

49702400
 PD AAD-844-A1

I. PROJECT IDENTIFICATION

1 PROJECT TITLE
 COMMUNITY DEVELOPMENT FOUNDATION - DEVELOPMENT PROGRAM GRANT
 (CDF)

497-22-810-240

3 RECIPIENT (specify)
 COUNTRY _____
 REGIONAL _____ INTERREGIONAL Worldwide

4. LIFE OF PROJECT
 BEGINS F 75
 ENDS FY 77

5. SUBMISSION
 ORIGINAL May 7, 1975
 DATE
 REV. NO. _____
 DATE
 CONTR./PASA NO. _____

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMOD- ITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US <u>20p</u> (U.S. OWNED)		
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY (A) JOINT (B) BUDGET	
1. PRIOR THRU ACTUAL FY												
2. OPRN FY	352											
3 BUDGET FY	448											
4 BUDGET +1 FY	400											
5. BUDGET +2 FY	-											
6. BUDGET +3 FY	-											
7 ALL SUBJ. FY	-											
8. GRAND TOTAL	1,200											

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT
SCF/CDF	CASH	\$238,408

III. ORIGINATING OFFICE CLEARANCE

1 DRAFTER PHA/PVC/OPNS, Erwin W. Wendt	TITLE Program Development Officer	DATE
2 CLEARANCE OFFICER PHA/PVC/OPNS, Cleo F. Shook	TITLE Associate Director	DATE

IV. PROJECT AUTHORIZATION

1 CONDITIONS OF APPROVAL
 PHA/PVC, John A. Ulinski, Jr.

2. CLEARANCES

BUR OFF.	SIGNATURE	DATE	BUR OFF.	SIGNATURE	DATE
PPC/DPR	A. Handley		NESA/TECH	D. Steinberg	
LA/MRSD/SCD	M. Zak		EA/TD	E. B. Marks	
AFR/DP	R. G. Huesmann		PHA/PRS	D. McMakin	

3 APPROVAL AAG OR OFFICE DIRECTORS SIGNATURE Harriett S. Crowley TITLE Acting Assistant Administrator, AA/PHA	DATE	4. APPROVAL A/AID (See N.O. 1025.1 VI C) SIGNATURE	DATE
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INTRODUCTION - Background of SCF/CDF

The Save the Children Federation (SCF) was organized in 1932; the Community Development Foundation (CDF) was organized in 1957 as a sister agency. SCF/CDF has dedicated its efforts to assisting the poor wherever located. Its programs over the years have reflected the changing philosophy towards the needs of the poor. Originally, SCF concentrated on assistance for the individual child. A modified approach to emphasize the community and self help approach involving adults in a wider development process was adopted after 1957. In 1972 a high impact program for increasing project effectiveness through geographical concentration, consistent methods, increasing accountability and evaluation was inaugurated. Now CDF, in further evolution of its approach, is placing emphasis on expanding the community-based development process through institutionalization and replicability.

CDF has consultative status with the United Nations Economic and Social Council and with UNICEF. It is registered with the Department of State's Advisory Committee on Foreign Aid. Both CDF and SCF have a cooperative relationship with the American Council of Voluntary Agencies for Foreign Service and the International Council of Voluntary Agencies with representation on various committees. A thirty-six member Board of Directors sets policy and oversees the organization's activities. The present staff consists of 90 at headquarters and 138 field personnel.

This DPG is intended to improve SCF/CDF's capabilities to plan, manage and evaluate grass-roots-level integrated rural development (IRD) programs. SCF/CDF is presently implementing such programs in several LDC's with encouraging results, but has requested AID support to enable it to move more completely into IRD with a continued strong community development focus. The DPG would provide intensified and more sophisticated training in the techniques and substantive aspects of IRD for SCF/CDF and host country staff, would enable SCF/CDF to expand its pool of resource persons in the various necessary technical areas of expertise, and would strengthen SCF/CDF staff capabilities in program planning and evaluation. The ultimate objective of the DPG, together with operational grant support of programs in selected LDC's, is to assist SCF/CDF help selected LDC's institutionalize the ability to support and replicate community-focussed IRD programs, through pilot demonstration programs and training of host country personnel in IRD concepts and techniques.

PROGRAM SUMMARY

The objectives of the Save the Children Federation/Community Development Foundation Development Program Grant (CDF) are (1) to improve CDF's capacity to plan, manage and evaluate a program of community-based integrated rural development in selected LDC's, and (2) to enable CDF to initiate or expand programs in six LDC's. The ultimate goals of the program are (1) to improve the economic and social well-being of low-income persons in rural areas through increased income from agricultural production and off-farm employment, and through improved health services, education, and other programs of priority to assisted communities, and (2) to demonstrate a low-cost approach to achieving these goals, based on maximum community participation and self-help efforts, for institutionalization within and replication by host-country institutions.

CDF is presently active in nine LDC's and four intermediate-income countries, as well as Europe and the U.S. CDF's program in the LDC's at present consists about 50% of older, somewhat piecemeal, often welfare-oriented child sponsorship or other programs, and about 50% newer "multi-purpose high-impact" community development (CD) programs. It is this latter program that PHA/PVC proposes to support and build on, and CDF has stated its intent to transfer resources into this newer program, and to consolidate its older programs during the DPG period.

The requested AID grant will enable CDF to add the following components to its program: a program planning and evaluation specialist; an applied research specialist; increased use of technical consultants for program planning and execution; expanded basic training in rural and community development, and advanced training for key personnel in planning and execution of community-based integrated rural development; and three additional headquarters program officers and seven local management aides.

The basic objectives of this assistance are to help CDF transform its present community development program into a community-based integrated rural development program, and transform its somewhat random, isolated program benefitting only a few thousand people per location and heavily operational in focus, into a program whose principal objective will be not only to benefit its recipients but also to select those situations where it can institutionalize itself within the appropriate host-country government or other institution(s) as a model for replication throughout the country, using local human and financial resources.

At the same time that there is a growing interest in integrated rural development or regional development programs in many LDC's, there is also a growing recognition that to be fully effective there must be "bottom-up" as well as top-down planning and involvement in these programs, to provide proper linkage between the intended beneficiaries--the rural poor--and higher-level regional and national planning and programs. A revival of the community development approach is felt to be important to achieve this linkage, provided it is accompanied by (1) an improved capability to plan programs and take more systematic account of all constraints to development within the macro as well as the micro context, and by (2) the improved technical and management capability needed to implement effectively an integrated program at the local

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as well as at higher level. CDF proposes to include these considerations in its future program activities.

The DPG will also enable CDF to expand its program selectively, and although approval of the DPG will imply no AID commitment to fund any CDF country programs except as they may be separately approved, it has been assumed in designing the DPG proposal that OPG or other AID funding would become available for partial support of new or expanded CDF programs in six countries. The countries for which CDF has submitted OPG proposals or which otherwise appear of interest either to CDF or AID are listed on Attachment A to this memorandum. Of these countries, prospects for AID funding already appear highly probable in Cameroon, Upper Volta, Tunisia, and Laos; good possibilities appear to exist in Liberia, Ghana, Vietnam, Honduras, and the Dominican Republic; and the other twelve countries listed are at varying stages of development. A projection of AID funding in six countries therefore appears not only realistic, but conservative.

The funds requested from AID total \$1,200,000 over three years (May 1, 1975 - April 30, 1978). It is anticipated that CDF should be able to support from its own resources the ongoing costs of the program in the fourth year. The DPG as a percent of total home office costs is 34% for the three years of AID funding. Projected OPG funding during FY 76-80 is only 9% of projected total CDF field expenditures. Combined DPG and OPG funding for five years is 11% of projected total expenditures. CDF's revenue projections for this period are based on past experience and projected at a lower rate of increase than has occurred during the past few years; and it is encouraging that they are on target with respect to FY 1975 despite the recession.

RATIONALE

Analysis of the results of development assistance allocated over the past three decades has led to increasing attention being directed to several key facts and issues. Among the most important of these issues are:

(1) That approximately 700 million people in the developing world have an annual per capita income equivalent to \$50 or less and that these income levels have grown little if at all as a result of capital-intensive development efforts;

(2) That the circumstances facing these "absolute poor" are likely to get worse if population continues to expand rapidly while productivity remains stagnant;

(3) That rapid rates of population increase in areas of poverty generally decline only when basic economic and social needs are met;

(4) That most of the 700 million absolute poor live in rural villages and that externally-induced productivity increases and social changes rarely succeed unless the community itself has been involved in the planning and implementation of manageable projects;

(5) That each of the critical issues facing the rural community -- productivity, nutrition, health, shelter, appropriate education, and integration within district, regional and national institutions -- must be confronted as an interactive system and dealt with in an integrated way; and

(6) That rural communities generally possess underutilized land, labor, and even capital which can be mobilized with relatively small amounts of properly-coordinated financial and technical assistance.

CDF believes the evidence supporting these conclusions is increasingly persuasive. Their experience in several hundred rural villages in the LDC's has produced much preliminary evidence that significant improvements in productivity and in social life can occur through the mobilization of community-level resources. CDF's community development approach ensures that the program impacts directly on the lowest-income majority, and that there is maximum local participation in planning and executing the program. This includes maximum participation of women in determining program priorities. In giving emphasis in the LDC's to rural programs, and in activities raising productivity and income, CDF is a vehicle for substantially increasing food production and small-farmer income, and for other labor-intensive activities reducing unemployment and underemployment in the rural sector.

The focus on increasing small farmer production appears particularly interesting in view of recent evidence that small, labor-intensive farms are in fact more productive per acre for many crops than larger, more mechanized farms. Rural health services, including nutrition education and family planning, are also generally an element of the program, as are a variety of non-formal training programs (including use of various audio-visual

techniques) to raise rural productivity and well-being. Finally, CDF as a matter of policy tries to ensure that there is minimum ecological and cultural disruption from its activities, and maximum preservation and reinforcement of positive elements in the local cultural heritage, as well as maximum utilization of local materials, labor, and money.

CDF also expects to expand its single pilot-community approach to include the typical configuration of a district market town with a number of surrounding villages and hamlets. In the past there has generally been a concentration on only one such village. An emphasis on district-level development and integration offers the possibility of reaching a significantly larger number of people in a more cost/beneficial way through allowing coordinated technical assistance and training to be provided an integrated cluster of villages and towns.

It seems clear that in the near term the rural poor will have to deal with the interrelated set of constraints defining their every day circumstances in the areas where they are now living. Urban migration offers no solution to present day problems, and one of the few approaches offering any expectation of improving the lot of the rural poor is an integrated approach that considers the entire system of constraints and develops a coordinated plan of action which deals with each of them at the proper time. Although final conclusions cannot yet be drawn, there is adequate evidence to suggest that a community-based, participatory approach to the problems of the rural poor is an essential variable in the development equation. At a minimum it is critical that this hypothesis be tested in a variety of culture areas and economic conditions to determine more systematically the effect of a focus on the rural community in national development. CDF's programs include a number of activities emphasizing institutionalization and replicability, which offers the probability of project results having an impact beyond their direct benefits.

COURSE OF ACTION

The implementation plan and schedule involves the following principal elements:

(1) That new headquarters personnel will be recruited and given orientation beginning May 1975 and all such staff will be in place by the end of December 1975;

(2) That the regional directors will begin the selection and preliminary survey of new and expanded programs in the fourth quarter of fiscal year 1975, and will participate in the detailed planning designs for new and expanded programs during the first quarter of FY 76. Continuing direction of new and ongoing programs and general supervision with particular emphasis towards institutionalization and replicability will continue throughout the grant period.

(3) That seven local planning and evaluation specialists for ongoing programs will be recruited and given orientation commencing August 1975. All such staff are expected to be in place by November 1, 1975;

(4) That the panel of technical experts will be selected and that the first meeting will take place in July 1975. It is planned that the panel would meet three times per year;

(5) That the selection of consultants will begin in August 1975 based upon recommendations from the panel of experts. Actual assignment of consultants is dependent upon project requirements.

(6) That during the period June 1975 through November 1975 a feasibility study will be conducted to determine various criteria for implementing the advanced training program. The sending of some trainees may get underway before the conclusion of the feasibility study. It is expected there will be through the DPG funding 12 graduates per year for a total of 36. An additional 36 graduates of the advanced training are expected to be funded through the OPG's.

(7) That the organization of the basic training program will begin August 1975 and should be operational by February 1, 1976. At least 22 district-level leaders such as CDF field coordinators, extension agents, and functional specialists will be trained each year. In addition, at least 700 community-level leaders will receive training each year.

(8) That beginning in September 1975 the additional support to provide the data necessary for qualitative improvements in reporting and administration will begin;

(9) That beginning in November 1975 the CDF Audio Visual Center will be provided with increased capability for backup support to the overall training program.

See Appendix for Implementation Schedule.

PROGRAM COMPONENTS

In order to develop the capabilities in terms of planning, evaluation, applied research, staff expertise, institutionalization, program expansion, consolidation, and management necessary for implementing, institutionalizing, and replicating a community-based integrated rural development program (CBIRD), CDF proposes to add the following components in order to increase organizational scope and effectiveness:

Program Planning and Evaluation Officer:

To prepare a planning and evaluation system to measure project results, including cost/benefit analysis to the extent practicable; to monitor evaluation of ongoing programs; and to train CDF staff in program planning and evaluation techniques.

Technical Advisory Committee:

To be established for the purpose of planning and utilizing more effectively technical services in the design and implementation of the CDF program.

Applied Research Specialist:

To identify and carry out research relevant to specific project components in integrated development such as loan policies, small farmer credit constraints, etc. and to serve as staff coordinator of the Technical Advisory Committee.

Consultant Services:

To provide the services required to assure that project design and implementation will maximize the development potential of each project undertaken and insure the fully professional planning and implementation of such components as productivity, participation of women, health, education, and ecological implications.

Country Director's Meeting:

To involve CDF country directors in the process of developing new planning, management and evaluation methodologies and to assure staff understanding of, and commitment to, new organizational approaches.

Training Director:

To coordinate for the design and curriculum of community-level and management-level training programs appropriate for community-based integrated rural development; to identify in-country training sites and resources; to prepare line staff to be able to identify and meet training needs.

Basic Training:

To provide funding for training activities concentrated on field coordinators, field specialists, government allied personnel and community participants in at least twelve LDC's.

Advanced Training:

A preliminary study by the Training Director will determine the scope and nature of an advanced training component in conjunction with the implementation of CDF-assisted integrated rural development programs. The study will explore methods and resources, relative costs, and eligibility considerations for the anticipated initial participants. An average budget figure of \$2,500 per participant is provided for implementation of the advanced training program.

Two Regional Assistant Directors:

To assure effective management of SCF/CDF's ongoing and new programs during the prolonged absence of the Regional Directors in the field expansion and supervision. Regional Directors will be required to spend a significant amount of their time in the field consistent with the policy of CDF to move more forcefully to integrate CDF programs in host country institutions, and to introduce the other new elements described herein.

Local Management Assistants: (Host Country Nationals)

Seven new personnel are required to expand and develop the potential for integrated rural development of existing CDF programs with more emphasis upon institutionalization and replicability.

Program Support Costs**Three Secretaries:**

To provide secretarial/clerical assistance for the five new substantive officers: Planning and Evaluation Officer, Research Specialist, and three Regional Assistants.

Computer Assistance:

To provide for a programmer, supplies and computer time as needed to develop programs for refining the evaluation system utilizing the existing computer capability.

Audio Visual Training Support:

With existing staff, or expanded staff, to provide training back up support through provision of audio visual materials and support.

Regional Directors' Travel and Per Diem:

To insure CDF's planning and development capability as outlined in the purposes and goals of the proposal by providing travel and per diem. There would be a particular responsibility to insure that community people themselves were included in the initial planning and implementation processes.

Administrative Coordinator:

Responsible for new administration details with respect to implementation of the DPG/OPG Grant regulations and procedures.

Other Project Support Costs:

Additional costs are included for such program support as recruitment, clerical assistance, accounting and personnel department support, cables, supplies and miscellaneous expenses.

For budget summary of components, see Attachment C.

THE LOGICAL FRAMEWORK

1. The Project Goal

a. Statement of Goal

The goal is to significantly improve the economic and social well-being, including income, health, education and community interaction of low income rural persons in at least 12 LDC's.

b. Measurement of Goal Achievement

(1) 72 management-level nationals and 4,000 community-level leaders trained by CDF contribute to farm and off-farm enterprise development, literacy, health and community organization at local, regional and national levels.

(2) 59 CDF integrated community development projects improve economic and social well-being at community level.

(3) At least 10 CDF community projects significantly linked to regional and national infrastructure and institutions.

c. Means of Verification

(1) Follow-up questionnaires to training program participants to determine activities and effectiveness where available.

(2) Examination of economic and social indicators for regions where CDF is operating.

(3) Examination of output-oriented CDF evaluation documents.

2. Subsector Goal

a. Statement of Subsector Goal

The subsector goal is to significantly integrate CDF activities within host-country institutions in at least 12 LDC's by 1978.

b. Measurement of Subsector Achievement

(1) Total host country cash and in-kind contributions to CDF projects are increased by at least 50%.

(2) At least 7 projects are self-sustaining.

(3) CDF contribution is declining in at least 10 projects.

(4) At least 72 management-level nationals and 4,000 community-level leaders trained by CDF are working within community-or national-level host institutions.

c. Means of Verification

(1) Quarterly examination of "institutionalization" category of project monitoring and evaluation protocol.

(2) Examination of ratio of CDF to host country financing for each project.

(3) Examination of project reports to monitor phasing-out process.

(4) Examination of training program records and follow-up of graduates.

d. Assumptions

(1) Host country nationals trained in CDF programs become effective social and economic development administrators.

(2) Host countries in which CDF is operating maintain commitment to improving rural life.

(3) Other host country nationals working in rural development influenced by CDF trainees.

3. The Project Purpose

a. Statement of Purpose

The purpose of the project is to increase the effectiveness and scope of Community Development Foundation in implementing Community Based Integrated Rural Development (CBIRD) programs in at least 12 less developed countries by 1978.

b. Conditions Expected at End of Project

(1) Qualitative Indicators

- a) CDF will be able to measure, and is measuring, rates of qualitative individual and community development.
- b) Rates of qualitative improvements -- indicators of increased nutrition, literacy, community interaction, etc., -- up at least 10% between baseline year (1976) and end of grant year (1978) in CDF projects.
- c) Average number of development components systematically addressed by each CDF project increased by an average of 30% between 1975 and 1980.
- d) Total CDF expenditures for LDC's increased by at least 50%, none of which comes from AID.

(2) Quantitative Indicators

a) International Program Activities

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total Project Activities	44	53	68	74
CBIRD Projects	22	35	54	64
Other Activities	22	18	14	10

b) Individuals Reached Through International Programs

Total Individuals Directly Reached	198,000	264,000	366,000	414,000
Individuals in CBIRD Projects (6,000/Proj. Av.)	132,000	210,000	324,000	384,000
Individuals Otherwise Reached	66,000	54,000	42,000	30,000

c) Leaders Trained

4,000 community-level leaders trained, 72 national-level leaders trained in CBIRD.

c. Means of Verification

CDF will report to AID, and AID will independently assess results by:

(1) Annual examination of community-level development indicators for improvement.

(2) Assessment of increased effectiveness over the range of indicators.

(3) Expert examination of the professional quality of planning, evaluation and research documents, materials and protocols.

(4) Independent assessment of quality of training programs.

(5) Semi-annual examination of statistics for income and for the development of new community-based integrated rural development projects.

d. Assumptions

(1) Host government decision-makers "convincible."

(2) Local communities are willing and able to operate independent of CDF.

(3) Economies in host countries and world allow financing of increased services.

(4) CDF staff willing and able to work selves out of a job.

(5) Training program motivates graduates to use CBIRD approaches in other institutions.

(6) Graduates remain in field of rural development.

4. Project Outputs

a. Statement of Project Outputs

The expected project outputs are an improved planning system, evaluation system, research system, implementation systems, expansion capability and institutionalization procedures.

b. Output Indicators

(1) Planning and Evaluation

- a) Rural development systems planning and evaluation protocol in place.
- b) Systems planning and evaluation officer in headquarters and each LDC office.
- c) All management staff at headquarters and field offices trained in systems planning and using same.
- d) Appropriate community-based, "bottom up" planning methodology used effectively in 12 countries.
- e) Where possible, projects selected and evaluated according to formal cost/benefit analysis.

(2) Research

- a) Common research protocol for CBIRD developed and applied to all projects.
- b) In-depth research protocols developed for each CBIRD component and used where necessary.
- c) At least 12 significant research projects carried out each year.

(3) Human Resources Development

Training materials and courses developed for community and management level host nationals.

(4) Expansion and Concentration

- a) At least 37 new project areas identified, surveyed and functioning in 12 LDC's.
- b) Ratio of community-based to individually-based expenditures increases from 1:1 to 6:1 in 12 LDC's.

(5) Institutionalization

- a) CDF models for institutionalization prepared and tested.
- b) All CDF management staff trained to promote institutionalization.

c. Means of Verification

- (1) CDF planning, evaluation and research materials.
- (2) Curricula for training programs.
- (3) Lists of training program participants.
- (4) Follow-up interviews with training program participants.
- (5) Independent inspection of CDF offices and project sites.

d. Basic Assumptions

- (1) Six organizational subsystems are integrated so as to produce coherent results.
- (2) CDF staff are capable of functioning effectively in more demanding situation.
- (3) Capable staff for new positions are available.
- (4) CDF and AID funding sources continue to provide anticipated financing throughout period.
- (5) The "state of the art" allows systematic and effective implementation of community-based integrated rural development.

5. Project Inputs

a. Statement of Project Inputs

These consist of:

- (1) AID Funds 1.2 million
- SCF/CDF Funds 14.4 million
- Host Country Funds 6.2 million

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(2) SCF/CDF staff members in U.S. & LDC's.

(3) Motivated host country nationals at governmental and community levels.

See Appendix for DPG Budget breakdown.

b. Means of Verification

(1) Annual Budgets and Audits.

(2) Monthly and Quarterly Administrative Reports.

(3) Annual Planning and Reporting materials.

(4) SCF Organizational Personnel and Job Description Files.

(5) Vouchers.

c. Basic Assumptions

(1) Capital and Manpower inputs are directed effectively toward producing improved systems for planning, evaluating, researching, implementing, institutionalizing and expanding.

(2) CDF staff and host country nationals are motivated to improve effectiveness of development projects.

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EVALUATION PLAN AND SCHEDULE OF ACHIEVEMENT INDICATORS

As the sections on project goal, purpose, outputs and inputs suggests, evaluation is a principal concern of all elements of the DPG. It is expected that evaluation methodologies will be developed that will include carefully targeted objectives on a semi-annual basis throughout the Grant period. See Appendix for the schedule of achievement indicators to be used in monitoring and evaluating intended results of the DPG. Targeted objectives will include indicators for manpower, income, the development of new training and evaluation materials, and performance criteria. In addition, there will be functional objectives developed for each of the major components of integrated rural development, and these will be applied at the community level in each of the project areas. Finally, project selection will be based on cost/benefit comparisons and these comparisons will be available. There will be the opportunity to compare the resulting targets with actual performance throughout the Grant period. These data will obviously be desirable for assessment of financial, administrative and program effectiveness. CDF will also further its present systems for monthly, quarterly, semi-annual, and annual evaluations, identifying which elements of its total activities may most appropriately be required at particular periods of time.

It is assumed that AID will wish to examine all evaluation materials on a quarterly basis. In addition, CDF anticipates regular reporting to AID on actual as compared to projected program with respect to the implementation schedule, achievement indicators, and budgetary targets specified in this proposal. AID will undoubtedly evaluate progress regularly on the basis of these reports and consultations, and will want to conduct a formal evaluation of its own, presumably on an annual basis.

Thus, a two-fold evaluation system is envisaged. CDF intends to develop its own systems of program and management evaluation as a result of the DPG. In addition to the information generated by existing and proposed CDF evaluation materials, AID will determine other independent approaches to maintaining accountability through the period of the Grant.

As part of the reporting responsibility noted in the Evaluation Plan, CDF will submit a semi-annual report to AID under a five subject heading: Planning and Evaluation, Human Resource Development, Cxpansion and Consolidation, Institutionalization, and Research. The attached schedules (at appendix) list the Achievement Indicators under each subject together with the proposed dates by which it is anticipated that certain objectives will have been attained. As the program develops and operational experience is acquired these schedules will be refined and the achievement indicators revised or expanded as the facts warrant and as mutually agreed by AID and CDF.

JUSTIFICATION OF FUNDING

Narrative Justification

It is somewhat speculative to project what increased levels of funding CDF can expect to receive over the next three years from foundations, the corporate community, from appeals to the general public as well as from local sources within the less developed countries, since many factors have an influence. CDF projects an overall growth in income for its total program (domestic and overseas) from approximately \$6,700,000 this fiscal year to approximately \$9,250,000 by June 1978. This is a conservative estimate, based upon an average growth rate of 14% over the past 10 years.

CDF anticipates expenditures for its international program exclusive of DPG/OPG funding to increase from \$2,100,000 in 1975 to \$3,600,000 by June 1978. CDF's conservatively-estimated growth projections offers the realistic expectation that DPG-funded activities can be funded by the Agency at the end of the Grant period. In addition, CDF is prepared to allow its administrative/headquarters costs to rise from the present 18.4% to 20.2% and to offset any consequent reduction in funds available for field programs in the LDC's by transferring an appropriate amount from intermediate income countries to LDC programs. In addition, by phasing out of its European activities, increased funds are available for programs in developing countries. Finally, CDF intends to gradually reduce the ratio of domestic (U.S.) program expenditures to international expenditures from 58/42 in FY 1975 to at least 50/50 by FY 1978. This means that the bulk of available new income during the grant period will be directed toward the costs of the LDC programs initially financed through the DPG.

Community High Impact development programs currently active in 1975 will receive gradually diminishing amounts of direct aid, as productivity problems are resolved and host-country funding becomes available. However, new projects will be selected to replace them. Traditional programs will receive lesser financial support as these programs are phased down and local support is increased. It is anticipated that approximately \$1 million by 1978 may be available for programming to newly opened integrated development programs.

CDF is cognizant of the limitations placed upon it by their child sponsorship funding source. The general public which supports Save the Children Federation expects immediate results. The contributing public is not generally motivated to help create new knowledge, to support field training, or to facilitate the spreading of a new idea. Contributions for community development are, however, increasing as more of the general public comprehend the wider effect of this form of personalized foreign aid.

CDF cannot expect to make an immediate quantum jump in its allotment of funding for headquarters support and field program expansions. However, over a three year period CDF envisions a gradual increase in level of funding

for improving its headquarters and field office support capabilities as AID funds for these purposes are gradually withdrawn and as more progress is made in public education. Furthermore, it is anticipated that communities in the integrated development program will be able to provide increased contributions through self-generation of local funds and other self-help efforts and that local government material and financial aid will be attracted to the projects.

Quantitative Justification

The essential financial summaries in support of the grant can be found in Attachment