

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, PDC

FROM: PDC/PVC, Thomas H. ^{TRH}Rox, Director

Problem: Your approval is required for the attached project paper proposing a three year matching grant totaling \$2,850,000 to the Salvation Army World Service Office (SAWSO).

Discussion: For almost a century the Salvation Army has directed its attention to the needs of the poorest majority in less developed countries and now operates in more than 50 developing nations. In recent years the Salvation Army has recognized the need to provide more developmental assistance in addition to responding to immediate needs arising out of disaster or misfortune, i.e., to assist in seeking long-range solutions to basic poverty problems.

On September 30, 1977, SAWSO received a three-year PVO development program grant (DPG) "to strengthen and institutionalize the capability of the Salvation Army to design, plan, manage, and evaluate development projects to assist the poorest majorities in less developed countries." This purpose has been achieved through training programs, and through technical assistance in 39 countries provided by SAWSO to hundreds of indigenous leaders and project staff. These leaders have not only gained knowledge in the specifics of project development, implementation and evaluation, but also are now using a problem-solving approach to meet arising needs of their communities. This broader perspective and the diffusion of analytical skills for identifying problems and designing solutions are strengthening the capability of the Salvation Army on all levels of development work. The DPG also stimulated replications of successful project approaches in other countries. A recent A.I.D. sponsored evaluation by an independent contractor confirmed the excellent progress of SAWSO under its DPG. (TAB A, 10/3/80 Memo on SAWSO DPG Evaluation).

The original SAWSO proposal for a matching grant was received by PVC in February and has been revised four times as a result of reviews in this Office. This has provided a much tighter program; e.g., while SAWSO's original proposal provided for operations in seven program areas, PVC negotiations resulted in greater focusing of the present project paper which now provides for the SAWSO to expand existing and initiate new projects in two broad areas: health services, including family planning and vocational training and employment. The original proposal also provided for matching grant operations in 23 countries; negotiations aimed at further discreteness resulted in reduction to 13: Kenya, Zimbabwe, Zambia, Malawi, Nicaragua, Guyana, Guatemala, Costa Rica, Caribbean Region, India, Fiji, Papua New Guinea and the Philippines. The evaluation section of the paper is now stronger and more explicit.

Missions in all the countries listed above have reviewed the project proposal (in full or in cable summary); seven replied affirmatively; The Zambia Mission notes that health and vocational training are not in its CDSS but does not object; two requested additional consultation with SAWSO and one (Zimbabwe) has not replied to date. Guyana and Malawi have been eliminated from the project paper as a result of comments received, and SAWSO has concurred in these deletions. Missions in several other countries in which the Salvation Army has development programs, but does not propose matching grant operations, e.g. Indonesia and Bangladesh, were queried concerning its track record and these also responded affirmatively. During the term of the grant, other LDCs may be included in grant operations after SAWSO has obtained Agency clearances on a case by case basis.

On November 17, an Agency review meeting was held to assess the proposal's conformance to the matching grant criteria and the following consensus was reached:

- a) The proposed health and vocational training/employment services are in line with A.I.D. priorities and will provide direct benefits in the field to the poor.
- b) The program is discrete in its focus on health and training/employment and will be evaluated separately from SAWSO's overall program in the target countries. The proposed evaluation system and project selection criteria provide required evidence that the program will be evaluable.
- c) "Track record". The Salvation Army has been involved in development work for 100 years. Ten Missions commented favorably on the organization's repute and effectiveness. A recent evaluation by an independent contractor confirmed that SAWSO has a highly competent staff, and that Salvation Army development projects are well-designed and managed.
- d) The organization has a well-established constituency and fund-raising capacity. With an income from American sources alone of over \$5 million annually, the SAWSO is well able to make the matching input.
- e) Identification of program countries. As outlined above, seven of the Missions were positive in their response: two (Costa Rica and Bridgetown) wanted to consult more on the specific activities that might be done under the grant (which consultations will be done) but are not averse; Lusaka is neutral but testifies to Salvation Army's good repute for effectiveness in Zambia. The Zimbabwe Mission has not replied; the Desk advises the Mission is overworked; we will followup. (Salvation Army is long and well-established in Zimbabwe.)

f) The proposed development programs will become locally sustainable (this has always been a requirement of Salvation Army projects).

The proposed grant funding will be \$850,000 for Fiscal Year 1981 and \$1 million per year for Fiscal Years 1982 and 1983. The project conforms to all relevant Agency and Congressional guidelines. At the Agency Review meeting held on November 17, 1980 no objections were raised by other Agency offices as to support of this grant. A Congressional Notification is not required since the proposed grant is in the FY81 CP.

Recommendation: That you approve the attached Project Paper and sign the attached PAF authorizing \$2,850,000 from FY1981, to be funded incrementally as stated above.

APPROVED: [Signature]

DISAPPROVED: _____

DATE: _____

ATTACHMENTS:

- TAB A - 10/3/80 Memo on SAWSO DPG Evaluation
- TAB B - Project Paper
- TAB C - PAF

Clerances:

GC/TFHA, CStevenson (Phone)	Date	12/12/80
LAC/DP, PMaguire (Phone)	Date	12/1/80
AFR/HA, SSiegel (Phone)	Date	12/1/80
ASIA/DP, RHalligan **	Date	_____

**See attached memo.

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____ DOCUMENT CODE 3
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2. COUNTRY/ENTITY Worldwide/SAWSO	3. PROJECT NUMBER 932-0147
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4. BUREAU/OFFICE PDC/PVC	5. PROJECT TITLE (maximum 40 characters) SAWSO Matching Grant
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 11 21 83	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 81 B. Quarter <input type="checkbox"/> C. Final FY 83
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 81			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total			850,000			2,850,000
(Grant)	()	()	850,000	()	()	2,850,000
(Loan)	()	()	()	()	()	()
Other						
U.S.						
Host Country						
Other Donor(s) U.S. SAWSO			850,000			850,000
TOTALS			5,700,000			5,700,000

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ST	6001	700				2,850,000		2,850,000	
(2)									
(3)									
(4)									
TOTALS						2,850,000		2,850,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 730 740 500 400 300 200	11. SECONDARY PURPOSE CODE 500
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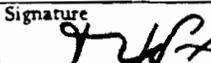
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code BRW BUW TNG PART	B. Amount
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13. PROJECT PURPOSE (maximum 480 characters)

This three year Matching Grant to SAWSO will assist in improving the quality of life of the poorest people in LDCs. SAWSO will expand its LDC development activities to reach a greater number of poor through expansion of existing projects and creation of new development projects in comprehensive health services, including family planning; small scale food production, rehabilitation, water supply, etc.; vocational training and employment services, including establishment of cottage and small scale industry and community development projects.

14. SCHEDULED EVALUATIONS Interim MM YY 11 82 MM YY 11 83 Final MM YY 09 84	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature  Title Thomas H. Fox Director, Office of Private & Voluntary Cooperation/PDC Bur.	Date Signed MM DD YY _____	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY _____
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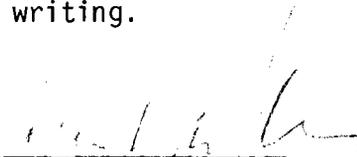
PROJECT AUTHORIZATION

Name of Country/Entity: Worldwide Name of Project: Salvation Army World Service Office (SAWSO) Matching Grant

Number of Project: 938-0147

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Salvation Army World Service Office Project involving planned obligations of not to exceed \$2,850,000 in grant funds over a three year period, FY's 81 - 83, from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process.
2. This three year Matching Grant to SAWSO will assist in improving the quality of life of the poorest people in the less developed countries (LDCs). SAWSO will expand its LDC development activities to reach a greater number of poor through expansion of existing projects and creation of new development projects in comprehensive health services, including family planning, small scale food production, rehabilitation, water supply, etc.; and vocational training and employment services, including establishment of cottage and small scale industry and community development work projects.
3. Source and Origin of Goods and Services

Goods and services financed by A.I.D. under the project shall have their source and origin in the United States or respective cooperating LDCs except as A.I.D. may otherwise agree in writing.

Signature 

Typed Name of Authorizing Official

AA/PDC
Office Symbols