

May 22, 1975

INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, LA

FROM : LA/MRSD, Donor M. Lion 

SUBJECT: Issues Paper - Operational Program Grant (OPG) Proposal for Guatemala: CARE Rural Potable Water and Latrine Construction Program

A meeting of the DAEC will be held on Friday, May 23, at 2:30 p.m. in Room 6258 NS to discuss the subject proposal. This grant would provide \$250,000 over a three-year period (\$100,000 for FY 75) to CARE to finance construction of rural water systems and latrines, in the State of El Quiche for roughly 25,000 poor Indians. The project is also expected to have long-term benefits since it will be a demonstration project applying improved methodology. The introduction of water and waste-disposal facilities will improve public health and will have the additional benefit of enhancing rural development by involving community organizations capable of carrying out the projects.

CARE will engage an experienced sanitary engineer as project manager, to work out coordination of the project at all levels and anticipate any difficulties in either building schedules, supply and relations with the host government. Before completion of the project, an education program will be conducted to show proper use of the facilities, including maintenance procedures and personal and household hygiene. Host government counterparts will work closely with CARE technicians in order to learn skills needed for eventually conducting similar projects, without outside help, after a three-year training period. CARE intends to utilize an evaluation system which will identify implementation problems, solve problems through proper investigation and analysis, and ensure that feed-back information is used in minimizing future mistakes.

Additionally, the grant appears attractive to USAID/Guatemala because of its concurrence with an existing AIL loan program. By supporting the health TSRs (government paramedical technicians) located in El Quiche, their potential impact in their communities may be increased.

Funds are available if the OPG is approved.

Issues to be considered include:

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1. The CARE proposal states that AID would not be accorded prior review of the contract which CARE wishes to sign with the Ministry of Health. The USAID believes that the important inter-relationship which will be involved between CARE and the TSRs who are working in Quiche, as well as the resources required as the Ministry's contribution to this project will necessitate AID review of the draft CARE/Ministry of Health contract before signing the grant with CARE, and review of the final contract with AID approval as a condition precedent to disbursement of funds under the grant. Would this degree of USAID involvement be acceptable and/or desirable in a PVO project?

2. The budget annex of the proposal indicates that CARE will attribute \$15,768 per year as overhead cost for the administration of the project. However, page 38 of the proposal itself, sub-paragraph c), indicates that after the first project year CARE expects the Government of Guatemala to assume this administrative overhead payment. A close look at the budget, therefore, indicates that the total CARE contribution to this \$647,000 project will amount to \$15,768. It also notes that the grant proposes a 7% overhead fee for CARE headquarters operational cost, which over the life of the project amounts to \$17,500, the total CARE contribution to the project appears to be negative. Should the CARE contribution be increased?

3. The per capita cost of the proposed water system and latrine construction is in excess of \$25. However, appendix E of the proposal which summarizes potable water systems which have been constructed by CARE in Guatemala from 1963 to 1974 indicates that previous CARE experience for construction of water systems alone has been at a cost of about \$3.50 per capita. Is this wide difference understandable and/or acceptable?

4. The proposal does not spell out in detail the relationship which CARE expects to establish between its personnel and the Ministry of Health TSRs in Quiche. Since one of the important aspects of the proposal is the degree to which it supports the existing TSR program, is more information/emphasis needed?

5. The financial plan for this proposal indicates that the Ministry of Health will contribute a total of \$350,000 in materials. It is not clear how that contribution will be used in the project nor is it evident that the Ministry is planning to budget for costs other than materials which will be necessary to continue this project when the AID grant terminates. What specific indications are there that the host government will continue the project on its own?

6. The grant proposal does not address the issue of cost or procedures for maintenance of the water systems. CARE has indicated to the Mission that the community organizations will be responsible for maintenance and that a \$0.25 per month charge is being contemplated to defray maintenance costs. Should these plans for maintenance be added to the proposal?
7. Is this a proposal for a new project or is it a continuation of ongoing CARE/host government activities? How much of the proposed construction would eventually be done without this project? What is the advantage of having CARE involvement?
8. The proposal states that CARE will not attempt an analysis of the impact of the construction projects on public health (p. 42). Is this acceptable? Are the proposed evaluation procedures adequate?
9. What is the extent of benefit to women in the proposed construction (e.g., time saved in long distance carrying of water can be used in community involvement)?
10. The proposal mentions a possible \$7 million loan from the Inter-American Development Bank (p. 39). What are prospects for actual authorization of the loan? Would it permit funding of rural potable water development projects?
11. Are details of the education phase sufficient (p. 44)? Who will prepare the materials? Who will conduct the training? Does the host government already have a health education program in rural areas?
12. Who/how/when does actual project site selection take place? Is there a need/requirement for completion of feasibility studies? (Section 611 FAA.)
13. The proposal states that CARE has not had any experience in constructing latrines in Guatemala (p. 12). Will this factor be likely to cause any problems?
14. The proposal lists two project constraints: (a) CARE will have to "seek out the communities" that are suitable for and willing to have projects and (b) the counterpart agency is reluctant to decentralize operations (p. 25 and 26). Are the constraints obstacles to a successful project? Has CARE adequately planned in overcoming these constraints?
15. Have other similar projects been implemented in Quiche Indian areas? What difficulties were experienced? Are there cultural factors that should be considered prior to initiating projects here? (E.g., it has been noted on occasion that women prefer to have water sources some distance from their home, enabling them to chat with their neighbors on the way to the well.)

16. The proposal indicates CARE will ask the host government to match funding approximately dollar for dollar (p. 29). Is this acceptable to GOG? Has specific GOG approval for the project been obtained? What is the extent of GOG's concern in helping these Indians?

17. DAEC will discuss extent of required environmental considerations for the project.

18. The stated goal of the OPG is to turn all responsibilities over to the GOG agency by the end of three years. The document, however, does not indicate how this is to be accomplished, e.g., will the CARE personnel be hired by the GOG, will the GOG hire people to replace the Peace Corps Volunteers?