

CLASSIFICATION
PROJECT EVALUATION SUMMARY (RES) - PART I

Report Symbol U-447

632-020901501 ①

1. PROJECT TITLE Village Industries (Mohair)		2. PROJECT NUMBER 632-0209	3. MISSION/AID/W OFFICE USAID/Maseru
5. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent FY <u>78</u> B. Final Obligation Expected FY <u>79</u> C. Final Input Delivery FY <u>80</u>		4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY)	
		<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	

PD-AAI-397

6. ESTIMATED PROJECT FUNDING A. Total \$ <u>500,000</u> B. U.S. \$ <u>500,000</u>		7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>October 1978</u> To (month/yr.) <u>September 1979</u> Date of Evaluation Review <u>May 24, 1979</u>
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B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
Release of FY 80 funds for second segment of Project Implementation Letter.	J. Carney R. Bonnafon	July 20, '79

11. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS <input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan, e.g., CPI Network <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T _____ <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P _____	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input checked="" type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
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11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles) Joyce Mortimer, Human Resource Division, REDSO/EA Joseph Carney, HRDO, USAID/Lesotho Marshall French, Director, CARE/Lesotho (See others contacted during evaluation on memo face sheet).	12. Mission/AID/W Office Director Approval Signature: <i>Frank W. Campbell</i> Typed Name: Frank W. Campbell, A/Dir. Date: June 22, 1979.
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UNITED STATES GOVERNMENT

Memorandum

TO : Alexander R. Love, Director, REDSO/EA
THRU: Brandon Robinson, Chief, Human Resources Division

DATE: May 24, 1979

FROM : Joyce R. Mortimer. *JRM*

SUBJECT: Trip Report, Lesotho, April 22-May 18, 1979

Purpose: (a) Project Paper preparation for Phase II of Lesotho Instructional Materials Resource Center (IMRC); and (b) Evaluation of the CARE-Lesotho Village Industries Project (Mohair)

Please refer to Morgan Gilbert's trip report (May 18, 1979) for a synopsis of the IMRC PP preparation. Attached is a copy of the evaluation (completed May 18, 1979) to cover the first AID-funded stage of the CARE project, i.e., September 25, 1978 through September 30, 1979. This evaluation is not necessarily too early since some version of the project has been in operation since 1975.

Persons Contacted during Evaluation

Mr. Marshall French, Director, CARE-Lesotho
Mr. Monroe Gilmore, Project Manager, CARE-Lesotho
Mr. Dennis O'Brien, Director, Catholic Relief Services

Ms. Karen Nelson, Regional Manager, FRIDA Foundation
Ms. Virginia Caye, Project Director, National Council of Negro Women
Mr. Soel Poee, Staff Member, CARE-Lesotho
Ms. Mathulo Masilo, Field Collection Classifier, Handspun Mohair Project
Ms. Lorraine Nthabiseng Siema, Field Collection Recorder, Echair Project
Mr. Kabelo Mahase, Field Collection Officer, Mohair Project
Mr. Lira Mocketetsa, Co-operative Education Officer, Mohair Project
Ms. Jean Frisby, Marketing Specialist, CARE-Lesotho

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G. Rublee
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RLA



13. SUMMARY

This CARE Village Industries Project is being funded by several donors, with AID financing approximating 10%, or \$500,000 of total project costs through October, 1980. Specifically, AID funds are being utilized for procurement of raw mohair and personnel support. Objectives of the grant are:

- (1) to provide partial support for training approximately 5,000 rural persons in spinning raw mohair into quality yarn;
- (2) to develop approximately 50 co-operatives to provide such services as procuring raw mohair, providing credit to spinners, and collecting, grading and stroing finished yarn; and
- () to establish a secondary co-operative organization which eventually would administer the project (September 25, 1978 USAID/Maseru)

The Project Authorization-Part II states that AID funds are to be used to provide assistance to CARE "in financing the cost of developing village-level production units to spin mohair yarn and co-operative organizations to procure raw mohair for the spinners and to store and market the finished yarn." (September 14, 1978 OASARAC ARDO)

Based on this evaluation it is recommended that funding be continued for this project. It is sound despite slight lags in adherence to the projected time frames for the various sub-goals, e.g., development of co-operatives. Modifications have been made whenever necessary throughout the pilot and AID-funded phases of the project.

Lack of employment opportunities and marketable skills are major contributing factors to significant Basotho out-migrations to urban centers and to the Republic of South Africa. CARE is assisting the Government of Lesotho to increase development potential of the rural areas. Project success has been hindered by a number of technical and organizational problems, most of which have been identified and corrected, to the extent possible, by the staff. The recommendations of a consultant specialist in small industries development will be reviewed with a view to integration into a long-term program.

The project ran two years (1975-1977) as a pilot, during which time the training and production activity was begun. Field testing was carried out to determine, and if necessary correct, administrative and organizational patterns. Other factors related to feasibility of the project in terms of quality production, market potential and economic viability were also reviewed.

During this pilot phase the Ministry of Rural Development provided support for the successful development of a locally-manufactured spinning wheel for about \$30 (imported wheels cost over \$150). Ministerial and department-level assistance has also been made available from the Ministry of Agriculture. The project's co-operative structure was designed with assistance from the Department of Co-operatives, which also taught

spinning groups the fundamentals of Lesotho Co-operatives laws and by-laws. Spinning groups were registered as primary co-operatives by the Department. During the reporting period, when a class of raw mohair used by CARE was unavailable due to increased GOL export sales, the Department of Co-operatives arranged for CARE's Project Management Unit to obtain the required quantities of that class of mohair. The Ministry of Rural Development and the Central Planning and Development Office have assisted in the planning and coordination of project activities with other interested non-governmental organizations. The National University of Lesotho has been involved with the project through the Institute of Extra Mural Studies (IEMS), which assisted in the project's development and implementation. (The credit union movement was established in Lesotho largely due to IEMS staff efforts.) In addition to assisting in the design of the project's co-operative education program, IEMS has provided staff and funds to help implement this aspect of the project.

UNDP has supported the project at all stages through a grant from UNICEF for vehicles and payment of spinning instructors and salaries.

14. EVALUATION METHODOLOGY

The Grant Agreement specifies that a financial and management evaluation be undertaken before disbursement of the balance of grant funds (\$351,073). In addition CARE staff have submitted the two required first and second trimesteral reports assessing the project's financial status and intermediate goals. These reports cover the period July, 1978 through February, 1979. Output figures will be furnished in the Third Trimester report. It was possible to synthesize them into this report due to the fact that the evaluation was completed in one week. CARE also made available the outside consultant's full report on the Possible Causes of Decreasing and Low Productivity among the Project Participants of CARE's Village Level Small Industries Project as well as internal working documents. Staff members were available for discussion also.

15. EXTERNAL FACTORS

There is support for this project by various Ministries concerned, i.e., Ministry of Rural Development, Ministry of Agriculture and Department of Co-operatives. The Permanent Secretary for Planning and Development has also registered his support in a letter dated May 4, 1979, by formally stating that the GOL would like to see an increase in production through labor-intensive utilization of the

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van Drunen-van Haren, Laetitia. June, 1978

projected 5,000 spinners by 1983. CARE, through in-house studies, has determined that improvements to the spinning wheel could increase spun mohair production to a significant degree with fewer than the targeted 5,000 spinners. While labor-intensive methods are not viewed by CARE as a constraint to ultimate project efficiency and production, it will require further discussions with the Government of Lesotho.

Plans are under discussion to construct a wool mohair processing plant in Maseru. Processing could then be carried out in-country rather than in Port Elizabeth, South Africa. Processing entails sorting, teasing, carding, spinning, and washing mohair. For the present, an economic fact of life for economically straitened Lesotho is that the South African Mohair Board (SAMB) provides subsidies of various kinds in the area of mohair processing. Problematic to decreasing Lesotho's dependency upon SAMB over the next 5-7 years is the strong competition from established firms in the RSA. Some of these firms (e.g., Gubb and Inggs of Uitenhage and O.T.H. Beier of Durban) are interested in constructing a scouring plant with the strong likelihood of a combing plant to follow. These firms can avoid the economic constraints of the mohair industry for many reasons. O.T.H. Beier already buys approximately 60% of the Lesotho clip; Gubb and Inggs also buy a portion. Both firms are scouring and combing already. By establishing a plant in Lesotho they simply could expand their existing production. According to Simon Taylor, Technical Advisor, CARE-Lesotho, it is probably just as economical for these firms to expand into Lesotho where a good deal of their raw material comes from rather than expanding at their present locations where land and labor are much more expensive. Taylor has also noted that the "very fact that both companies are so keen to invest in such a plant...(both are well experienced and established in woolen and worsted processing) points to an economic viability.

16. INPUTS

Two major constraints to successful project implementation are: (1) costs and markets; and (2) availability of raw materials. Prices for raw mohair have increased dramatically during the past several years. During the pilot phase in 1975, raw mohair cost less than \$2.00/kg. The 1978-79 cost for the same quality rose to \$12.14 due to increased world demand. On the basis of values realized during 1978-79 at Port Elizabeth auctions where Lesotho mohair is sold, prices are projected to remain firm for the foreseeable future.

It should be noted that CARE currently sells raw mohair to spinners for the subsidized price of R6/kg., while it is purchased for R9.60/kg. The difference is picked up when the yarn is spun and sold. Spiraling prices are a source of concern since some of the Lesotho craft centers may be forced out of business. Additionally, the price of the raw material has resulted in the introduction of brand lines which, while offering many of the characteristics of mohair, are in fact, either synthetics or plain wool.

CARE has also advised GOL policy-makers that it will be necessary-- before project management devolves to the national Secondary Service Industries Co-operative (SISSCO) in 1983--to take a closer look at constraints to employment-generating opportunities (through local hand processing of mohair) caused by the sharp rise in prices, with a view toward creating a favorable environment for resource investment. In terms of a specific recommendation, staff have suggested that the Ministries of Agriculture, Commerce and Industry, Rural Development, and the Central Planning and Development Office should jointly discuss issues relevant to the mohair industry since those producing mohair do so by exploiting natural resources (land and water) belonging to the nation as a whole. It will, therefore, be necessary for the GOL to develop a policy supportive of a more rational use of mohair to generate rural employment, i.e., provision of needed incentives for rural job creation while ensuring fair prices for mohair producers. Regarding raw material availability it may be difficult to be flexible to the degree required to meet market demand for new and different lines of yarn due to prescribed limitations on source origin of raw materials.

As noted earlier, a mohair processing plant is planned for construction in Maseru where tops will be produced. (Mohair tops are continuous lengths of overlapping fibers used as cores for some types of fluffy yarns.) Until it is built, however, mohair tops are obtained from the SAMB at subsidized prices equivalent to the cost of raw unprocessed mohair. Because of U.S. Government restrictions, CARE Headquarters, New York, purchases the tops to preclude restriction of potential markets and project viability. CARE project donors are reluctant to grant funds that will be directly spent on processing costs in the RSA although the raw material originates in Lesotho. Due to geographic and economic realities, it should be noted that about 90% of the mohair processed with donor funds ends up as finished products in the RSA.

Project limitations now (and in the future) relate mainly to the ability of the Small Industries Secondary Service Co-operative (SISSCO) to service primary; or village-level co-operatives in terms of yarn collection and marketing. About half of the yarn produced so far has been from raw mohair obtained directly by spinners from farmers or their own animals. CARE has also provided raw mohair for use during the training of new spinners (trainees can buy all necessary equipment: teaser, carder, spinning wheel, special soap, and raw mohair, from CARE for R62 or about \$75) to be re-paid on installment). By the end of the second report period, both CARE-supplied and spinner-supplied raw mohair were about equal.

17. OUTPUTS

CARE has identified the following indicators to measure progress toward achieving the project's final goal of providing 5,000 rural participants the opportunity to increase their income by an average of up to \$192 per annum:

- (i) number of spinners trained -- 909 through May 18, 1979. CARE-Lesotho projected training 851 spinners during FY 78, 965 by the end of FY 79, 600 more during FY 80, 1,000 during FY 81, 1,200 during FY 82, and the remainder of the projected 5,000 during FY 83;
- (ii) average number of active spinners (see chart); and
- (iii) average net income per spinner (see chart).

The project management unit collects the required data and produces reports from which these indicators are quantified.

There have been consistent shortfalls in the number of kilograms produced per spinner throughout the reporting period--largely due to the fact that monthly average production projections had been unrealistically high. (It was initially projected that spinners could produce 3.5 kgs. of spun mohair per month. This has been revised downward to 2-2.5 kgs. since it takes approximately 25 hours to produce 1 kg. of spun mohair; and this is only a part-time activity for the spinners.)

Over the past two years (through May 1, 1979) the project has trained 909 spinners (Khanyetsi 105, Makabelane 42, Mants'onnyane 166, Mazenod 20, Moitsupeli 41, Nyakosoba 150, Peka 20, Ramabanta 121, St. Michel's 130, and Thaba Tseka 114). As spinning groups complete their co-operative education, provided under the project, they are registered as primary producer co-operatives. To date, only three have been formed with a fourth scheduled by the end of July. This aspect of the project has been slow due to organizational problems which have since been corrected. They ranged from overly optimistic output projections per spinner, to machinery breakdowns, to personnel problems which at one point decreased efficiency and influenced staff morale.

In addition to co-operative education for spinners, training is also provided for managers of the primary co-operatives. Upon completion, they gradually take over responsibility for supplying raw mohair, replacement of parts and material for spinning wheels and purchase of waste mohair and spun yarn from project spinners. These managers are also trained to maintain proper record of purchases and sales, and financial accounts for the primary co-operatives.

At the national level, project staff are being trained to take over the management and operation of activities by 1983. This group will be registered as a SISSCO operation as soon as the first nine primary co-operatives have been registered (most likely during FY 80). All project assets will be channelled into SISSCO, which will exercise full authority over project operations after 1983. The margin between the purchase price at the primary level and the sales price at the secondary level is used to pay overhead and to ensure economic viability of the project, and ultimately of SISSCO.

Location	DATA ON SPINNERS (APRIL, 1979)				
	No. of Spinners	No. Active Spinners	Wt. in Kgs.	Money Rec'd (Rands)	Per Capita
Khanyetsi	105	70	99	1,061.41	15.16
Makabelane	42	30	33	360.96	12.03
Mants'onyane	166	67	66	655.52	9.78
Mazenod	20	14	32	349.89	24.99
Moitsupeli	41	31	35	374.30	12.07
Nyakosoba	150	84	79	842.71	10.03
Ramabanta	121	53	38	463.20	8.74
St. Michel's	130	94	184	2,038.69	21.69
Thaba-Tseka	<u>114</u>	<u>14</u>	<u>35</u>	<u>424.78</u>	<u>30.34</u>
TOTALS	889	457	601	6,571.46	144.83

If the numbers of spinners were to remain constant, per capita projected earnings for 12 months would be: Khanyetsi - R181.92; Makabelane - R144.36; Mants'onyane - R117.36; Mazenod - R299.88; Moitsupeli - R144.84; Nyakosoba - R120.36; Ramabanta - R104.88; St. Michel's - R260.28; and Thaba-Tseka - R364.08

In terms of intermediate goals, CARE has noted the following indicators against which to measure progress toward successful establishment of an economically viable village-level co-operative mohair production program by 1983. More

- (i) number of primary co-ops formed - there are now 4;
- (ii) number of primary co-ops registered - there are 3;

More explicit data on the other village-level goals (these should be termed objectives so as not to confuse them with AID program terms) can be provided in the next trimestral report in July, 1979.

- (iii) number of registered members;
- (iv) number of primary co-ops operating independent of the project management unit/secondary service co-op in terms of mohair procurement and supply and spun yarn collection, payment, etc.
- (v) number of primary co-op managers trained;
- (vi) net earning of individual primary co-ops as determined by an annual audit conducted by the project management unit/secondary service co-op.

Following are CARE-Lesotho indicators for the intermediate objective of development and effective operation of a national co-operative entity to administer the village-level program and national marketing program by 1983. Data can be provided in the next trimestral report since there was insufficient time for collation of the available figures.

- (i) number of national staff completing management training;
- (ii) number of national staff functioning independently of an international counterpart;
- (iii) number of established posts at the supervisory level above filled by national employees;
- (iv) percentage of elected representatives attending board meetings;
- (v) percentage of scheduled board meetings held;
- (vi) number of approved financial and inventory control systems effectively implemented as determined by independent auditors;
- (vii) percentage of scheduled co-op courses completed,
- (ix) percentage of projected sales achieved;
- (x) percentage of economic viability compared to projections to be determined by the preparation of monthly profit and loss statements by independent auditors;
- (xi) percentage of projected margin on sales achieved;
- (xii) SISSCO financial inputs to the project compared to projected inputs;
- (xiii) inputs into the SISSCO capitalization funds compared to projected inputs.

18. PURPOSE

The purpose of the Village Industries Project is being achieved: to generate employment opportunities in rural areas through provision of skills training to rural dwellers and establishment of a viable apex co-operative structure. An off-shoot activity of this project can also be cited as a purpose-level achievement, i.e., the artisans who manufacture the spinning wheel and related items from local equipment. While the raw materials (pine and wheel rims) are purchased from the Republic, the spinning wheel design is such that most repairs can be made on site, or within Lesotho if village repair is not practical. Refer to chart under output for further information. Intermediate goals of this project however, are only now being achieved:

- (i) to establish an economically viable co-operative program at the village-level for the production of spun yarn and other value-added articles using mohair; and

- (ii) to develop a national co-operative entity to administer the village-level program and national marketing program.

The slow start in this area can be attributed to the organizational problems noted on page five, paragraph two.

20. BENEFICIARIES

Direct beneficiaries of this project include:

- (i) rural dwellers, the majority of whom are women, who are given intensive training in hand processing of raw mohair into spun yarn;
- (ii) Co-operative managers and accountants; and
- (iii) fifty-four Basotho staff directly connected with headquarters operations. (There will only be four expatriate staff members permanently involved in the project.)

As far as indirect beneficiaries are concerned, the CARE Village Level Work Facility (VLWF) Self-Help Construction Project is in direct support of this project. Small Village workshops and offices for the primary producer co-operatives registered under this project are to be constructed by CARE. A processing and dye plant will also be established. While CARE is not directly involved in animal husbandry and grazing control, the GOL has the capability to organize and manage such a program and considers this project as an important step toward increasing farmers' awareness of the importance of improving the quality of their mohair production. This largely is due to the high visibility of the project's activity in the mohair producing of the country. Many spinners and their husbands own mohair goats from which they obtain mohair for spinning.

21. UNPLANNED EFFECTS

Unplanned effects of a potentially positive nature relate to a number of projects based on the CARE project concept of village-level production being considered by other organizations. For example, the Lesotho National Development Corporation and the Irish Government under their AID program to Lesotho are looking into the possibility of establishing village-level production of hand-knitted sweaters. There has also been an increase in the number of spinners being taught by Village Industries Project participants. In one area (St. Michel's) there are 130 trained spinners. CARE originally taught 20 people.

A short-term negative effect concerns spinners' misperception of their relationship to CARE and their future relationship to SISSCO. A number of them still feel that they are employees of CARE, an international

organization (read long-term employment security). This is being corrected by emphasizing the project logo on letterhead and the Lesotho newsletter, as well as emphasizing the co-operative business aspect of the operation. This is achieved by informing all participants of general sales trends, other nations buying the finished product, etc.

22. LESSONS LEARNED

The Lesotho Co-operative Handicrafts (LCH) was organized during the First Government of Lesotho Plan to market handicrafts. They are presently selling crafts from approximately 3,000 producers with a turnover of about R200,000 per annum. During the CARE pilot project LCH attempted to market spun yarn produced under the project without success. This lack of success was based on the fact that yarn markets are significantly different from handicraft markets. This experience caused the project staff to develop a separate marketing arm in order to reach yarn markets.

An improved communications network is vital for all individuals and organizations concerned with the project to minimize CARE's image as a middleman. CARE staff realize that it is necessary to neutralize sex roles vis-à-vis spinning for women and management roles for men. Based on other project experiences CARE is also trying to ensure, for the present at least, that the scale of the project does not exceed the market's ability to absorb the product.

23. SPECIAL COMMENT OR REMARKS

The impediments to project viability noted in the text are being addressed. Additionally, during the 1980-1982 stage, CARE-Lesotho projects to conduct remedial training for active spinners and other participants, if necessary. In sum, this project appears to be on a relatively sound footing due to the business and technical management capabilities of the CARE staff (e.g., an accounting manual has been printed operational flow charts for each aspect of the project, a marketing overview identifying ways in which the project has progressed, etc.) as well as a strong commitment on the parts of the GOL and Basotho project participants.

A financial statement on the first portion of grant funds is attached. (Bob B. has this on file).

Bonaffon - Controller, USAID/Lesotho

If an observation were to be made it would be to note that at this stage the project provides a source of income for female de facto household heads, and sometimes their daughters. During the 80's, however, there will be a significant reversal of the large male exodus to South Africa. This will be due primarily to population dynamics (the white population is growing at about 1.4% per annum; "coloureds", 1.6%; Asians, 2.3% and blacks, 2.46%). All of the natural black increase cannot be absorbed by 'homeland' territories. Hence, a potentially explosive situation will have to be diffused by the South African Government; and the GOL will have to find alternative means to absorb the returning workers.

No donor organization can help ameliorate all the problems of LDC nations--CARE/Lesotho's success seems to be based on a solid organizational image and a reluctance to expand in too many areas without first studying the potential for success. At some point, however, donor agencies will have to jointly examine the feasibility of coordinating and integrating their projects/components to take into account the needs of Basotho family units and the potential for disruption of successful projects due to the return of so many under- and unemployed men.

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8-17-78

AGENCY FOR INTERNATIONAL DEVELOPMENT
ADVICE OF PROGRAM CHANGE

Abstracted
8/29/80

Country : Lesotho
Project Title : Cottage Mohair Industry
Project Number : 632-0209
Appropriation Category : Security Supporting Assistance
Intended Obligation : \$500,000

The purpose of this Advice of Program Change is to identify the intended obligation of \$500,000 through an Operational Program Grant to the Cooperative for American Relief Everywhere (CARE), a qualified Private Voluntary Organization (PVO).

Lesotho is one of the world's major producers of mohair. In the past, however, virtually all of the mohair used in Lesotho has been re-imported as yarn. It is therefore of substantial potential advantage to Lesotho that the value added by processing in the country should be maximized and the return from such operations accrue to poor people in Lesotho. This project contemplates accomplishing this through cooperative action.

CARE has worked closely with the authorities of the Government of Lesotho and with rural people to develop a framework for programs of training in the spinning of mohair by 5,000 Basotho women and to form a network of 50 cooperative societies to provide services such as collecting, grading, processing and marketing. The women who perform the spinning will benefit by receiving additional income as a result of their cottage-based operations. The country will benefit by having a substantial addition to gross domestic product and by creation of a substantial number of jobs as the product is processed and transported. The program will be carried out over a period of 24 months from October 1978 to September 1980.

The project funding will be used in conjunction with funds from other sources for working capital for processing, spinning and marketing operations and for consultation and training services for a small weaving program. The other sources of funding are CARE which is contributing \$1,800,000, and the Federal Republic of Germany which is contributing \$2,500,000.