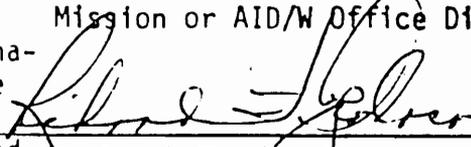


**PROJECT EVALUATION SUMMARY**  
(Submit to MO/PAV after each project evaluation)

<b>Mission or AID/W Office Name</b> Program Office, USAID/Chile			<b>2. Project Number</b> 513-0282
<b>Project Title</b> Small Scale Regional Development			
<b>Key project dates (fiscal years)</b> Project Agreement Signed      b. Final Obligation TO      c. Final Input delivered FY 78			<b>5. Total U.S. funding - life of project</b> \$ 110,000
Evaluation number as stated in Eval. Schedule  5	<b>7. Period covered by this evaluation</b> From: 9 / 76 Month/year      TO: 5 / 78 Month/year	<b>8. Date of this Evaluation Review</b> May 1, 1978 Month/Day/Year	
<b>Action Decisions Reached at Evaluation Review, including items needing further study (Note--This list does not constitute an action request to AID/W. Use telegrams, airgrams, SPARS, etc., for action)</b>  It was decided that the funds remaining in the project would be reallocated as requested by CIDERE Biobio.		<b>10. Officer or Unit responsible for follow-up</b>  Ault M. Nathanielsz	<b>11. Date action to be completed</b>  June 1978

<b>Signatures:</b>	
Project Officer Signature:  Typed Name: Ault M. Nathanielsz Date: June 26, 1978	Mission or AID/W Office Director Signature:  Typed Name: Richard F. Apodaca Date: June 26, 1978

UNCLASSIFIED  
CLASSIFICATION

AID-D-884 (8-62)

13. SUMMARY

Four Regional development organizations (CIDERE) have become self-sustaining entities with the assistance of this project. Overcoming start-up problems was more time consuming than originally envisioned but it appears that these birth pains are over. Four CIDEREs are functioning well and stimulating employment.

14. EVALUATION METHODOLOGY

This was a regular evaluation and in accordance with the evaluation plan. It was based primarily upon the report of the PVO responsible for the supervision of the project, i.e., CIDERE Biobio, together with an examination of the books and records of the PVOs involved and interviews with the presidents of PVOs involved. USAID, Ault M. Nathanielsz and Teresa Montalvo; CIDERE Biobio, Juan Raffo; CIDERE Maule, José Manuel Román; CIDERE IV Region, Juan Enrique Vargas; CIDEME, Gonzalo Díaz.

15. DOCUMENTS TO BE REVISED

Financial Plan       Other

16. EXTERNAL FACTORS

There have been no major changes in Project setting and the major assumptions remain valid.

17. GOAL/SUBGOAL

The program goal, "to provide income producing development opportunities to Chile's poorest persons". It is evident that the project is contributing towards the sector goal. The major achievement was to be the creation of employment for 9,000 people (2.25 million worker/days) created by the end of the second year over the present rate of non project assisted job creation. This measure has not proven to be useful for a large percent of the jobs created is "Cottage Industry" stimulated by the provision of a sure market. Time Records are not attempted in these cases. CIDEME alone has paid 5 million dollars to artisans for their products since the grant has been in operation.

## 18/19. FINDINGS ABOUT PURPOSE, OUTPUTS AND INPUTS

To support the growth of CIDERE Biobio, CIDERE IV Region, CODERE X Region, CIDERE Magallanes and CIDEME which help poor persons to gain employment establishing small scale enterprises using untapped natural resources and industrial byproducts.

The CIDEREs have a rather mixed record. This project has not directly contributed to the growth of CIDERE Biobio. CIDERE Biobio had to utilize its human resources to assist the other CIDEREs in the process of administering this OPG. Instead of CIDERE Biobio expanding into the VII Region as expected, a new organization, CIDERE VII (Maule) was created one year ago to work in the area.

The principal enabling linkage of the CIDEREs is to the local community businesses from which the bulk of their local contributions come as do their boards of directors. There is often a diversity of opinion regarding the activities that CIDERE should engage in. The original idea was to concentrate on adaptation and diffusion of applied technology. However, some boards of directors believe that because of particular regional characteristics, emphasis on developing infrastructure per se is more beneficial.

The CIDERE IV's development was impeded by such a dispute among members of its board of directors. This dispute has been settled and the board established a firm policy. CIDERE IV is now progressing well considering the very limited resources of their region. CIDERE Magallanes also had organizational problems at the beginning. However, in November 1977 they became legally organized and have been operating normally. CODERE in the X Region is inactive at this time. CIDEME in the Santiago area is not only conducting its own affairs in various business-like fashions, but it is also acting as an exporter and is encouraging the other CIDEREs to utilize its facilities and its technical abilities to export through it to the United States.

CIDERE Biobio is continuing to operate in the VIII region. CIDERE IV Region has been receiving private support which now averages monthly the equivalent of US\$1,433.00 which is approximately that which was predicted.

CIDERE Magallanes is receiving more than the US\$1,500 we predicted. It has been slower in organizing itself than we expected.

CIDERE VII Region is receiving a monthly average of US\$4,000 and we did not project their operations.

## 20. UNPLANNED EFFECTS

The project has had no unexpected results or impact. The failure of one of the CIDEREs was certainly within the realm of expectation. Even though it was basically expected that CIDERE Biobio would extend its area of operation to Region VII, the original request for the OPG envisioned the possibility of creation of then unanticipated CIDEREs and OPG support to them.

## 21. CHANGES IN DESIGN OR EXECUTION

The project was modified due to the creation of CIDERE VII. There has been as a result of the evaluation, a proposal to redistribute the remaining funds between CIDERE Magallanes, CIDERE IV and CIDERE VII in the following amounts:

	<u>Grant Funds</u>	<u>Grantee Funds</u>
CIDERE IV	33,100	20,250
CODERE X	14,000	7,000
CIDERE Magallanes	8,500	4,250
CIDERE Maule	<u>14,400</u>	<u>10,000</u>
	70,000	41,500
	<hr/>	<hr/>

1. CIDERE IV Region operates in the poorest region of Chile. At the time the original allotment of funds was made it was attracting a great deal of new support in terms of new members and increased contributions. We expected that due to the extreme needs of the population more funds would be utilized and we expected CIDERE IV would continue to attract local support for its activities and its membership growth rate was expected to continue to increase not taper off. The continued rate of growth in contributions has not

materialized. CIDERE IV has now reached a point where the development of new ideas and acquisition of new members has necessarily decreased due to limited resources in the area.

2. CIDERE VII has developed both an absorptive capacity and a counterpart funding capacity greater than that which was expected when it was originally allocated funds. It is now attracting an average of US\$4,000 per month in local contributions and has 16 programs which have just been or are ready to be initiated. One of the reasons for the fast growth of CIDERE VII is the fact that it is able to adapt easily to the work pioneered by CIDERE Biobio in VIII Region and expand those systems into its own region.

3. After a slow start, CIDERE XII Region was legally organized in November 1977 and is making further progress in attracting local support and developing ideas for small scale projects than was anticipated when funds were allocated to it in September 1977.

## 22. LESSONS LEARNED

Since each CIDERE is basically an indigenous local group, a particular pattern cannot be forced upon them. Obviously they can be encouraged and advised to grow in a particular pattern that is to follow the original CIDERE and be predominantly an Applied Technology extension service.

We also believe that the CIDEREs could become self financing if they took a more active part in the establishment of small scale businesses assisting those small scale enterprises to obtain financing and management skills to get over the early problems that small businesses encounter. In return for this technical assistance, and access to financing, the CIDEREs could take equity positions in such businesses. CIDERE Biobio has rejected this course of action believing that a non-profit corporation should predominantly depend upon the financial support of the community. Others have not reached this stage.

23. SPECIAL COMMENTS AND REMARKS

The Mission believes that the CIDEREs are an innovative approach to development which should be copied in other LDCs. However, the key element to successful CIDEREs is good management of the CIDERE which requires a relatively high salary paid to the General Manager.