will end in January, 1996 and the position will reportedly be eliminated. If this is the case then someone else will have to be coordinating the Project within the General Development Office. If we assume that the PMU will be extended through the PACD, then the maximum size of the Project will depend on the management capacity of the PMU. One staff member of the PMU indicated that if the Project becomes larger, it will outstrip the management capacity of the PMU unless local hires are added to support expatriate professional staff.

In the case that the PMU is not extended through the PACD, grants and cooperative agreements would have to be managed and monitored through the Mission, perhaps through the GO with cooperation from the technical offices, or through the technical offices themselves. The NRM team member met with the Mission Environmental Officer (MEO) to assess the absorptive capacity of his office to manage the two current grants to US PVOs as well as the monitoring function of the LPVO grant in operation and the two pending approval. He stated that it would not be possible for him to take on the responsibility of monitoring the grants as he is already overburdened. When asked if it would be possible with additional staff, he responded that ARDO did not have any resources for staff and he still would not be able to supervise that person. Similar sentiments were expressed by the technical officers overseeing the Mission's health and private sector portfolios.

Findings:

Three of the more experienced PVOs have the capacity to handle larger amounts than under the current Project and others would too if implementation periods were stretched out.

The most critical issue regarding the USAID's management capacity is the degree of delegation of authority they are providing to the PMU.

If the PMU is terminated prior to the PACD project monitoring would have to revert to the USAID.

USAID technical staff in the three functional areas indicated that they could not undertake this burden considering their projected workload.

Conclusions:

We conclude that the Project could become larger if the needs of the three most experienced PVOs were fully utilized.

We conclude that the Project cannot become any larger unless more authority is delegated to the PMU and its staff is increased.

We conclude that the Mission's technical offices do not have the absorptive capacity to take on the monitoring of the sub-projects under the PVO Co-Fi Project nor to devote sufficient time to the proposal approval process.

Recommendations:

We do not recommend expansion under current conditions due to manpower strains at both the PMU and the Mission. This pertains especially to monitoring approved sub-projects.

Current workload at the PMU precludes it from handling additional proposal review and we recommend that no new funding be provided at this time.

C. What is the optimal level of grant funding for this and any future PVO project?

For the current Project we believe grant funding is too great considering the current workload of the PMU, USAID and the management intensive nature of reviewing, approving and monitoring activities of as many as ten LPVOs. The current PMU staff size and level of authority are performing at full capacity. The U.S. PVOs are capable of implementing larger projects.

Optimal funding levels in the future would be based on the need for social services in the country and the capacity of the PVO community to meet those needs. Many of the PVOs currently receiving funding under the Co-Fi Project will have the capability to administer effectively additional sums from USAID, or other donors, once they have expended funds from the current Project. A final determination of the number and amounts cannot be made at this time. The sub-projects have not had sufficient time to mature to be able to make an accurate judgement on this matter. The social needs are so vast that the limiting factor will be the availability of funds and the capability of the PVO community.

Findings:

Current funding levels appear to be too great considering current workloads at the PMU and the USAID.

Administering assistance to LPVOs is very management intensive.

PVOs receiving funding under the Project are building capabilities to handle additional assistance funds.

Conclusions:

We conclude that both the PMU and USAID are already overburdened and that no additional funding could be effectively administered.

PVOs receiving funding under the current Project offer the best channel to provide for the continuing social needs in Nicaragua.

Recommendations:

We recommend that, for a future PVO oriented project, priority should be given to the best performing US based PVOs and their local counterparts as well as the best of the LPVOs.

We recommend that grant funding be less than the current Project under a future Co-Fi 2 project as there would likely be no need for additional microenterprise financing for those PVOs currently receiving assistance. (The precise amount for a new project would depend on a detailed demand analysis to concentrate especially on the absorptive capacity of the PVOs).

D. How can Project be bounded to assure that activities are completed by the PACD?

The sub-projects already signed and being implemented in the PVO Co-Fi Project have completion dates which are in advance of the June 1998 PACD. It is our understanding that, for those under consideration, the implementation periods will be compressed to correspond to the PACD of the Project as well. There are no apparent limitations, however, on the LPVO sub-projects under the Title III program, as we have not seen any established PACD in the PL480 Memorandum of Understanding.

Findings:

We find that PACDs are being set in advance of the Project PACD.

There are no apparent limitations on the completion dates of sub-projects under Title III.

Conclusions:

We conclude that the sub-projects under the PVO Co-Fi Project are already bounded by the completion dates established with them.

We conclude that a problem may arise with regard to the LPVO sub-projects under Title III as there are no apparent limitations on a PACD.

Recommendations:

The PMU should monitor sub-projects to determine whether outputs are not being met and those cases in which they are not the PMU should assist the PVOs to determine causes and make suggestions for corrective actions.

In cases where forcing progress to meet the PACD would cause damage to the sub-project, the USAID/GDO should initiate a request to extend the PACD (as no additional funds would be provided the sub-projects would still be bound financially).

We recommend that USAID/GDO develop a plan for the few sub-projects which still might be disbursing grant funding after the PMU mechanism is closed with monitoring activities reverting to the appropriate USAID technical office.

Appendix A
Scope of Work

DEVTECH

Scope of Work

The evaluation will address the following questions, categorized by the issues defining the purposes of the evaluation:

A. Test the assumptions underlying the original Project Paper and their continued relevance and validity.

What has evolved during Project implementation which may support or reject original Project Paper (PP) design assumptions? What modifications in the Project design should be enacted in order to address evolving needs of the Private Voluntary Organization (PVO) sector which were not envisioned in the PP? What are the options available for a continued strengthening of the USAID-PVO partnership in Nicaragua beyond the Project Assistance Completion Date (PACD)? Are PVO eligibility criteria appropriate? How well has the Project Management Unit (PMU) mechanism worked? Should this mechanism be extended through the PACD?

The team will:

1. Review and discuss with Mission and (PMU) staff the original Project design assumptions.
2. Solicit the opinions of U.S. and local PVO grantees regarding the Project's relevance and recommended modifications.
3. Visit and assess the effect of Project implementation on selected beneficiary populations.

B. To assess early impact on target beneficiaries and natural resources and how this contributes to the Project Purpose:

Can conclusions be drawn at this early stage about the Project's ability to improve the lives of target beneficiaries? Can the Project point to any meaningful impact that has taken place so far? Based on these findings, what modifications to Project design and monitoring processes need to be enacted in order to maximize the potential for impact?

The team will:

1. Solicit USAID, PMU, PVO and Government of Nicaragua (GON) opinions about the overall Project's potential for impact and the likelihood of current activities to achieve expected impact.
2. Assess current and potential individual subproject impact with participating U.S.

and local PVOs and invite their opinions on needed modifications.

3. Interview a sample of target beneficiaries to determine if and how lives have been affected by subproject activities and if these are consistent with their expectations.
4. Review available impact data.

C. To determine the contribution of Project activities toward building local capacity to sustain activities beyond the PACD:

Are subprojects designed to develop local capacity to sustain activities beyond the PACD? Are capacity building activities contributing to effective subproject implementation? Can any conclusions be drawn about the effectiveness of each of the three general types of capacity building activities employed under the Project, which are: (1) U.S. PVO establishes a formal presence in Nicaragua and works directly with local groups (Foundation for International Community Assistance [FINCA], Opportunity); (2) U.S. PVO teams work with and through a local PVO without establishing a formal presence (Accion International [ACCION]; and (3) local PVO works directly with target beneficiaries (Title III). How effective are PMU institution building activities? Do they require refinements of modifications?

The team will:

1. Test the level of subproject completion in comparison to planned activities for selected PVOs.
2. Review technical assistance interventions conducted by the PMU to determine their quality and appropriateness.
3. Review technical assistance interventions conducted by participating PVOs to determine their quality and effectiveness.
4. Assess priorities and needs of participating PVOs to determine what additional resources may be required to improve the present system of capacity building.

D. Analysis of monitoring mechanisms and whether they are sufficiently thorough and appropriate to ensure that subprojects are being implemented as designed and on schedule:

Are adequate systems in place to monitor and track subproject implementation? Is the

quality of follow-up action by PMU on PVO implementation sufficient? Are grant agreement terms being adhered to?

The team will:

1. Review and assess the PMU's systems to monitor and track subproject activities, to include progress and financial reporting from funded PVOs.
2. Review subproject documentation to determine the degree to which objectives are being met.

E. Analysis of the entire proposal screening, design and approval process and how it contributes to or hinders achievement of the Project Purpose:

Does the present system both on the part of the PMU and the Mission provide for efficient and timely processing of proposals? How responsive have PVOs been to feedback on their proposal submissions provided by USAID and the PMU? How can the Project improve the assistance it offers to PVOs in preparation and refinement of proposals? Are the roles and responsibilities to complete the funding process of local PVOs clear to all concerned parties? How is the quality of the PMU's analysis of proposals? Is the system in place for review of Title III proposals submitted by LPVOs adequate? Are communications between USAID, the PMU, PVOs and the Secretariat adequate?

The team will:

1. Review the information flow between the PVO and the PMU, between the PMU and USAID, and between the PMU, USAID and the Secretariat to determine where improvements can be made.
2. Assess criteria for approval of subprojects and recommend modifications where necessary.
3. Identify bottlenecks, if any, or redundant steps in the proposal development and approval process and recommend actions which can be taken to expedite the proposal review and approval process.

F. Assessment of the relationship between grant portfolio size and the absorptive capacity of PVOs, the PMU, and the administrative burden to the Mission as it relates to overall Project efficiency and impact?

Are the grant sizes appropriate to both U.S. and local PVO capacity to manage such grants and deliver subproject outputs as planned and on schedule? Assuming that the proposal review and approval process is streamlined, how large can the project become without outstripping the management capacity of the Mission? What is the optimal level of grant funding for this and any future PVO project?

The team will:

1. Assess current grantee progress against indicators as defined in grant agreements.
2. Meet with USAID, PMU and PVO grantees to determine if grant levels are appropriate and consistent with PVO capacity to deliver outputs.
3. Assess the absorptive capacity of the PMU to receive, analyze, monitor, and evaluate PVO proposals and subprojects.
4. Assess the administrative burden to the Mission should the project continue to be open-ended with or without the PMU.
5. Based on findings recommend how project can be bounded so as to ensure activities are completed by PACD.

Appendix B

List of Documents Reviewed

DEVTECH

List of Documents Reviewed

Technoserve - Nicaragua :	Agroforestry Development and Rural Employment Strengthening in the Department of Matagalpa and Jinotega Implementation Plan (DIP).
Grant Agreement:	(Grant No. 524-0313-G-55-3030-00) and amendments between Technoserve, Inc. and USAID. August 1993 for agroforestry and rural employment project (DAFER).
Technoserve, Inc (INS):	Extension Proposal Background Paper.
Convenio Technoserve/CENADE:	Operative Plan, Second Semester 1994.
Bipartate Agreement:	Cenade - PL480 Secretariat.
Rainer Daxl, USAID-FUNDA:	Trip Report World Relief Agroforestry Project Nueva Guinea, March 14 - 16, 1995.
World Relief Corporation (No date) Project Proposal:	Sustainable Agricultural Development and Natural Resources Management Project.
Operational Program:	Grant Agreement with World Relief Corporation (524-0313-G-55-3011), Plus Amendments and Attachments.
PMU :	Quarterly Project Report January - March '95 - '94 October-December '94 - '93 July - September '94 - '93 April - June '94 - '93
PMU :	Survey of Microenterprise Programs in Nicaragua May 5, 1993.
Accion International:	Sealing-Up Microenterprise Support in Nicaragua August 10, 1994.
Finca International:	"Microenterprise Project Proposal".
USAID :	Nicaragua - Project Paper PVO Co-Financing.
USAID :	Nicaragua - Project Paper Amendment - PVO Co-Financing
USAID :	Mission Order 510
USAID :	USAID/Nicaragua Strategy for 2000 and FY 1997 Action Plan April 30, 1995.

USAID : USAID/Nicaragua Proposal for Apple Microenterprise
Funding May 27, 1994.

USAID : USAID/Nicaragua PVO Co-Financing Project Profile of
PVO Activity in Nicaragua.

Cooperative Agreement: USG and GON for the Donation of Agricultural
Commodities.

USAID : Development Associates Contract.

PMU : Finca - Master File

PMU : Catholic Relief Service - Master File.

PMU : Correspondence Files -Various.

PMU : Trip Reports

Appendix C
List of Contacts

DEVTECH

List of Contacts

PVOs:

Kevin Sanderson
Country Director
World Relief Corporation (WRC)

Alberto Araica
CS Project Director
World Relief Corporation (WRC)

Craig Loftin
Country Director
Save the Children (SC)

Joan Jennings
Project Director
Save the Children (SC)

Leonel Arguello
Country Director
Project Concern International(PCI)

Pedro Leiva
Project Director
Project Concern International(PCI)

Swaleh Karanja
Country Director
CARE International

Marianella Corriols
Project Director
CARE International

Roger Araica
Country Director
World Vision

Paul Townsend
Country Director
Catholic Relief Services (CRS)

Aurora Velazquez
CS Project Director
Catholic Relief Services (CRS)

Ruth Junkin
ME Project Director
Catholic Relief Services (CRS)

Edwin Baumgartner
Country Director
Adventist Development & Relief Agency
(ADRA)

Gloria Toruno
Project Director
Adventist Development & Relief Agency
(ADRA)

Victor Telleria
FAMA Executive Director
ACCION International (FAMA)

Alicia Paucar
Director
FINCA International

Rodolfo Ampie
Director
CENADE

Javier Matus
Project Director
CENADE

62

Patricia Osorio
Project Director
World Vision

Hugo Barquero
Project Director
Project HOPE

Victor Maradiaga
Small Business Enterprise

Ricardo Chavarria
Executive Director Instituto
de Promocion Humana (INPRUH)

Nadia Corrales
Project Manager
FUNCOD

Arq. Ma. Eugenia Buitrago
Project Director
Catholic Relief Services (CRS)

Lic. Guido Eguigure
Training Coordinator
Project International

Ms. Maira Narvaez
Health Promotor
Chinandega

Project Management Unit:

Jose Diaz
Financial Manager

Pedro Gonzalez
Financial Analyst

Augusto Zelaya
Country Director
TechnoServe, Inc.

Hugo Torres
Project Director
TechnoServe, Inc.

Lic. Eduardo Perez Rivera
Manager Instituto de Promocion Humana
(INPRUH)

Juan Jose Montiel
Director
FUNCOD

Rupert W. Scofield
Executive Director
Foundation for International Community
Assistance FINCA

Dr. Zacarias Miranda
Bioestatistician
Project Concern International

Ms. Nidia Aguirre
Adolescent Coordinator
Chinandega

Ilka Esquivel
Health Specialist

Robert Mowbray
Natural Resource Management Specialist

Lee Rosner
Deputy Chief of Party

Carlos Tijerino
Financial Analyst

Robert Haupt
Project Backstop Officer
Development Associates, Inc.

USAID:

Silverman, Mark
Deputy Director
Director's Office (DIR)

McAndrews, Thomas
Private Enterprise Off.
Prog. Eco. & Priv. Sector
(PEPS)

Waters, Roslyn
Project Dev. Officer
Proj. Dev. & Imp. Support (PDIS)

Hilliard, Karen
Gen. Dev. Officer
General Dev. Office (GDO)

Monteith, Richard
Taacs Advisor
General Dev. Office (GDO)

Homziak, Jr. ij
Natural Resources
Agric. & Rural Dev. Off.
(ARDO)

Urbina, Enrique O.
Financial Analyst Title III
Financial Analysis Division

Ivan Tercero
MIS Specialist

Leonel Valdivia
Chief of Party

Greenough, Paul
Program Officer
Prog. Eco. & Priv. Sector (PEPS)

Odle, Lawrence
Sup. Project Dev. Officer
Proj. Dev. & Imp. Support
(PDIS)

Armstrong, Kevin
Sup. Gen. Dev. Officer
General Dev. Office (GDO)

Lutjens, Sheila
Health Dev. Officer
General Dev. Office (GDO)

Valva, Frank
PVO Coord.
General Dev. Office (GDO)

Samcam, Arturo
Financial Analyst
Financial Analysis
Division

64

Appendix D

**Three Trip Reports
Maria Gutierrez Valencia**

DEVTECH

65

MEMORANDUM

Sunday June 11, 1995

PVO CO-FINANCING PROJECT MID-TERM EVALUATION PROJECT CONCERN INTERNATIONAL (PCI) CHILD SURVIVAL ACTIVITY/FIELD VISITS, MANAGUA

The Mid-term Evaluation Team member in charge of evaluating Child Survival activities attended a portion of a Workshop at the Barrio 19 de Julio. The Workshop took place at the Baptist School (Colegio Bautista) which had contacted PCI to offer their classrooms for this activity. The workshop was developed to train Community Health Workers (Brigadistas de Salud) in the use of the PCI/PVO Co-Finance Project "MCH Calendar" for the control of pregnant women and children under two years of age that reside in the community. Also for the collection of MCH statistical data. This data is to be referred to the MOH. Both the collection of the MCH data and the use of the calendar are initiated as a pilot project with a couple of months duration. If this two instruments produce good results during this testing period the MOH will adopt both at all its facilities.

The calendar which is to be filled by the mothers with children under two years of age is simple to use because it has drawings referring to each of the MCH areas of preventive health both the project and other agencies are working in. The Statistical data forms are to be filled by the Brigadistas. Fifteen "Brigadistas" attended this section. The workshop was presented by Lic. Guido Eguigure, Sociologist Coordinator, and Dr. Zacarias Miranda, PCI Bioestatistician.

Each "Brigadista" is assigned an area, usually the area where s/he lives. Brigadistas are intimately involved in community activities and usually know each member of the household in his area. Each area consists of several blocks (Manzanas). The brigadistas are from two different political factions, the Movimiento Comunal and JCOPS (Junta Comunitaria de Obreros y Promocion Social). Despite some differences among these two groups it seems that they're able to resolve their differences when it comes to serving the community in the health area.

The Brigadistas appeared to be quite knowledgeable of the community, were familiar with health/pop terminology, and appeared in general very confident that both the use of the calendar and the methodology for collection of the information were going to help the community and were going to be easily accepted by the mothers. A suggestion was made by this participant to include fathers in the collection of the children's" data and the mother's pre-natal control. It was also suggested to separate a good portion of the Brigadistas time with those mothers and fathers that were illiterate.

The instruction at the workshop included: use of the calendar, for whom was the calendar developed, how to use and manage the calendar, and how to train the mothers in its effective use. PCI is conducting all workshops first to train all the barrios' brigadista force. The second phase of this project will initiate the house-to-house visits to be made by the brigadistas.

Barrio 19 de Julio is also an "Asentamiento" which was created after the earthquake. Most of its inhabitants are people who either work at the barrio's market or sell in stalls there. The barrio has a community center the Wilfredo Valenzuela Community Center where most medical attention is made due to the lack of space in the Puesto Medico. MINSA provides a physician and a Nurse to the center. Services are performed on a daily basis. No medical equipment is available at the center except a stethoscope. The scale to weight babies was stolen some time ago. No minor surgery equipment is available either at this center.

Before the PCI - PVO Co-Financing project the community center only curative (morbidity) cases were attended there. The project has assisted the center in establishing EPI, CCD, Prenatal Control and family planning. The lack of available medicines, antibiotics and contraceptives has been cited as a major obstacle to the delivery of services at the center.

There have been several instances in which antibiotics are given to the patient as the first doses leaving the rest of the treatment for the patient to obtain the antibiotics on its own for lack of those medications at the center. In this center contraceptives have a charge. This is due to PROFAMILIA's policy of charging for contraceptives. The charge is minimal however and it amounts to five Cordobas per cycle. PCI/PVO Co-Fi provides Vitamin A and Oral Serum.

Various other programs are conducted at the "Casa Comunal" such as "La Hoya de Solla" which provides Soy based foods to minors. The Casa has a communal Garden (Huerto Comunal) which is attended by school children. Health Centers at the following "barrios" or Asentamientos in the Zona Central were also visited: Barrio Jorge Dimitov; Barrio Domitila Lugo where there is a serious malaria problem; Barrio Selim Shible ; Barrio Hilario Sanchez where PCI just completed a ARI workshop. In this barrin there is a physician provided by the MOH but no nurse a "brigadista" serves a nurse in this health post. All of these barrios are located on coastal areas where malaria is endemic. MOH does some sporadic spraying of mosquitoes activities but due to the high cost of control of this plague MOH has no immediate plans to eradicate malaria in this area according to the Project Director.

Conclusion

The program carried out by PCI in this communities is effective and extremely useful. In terms of the new data collection tools such as the calendar and the reference forms they have potential in terms of usefulness and the possibility that the MOH adopt/adapt them for their own use at the country level.

MEMORANDUM

WEDNESDAY JUNE 21, 1995

PVO CO-FINANCING PROJECT MID-TERM EVALUATION SAVE THE CHILDREN (SCF) CHILD SURVIVAL ACTIVITY/FIELD VISITS, NUBES DE CIRANIA, DEPARTAMENTO CHINANDEGA

The Mid-term Evaluation Team member in charge of evaluating Child Survival activities attended a "Circulo de Adolescents Workshop" at the Nubes de Cirania Community in the Chinandega Department. The workshop was developed by The "Asociacion Demografica Costarricense" (The Costa Rican Demographic Association) the International Planned Parenthood Federation's affiliate in Costa Rica.

Save the Children decided to implement this pilot project, as a response to the serious early pregnancy problem existing in the country by offering adolescents knowledge and guidance about human sexuality as a critical factor to the realization of young people's human potential. In Nicaragua as in many other countries young people are having sexual relations earlier than in previous generations. The Workshops' objective is to help young people attain the knowledge to make informed and responsible choices about when and how to express their sexuality.

Twenty five (25) adolescents attended this workshop, ages twelve (12) through seventeen (17) years of age. Both the health promoter and the coordinator use the format specified in a handbook developed for this type of training by the Costa Rican Family Planning Association. The Handbook encourages and challenges the instructor to utilize as many additional resources as necessary; be as informed as possible about the facts related to the themes being offered; work not only with students, but also with parents and members of the community; clarify one's own values so as to be an effective facilitator. Values clarification enables both teacher and student to recognize their own attitudes, values, and biases; serve as positive models for young people, both in setting the scene for sensitive interpersonal relations.

The workshop was initiated by the Coordinator. The Coordinator is an adolescent from the community sixteen years of age. This young woman was identified by the health promoter as an individual high potential to become herself a health promoter within her own community, and to take over the duties of continuing administering the adolescent workshops upon Save the Children's withdrawal. The first item in the agenda was the 'fundamental rules' for the participants of the workshop; second, were the program's objectives; and third were the objectives of the session. So far these group of twenty five have attended seven sessions. The total time of instruction for this pilot workshop will be eighteen (18) months.

Conclusion

The workshop's technique is participatory and the adolescents are encouraged to not only

participate and provide the coordinator with their opinions on the different subjects being discussed but to evaluate the session upon completion. During the course of the workshop there will be various sessions on Child Survival interventions which will be thought to these adolescents.

In general terms the evaluator found this pilot project to be extremely important and valuable to this communities, and it is recommended highly that this workshops not only continue but that they be expanded upon final evaluation of results, if this results, as it is expected are positive.

MEMORANDUM

Thursday June 15, 1995

PVO CO-FINANCING PROJECT MID-TERM EVALUATION CATHOLIC RELIEF SERVICES, CHILD SURVIVAL ACTIVITY/FIELD VISIT , PLANES DEL ARENAL & SAN PEDRO COMMUNITIES, DPTO. MASAYA

The Mid-term Evaluation Team member in charge of evaluating Child Survival activities attended a "Taller de Nutricion" (Nutrition Workshop) at the Planes del Arenal (population: 476) and San Pedro (population: 1055) Communities in the Masaya Department. These workshops are being presented at CRS' initiative in collaboration with SoyNica. The workshops consist in instructing mothers in the preparation of nutritious meals by using soya beans. The workshops are hands-on and are being presented at the following communities: Los Lopez, Pilas Occidentales, Los Manguitos, Los Planes del Arenal, and Las Conchitas. The total population that will benefit from these initiative is 2,929. Illiteracy rate among this population is 22%.

The community health promoters gather a group of 12-15 mothers for these workshops. Pamphlets are distributed to the mothers with recipes for the preparation of the meals. The first exposure the mothers have to these meals is through the hands-on workshop during which all the different meals containing soy beans and vegetables harvested in the community are utilized.

The evaluator had the opportunity to discuss various subjects with the mothers present at the workshop. There were two major complaints heard from both the mothers and the promoters: 1) is the high rate of child malnutrition in the area; 2) the lack of medications at the Ticuantepe, health center. The major complaint from both the promoters and the Project Director was that it has taken at least one and a half years for them to actually start having direct contact with the community because of all the bureaucratic red tape in terms of documentation that needs to be prepared for USAID. Another comment regarding factors that have affected the project is the past transport strike which prevented some volunteer health workers from mobilizing to the areas where they're training.

CRS has promised these groups that they will provide at least the initial soy beans for them to initiate a rotating fund. This fund will be replenished once the soy beans are sold (at a lower price than the market price) to the mothers in the community with a very small profit margin in order to enhance the fund.

Conclusion

These workshops are going to yield tremendous benefits to these communities where malnutrition is rampant. This is a perfect example of how the CS intervention activities can be coordinated with other donors in order to enhance the possibilities of making an overall impact in the communities where PVO Co-financing is working.

10

Appendix E
PVO Questionnaire

DEVTECH

Pvo Co-Financing Project Questionnaire

Fecha: 21 de junio, 1995

A:

De: Ron Bobel, Equipo de Evaluación de Proyecto "PVO Co-Financing Project" (USAID)

Para facilitarnos en la evaluación del Proyecto de la AID "PVO Co-Financing Project", le agradeceríamos si usted pudiera llenar el siguiente cuestionario general y mandar sus respuestas (generales, escritos a mano aceptables) al no de fax: 283 087 (Hotel Intercontinental antes del medio día mañana el 22.) Sus respuestas pueden ser cortas ... solo queremos ganar un idea general de sus opiniones. Se mantendrán confidenciales.

Questionario

1. ¿Tienen algún interés en la idea de formar una organización "sombilla" de ONGs (umbrella organization) como una entidad que pueda servir como (a) una voz para la comunidad ONG en cuanto a las agencias donantes (como la AID), (b) una entidad que puede ver y monitorear convenios, sirviendo como un enlace entre los donantes (la AID) y los ONGs?

2. ¿Le provee el UMP con asistencia técnica? ¿Creen que debería (o le gusta que lo haga)?

3. ¿Preferían ustedes manejar las costas directamente con la AID? (En vez del PMU),
Porqué/Porqué no (una oración será suficiente?)

Gracias por su ayuda.

12

Appendix F

**Child Survival Area
Proximal and Contextual Interventions**

DEVTECH

Child Survival Area - Proximal and Contextual Interventions

To illustrate how *proximal* and *contextual* interventions complement each other, below are various examples drawn from observations made and verbal accounts received during the present evaluation. Not all of these examples arise from PVO Co-fi specific project areas. At the time of the visit by the evaluation team, some of the *contextual* interventions mentioned in these examples had already been initiated by project staff.

- A US-PVO proposes to USAID in its CS proposal to target 3,500 beneficiaries in five communities with a potable water component. USAID does not provide financing for potable water projects although this complementary component enhances the possibilities of successfully implementing CDD interventions.

Proximal intervention - provide the community with CS prevention information and services.

Contextual intervention - Assess the impact of lack of potable water on CS interventions and elicit awareness and interest of funding agencies and other donors in providing opportunities for mothers to access clean water. Assess the impact on beneficiaries of such an approach.

- In a rural area in Nicaragua a US-PVO involved in CS interventions assess that one of the major problems encountered in the area by health workers is excessive low weight in children due to widespread malnutrition

Proximal intervention - Provide mothers and children with CS prevention information and services.

Contextual intervention - Assess the role that low weight plays in childhood diseases and death. Identify possible sources of nutrition such as nutrition programs and more sustainable sources of food like home and community gardens. Assist in creating an effective and sustainable referral system

- In a neighborhood of Managua community based programs in disenfranchised populations focus on the promotion of CS interventions through community based health workers (brigadistas) trained by PVOs. The assessment of other needs and demand by the community revealed that there were other, more pressing, perceived needs, including better access to clean water, and vector control to eliminate mosquitoes causing serious malaria problems.

Proximal intervention - Provide mothers and children with CS prevention information and services.

Contextual intervention - Elicit the involvement of other groups/PVOs in the specific development areas of interest to the members of the community in order to improve the quality of their environment and of their life. Integrate CS interventions with health promotion activities implemented by other groups. Assess the impact of these additional actions on people's participation in CS interventions program (trust), and on their reported health practices as a result of enhanced living conditions such as hope and esteem.

