

PJ-AAZ-380

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON DC 20523

12A 4750

NOV 29 1983

D I H F
24

MEMORANDUM

TO: All USAID Missions

FROM: AA/FVA, Julia *Ab* Bloch
AA/PPC, Richard Derham *FWS jr*

000087
000153

SUBJECT: Revised Guidelines for Working with PVOs

The PVO Policy Paper identified simplification of the PVO field process as a major objective. Over the past year, an Intra-Agency Task Force has been working to carry this policy into practice by revising and standardizing guidelines and procedures for the preparation and evaluation of OPGs and PVO field support grants.

This memo transmits the results of the Task Force effort which we believe will be helpful to missions and PVOs. These changes are the first since the original OPG guidelines, now woefully outdated, were adopted in 1976.

The Task Force was chaired by Bob Craig, who recently completed a five-year assignment as head of the AID South Pacific Office headquartered in Suva. The program there is entirely directed through PVCs. The members of the Task Force included all Regional Bureaus, SER, GC, PPC and FVA.

Because we are aware of the diversity of PVOs and PVO programs, these guidelines and procedures will be tested on a trial basis for 12-18 months. We will welcome any comments or suggestions. With such revisions as may be appropriate, we intend to incorporate the guidelines into AID Handbook 3 at the end of the trial period.

We are providing these materials simultaneously to PVO headquarters for their information.

Proposed Changes and Additions to Handbook 3,
Chapter 4, pages 3, 4, 5 and 6

5. Assistance to Private and Voluntary Organizations

a. Scope

Private and Voluntary Organizations (PVOs) have conducted refugee, relief, rehabilitation and development programs throughout the world for many years. This section describes AID procedures related to AID-administered resources available to PVOs. Policies pertaining to AID and PVOs are stated in Handbook 1 - Policy, Statement V-II. The functions and responsibilities within AID for carrying out these policies are described fully in Handbook 17 - Organization. PVO registration requirements are contained in 22 C.F.R. 203 (AID Regulation 3, Appendix 4C); eligibility of non-U.S. private and voluntary agencies (Annex 1 to Appendix 4C); the register of U.S. PVOs (Appendix 4D); procedures under which PVOs obtain reimbursement for overseas transportation costs are covered in AID Regulation 2 (Appendix 4E); guidance on obtaining excess property is contained in Handbook 16 - Excess Property; disaster assistance in Handbook 8 - Foreign Disaster Assistance; Food for Peace in Handbook 9 - Food for Peace; Field Support Grants and other centrally funded grants in this Handbook; and grants in Handbook 13 - Grants and Handbook 1, Supplement B; and AID's policy on AID-U.S. cooperative organization relationships in Handbook 1, Supplement A.

b. Definition

Handbook 1 states the definition of PVOs. This is augmented by that contained in 22 CFR 203 (Appendix 4C(1) which describes the conditions which pertain to PVOs seeking registration with AID).

c. Objectives

The objectives of U.S. Government collaboration with PVOs agencies are identified in Handbook 1. These reflect the emphasis in Section 635(c) of the Foreign Assistance Act which provides that the President, in furthering the purposes of this Act, shall use, to the maximum extent practicable, the services and facilities of the PVOs registered with, and approved by, the Agency for International Development.

d. Policies Regarding AID/PVO Shipping Lines Relationships

Pursuant to Section 123, AID provides for the reimbursement of overseas shipping costs incurred by PVOs (see Appendix 4E). The freight charges on vessels under flag registry of any Free World country may be financed. However, at least 50 percent of the commodities must be shipped on U.S. flag vessels. When there are equal rates and services by both U.S. and foreign vessels, PVOs are expected to use U.S. flag vessels. It is AID policy that PVOs endeavor to make their overseas shipments equally available to all U.S.-flag shipping lines, consistent with their availability, and that no special preference be given any particular U.S.-flag shipping line.

e. Internal Relationships and Functional Responsibilities
- General

(1) In the Bureau for Food for Peace and Voluntary Assistance, Office of Private and Voluntary Cooperation (FVA/PVC), the Office of the Director creates and explores approaches to enlarge the role of voluntarism in the development process, formulates policy proposals in the area of PVO participation, maintains liaison with the Geographic Bureau and other Bureaus and Offices as appropriate with respect to the general area of voluntarism, maintains liaison with the American Private Volunteer Community and the U.S. cooperatives engaged in overseas cooperative development, maintains liaison with the Department of State, and with the ACVFA monitors the voluntary agency information system, and participates with other responsible offices in FVA and AID/W in the development and/or modification of AID evaluation procedures as established for PVO activities.

(2) The Director in FVA/PVC plans or approves, directs and supervises the operations of FVA/PVC, including directing the formulation of policies and procedures for encouraging and facilitating the work of PVOs, administering support programs, grants and selected worldwide and interregional basic agreements and contracts with U.S. PVOs, and providing policy and technical guidance, on programs in the field of cooperative development.

(3) FVA/PVC is responsible for the administration of the registration process, serves as an information and technical assistance resource for AID regarding PVO programs and performs a range of project management responsibilities beginning with project conception through evaluation and redesign phases, maintains liaison with the Geographic Bureaus and through them with the LDCs seeking appropriate opportunities for the collaboration of private and voluntary organizations, analyzes PVO program proposals to ensure appropriate planning, discussion and clearance with AID/Washington and

the field, and identifies and develops opportunities for assisting private and voluntary organizations. (For a comprehensive statement of the functions of FVA/PVC, see Handbook 17, Chapter 19.)

(4) The Geographic Bureaus in AID/W and AID Missions - the functional responsibilities of these organizational entities are covered in Appendix 4B and Handbook 17.

(5) The types of AID grant relationships available to U.S. PVOs from FVA/PVC and other AID bureaus, offices and Missions are described in the following. Registration with AID is a prerequisite for application for each.

(a) Field Support for PVOs

With funding provided both through USAID Missions and AID/W regional bureaus, AID deals primarily with private and voluntary organizations at the country level through field support grants, a term which both encompasses and, for the future, substitutes for operational program grants (OPGs) and co-financing program grants. In addition, there are two other modes which are occasionally used; contracts and Cooperative Agreements. The funding instrument chosen is determined by the intended relationship based on AID's program objectives, not based on the nature of the recipient (i.e., PVO).

i. Grants are used when:

The principal purpose of the relationship is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government. The recipient is to have substantial freedom to pursue its stated program or project purpose. Substantial involvement between the Agency and the recipient is not anticipated during performance of the proposed activity.

ii. Contracts are used when:

The principal purpose of the instrument is the acquisition, by purchase, lease, or barter of property or services for the direct benefit or use of the Federal Government; or the Agency determines in a specific instance that the use of a type of contract is appropriate.

Examples of circumstances in which a type of contract would be used include, but are not limited to:

Where the Agency intends to retain the right to exercise greater administrative, contractual or legal remedies for breach of the terms and conditions that would be appropriate under a grant or a cooperative agreement; or

Where the Agency intends to specify an identifiable and measurable input/output objective and retain the rights set forth above.

iii. Cooperative Agreements are used when:

The principal purpose of the relationship is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government, and

A grant would be appropriate except that substantial involvement is anticipated between the Agency and the recipient during the performance of the proposed activity.

When the instrument indicates the recipient can expect Agency collaboration or participation in the management of the project, substantial Federal involvement is anticipated. Anticipated substantial involvement of AID during performance would exist and will be presumed to be substantial when the relationship includes one or more of the following:

- AID review and approval of one stage before work can begin on a subsequent stage during the period of the agreement;

5

- AID review and approval of the substantive provisions of subordinate agreements or contracts;
- AID involvement in the selection of key recipient personnel;
- AID and recipient collaboration or joint participation;
- AID monitoring to permit specified kinds of direction or redirection of the work because of interrelationships with other projects.

More detailed discussion of these three instruments may be found in HB 1, Sup B, Chapter 25.

Procedures and guidelines for AID/W and Mission field support grants are set forth in Appendix 4B to this Chapter 4. NOTE: Questions regarding any aspects of these procedures should be addressed to FVA/PVC, PPC and/or the Bureau Liaison Officers.)

(b) Matching Grants

Matching grants are awarded to PVOs to carry out a clearly conceived, evaluable, field-oriented program that takes place in a number of countries, which is consistent with AID's legislative mandate, and supports a clearly defined, delineated program. Such a program may be as broad as the overall scope of the PVO's work or as specific as community-based health services or small enterprise development. The matching grant will normally allow a PVO to expand its program to new places and initiate new projects. Grants are awarded to PVOs with well-established development programs and with demonstrated private fund-raising ability. The grant may have a term of up to three years and is matching in the sense that AID will pay no more than 50% of the cost of the program.

Guidelines for the MG program may be obtained from the Office of Private and Voluntary Cooperation, Bureau for Food for Peace and Voluntary Cooperation, Agency for International Development, Washington, D.C. 20523.

(c) Institutional Support and Development Grants give continuing support to a few PVOs and cooperative development organizations with well-established programs, usually having service

APPENDIX 4B
PROCEDURES FOR PVO FIELD SUPPORT GRANTS
in
Planning and Implementing Development Projects

The purpose of this appendix is to outline the procedures and conditions for processing PVO field support grants. These procedures also apply to field support grants funded by AID Geographic Bureaus.

A. General Procedures

1. The following categories of PVOs are eligible to apply for mission grants: U.S. PVOs registered by AID, PVOs indigenous to the host country registered by the AID mission, and third country and international PVOs registered by AID.

2. Field support grants to eligible PVOs are generally classified as unsolicited by the AID mission. This means that the mission does not prepare the grant proposals. Preparation of proposals is expensive for a PVO so that a certain amount of contact is necessary prior to the actual preparation of a proposal. PVOs should be told the extent of total PVO funding available in a given year as well as information about the major thrust of AID programs in the host country. Consideration should also be given to the option of soliciting applications from eligible PVOs.

3. Types of Activities Funded Under Field Support Grants to PVOs.

There is a great diversity among PVOs and among the various activities they conduct country by country. PVOs are encouraged to participate in AID's country programming process. The particular mode of participation should be worked out at the field level between the Mission and the PVO. This does not mean that in a particular country an AID supported PVO activity must always work in the same sectors and same geographic regions that AID does. Consultation with the AID Mission - including a discussion of the Country Development Strategy Statement - will be helpful to the PVO in identifying development needs and priorities in the country where they operate. All AID funded field PVO activities should address the country's development priorities and requirements.

The following is an illustrative list of some of the activities which have been supported by AID missions in various countries to date: potable water, self-help construction, family planning and family health education, skills training for cash employment, work shops for community leaders in specific areas of interest, improvement of the incomes of women, self-help housing, small farmer livestock development, support of cooperative movements, nutrition outreach, increased agricultural production, renewable and alternative energy, primary health care, community fishing production, integrated rural development, establishment of small business enterprises and improvement of local governments in development planning, implementation, and evaluation.

The guidelines for preparation of proposals in Attachment A of this Appendix have been designed to accommodate the many diverse areas in which PVOs operate.

4. Initial Contact: If the PVO decides to apply for an AID grant it should first contact the AID mission or the appropriate AID geographic Bureau in Washington and discuss the intended proposal before the actual data gathering and proposal writing begins. This might be done by telephone, or by paying a call on the appropriate AID official. This should be followed or accompanied by a letter or concept paper describing in several pages the specific activity which the PVO intends to propose. That statement should cover as applicable the ten major points described in Attachment A, Guidelines for Preparation of Proposals for PVO Field Support Grants, but in a very brief form including the total amount of AID and other funding expected rather than a detailed budget. This brief format should provide AID with sufficient information to advise the PVO whether or not to prepare a full scale proposal. AID should advise the PVO promptly of its decision. If AID elects to consider the proposal, then the PVO is free to develop the full document. It should be clearly explained to the PVO that AID's willingness to consider the proposal is not a commitment to fund the activity. The PVO should also be furnished with a copy of the current grant standard provisions at this stage for information purposes.

5. When a formal PVO proposal is submitted, it should be transmitted to the AID mission with a cover letter requesting funds, and advising the mission, if appropriate, that the host government does not object to the activity (See Para. E). If the non-objection or approval is in writing, a copy of that commitment should be attached to the cover letter.

B. Responsibilities of the PVO, AID mission and AID/Washington

1. A PVO is responsible for: (a) the initial contact with AID to discuss feasibility of the activity under consideration; (b) preparation of the concept paper and the proposal and submission to AID; (c) gaining approval as appropriate of the host country for conduct of the activity; (d) implementation of the activity including gathering of the agreed upon indicator material (baseline data) to measure progress; (e) periodic evaluations of the activity as well as a final evaluation on the entire period of the grant; (f) preparation of the necessary program financial reports and requests for advance of funds.

2. The AID mission is responsible for: (a) providing a knowledgeable member of the mission to discuss the relationship of the proposed activity to available AID funding and to AID objectives in the host country; (b) acting promptly on the original concept paper following the initial contact as well as on completed proposals submitted by the PVO; (c) obtaining from AID/Washington a certification of registration of U.S. PVOs, an assessment of capability of the U.S. PVO to perform the activity, the percent of non-USG funding of the PVOs international programs, and the current overhead rate for a specific U.S. PVO; (d) registering indigenous PVOs; and (e) monitoring the grant during its implementation.

3. AID/Washington is responsible for providing on request: (a) assessment of U.S. PVO capabilities; (b) U.S. PVO overhead rates; and (c) prompt review of PVO proposals which exceed the authority of mission directors to approve the grant activity and/or sign related agreements.

C. Maximum Time Period for Grants

Most PVO activities cover a two to three year period. The initially planned length of an activity for which a PVO is seeking an AID grant should normally not exceed five years. A somewhat longer period is acceptable if required for the delivery of AID-financed inputs. If a substantially longer period is necessary, serious consideration should be given to designing the activity in phases.

D. Non-AID Inputs

All PVO field support grants limit AID funding to a maximum of 75 percent of the total cost of the activity. Additional weight may be given by AID to proposals where

the AID grant is less than 75 percent. The non-AID input may be in cash and/or in kind. Some part of the non-AID input should be a cash contribution obtained by the PVO from private sources.

E. PVO Relationships with Host Governments

In many cases PVO proposals are required either to be approved by the host government or at least have a statement that the host government has no objection to the activity. The process varies from country to country and the concerned AID mission is the best source to determine what requirements exist in a given country. In many instances PVOs negotiate agreements between their organizations and host governments which include such important matters as obtaining work permits for PVO employees as well as duty free entry for materials brought into the country for the implementation of the activity. Such agreements are negotiated not by the AID missions but by PVOs themselves.

F. Sub-Grants and Contracts

All sub-grants and contracts are required to be approved in advance by the Grant Officer either on a case-by-case basis or during the negotiation of the Financial Plan. If the organization has had their procurement system approved by AID or another Federal Agency, the grantee will not be required to submit their contracts for approval unless otherwise stated in the Grant. All subgrants and contracts should be identified in the grantee's proposal.

G. Procurement and Waivers

The standard provisions in each grant specify certain requirements on the purchase of goods and services. These provisions should be read with great care as the PVO is preparing its proposals and re-read when procurement is being made. There are certain items which cannot be purchased under any circumstances with AID funds, such as military equipment, surveillance equipment, commodities and services for the support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment or weather modification equipment.

There are other items which can be purchased only with the prior written authorization of the grant officer such as agricultural commodities, motor vehicles, pharmaceuticals, pesticides, rubber compounding chemicals and plasticizers, used equipment, U.S. Government owned excess property or fertilizer.

The standard provisions in the grant also limit the countries in which goods can be purchased (source) as well as the countries in which the goods were originally made (origin). Procurement of commodities or services from other than U.S. source/origin normally requires an AID waiver.

Waivers, if needed, are best obtained at the time the grant is authorized rather than after the grant is well underway. Any questions PVOs have on the procurement and waiver process should be directed to AID.

H. Reporting.

Financial reports are required quarterly as set forth in the standard provisions.

The frequency of progress reports as well as their format should be agreed on by the PVO and AID prior to the making of the grant. A PVO cannot be required to provide progress reports more frequently than quarterly. Most PVOs have their own reporting requirements for each grant and in many cases a copy of this report provides the AID grant officer with sufficient material. From the standpoint of AID, brief reports are preferred over lengthy ones. See Attachment C for a suggested report format and additional guidance.

Progress reports are quite different from evaluations in that they are primarily activity statements for a given period of time. Evaluations on the other hand are conducted to determine the effectiveness and impact of a particular activity. (See Attachments D, E and F.)

I. Consultants

The use of outside technical assistance can often considerably improve an activity. A PVO may require assistance of a specialist to deal with a specific problem in the execution of the grant. If one or more specialists is anticipated, the purpose of the consultancy should be described in the proposal and funds should be budgeted to cover the cost.

J. Collaboration with the U.S. Peace Corps

In countries where both the U.S. Peace Corps and PVOs are operating there are excellent opportunities for each organization to benefit from each other's resources in areas where their interests merge. PVOs are encouraged to discuss their activities with Peace Corps directors in a given country and explore the possibility that each organization may help the other meet its goals.

ATTACHMENT A.
GUIDELINES FOR PREPARATION OF PROPOSALS
FOR PVO FIELD SUPPORT GRANTS
PROPOSAL OUTLINE

NOTE: Read Attachment B during preparation of a proposal. This Attachment, "Illustrative PVO Proposal for PVO field Support Grants" will provide examples which make the meaning of these guidelines much clearer.

Country:
Activity Title:
Total AID Request:
Total Value of Other Resources:
Activity Location:
PVO Name and Location:
Central Headquarters:
Contact Person:
Date of Submission to AID:

A. Activity Purpose:

1. Summarize the purpose of the activity.
2. What problem or problems will be addressed during the activity's life? Describe the geographical area involved in this proposal and why it was selected.
3. Does this proposal address problems or improvement sought by some or all of the residents of the involved area? Does the activity fall within the social and cultural context of the target group or is it an attempt to make desirable changes in attitudes or behavior? Are there persons or groups who may be adversely affected or have opposition to the activity?

B. What has been done to date?

1. Explain how your organization became involved in this activity.
2. State what has been done by your organization or others to address the problem(s) described in paragraph A. If nothing has been done, simply state so.

3. Comment on your organization's capacity to undertake this activity. If you have implemented similar activities in this or other countries, please identify them briefly stating dates, sources of funding, magnitude of funding and location.
4. Is this activity compatible with some part of the host country's development priorities or goals? Please identify.

C. Who will benefit?

1. If the specific direct and indirect beneficiaries have been identified, describe their numbers, kinds, economic and/or other status.

If the exact intended direct and indirect beneficiaries will not be selected until after the activity begins, describe the status of the target group and state the criteria you will use in choosing beneficiaries.

2. What will this activity cost per direct beneficiary and how will they and others benefit?

D. What will this activity accomplish?

1. Describe the changes you expect to have taken place at the end of the activity to improve the status of beneficiaries. For example state what changes in income, employment, production, education or health status would be expected at the end of the activity.
2. Do you anticipate that any activities will continue after the end of the grant? If so, would these require additional outside funding or would the grant have generated a source of funds and a sense of commitment for continuation?
3. List the specific types of information you will gather at the outset of and during the project which will serve as indicators to measure progress, or lack thereof, during and at the end of the activity. How will this information be gathered and by whom? An illustrative list of indicators is shown in Section D of Attachment B.

E. How will this activity be implemented?

1. Describe the tasks you will undertake to accomplish the purpose in Section A.
2. Will your organization be working with other groups or organizations in conducting the activity? If so describe who they are, how many people will be involved full-time and part-time and what their functions will be.

F. What are the time frames for this activity?

Which of the tasks outlined in Section E. will have been finished at the end of each program year or period? (This information may be presented in chart form. See Section E under Attachment B for an example.)

G. Assumptions

Is the successful completion of this activity dependent on other activities or other support?

Does it depend on support and participation of intended beneficiaries, continued market demand for a given product or support from some part of the host government? Please describe what must take place or continue in order to accomplish the purpose of the project.

H. Describe your evaluation plans. (Read Attachment D, Evaluation Guidelines, prior to completing this section.)

1. How often will the evaluations take place?
2. Who will evaluate the activity?
3. Have funds been identified to cover costs of evaluations?

I. Financial narrative:

1. If you plan to make sub-grants or contracts with other organizations, please identify them by organization and amounts in this section. How will you fund the subgrants/contracts? If you plan to advance funds, how many days advance will you need to give?
2. If you plan to buy any goods or services which would require a waiver, identify these requirements in this section. Study the Standard Provisions and if necessary consult with the appropriate AID officer for clarification.

1687

3. How much of the AID funds will be used to buy goods and services. How much will be spent in-country (local costs) and how much outside the country (foreign exchange costs)? If you plan to spend local currency in one or more countries, how will you transfer funds to the country/countries? How will you obtain the local currency in each country? How much lead time will you require to obtain the local currency?
- J. Budget: List in detail by year or other convenient time period the expenditures of AID resources. The non-AID resources should be identified in separate columns both as to the source of the resources as well as whether or not these resources are in cash or in-kind.

An estimated dollar value should be shown for in-kind resources, such as donated materials and services from individuals, organizations and governments. The budget should identify unit cost where applicable, such as per diem rates, salary levels, cost per square foot for construction, and should have an accompanying list, where appropriate, detailing such items as equipment, supplies, materials and services to be acquired under the activity.

Study the illustrated budget in Attachment B, which indicates the degree of detail and format expected. The budget should contain no more than six major budget line items (a through f) to correspond to the six columns on AID's Financial Status Report SF 269, which will be used for project financial reporting during the life of the grant. You may have as many sub-items in the budget as you wish.

Illustrative Proposal for PVO Field Support Grants

Country:	Katalan
Activity Title:	Emba Province Farm Training
Total AID Request:	\$70,000
Total Value of Other Resources:	\$67,800
Activity Location:	Emba Province, Katalan
PVO Name and Location:	Farmers Guild International (FGI), Capital of Katalan
Central Headquarters:	Hanson, Indiana
Contact Person:	Harold Bottrell, Program Officer
Date of Submission to A.I.D.:	June 21, 1983

A. Activity Purpose:

1. Summary Purpose: To increase cash incomes of 100 farmers in Emba Province.

2. Over the past two decades the level of education has risen markedly in most provinces of Katalan. In addition, exposure to the outside world, particularly the developed world, has created a desire by the Katalanese to move from what is basically subsistence agriculture towards a cash economy. This in turn has created a drift towards the capital of Katalan and several other larger cities in search of salaried jobs. Lack of work in the larger cities has frustrated the Katalanese attempts to find income which in turn has created a host of problems in the larger cities themselves.

There are extensive opportunities in the rural areas for cash minded Katalanese to make substantial incomes by increasing farm production and selling their produce in the larger cities. In addition, there are areas where cocoa can be grown profitably. Sale of the cocoa on foreign markets will provide much needed foreign exchange revenues for the country of Katalan.

3. Emba Province is located in the northeast quadrant of Katalan with its nearest border seventy miles from the capital of Katalan.

The Province of Emba has been selected because the land is particularly fertile, a great deal of it is not under cultivation and the drift to the capital of Katalan is exceptionally high. A sample survey of potential city drifters revealed that their major immediate goal is to increase their cash income. They are not convinced that they can do this by remaining in Emba, but have been discouraged in drifting to the cities because of the failure of many of their peers to obtain work there. A number of Katalanese from Emba have returned from the cities after failing to meet their goal of additional income.

The population of Emba is 41,800 persons. Discussions with Province officials suggest that approximately 250 persons become frustrated each year by the lack of cash opportunities and consider relocating in the cities.

Under this activity the Farmers Guild International (FGI), in partnership with the twenty-one farm cooperatives in Emba Province, will establish training courses for carefully selected young persons whose frustration over the lack of cash incomes has motivated them to seek a source of income not now available in the Province.

Students will be a mixture of those who are anticipating a move to cities as well as those who have returned from the cities without success. Since agriculture traditionally has not produced a great deal of cash for farmers, part of the training will be motivational and aimed at demonstrating to young farmers that agriculture is a trade which can produce not only subsistence requirements, but cash as well. This activity will require 2 1/2 years.

4. This proposal addresses some but not most of the residents of Emba province who are attempting to increase their cash incomes. The desire to increase cash incomes was not implanted in the population but has been a natural outgrowth of changing times. Success with the training program will have a profound effect on the culture of Emba Province, particularly if large numbers of residents successfully opt for increasing their cash incomes by intensive farming. The Province, like most of the country of Katalan, is basically composed of small communal societies whose tribal leaders depend heavily on the excess time available among the residents to organize unpaid labor groups to solve specific community problems.

8

As more and more residents become involved in intensive agriculture they will have less time to deal on a voluntary basis with activities defined by tribal leaders. This could at some point in the future create resentment among the leaders should the problem become acute. Increased taxation as cash incomes increase in the Province may provide a system of paid labor for community projects. In any case, the desire for cash incomes is inevitable and represents less of a change in the cultural aspects of Emba Province than an evolution of the culture.

Tribal Leaders are not likely to oppose this activity since only 100 of the more than 40,000 residents will be involved and there will be an adequate labor force remaining to deal with communal activities.

B. Work To Date:

1. FGI received a letter from the Katalan Ministry of Agriculture soliciting assistance in increasing agricultural production. A copy of the letter is attached.

2. FGI, supported handsomely by province agriculture staff, made a study of Emba Province over a four week period, interviewing residents, education and other government officials to determine what possibilities for cash employment might be developed in the Province. A summary of that study is enclosed with this proposal.

The study was basically attitudinal and concluded that neither the potential farmers nor government officials had given much thought towards increasing cash incomes nor much credence to the possibility that farming itself might be the chief means of achieving cash incomes. These attitudes are based on the fact that farming has traditionally not produced cash incomes. The study did identify three young farmers who have developed substantial cash incomes, mainly by increasing the amount of land under tillage but without considering the potential advantages of agricultural inputs, including fertilizer, new strains of rice and new types of crops. These three farmers will be used as models during the activity as described in Methodology.

3. FGI has completed or is carrying out seven similar programs in other countries, two of them funded under A.I.D. grants. Evaluations of all seven projects are on file at FGI, at Hanson, Indiana. In only one of the seven activities have results been less than satisfactory.

4. This proposal attempts to address on a small scale one of the eight major goals of the Katalan five year plan, 1982 - 1987. Goal number three of that plan is "to increase the cash incomes of the people of Katalan particularly those in rural agricultural areas."

The Katalan Ministry of Agriculture, responding to that priority has instituted a nation wide program to increase the amount of land under rice production. The Ministry originally contacted FGI seeking assistance.

C. Current Status of Intended Beneficiaries:

1. FGI has not been able to develop substantiated cash income figures since there is no organization or government entity which records such figures with any precision. Based on indicators in the earlier survey the per capita cash income on rural farms is approximately \$158 per year. Most of this money goes to purchase clothing, sugar, coffee and tea, and other items which are not produced locally.

Utilizing the expertise of the twenty-one farmer cooperatives, fifty young farmers will be selected during each of the two years of the program. They will be chosen based on the strength of their desires for higher cash incomes as well as their abilities and determination to study in an informal training program.

2. The total cost of this activity is \$137,800, almost entirely for training one hundred young farmers of Emba Province. The total cost of training, therefore, is \$1,378 per trainee. The per capita costs of training for A.I.D. funds is \$700. Each of the one hundred direct beneficiaries will have received one year of training in intensive farming to increase income. The first group of fifty trainees, by the end of the project, will have doubled their income, and the second group of trainees will be well on the way of duplicating this feat. The direct beneficiaries will have "retrieved" the cost of their training through additional income by 8.7 years. In addition, the cooperative movement in Emba Province will have received an important reaffirmation of its value by demonstrating that it is capable of improving farmers incomes under a properly constituted training program. Cooperative members will have received training themselves in the techniques of increasing production as well as the techniques of promoting export crops for the benefit of

the country of Katalan. Indirect beneficiaries of this program will be approximately 400 members of the families of the trainees, whose quality of life will be improved by the addition of income into the family budget.

D. What this Activity will Accomplish:

1. Although the degree of success will vary with each graduate, FGI anticipates that the production of each trainee for cash income will double at the end of one year after completion of training, barring unusual weather conditions. The purpose of the activity is to increase the trainees cash income by \$158 per year, beginning the first year after training is completed. Only after exact figures on each trainee have been obtained can a more precise figure be determined. The end result would be one hundred young farmers, whose combined income would have higher by \$15,800 per year at today's prices. The increased income would be generated by increasing the production of the Katalanese basic rice crop, as well as introducing and popularizing the growing of cocoa as a cash product. A study completed last year by the EEC advocates expansion of cocoa plantings as a source of foreign exchange for Katalan.

2. The leadership of Emba's cooperative movement is enthusiastic over the possibility of increasing cash incomes for its members. It participated enthusiastically in the FGI base survey, and agreed without hesitation to play its role in development of the two year training course. However, some results are needed before the cooperatives will be fully committed to the program. FGI anticipates that the cooperative movement will itself be more successful as some of its members show increases in income, and the necessity for continuing training at a higher level creates an atmosphere which will lead to expansion of the training program.

Additional funding will be needed to continue and increase the size of the training program. At this early stage, FGI foresees future training continuing with the provision of funds from the cooperative units themselves, grants from the central government whose interest in exportable crops is sizable and possibly additional funding from A.I.D. or other aid donors. Assuming the two year training program is successful and that its results are properly exploited through cooperatives in other

provinces, there is an excellent chance that the Emba model might be replicated in other provinces given sufficient seed money to get such training programs underway.

3. Each participant will complete a production/income report at the start of training and once a year thereafter for an agreed upon number of years, which may exceed the time frame of the specific activity. These reports should contain as a minimum:

- a. Name, address and other identifying information of the participant.
- b. Number of members of family affected by participant's income
- c. Amount of land currently under cultivation.
- d. Amount of additional land available to participant for cultivation.
- e. Amounts of land planted to each crop.
- f. Annual yield of each crop.
- g. Production and marketing costs for each crop this year.
- h. Amount of each crop consumed by family.
- i. Amount of each crop sold and net income derived from each.

By comparing the initial report with subsequent reports, the degree of change can be determined.

E. How the Activity will be Implemented:

FGI will assign an agricultural training specialist (FGI Country Director) to Emba Province working closely with the provincial agricultural authorities as well as the cooperatives. This specialist will spend the first six months working with the cooperatives in the selection of trainees and working with the three successful Emba farmers in improving their techniques in cash crop farming. The three model farmers will be encouraged to plant small amounts of their land in cocoa, to demonstrate

the advantages of diversification. Another small plot will be devoted to a new strain of rice, which should double the per hectare production of rice, currently averaging 1.9 tons per hectare.

When the training begins at the end of six months, the trainees will receive both attitudinal training and practical farm training, taught mostly in a hands-on approach. Training will be conducted at a now unused teachers' training school, lent to the cooperatives by the government of Emba Province. This facility, although needing minor repairs, is an excellent location in that it is fifteen miles outside the province capitol, and has twenty hectares of rich farm land formerly used to provide food for the students. In addition, the trainees will regularly visit the three model farmers, not only to study methods but to understand fully just how effective farming can be as a means of earning cash income.

The FGI trainer will have at his disposal a minimum of ten full-time volunteers from the twenty-one cooperatives, who will take turns assisting the trainer in the program, as well as learning themselves the techniques of cash crop farming. Because the ten volunteers will rotate periodically, skills training will be spread among one hundred members of the Emba cooperatives. These members themselves will provide strong support for the continuation and extension of future training. The Emba Province Cooperative Council has signed an agreement with FGI to this effect.

F. Time Frames:

The following chart shows which activities will be performed under this program, covering a period of two and one-half years. The chart will be used during evaluations to identify status of the projected activities against those actually accomplished.

21
95

	<u>First Six Months</u>	<u>Training Year One</u>	<u>Training Year Two</u>
1. Recruit and Position Country Director	X		
2. Conduct Organizational meetings with Cooperative officials	X		
3. Repair training facilities	X		
4. Develop hands on training curriculum	X		
5. Select first 50 trainees	X		
6. Advise and support three model farmers towards improvements in production. Provide necessary materials for new crop experiments.	X		
7. Initiate and complete first year training		X	
8. Set into motion follow on cooperative extension for first year graduates.			X
9. Initiate and complete second year training.			X
10. Evaluation		X	X

G. Assumptions:

The success of this activity, quite naturally, will depend on the continued enthusiasm and support of both the Province Government and the cooperatives of Emba Province. It will also depend on continuing availability of the training facility as well as the dedication of the cooperative volunteers in assisting with the training program. Finally, the determination of the trainees to be successful cash croppers is paramount to the success of the project. Unusually adverse weather conditions could slow up the project but, given additional time, will not be a major factor in the conduct of the activity.

H. Evaluation:

1. At the end of the first training year an evaluation will be done utilizing the production figures gathered by the cooperative units at the beginning and at the end of training, to determine what if any agricultural practices or production figures have changed among the first group of trainees. This information will be valuable in determining whether or not changes should be made in the training program for the second group of trainees.

At the end of the activity a similar evaluation will be conducted with special attention given to the first group of fifty trainees, who will have had one year of experience with their new skills, as well as an evaluation of the second group of trainees who will have just completed their training.

This evaluation will also consider the feasibility of continuing and expanding the training program in Emba Province. It will include an evaluation of the cooperative movement itself to determine its sense of commitment towards continuing the training. However, if the increased income projections are valid, this activity will have justified itself based on the original one hundred trainees alone, whose annual increase in income will be \$15,800 per year. This means the cost of the original training of \$137,800 will have been retrieved in 8.7 years. Should the original trainees carry their knowledge past the anticipated doubling of their cash incomes, the pay back period would be decreased accordingly.

2. The first evaluation will be conducted by FGI's activity manager, a committee from the cooperative movement and a representative of the Province Agricultural Office. The final evaluation will be conducted by this same group with the addition of a senior member of the Ministry of Agriculture.

3. Evaluation costs consist of travel and per diem in-country. These costs are included in the line items for travel and per diem shown in the budget.

4. The cooperative staffs which are mostly voluntary will be used to register each trainee as selection is made and develop a clear written picture of (a) what types of farming activities are now being conducted by the

trainees; (b) the amounts of land available; (c) production figures for the last one or two years and (d) cash income by source for one or two years. Similar information will be gathered annually, in order to measure the impact of training on the production of each trainee.

The evaluation will include an assessment of the progress indicators shown above in section D.

I. Financial Narrative:

1. No sub-grants or contracts will be utilized with A.I.D. funds in this activity.
2. The budget for this activity will involve the purchase of agricultural chemicals, mainly fertilizer and pesticides. FGI requests that A.I.D. review the list of supplies for the training facility, attached to the budget, for suitability of A.I.D. funding.

AID/FVA/PVC:RUllrich:mg:revised:11/10/83:0320J

1. BUDGET

Item	First Six Months			Training Year One			Training Year Two			Totals (All Years)	
	AID	Other	Source & Type	AID	Other	Source & Type	AID	Other	Source & Type	AID	Other
1. Country Director - Salary	7,442			15,897			15,897			39,236	
2. Travel and Transportation - International	4,713						4,961			9,674	
3. Housing		1,800	Co-op HQ In-Kind		1,600	Co-op In-Kind		3,600	Co-op In-Kind		9,000
4. All Travel in Country	826			1,653			1,653			4,132	
5. Secretary		1,100	Province In-Kind		2,200	Province In-Kind		2,200	Province In-Kind		5,500
6. Office Equipment (see attached list)	1,074									1,074	
7. Office Supplies	413									413	
8. Training facility (fair rental value)		2,500	Province In-Kind		5,000	Province In-Kind		5,000	Province In-Kind		12,500
9. Repair of training facility		2,800	Co-op cash and labor								2,800
10. Equipment for training facility (see attached list)	4,134	5,000	Province In-Kind							4,134	5,000
11. Supplies and Materials (see attached list)	248			2,807			2,807			5,472	
12. Living cost for trainees					12,000	PVO \$6000 & Co-op In-Kind		12,000	PVO \$6000 & Co-op In-Kind		24,000
13. Living costs for 10 Volunteers		600	Co-op Cash & In-Kind		1,200	Co-op Cash & In-Kind		1,200	Co-op Cash		3,000
14. Value of Volunteers		1,200	Co-op, In-Kind		2,400	Co-op, In-Kind		2,400	Co-op		6,000
15. FGI Overhead	1,599			1,664			2,212			5,475	
TOTAL COST	20,449	15,000		22,021	26,400		27,530	26,400		70,000	67,800
										137,800	

AID/FVA/PVC:R Crap: #05161

**Suggested Format
for
PVO Progress Reports**

Preface: PVO progress reports should be structured in a way that will be helpful to both AID and the PVO, as well as others who may have an interest in the activity. They should be simple, yet meaningful, with the least amount of additional effort required on the part of the PVO. If the format already in use by the PVO satisfactorily meets AID's needs in terms of assessing progress of the activity and the use of AID funds for the given reporting period, then that format should be used. Otherwise, the concerned AID office and the PVO should agree upon an appropriate format prior to the initiation of the activity. Such an agreement will help to minimize conflict between AID and the PVO, reduce the amount of time required to prepare and review the reports and make them a more effective project/activity management tool.

The following is a sample format which, with appropriate adaptations to the specific activity and situation, could be considered for use by AID and the PVO. It contains most of the major items of interest to AID. The length of the progress report (Items I-VIII) should be no more than ten pages for projects/activities that are complex and/or have a number of sub-activities and no more than five pages for those which are more simple in design and have only a few sub-activities.

ACTIVITY PROGRESS REPORT NO.

I. General Reference Section (The information in this section provides for a quick identification of the activity.)

A. Name of PVO: _____

B. Title of Activity: _____

C. Country/Area of Activity: _____

D. Activity No. (PVO and/or AID): _____

E. AID Grant Agreement No: _____

F. Total Value of Activity: _____

G. Date of Last Report: _____

H. Date of This Report: _____

II. Expenditures/Financial Section (The inclusion of a financial summary will preclude the need to refer to regular financial reports that are submitted quarterly.)

A. Amount of AID Grant: _____

1. Funds Received to Date: _____

2. Expenditures to Date: _____

3. Balance Due Under Grant: _____

B. Amount of Other Resources Programmed: _____

1. Total Cash Input to Date: _____

2. Total Value of Commodities/Services to Date: _____

3. Balance Remaining: _____

III. Brief Summary Statement of Progress During Reporting Period

IV. Brief Statement of Overall Status of Project/Activity from Beginning Date

V. Progress Relating to the Accomplishment of the Specific Purpose(s) as Contained in the Implementation Plan of the Proposal

A. Task No. 1 (State the task and describe or list specific accomplishments during the reporting period which relate to it. Do the same for other tasks.)

B. Task No. 2

C. Task No. 3

VI. Beneficiaries

A. Direct Beneficiaries: (Indicate the number and type involved during the reporting period and the way in which they benefitted.)

B. Indirect Beneficiaries: (Give the best estimate of the number and type and how they benefitted.)

C. Cumulative Totals Since Start of Activity:

1. Direct:

2. Indirect:

VII. Problems Encountered

VIII. Required Actions (List any lessons learned and any unexpected positive and negative results experienced during the reporting period.)

IX. Attachments (Attach any detailed financial reports, charts, graphs, maps, newspaper articles, photos or other documentation which support or expand upon items I-VII above.)

GUIDELINES FOR EVALUATION OF
PVO FIELD SUPPORT GRANT

A. INTRODUCTION

1. Evaluations are the heart of any development activity, no less so with PVO activities funded by any source. During the implementation of a grant, evaluations serve to identify problem areas as well as areas of opportunity. The PVO manager can take advantage of periodic evaluations to assure that the activity is on course or to take appropriate action if it is not. Evaluations should be performed at the end of each activity and may also be performed sometime after to measure continuing impact.

2. A prerequisite for successful evaluations is a carefully thought out proposal which sets in motion from the beginning the gathering of indicative data which will allow the activity manager to measure the direction in which the activity is going at any selected time.

3. Periodic program evaluation differs sharply from reporting. Reporting recounts what has taken place during the reporting period. Evaluation is an examination of results, or lack thereof, of a given activity. It answers such questions as whether or not the activity achieved or is achieving its purposes and whether or not the activity needs to be restructured in order to increase its effectiveness.

4. A final evaluation should assess whether the activity has been successful and to what degree. It should also assess what lessons have been learned which might be useful either in a continuation of the specific activity, replication elsewhere, or to be used in future program development. A final evaluation team should include any technical specialists required as well as one or more evaluators not directly involved with the activity implementation. Host country officials where appropriate are not only useful participants in a final evaluation, but their participation also exposes them to ideas which they may choose to use in other activities. AID participation may also be desirable.

- Interim evaluations during implementation provide the activity manager and others with an important managerial gauge of the activity's effectiveness to date. If the activity, or parts of it, are not being carried out as planned, there is an opportunity to make adjustments during the balance of the activity. If new opportunities or techniques emerge from the evaluation, the activity can be adjusted to take full advantage of them. If the activity or parts of it are failing and there is no remedy, the opportunity to discontinue the activity will save funds and frustration. Interim evaluations should concentrate on examining the work to date in order to improve the balance of the activity.

5. There is no reason why PVO evaluations should be difficult, mysterious or vague if the original proposal clearly outlines the purpose of the activity and has clearly identified a series of progress indicators which can be accurately tracked during the course of the activity. A PVO submitting a proposal for mission-funded activity, after following the guidelines laid out in Attachment A of this appendix (4B), should then review its proposal as it relates to these evaluation guidelines to assure that it has devised a practical approach to evaluation. Because the evaluation guidelines are laid out in the same format as the proposal guidelines, both AID missions and PVOs should find their work considerably simplified since there will be an agreed upon series of expectations on the part of both.

Evaluations should be performed promptly as agreed upon in the original grant proposal. Missions should analyze and comment to PVO's on each evaluation. If the evaluation is inadequate the mission should explain why. On the other hand there is every reason to commend a PVO on an excellent evaluation in order to maintain the important friendly collaborative relationship between the two entities. With the consent of the concerned PVO, missions should take advantage of particularly well done evaluations by circulating them among other PVO's in the host country as examples of what constitutes a proper evaluation. Copies of PVO evaluations with mission comments attached should be forwarded systematically to appropriate geographic bureaus, FVA/PVC, and to the Development Information Unit (DIU).

ATTACHMENT E

OUTLINE FOR EVALUATION OF PVO FIELD SUPPORT GRANTS

Activity Title:

Grant Number:

Activity Location:

PVO Name:

Contact Person:

Period Covered by Evaluation:

Name(s) and Title(s) of Evaluator(s):

Type of Evaluation: Interim Final

The following paragraphs are keyed to the basic outline of the Guidelines for Preparation of Proposals for PVO Field Support Grants. The evaluation should be prepared by using the original PVO proposal and signed grant plus any amendments made since the inception of the grant. The topics herein relate directly to those outlined in the original proposal.

Evaluation Summary: This brief section should summarize the evaluation, findings and include the particular major conclusions, lessons learned and changes needed.

- A. Activity Purpose and Description: The evaluator should examine the activity purpose and description to determine if there has been any significant change in the purpose or description as originally outlined in the grant and proposal. If no change had occurred simply state so. If there have been changes, describe their nature and extent.
- B. What has been done to date? The original proposal describes work done to date prior to the inception of this grant. In the evaluation summarize what has taken place since the grant began.
- C. Describe the Beneficiaries: (1) They should be described as outlined in Section C of the Guidelines for Preparation of Proposals. (2) How have your original

5/10

projections regarding the cost per beneficiary and the degree to which they will benefit varied at this point? If the cost and degree of benefit are significantly higher or lower than originally projected, what changes should be made in the activity?

D. What has this activity accomplished?

(1) This section should provide the data gathered to date as outlined in the original proposal. It should list the indicators of progress described in the proposal showing the change in the indicative information gathered at the beginning of the activity, at any interim points in between and the current available indicators. It should also describe as specifically as possible any other changes not originally anticipated which have taken place. The PVO should examine the results of this material to determine whether or not the indicators have been sufficient to measure progress. If not, additional or different indicators should be proposed in this section.

(2) This section should also discuss whether or not the changes anticipated at the beginning of the activity are realistic based on the evaluation and whether it appears the activity will exceed or fall short of its original goals. It should also examine what prospects there are for activities to continue at the end of the project and whether or not the PVO's original projections on continuation are still valid.

E. How the Activity is being Implemented. The evaluator should examine the methodology which has been used to date to determine whether or not it is adequate or whether changes should be instituted in order to improve the operation of the activity.

F. Time Frames. Is this activity on schedule as outlined in the original proposal? Is it ahead of schedule? Is it behind schedule? Should the schedule be adjusted at this point? Is there a need to extend the activity time limit?

G. Assumptions. Reexamine the assumptions in the activity proposal to determine if the list of assumptions is still valid. Have any assumptions failed to materialize which affect the project negatively? Are there additional assumptions which should be added at this point in time?

- H. Describe any changes in your evaluation plans. Based on this current evaluation, assuming it is an interim evaluation, what changes or approaches will you adopt in the next evaluation in order to improve the content of that evaluation. If no changes are anticipated from the original proposal or in subsequent evaluations, simply say so.
- I. Budget Financial Narrative: Whether this is an interim or a final evaluation, this section should compare the actual expenditures of AID and other resources with the original projections of expenditures shown in the proposal. There should be a breakdown using the same line items as included in the original proposal, with two columns for the AID expenditures, one showing the original projections and the second showing the actual expenditures at the time of the evaluation. The same two column approach should be used for non-AID expenditures. For an example, see the budget page in Attachment F, Illustrative PVO Evaluation. Based on the variance between proposed and actual expenditures, what comments, if any, do you have regarding changes or adjustments to the budget in future years? Are there projected sub-activities which have failed to materialize for which the funds set aside will no longer be needed? Are there sub-activities which are costing more than originally programmed or which, with an additional infusion of funds, could improve the end performance of the activity? Have your original plans for sub-grants or contracts with other organizations changed?

PROPOSING CHANGES TO THE GRANT

If this evaluation has revealed substantive changes or deviations from any of the components in the original proposal, do you feel that the activity should be amended to adjust for these changes? If you do, in a separate letter referring to the proposal as originally approved and subsequently amended, suggested changes or substitutions of wording or funding which you feel would improve the project. This should be in the form of a request to the AID mission for consideration of the changes. The submission should provide the precise proposed revisions to the original proposal. If the grant is expiring in the coming year and you wish to request an extension, with or without additional funding, this presentation should be made providing budget proposals, if required, for additional years. Narrative materials for other sections of the original proposal should also be included, which will explain what additional activities will be undertaken.

ILLUSTRATIVE PVO EVALUATION OF PVO FIELD SUPPORT GRANTS

Activity Title: Emba Province Farm Training

Grant Number: AID 879-0440

Activity Location: Emba Province, Katalan

PVO Name: Farmers Guild International

Contact Person: Harold Bottrell, Program Officer

Period Covered by Evaluation: March 1, 1984 - February 28, 1985

Name(s) and Title(s) of Evaluator(s): Richard Farrell,
Private Consultant

Type of Evaluation: Interim Final

EVALUATION SUMMARY

Conclusions: In the first training year, 45 of a planned 50 participants were trained to increase farm income. Their average income was increased from \$120 per year to \$140 per year, an increase not originally anticipated.

Beneficiaries were the 45 participants, 226 family members and 72 members of Emba cooperatives who were trained in extension and training.

For the second year of training 53 participants have begun training as previously scheduled. Based on progress to date the income of all participants should, as projected, be doubled, or almost so at the end of the activity. There will be a total of 733 beneficiaries.

As described in section F, the current drought situation has delayed the project and could result in a request for an extension of time and additional funding.

Lessons learned: By arranging the training schedule so the trainees could actively farm while training, they were able to apply new skills as learned and increase their income during the same year.

- A. Activity Purpose. Little change has been noted except that the number of Emba Province residents who are anxious to achieve larger cash incomes each year is now more accurately reflected at a level of 300 rather than the originally projected 250. The increase in interest seems to be at least partially stimulated by the limited successes of this activity to date which have received wide publicity in the Province. Also the time required to execute this activity will be three years rather than 2 1/2 years as explained more fully in section G "Planned Accomplishments By Year." No opposition to the activity has emerged to date. There is some discontent among unsuccessful applicants for second year training which is indicative of the popularity of the training.
- B. What has been done to date: The grant was signed on August 28, 1983. Recruitment and placement of a country Director, Charles Walker, was completed on October 1, 1983 as described in FGI's initial six months report covering the period September 1, 1983 through February 28, 1984. At the end of the current evaluation period 47 trainees were graduated of which 45 are pursuing intensive agriculture as envisioned in the original proposal. An unforeseen opportunity developed during the course of training to allow the course to be adjusted so that trainees could spend additional time under supervision practicing new methods on their own farms during the last nine months of training. The trainees actually showed increased income during those 9 months. This happy development not only improved the cash incomes of the trainees but stimulated their interest in learning as much as possible during the training course. Now that the graduates are working full time, the latest survey of projected earnings, which was conducted at the end of training, has shown substantial improvement in their cash incomes. The second group of trainees, numbering 53, has been recruited. They have visited the three model farms which were established during the year as well as farms of some of the first graduates. The visits have done a great deal to stimulate interest in the training program which commenced just after the end of this evaluation period.
- C. Beneficiaries and D. Accomplishments: The following chart compares the progress indicators gathered at the start of the first year's training with those gathered at the end of training.

	Actual March 1 1984	Goal Feb. 28 1985	Actual Feb. 28 1985
1. No. of participants completing training	0	50	45
2. Number of members of families affected by participants' incomes	226	200	226
3. Amount of land currently under cultivation (hectares)	103.5	*	112.5
4. Amount of additional land available to participants for cultivation (hectares)	511	*	502
5. Amounts of land planted of each crop (hectares):			
rice	103.5	*	96.75
improved rice	0	*	10.5
cocoa	0	*	5.25
6. Annual yield of each crop (Metric tons):			
rice	186.3	*	202.65
improved rice	0	*	42
cocoa	0	*	0
7. Amount of each crop consumed by families (metric tons):			
rice	98.9	*	116.65
8. Amount of each crop sold (metric tons)	87.4	*	128
9. Production and marketing costs for all crops this year	4,170	*	7,780
10. Net income	\$6,390	\$6,390**	\$7,155**

* Data was not available for these items prior to start-up of the project since exact beneficiaries had not been selected. The first firm data was collected by March 1, 1984 and is shown in the first column.

** It had not been anticipated that the net income of the trainees would increase during the training period. However, as pointed out earlier, an adjustment in the training program allowed the trainees to put their new knowledge into practice immediately, which resulted in increases in their cash income.

a. Of the first group of fifty trainees, three dropped out early in the course. The 47 remaining trainees completed questionnaires only 45 completed the training. Because of a low literacy level the trainees were assisted in this initial set of questionnaires compiled on March 2, 1984 by volunteer members of the Emba Province Cooperatives. The questionnaires showed that the trainees on average were tilling 2.3 hectares of land each, all of it in rice. The average yield per hectare was 1.8 tons. Much of the rice was consumed by trainees and their families.

On average, each trainee sold \$120 worth of rice during the year immediately preceding the training period. In addition, an average of \$22 in miscellaneous income was earned by each trainee. At the end of the training period, similar information was gathered from each trainee which showed the average number of hectares had increased to 2.5 per trainee, whereas, the yield per hectare had increased to 2.1 tons per hectare. Cash income from the sale of rice increased to \$140 whereas miscellaneous income dropped to \$19 probably due to the trainees lack of time for activities during the training period. It is also believed that the increase of cash sales of rice may be in a small degree accounted for by better record keeping by the trainees, something learned during the course of their training.

The projected income for the 45 trainees for the period March 1, 1985 - February 28, 1986 is \$230 based on the expectation that trainees will increase their land under production to an average of 3 hectares with a yield of 3.8 tons per hectare in rice. Only 21 of the trainees elected to plant small cocoa crops, whereas 42 have planted small areas in a new rice variety, IR 122, which province agricultural officials believe will produce 4 tons or more per hectare. Neither the experiment in cocoa nor that in improved rice varieties is sufficiently advanced to make any projections on increased income or production. There are indications however, that the trainees themselves are excited over the prospects of a 4 ton per hectare yield if their test plots do produce at that rate. They are likely to increase their plantings the following year assuming the taste of the rice does not produce unfavorable market results. Meals prepared with the new variety of rice were served on three occasions during the training year and the trainees themselves were quite enthusiastic over the taste comparing it favorably with their best local grains. It is too early to comment on expected results from the

25
1/13

second class of 53 trainees, except to speculate that they should do as well or better than the first group. The total improvement in cash income for the 45 trainees who are now actively farming is \$7,155 for the 9 month period ending February 28, 1985. This is an increase of \$765 over the average one year cash incomes of \$6,390 for the year preceding training.

Cost Per Beneficiary: The total cost of the start-up period was \$38,787 for both AID and non-AID costs. Half of this amount, \$19,393.50, was attributed to the cost of training the first years graduates. Training costs during training year one totalled \$50,691. Adding together the start-up and training costs, the total cost for training for year 1 was \$70,084.50 or \$1,557 per trainee. This is somewhat higher than the projected \$1,378 per trainee, primarily because only 45 trainees have actually graduated and initiated farming activities. It is still within reasonable limits for this activity.

The 45 trainees have benefited in receiving one year's training and as described earlier in this evaluation have actually increased their cash income.

b. End of Activity Projections: Based only on information to date, the goal will fall slightly short of doubling the income from \$120 in rice production for the year preceding the training. But it is expected to rise to \$230 in the year following training. This does not anticipate the likely fact that trainees will continue to increase the number of hectares under production as new rice strains become more popular and cocoa takes hold as a separate income producing activity several years hence. Taken together, therefore, there is every reason to believe at this point in time that the activity will reach or exceed its original goals.

As for continuation, the enthusiasm and hard work displayed by the first group of graduates strongly suggests that their activities will indeed continue for an indefinite period of time. The attitude of key members of the Emba Cooperative Movement has been exemplary. They now clearly perceive the intensive farming training program as a means of aiding farmers in the area as well as enhancing the Movement's status as a useful developmental organization. They have begun negotiations through the Katalan National Farmers Cooperative Movement to obtain additional funding either from the government or

other donors to contribute to a continuation and expansion of the program. They hope to bring these negotiations to a successful conclusion in the coming year.

The Emba Cooperatives have provided on average 12 volunteers at a time to assist in the training process, two more than originally anticipated. They are welcome additions to the activity. The Province Cooperative Movement does not see any role for itself in the marketing of rice for the farmers, since satisfactory marketing systems for rice are already in place. However, they do see a role in providing new varieties of rice seed for sale in other parts of the Province as well as other parts of Katalan at a premium price if the experiments now being conducted are successful. They are also eager to examine the possibility of a role in marketing cocoa once this product is available. However, this is a long term prospect since cocoa takes quite some time to develop and the amounts now planted are quite small. The Emba Cooperatives Movement entry would be a distinct plus for the Province. The Cooperative Movement in Emba Province has traditionally served only to provide consumer goods to its members.

Although enthusiasm is increasing for the intensive farming scheme in Emba Province and although FGI was forced to turn away more than two times the number of trainees accepted because of limited facilities and funds, it is too early to predict how, when, and by what means this approach might be expanded to other provinces in Katalan.

- E. Methodology. A major change in methodology was developed during the first year of training by allowing the trainees sufficient time to begin applying their training while the training activities were still underway. As mentioned earlier, this not only provided additional cash during the training year but also increased the enthusiasm of the trainees themselves as well as the enthusiasm of the latest group of trainees to be registered. FGI also will add three additional model farmers to the original three selected at the beginning of the activity. They will be selected from the best of the trainees to date, partly to show recognition to some of the trainees, but also to expand the number of points geographically where other farmers can visit to see the results of intensive farming methods. Under this activity, FGI provided certain agricultural supplies to the trainees during their first

year, including fertilizer and insecticides sufficient to cover only part of their crops. It was anticipated that increased income would allow the trainees to operate without additional support in this area during the second year. Although the trainees income has increased, they have not set aside funds to provide fertilizer and insecticides. FGI proposes to give them a second chance by providing these supplies during their second year with a clear understanding that no further agricultural supplies will be furnished to the trainees.

- F. Time Frames: As noted in FGI's initial six month report all targets were met for that six month period even though the country director was put in place one month late.

~~The single activity planned for the first evaluation~~ period was the training of the initial class of students. This was completed and on time.

Looking at the activities for the second training year, this evaluation completes item 10 which was to perform an evaluation at the end of training year 1. Regarding item 11 (initiate second year training), the fifty-three trainees have been recruited and their training has begun. However, Emba Province is now experiencing an unusual and serious drought which has brought field activities to a halt. It is quite likely that completion of second year training may be delayed by as much as six months which will increase the cost of the project somewhat in order to cover the additional time frame. When the impact of the drought has been determined, FGI may seek an extension and an increase in funds from AID.

- G. Assumptions: There has been no change in the assumptions as laid out in the original proposal.

- H. Evaluation: FGI does not plan to change its current approach to evaluation in the coming year but will add to the evaluation a close look at the prospects for further developing marketing activities by the Emba Cooperatives. FGI will also carry out several attitudinal surveys (conducted by cooperative volunteers) to determine the extent of the impact the training of approximately 100 farmers is having on other farm families in the Province.

- I. Financial Narrative: The funds have been used generally as outlined in the original budget proposal. The budget comparison which follows in the next section shows those minor variations which did take place. There were no

sub-grants or contracts made during this period although a cash advance was made to the Emba Cooperative Association to purchase duty-free supplies through the government's agricultural commodities system. A list of the supplies purchased during the period was submitted to USAID/Katalan and the Grant Officer approved the list of supplies required by the activity as documented in the activity records.

J. BUDGET

Item	First Six Months				Training Year One			
	AID		Other		AID		Other	
	Budget	Expenses	Budget	Expenses	Budget	Expenses	Budget	Expenses
1. Country Director - Salary	7,442	7,442			15,897	15,897		
2. Travel and Transportation - International	4,713	4,900						
3. Housing			1,800	1,800			3,600	5,200
4. All Travel In Country	826	626			1,653	1,190		
5. Secretary			1,100	1,100			2,200	2,200
6. Office Equipment (see attached list)	1,074	1,026			0			
7. Office Supplies	413	394			0	320		
8. Training facility (fair rental value)			2,500	2,500			3,000	5,000
9. Repair of training facility			2,800	2,300				
10. Equipment for training facility (see attached list)	4,174	3,786	5,000	5,900				
11. Supplies and Materials (see attached list)	268	470			2,807	2,680		
12. Living cost for trainees							12,000	11,900
13. Living costs for 10 Volunteers			600	1,139			1,200	1,048
14. Value of Volunteers			1,200	1,200			2,400	2,080
15. P&I Overhead	1,470	1,476			1,665	1,567		
TOTALS	20,320	20,180	15,060	15,959	22,021	21,654	26,400	26,028

AID/FVA/PVC:R Crnlg:005471