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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

PROJECT PAPER

PHILIPPINES

PVO CO-FINANCING II

492-0367

FEBRUARY 1984

USAID/PHILIPPINES

UNCLASSIFIED



ACTION MEMORANDUM FOR THE ACTING DIRECTOR

FROM : Nancy J. Newman, Acting Chief, OFFPVC  DATE: February 21, 1984

SUBJECT : Project Authorization - PVO Co-Financing II - 492-0367

Your approval is required for a grant of 10.0 million, at annual obligations of approximately \$2.0 million for five years for the subject grant.

Discussion: The project will finance the development activities of registered U.S. and Filipino PVO's. Except as A.I.D. may otherwise agree in writing, A.I.D. will not finance more than seventy-five percent of total subproject costs with the other twenty-five percent consisting of contributions from non-U.S. Government sources. The project meets Section 611 requirements and other appropriate A.I.D. requirements for authorization.

Waivers: There are no waivers required at this time. Individual commodity waivers will be submitted as individual subprojects are approved.

Justification: FY 84 Congressional Presentation

Clearance Obtained: The project has received all appropriate clearances including review and approval by the Mission's Project Review Committee.

Recommendation: That you sign the attached Project Authorization.

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PROJECT AUTHORIZATION

Name of Country/Entity: Philippines      Name of Project : PVO Co-Financing II  
Number of Project: 492-0367

1. Pursuant to the Foreign Assistance Act of 1961, as amended, I hereby authorize the Private Voluntary Organization Co-Financing Project for the Philippines involving planned obligations of not to exceed Ten Million Dollars (\$10,000,000) in grant funds over a five-year period from date of authorization, subject to availability of funds in accordance with A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project.
2. This Project will fund the development activities of registered U.S. and Filipino PVO's. Except as A.I.D. may otherwise agree in writing, A.I.D. will not finance more than 75% of total subproject costs with the other 25% consisting of contributions from non-U.S. Government sources.
3. The Grant Agreement, which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities; Nationality of Services.

Except as A.I.D. may otherwise agree in writing:

(1) Grants having total procurement element in excess of \$250,000.

The source and origin of commodities and the place of nationality of the suppliers of commodities or services financed by A.I.D. under the Project shall be the Cooperating Country or the United States.

(2) Grants having total procurement element of \$250,000 or less.

The source and origin of commodities and the place of nationality of the suppliers of commodities or services financed by A.I.D. under the Project shall be in the order of preference stated in the grant pursuant to Chapter 16B of Supplement B, Handbook I.

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(3) Ocean Shipping

Ocean shipping financed by A.I.D. under the Project shall be financed only on flag vessels of the United States.

Clearances:

<u>Typed Name</u>	<u>Office Symbol</u>	<u>Date</u>	<u>Initials</u>
A. Jan W. Miller	RLA	<u>01/06/84</u>	<u>(Draft)</u>
B. Nancy J. Newman	O/FFPVO	<u>[Signature]</u>	<u>21 Feb 84</u>
C. William M. Carter	O/FFPVC	<u>[Signature]</u>	<u>10 FEB 84</u>
D. George A. Laudato	PO	<u>[Signature]</u>	<u>22 Feb 84</u>
E. Harold C. Collamer	CO	<u>[Signature]</u>	<u>2/28/84</u>

Mary C. Kilgour  
Mary C. Kilgour  
USAID Director (Acting), Philippines

Date: Feb. 29, 1984

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Project Paper  
PVO Co-Financing II (492-0367)

I. PROJECT PURPOSE, SUMMARY AND RECOMMENDATIONS:

1. Purpose: The purpose of this project is:

To improve the socio-economic status of selected poor groups through participatory development programs and innovative, small-scale or pilot activities which are proposed, developed and implemented by PVOs.

2. Summary:

PVO Co-Financing II will continue to employ the expertise of the PVOs in small-scale co-funded subproject activities for the benefit of the poor. The project concept initiated in PVO Co-Financing I, remains basically unchanged. If approved, during the period FY 84 through FY 88 USAID will make available \$10 million for this project. It is estimated that some 40 to 50 new subprojects will be launched under this project.

A comprehensive evaluation of PVO Co-Financing I was conducted during August-November 1982. The evaluation stated that "the project has demonstrated the soundness of the co-financing approach and the ability of the PVOs to promote development among rural low-income groups". The evaluation recommended "that a follow-on PVO Co-Financing II be developed, approved and implemented". The evaluation also made several other key recommendations designed to improve the Co-Financing Project. To the extent possible these recommendations have been incorporated into Co-Financing II, which should substantially improve the project. (For specific recommendations: See Annex L.)

3. Recommendation:

That the proposed PVO Co-Financing II Project be authorized for five years (FY 84-88) of grant funding at annual obligations of approximately \$2 million for a total of \$10 million over the life of the project. Only an illustrative breakdown of functional categories can be given since this is dependent on annual functional account availabilities.

II. PROJECT BACKGROUND AND DESCRIPTION:

1. Project Background:

As articulated in its Five-Year Development Plan, the Philippine Government is committed to undertake a broad range of activities designed to stimulate the process of development in the rural areas. Prominent among the GOP's development goals are the creation of productive employment opportunities to improve the living standard of the poor, reduction of income disparities, and sustained economic growth. The GOP

identifies a broader government role and greater use of the private sector as necessary for achieving its development goals.

The GOP has sought gradually to decentralize development planning and implementation responsibilities to the local level, both provincial and municipal. This approach has put increasing pressure on limited local government resources, both work-force and financial, thus highlighting the greater potential role of the private sector in providing valuable technical as well as financial assistance. PVO activities are an important subset of overall private sector initiatives to complement the government's development resources while addressing locally identified development needs. The GOP also acknowledges the unique ability of the private business sector and voluntary organizations to work directly with groups of potential beneficiaries, motivating them to become involved in all aspects of development projects and thereby significantly contributing to Philippine national development. In addition, current budget difficulties have forced the GOP to look more to the private sector for solutions to development problems.

AID's current development assistance strategy in the Philippines focuses primarily on improving the well-being of the landless agricultural workers, rainfed farmers, and artisanal fishermen principally through increasing income-generating opportunities both on and off-the-farm. It is recognized that to be most responsive to the needs of these target groups, it is necessary for the beneficiary groups to be actively involved in all phases of the development process. Historically, PVOs have collaborated directly with beneficiary groups to identify problems, plan solutions and manage development inputs. This collaborative approach makes them an ideal mechanism to respond to the needs of certain beneficiary groups where quick impact is needed, where government involvement is minimal, and where private initiatives can be mobilized to solve local problems.

PVO Co-Financing II also addresses U.S. Congressional priorities set forth in Section 102 of the International Development and Food Assistance Act of 1978. It seeks to use the management expertise of Filipino and U.S. PVOs in joint endeavors with local communities to conceive, design, implement and evaluate vital self-help activities.

Currently, there are over thirty U.S. PVOs registered with the GOP and actively engaged in development assistance in the Philippines. In addition, there are several thousand Filipino PVOs which devote their resources and efforts to development work. To date, 24 Filipino PVOs have registered with the USAID and are qualified to receive USG assistance. During the Mission's PVO Co-Financing I Project, ten Filipino PVOs and 7 U.S. PVOs received grants for subprojects. These subprojects were implemented in such fields as agriculture, education, rural and community development, environmental protection, reforestation, animal husbandry, public health, law and justice, and rehabilitation for the rural blind. Under PVO Co-Financing I the total value of the subprojects was \$10,848,903, and the AID input amounted to \$6,609,608 or approximately 61%

of total project costs. A comprehensive evaluation including on-site inspections of the subprojects by USAID has shown in most cases that the subprojects are effective and are being implemented in accordance with planned purposes. In addition, in some cases, the subprojects have had ripple effects and are generating other positive spin-off activities that were not initially foreseen.

For example, environmental seminars organized by Project Compassion, a Filipino PVO financed under the Co-Financing I Project, unexpectedly introduced an innovative fishing apparatus to rural fishermen called "Miracle Holes". "Miracle Holes" are simple pits constructed in such a way that they attract and then effectively trap fish. Many of these holes have been constructed by local fishermen without outside financial assistance as a result of the environmental seminars. This method has substantially increased the catch of the fishermen utilizing the "miracle holes" and also helped to discourage dynamite fishing, a pervasive and ecologically destructive technique.

On a larger scale, the Philippine Ministry of Social Services and Development (MSSD) is adopting province-wide skills training for the blind in rural areas, a scheme originally piloted with Co-Financing I assistance to Helen Keller International (HKI). MSSD is institutionalizing this program and anticipates replicating it in several regions throughout the Philippines.

Experience under PVO Co-Financing I indicates that quite a number of U.S. and indigenous private voluntary agencies have the potential to expand their respective development activities and thereby to increase the impact of community-based, self-help development. However, PVOs are presently restricted from expanding their efforts due to financial constraints and, in some cases, inadequate project design and management capacities. This project will help to provide additional financial resources necessary to develop PVOs' design and management skills and to tap the underutilized abilities of the PVOs to implement development programs effectively. In addition to the support of actual subprojects, PVO Co-Financing II will also provide funds to help finance appropriate project design and management training activities based on PVO needs identified through PVO Co-Financing I Project. The project will fund two PVO consultants who will devote full-time to PVO subprojects and PVO development. Funds for a comprehensive evaluation of the project are also included in the budget.

## 2. Current Economic Situation:

The Philippine economy is in a crisis state. A 90 day external debt moratorium has been declared because the Government's foreign exchange reserves have been depleted; the peso/dollar exchange rate recently depreciated over 21 percent; and, the Government is severely restricting peso budget expenditures and foreign exchange allocations. These events are the culmination of a series of adverse external economic developments over the last few years and of the more immediate crises of confidence that has occurred since former Senator Aquino was assassinated.

The unavailability of foreign exchange has caused great concern in the Government, and among producers and consumers because of the extreme dependence of industry on imported raw materials. Plant layoffs are already occurring and the prospect of further employment reductions is great. Although no major commodity shortages have yet developed, panic buying has started for commodities using imported components.

Wage demands to keep up with the expected higher prices resulting from the exchange rate depreciation and commodity shortages are largely being unheeded. Plant managers and government officials cannot find the resources needed to meet these demands. It is clear that real incomes are going to fall, although, for how long and to what degree is still uncertain.

This situation implies that private voluntary organizations (PVOs) are also going to be falling on hard times. They will have extreme difficulty in raising contributions for their operations as people will tend to be much less generous during a period of extreme economic uncertainty and falling incomes. Even the Government's largess for social and community based programs will be drastically reduced. Coping with this situation will be a challenge to the ingenuity and creativity of PVOs. It is too early to be able to predict how it will impact on the ability of this project to find sufficient proposals to work with. Clearly, it is expected that this project may be a very important source of assistance to PVOs and that the project will be requested to cover a larger share of a proposal's funding than in the past.

It is important that this new PVO Co-Financing Project be able to be flexible enough to adapt to this new and evolving economic situation. It is also anticipated that this project will be able to react to current conditions to assist PVOs through this uncertain period. It will do so by continuing to finance PVO projects, and by providing technical assistance, training, and other forms of operational support. It should be a positive, albeit small, contribution toward short-term economic stability.

### 3. PVOs in Development:

Beneficiary participation is a widely accepted tenet of successful development projects. PVOs have traditionally made this an important element of their development philosophy. PVOs can usually reach and relate to beneficiary groups much easier and at a much lower cost than government agencies and large donor organizations. Beneficiary commitment to a project generally can be obtained in a sustained way through PVO involvement.

The flexibility of PVOs also allows the field testing of a new concept at a more reasonable cost compared with what it might cost government, being less flexible, to do the same activity. Often, project ideas that can be successfully piloted by PVOs are turned later into larger scale efforts of government. PVOs are also willing to attempt high risk activities that bureaucracies, of necessity, are forced to shy away from. In short, the role of PVOs in development has been, and will continue to be important,

with potentially some very high payoffs.

4. Expected Project Achievements:

- a) To stimulate private voluntary organizations to attempt more numerous and diverse development activities.
- b) To strengthen PVOs' capacities (especially indigenous PVOs) in the areas of project design, management and evaluation.
- c) To provide constructive development programs and activities through PVOs, for poor, primarily rural, beneficiaries.

The main expected achievement of PVO Co-Financing II is the strengthening of private voluntary initiative in the area of development activities. PVOs, which have proven themselves to be viable and capable development entities, will be encouraged to address development needs along side of Government efforts. This mutuality is a focus because, in the past, efforts of the Government sector without private sector support and vice versa have not always led to constructive, integrated development.

Secondly, many of the small, active, "grassroots" PVOs can take advantage of a sponsoring, funding source which can also provide a certain amount of technical and logistical support. This is especially true for smaller, less sophisticated PVOs and their subprojects. Therefore, the second expected achievement is to provide expertise, training and other assistance to PVOs aimed at strengthening their capacities and overall professionalism.

Finally, the subprojects themselves will directly benefit many selected poor beneficiaries in a variety of ways. The third achievement, perhaps the most important, of this project is to extend support to the poor through constructive development activities.

5. Project Description:

This Project is an extension and a continuation of the \$7.0 million PVO Co-Financing I Project (Project No. 492-0345) which began in FY 80. The project will establish a fund from which USAID will make grants to qualified PVOs for development activities (referred to as "subprojects"). The project seeks to increase the involvement of the private sector in improving conditions and opportunities of the rural poor. The Philippines is probably unique in Asia in terms of the number, variety and vibrancy of its PVO community. The project seeks to exploit and develop this advantage as it has under PVO Co-Financing I, and to capitalize on it further.

PVO subprojects to be funded will generally be small-scale development activities. These subprojects should be relatively simple in design, easily implemented with a minimum of procedural requirements, mainly consist of local costs, involve the community, and commit the PVO sponsor

and/or its indigenous affiliates to a minimum of 25% of the total cost, in cash or in kind, from other than U.S. government sources. Proposals must also fully demonstrate the nature and magnitude of participation by the local community.

Other factors being equal, USAID will favor proposals for which the sponsoring PVO and/or its affiliates can guarantee more than the minimal 25% counterpart contribution with non-USG funds. Greater emphasis in the future will also be given to cash contributions versus in-kind contributions. USAID will maintain flexibility to assure that changing economic conditions in the country will be taken into consideration when funding decisions are being made.

PVO subproject proposals are expected to address a wide range of special community development and rural infrastructure concerns. Preference will be given to subprojects which enhance the PVOs capacity to plan and to implement development activities, increase the general welfare and participation of disadvantaged groups, foster employment and income generation, and indicate sustainability without U.S. or other outside assistance at the end of the grant period.

The preparation of subproject proposals is primarily the responsibility of the PVO. Technical analysis within the proposal should be included as appropriate. PVOs will also be required to include separate sections covering the problem to be addressed, description of the project design (goal, purpose, inputs and outputs), expected impact on beneficiaries and the environment, intended beneficiaries, a comprehensive budget, and a listing of major assumptions in their proposals. A brief analysis related to linkages of various project components and linkages of the project with other community, provincial, national, PVO, USAID or other donor activities may also be required. (Please see Appendix D, PVO Co-Financing Program Subproject Proposal Format.)

Given the broad and diverse range of PVOs and their activities, USAID does not wish to be unduly restrictive by imposing ironclad project criteria. However, all else being equal, higher priority will be given to projects which meet the criteria contained in Section IV, 4 of this paper.

All PVOs will be required to secure approval from the National Economic and Development Authority (NEDA), for their subprojects regardless of the amount of funding being requested. The responsibility for obtaining NEDA approval rests solely with the PVO submitting the proposal. NEDA approval should not be sought until after USAID has indicated an interest in funding the proposal. Whenever possible, regardless of the dollar amount of the subproject, a proposal disapproved by the Mission will be returned to the PVO concerned with an explanation as to why the proposal did not receive USAID funding.

In addition to grant support for PVO subprojects, PVO Co-Financing II earmarks funds for appropriate project design, management training and general operational support that may be required during times of severe economic hardship for indigenous PVOs to: a) improve their ability to

translate their subproject concepts and ideas into clearly written subproject proposals suitable for USAID and/or other donor consideration and financing, and b) improve their ability to implement and report on approved subprojects efficiently and effectively. Some of these training activities will be carried out through contracts, while others may take the form of small operational grants to these indigenous PVOs.

Finally, the PVO Co-Financing II project makes available up to \$80,000 per year for the five years for salary and expenses of two PVO specialists hired under PSCs. These PVO specialists will be specifically assigned to work with USAID-registered as well as non-USAID-registered PVOs in the areas of project design, implementation and evaluation. They will also be tasked with providing, organizing or arranging for the training of individual PVOs or groups of PVOs in project design, evaluation, budgeting, accounting procedures or other areas, as needed.

6. Relationship to Country Strategy:

The overall goal of the Mission's evolving DA and ESF strategy is increased productive employment for lower income groups. The DA program is guided by a CDSS which has three basic objectives: (1) to create more jobs in rural areas, (2) to promote higher productivity among those already employed, and (3) to reduce the rate of growth of the labor force. The ESF program, which is related to the GOP-USG Military Bases Review, has been influenced by the CDSS. The ESF program has concentrated on construction of rural infrastructure which affects the expansion of productive employment. During FY 1984 the Mission is developing a new statement of its strategy which will keep the goal of productive employment, emphasize complementarity between DA and ESF activities, and give particular attention to problems associated with the current economic crisis which is discussed in Section II.2 of this PP.

The PVO Co-Financing II project supports the goal of increased productive employment for the rural poor. The project will give priority to PVO activities which complement other AID activities oriented toward this goal. The project has been designed to be flexible to changes in AID's focus that will occur over time; thus it should be fully compatible with the Mission's evolving strategy and any future strategy redirection.

7. Possible Subprojects:

The PVO Co-Financing I Evaluation Report recommended that an illustrative list of potential subprojects under the new Co-Financing II effort be outlined. Following are hypothetical subproject summaries, presented to help visualize possible, priority subprojects under the PVO Co-Financing II umbrella. Included also are lists of possible GOP tie-ups as well as a short discussion of the relevance of each subproject to the Mission's current CDSS. In addition, it should be mentioned that follow-on subprojects will be considered. Approval of follow-on subprojects will be on a case-to-case basis. PVOs will be required to discuss, in writing, the justification for follow-on subprojects as legitimate spin-offs of the original subproject and not just continuations of present subproject activities which remain dependent on USAID funding.

- a) Integrated Reforestation Subproject: would be a subproject directed at improving natural forest lands by testing and developing approaches through selected, participant, lowland, farm families for more productive use of these scarce resources. One approach might be to integrate cash crops with traditional forest growth. Through the subproject the farm families directly involved might benefit from an increase in income, while their neighbors might learn through example, eventually increasing their own incomes as well by applying the new techniques. The subproject might also stress conservation awareness through training and outreach.

Potential GOP Resources: BFD (Bureau of Forest Development), NFAC (National Foods and Agricultural Commission) Multi-cropping Section, Ministry of Agrarian Reform.

Linkage to CDSS: This subproject is in line with the Mission's CDSS concerns for development in upland and lowland rainfed areas. It would foster more productive, equitable and sustainable uses of both rainfed and irrigated land resources.

- b) Small Business Productivity Subproject: would be a subproject aimed at enhancing existing small, rural-based businesses giving priority to those involved in the agricultural sector and organizations of small scale fishermen. Several small businesses within a region might be studied and recommendations made as to potential productivity and income increasing activities. These businesses could then be given assistance in implementing the recommendations. In addition, credit linkages with ongoing programs may be established.

Potential GOP and Other Resources: ISSI-UP (Institute of Small Scale Industries, University of the Philippines), SBAC (Small Business Assistance Center), BCOD (Bureau of Cooperatives Development), MTI (Ministry of Trade and Industry Micro Industries) in cooperation with U.S. PVOs including IIDI (International Institute for Development), MIDC (Micro Industries Development Corporation), and World Concern.

Linkage to CDSS: This subproject fits a broad goal of the Mission's CDSS of promoting greater productivity and increasing individual income. It also promotes private sector initiatives.

- c) Family Health Advocacy Subproject: would be a subproject which aims to enhance the health of rural families by providing them with the information they need about basic health including appropriate indigenous supplementary feedings. This could be done through mother's classes, information drives and a door-to-door information campaign to be organized in specific barangays. Emphasis might also be placed on improved access to existing health outreach services.

Potential GOP Resources: MSSD (Ministry of Social Services and Development), MOH (Ministry of Health), MECS (Ministry of Education and Culture and Sports).

Linkage to CDSS: One of the Mission's four interdependent program elements is a fertility and infant mortality Reduction Program which would be addressed by the health and nutrition component. In addition, based on this subproject's focus, it fits the PVO Co-Financing Program's funding category of education.

- d) Upland Farming for Increased Production: would be a subproject designed for the needs of poor, upland, minority groups engaged in traditional agriculture. The subproject would aim to help these individual farmers through a program of traditional and modern farming techniques which would eventually result in increased production. To insure that this increased production leads to increased income, a marketing component could be included.

Potential GOP Resources: Ministry of Agriculture, BFD, SBAC (Small Business Assistance Center).

Linkage to CDSS: Since minorities are a major poverty group, this subproject directly complies with the overriding concern of the CDSS to generate more productive employment for such groups. Further, it fits within the framework of the Rainfed Resources Development Program.

- e) Local PVO Training Subproject: would be a subproject to enhance the capacity of local PVOs to undertake projects promoting development goals such as more productive employment for poor groups. PVOs would be assisted in their efforts to draw on local, regional and national resources. This could be done by training qualified groups in project design, management and analysis. As a follow up, the groups could be given individual assistance in managing specific community projects. In addition, an attempt could be made to provide link-ups between organizations and other resources.

Potential GOP and Other Resources: PBSP (Philippine Business for Social Progress), Project Compassion, MIDC (Micro-Industry Development Corporation) and local PVOs such as SSI (Sariling Sikap, Inc.).

Linkage to CDSS: This subproject responds to a major objective of the PVO Co-Financing project which is the development of indigenous PVOs management skills, thereby increasing their effectiveness as change agents. Indirectly, it is very close to the Local Resources Management Program, which puts emphasis on this kind of training for local governments. By making PVOs more viable, the overall Mission strategy of more productive rural employment, would be realized through strengthening the programs of the PVOs.

- f) Vocational Training Subproject: Vocational training in various subjects might be offered on an outreach basis to the residents of several rural barangays. These classes, held in the barangays, could be designed to accommodate farmers, fishermen and other workers who wish to learn additional skills which they could use in their present day-to-day work or use to seek other, more lucrative, rural jobs. Classes for women may also be included.

Potential GOP Resources: MECS, NMYC (National Manpower and Youth Council), MSSD.

Linkage to CDSS: This subproject will help achieve the goal of rural enterprise development through encouraging the initiation of small business through training entrepreneurs. In addition, education is a focus of the PVO Co-Financing Program.

8. Recent Evaluation of PVO Co-Financing I:

The PVO Co-Financing I Evaluation has been a useful element in the design of the follow-on Co-Financing II effort. It has moved the Mission towards tighter and more qualitative criteria for judging and selecting subprojects. These criteria have greater linkage to Mission efforts under the CDSS. Also, as a result of the evaluation, a Mission Order is being issued, which clearly explains the co-financing mechanism, its purpose, the procedures used to implement it, and the responsibilities of various Mission staff. This will result in an overall better understanding of PVO Co-Financing.

While the Mission will continue to review subproject proposals on a semi-annual basis, as suggested by the evaluation, the Mission will experiment with a variety of different ways to improve the Mission approval process. After experimentation, a new approval process may be adopted.

The Mission has designed PVO Co-Financing II to include two PVO Consultants to assist PVOs with concept, design and implementation matters. After consultation with PVOs on subproject design issues, USAID is encouraging, per the evaluation recommendation, the submission of smaller, less complex subprojects that have shorter implementation periods, are more realistic, and perhaps have a more immediate impact on development. This should also lead to more rapid dispersal rates, which the evaluation also noted as a shortcoming during Co-Financing I.

The Mission has attempted as much as possible to deal with the recommendations of the evaluation in this PP. Some recommendations have been fully incorporated, others partially, while others are not possible to consider at this time. Annex "L" "PVO Co-Financing I Evaluation Recommendation and the Status of Recommendations" deals with specific recommendations and give the current status of each.

The evaluation caused the Mission to refine and develop useful handouts for PVOs seeking USAID assistance through the Co-Financing mechanism. This should lead to some streamlining and better subproject design, which accordingly should translate into reduced Mission time during the approval process. One example of a helpful handout is "Format for Proposal Submission" (Appendix D) which contains standardized sections, fundamental cost/benefit analysis and provision for the necessary budget breakdown. All of these areas have been basic weaknesses in proposals submitted under PVO Co-Financing I.

### III. PROJECT ANALYSES:

#### 1. Technical Analysis:

PVOs submitting proposals will be required to thoroughly explain the technology they intend to employ in their subproject. Considerations such as impact on employment, energy demand, the beneficiaries' ability to utilize and maintain the technology used in the subproject, etc. will be examined as appropriate during reviews of each proposal. (Please see Appendix D, USAID Handout "PVO Co-Financing Program Subproject Proposal Format" pp. 3-4).

Most PVOs registered with USAID and eligible for funding have many years of experience in the field of development. As previously discussed, they have access to, and insights into, the most current development efforts as they are happening. This provides them with a broad range of information and ideas to draw upon when preparing proposals. Most are also technically experienced in the preparation of proposals, depending largely on grants and fund raising for their budgets. The PVO Co-Financing program is designed to give additional assistance in grant preparation. This assistance, combined with a PVOs experience and insights, strengthens the technical competence of a PVO to prepare proposals.

Both NEDA and USAID can call upon a qualified technical backup staff to assess the technology within an individual proposal. USAID has in the past called upon outside expertise as well, to judge whether or not a technology presented through a PVO proposal is viable.

#### 2. Environmental Analysis:

Since the approval and subsequent implementation of the PVO Co-Financing Program I, no major changes have occurred with regard to the environmental implications of the PVO Co-Financing Program.

The determination of the initial environmental examination of the PVO Co-Financing Project was negative, the project was not a major action which would have a significant effect on the human environment and was therefore, not an action for which an environmental assessment was required. AA/ASIA concurred in this determination in STATE 009300, January 12, 1980.

Individual PVO subprojects co-financed under the project, however, could possibly have environmental implications, although they would tend to be localized with no significant wider environmental impact. Consequently, and as under PVO Co-Financing I, the USAID PVO Subproject Review Committee will consider environmental implications of individual PVO subprojects at the time of formal USAID review of each subproject proposal.

#### 3. Social Analysis:

As with several other areas of analysis, a thorough profile of subproject beneficiaries and a complete examination by USAID of the socio-cultural

factors influencing subproject choice and design must wait until PVO subproject proposals are received. In general, however, it is expected that PVO activities will fall into two broad categories. The first category of activities will focus on making a direct impact on a well-defined group of beneficiaries. Such activities may come in response to an appeal for assistance in satisfying a pressing basic human need. These beneficiary groups are likely to be rural poor, but in addition to their low economic status, they may have other characteristics that increase their need for special development assistance. The second category of activities will be those directed toward testing a new development methodology or innovative technology. While these subprojects will also impact on a group of beneficiaries, their real objective will be to test an innovation for later application to a larger group or groups.

In addition to socio-economic impact, we are also interested in the learning process that takes place because we believe that the most important product of any effort is the experience people get from working in it. Therefore, where appropriate and to the extent feasible, it is expected that beneficiaries will become involved in all phases of the development activities, including identification of needs, planning and designing of measures to satisfy such needs, mobilization of resources to carry out the activities, implementation and continuation of activities, and maintenance of the facilities and infrastructure created by the subproject. Such participation is expected from beneficiary groups in which the PVO has been successful in establishing the capacity and skills to undertake further development activities. This preferably spontaneous beneficiary involvement, with reduced levels of external assistance, will ultimately lead to self supported and sustained development activities.

There exists an ingrained patron/client attitude toward development in cases where the sponsor controls the resources and enjoys the authority to use them. In such instances, beneficiaries may regard the sponsor as a patron or benefactor, and look to the organization to assume all responsibility for providing the resources and expertise for planning, design, and implementation of a proposed activity. However, because PVOs work directly with beneficiaries, they are afforded the opportunity to bring about greater beneficiary involvement in all phases of development with the hope that beneficiaries will begin to see themselves as full participants rather than mere recipients. In other words, there is a greater potential to reduce the "patron/client" relationship, and contribute to the mutual joining of resources towards the solving of identified problems.

Please note that PVOs are requested to discuss in their subproject proposals "any anticipated positive and/or negative impact that the subproject will have on cultural traditions and values". (Please see Appendix D, USAID Handout "PVO Co-Financing Program Subproject Proposal Format", pp. 3-4. Baseline Information.")

#### 4. Economic/Financial Analysis:

Due to the nature of the PVO Co-Financing project, a detailed economic

financial analysis cannot be performed prior to the design of each subproject. Each PVO proposal will include a statement of the expected economic effect of the planned activities on the intended beneficiaries and the per capita cost of achieving this benefit. In its review of the proposal, USAID will be comparing the benefits of the subproject with the cost of the proposed effort. To the extent the PVO can supply information to assist the comparison, review of the subproject will be facilitated. Also, subprojects of an income producing nature will be required to demonstrate a return on investment equal to the opportunity cost of capital. (Please see Appendix D, USAID Handout "PVO Co-Financing Program Proposal Format", p.4.)

Based on PVO Co-Financing I evaluation, subprojects funded up to May 1983 favorably affected some 255,000 targeted beneficiaries at an average cost to USAID of \$3.90/beneficiary. This cost per beneficiary amount is even more cost effective than the estimation made in the Project Paper for PVO Co-Financing I which predicted a USAID cost per beneficiary of \$10 to \$13.

This is perhaps due to the fact that in many areas the PVO approach is able to tap volunteer assistance and integrate valuable local private expertise and resources into local development projects, resulting in a more cost-effective effort than similar programs without a volunteer element.

5. Administrative Analysis:

This project will be carried out by Private Voluntary Organizations. Only those U.S. Private Voluntary Organizations that have been registered by USAID/Washington and those Filipino Private Voluntary Organizations that have been registered by USAID/Philippines are eligible to receive Co-Financing Grants.

The process of registration includes an examination of the management capabilities of the organization. Registration means that USAID has determined that the organization has the ability to administer USAID-supported development activities.

A chart of the "Processing of PVO Co-Financing Subproject Proposals" is included as Appendix E. This process is described in the remainder of Section III as well as in Section IV.

As PVOs submit proposals for grants, the O/FFPVC will make a determination on whether the PVO is registered and on whether the registration is up-to-date. In addition, in reviewing a proposal the O/FFPVC will apply its knowledge of the local staff capabilities and administrative capacities of the PVO to determine whether they are adequate to manage effectively the activities indicated in the proposal.

PVO grantees will occasionally be working in association with another local institution or group which will be required to contribute services and/or resources to the subproject and may be responsible for certain design or implementation elements of the subproject. In such cases, it

will be the responsibility of the Grantee PVO to satisfy the Mission that this organization has the capability to provide the technical services, resources, and/or design/management inputs attributed to them in the subproject proposal.

The Grantee will have the sole responsibility for management of USAID resources and all subproject activities including those performed by organizations working in association with them.

When a subproject demands special organizational or staff capability such as the ability to contract for services or procure commodities and equipment, and the Mission has not already examined and determined that these procedures are adequate, such an examination will be made.

#### IV. IMPLEMENTATION PLAN:

##### 1. Narrative and Schedule:

###### a. Proposal Format:

PVOs will submit their subproject proposals to AID for approval. While no specific format is required, USAID has prepared a handout entitled "PVO Co-Financing Sub-Project Format" that provides guidance for PVOs on proposal presentation. Basic requirements for proposals are covered in the handout. Mission will strongly urge PVOs to follow the standard format.

###### b. Review Schedule:

Subproject proposals for consideration under PVO Co-Financing II may be submitted anytime during the year. Proposals will be reviewed by the Mission when they are received during the year. This review entails an initial screening by O/FFPVC and an assessment by the relevant technical office(s). Actual funding decisions, however, will still be made on a semi-annual basis. Funding decisions will continue to be made in the form of a decision memo to the USAID Director from the Project Committee. In other words, proposals received between 1 February and 31 July will compete against all other proposals submitted during this same funding period and will be reviewed as a group in August with PVOs receiving information on a funding decision by the end of September. Likewise, proposals received between 1 August and 31 January will be reviewed as a group in February and PVOs will be notified of the outcome of the funding decision by the end of March.

After USAID has indicated interest in funding a specific proposal, the PVO should start the process of obtaining NEDA approval. Also, when a project has been earmarked for possible funding, a team made up of USAID technical office and PVO staff work to improve/clarify the proposal and resolve any outstanding design issues. The team will

normally be composed of a Project Officer and a PVO Consultant from O/FFPVC and two or more technicians from appropriate USAID technical offices. The team works together with the PVO to develop the proposal to meet USAID funding standards. The revised proposal is then reviewed by the Mission Review Committee, if necessary, which makes a definitive funding decision. If the Mission Review Committee's determination is positive and if NEDA approval has been obtained then obligating documentation is prepared by O/FFPVC in coordination with the technical offices and a Grant Agreement is signed between USAID and the PVO.

c. PVO Registration:

Before an indigenous private voluntary organization (IPVO) can have a subproject proposal reviewed it must be registered with USAID. USAID will not begin to review any IPVO proposal until it is fully registered. (PVO Registration Guidelines can be found in Appendix C, USAID Handout "PVO Registration Guidelines").

d. NEDA Approval:

All proposals funded under PVO Co-Financing II must have the prior approval of NEDA before a Grant Agreement can be signed between the Mission and a PVO. It is the sole responsibility of the PVO to obtain NEDA approval. NEDA approval should only be sought after USAID has indicated an interest in funding the proposal.

e. Notification:

Sixty days after the final submission dates (i.e. 1 February and 1 August), USAID will notify the organization regarding their proposal. The notification may be in the form of an approval letter or a letter requesting additional information or refinement before a final approval. When proposals are disapproved, reasons for the disapproval will also be given.

2. Management Plan:

- a) Peace Corps: Peace Corps involvement in PVO Co-Financing activities is strongly encouraged. Under PVO Co-Financing I, PCVs played important roles in the design and implementation of several subprojects. It is expected that PCVs will also be very active in various aspects of subproject activities under Co-Financing II. PVOs are generally aware of the expertise that PCVs can lend to subprojects. Peace Corps management keeps the PVO community abreast of Peace Corps matters by attending CIVAP meetings periodically and giving updated presentations. Peace Corps also coordinates with individual PVOs on specific subprojects. USAID shares relevant PVO information with Peace Corps and looks for areas of possible mutual benefit for the PVOs and Peace Corps. It is a clear intent of the Co-Financing project to involve the Peace Corps to the greatest extent possible.

- b) USAID: The overall project management of PVO Co-Financing II will continue to be handled by the Office of Food for Peace and Voluntary Cooperation (O/FFPVC). While O/FFPVC will continue to be the overall project manager, the various technical offices will also play a key role in the review and redesign of the proposals. This is important because as described in Annex A, after the Grant Agreement has been signed, the responsibility for managing the subproject, in most cases, will pass to the appropriate technical office and be managed from that office like any other project. We believe this is an important departure from the previous PVO project and represents the Mission's continued efforts to: (1) bring PVOs into the mainstream of A.I.D.'s efforts in the Philippines; (2) draw as much knowledge from the PVOs as possible as we refine and redirect our strategy; and, (3) build as many professional relationships as possible between PVOs, the USAID staff, and our GOP counterparts.
- c) PVOs: Subproject implementation, monitoring, reporting and management are entirely the responsibility of the PVO.

3. Subproject Development and Review:

- a) Criteria: In evaluating subproject proposals, the Subproject Review Committee will give preference to PVO development activities which meet both the quality and allocative criteria as described below.

A. Quality Criteria: A high priority proposal must:

1. Be technically, economically, financially and socially feasible.
2. Be sponsored by a registered PVO with the necessary qualifications, a good track record and a strong commitment.
3. Be sustainable and/or replicable without additional USAID assistance.

A high priority proposal should also:

4. Have a complete and well-conceived implementation plan and mechanism for competent administration.

B. Allocative Criteria: A high priority proposal should preferably:

1. Be consistent with the overall CDSS goal of poverty alleviation through increased, more productive, employment for poor groups: (i.e. more jobs and higher productivity for those already working), and have potential to contribute lessons for specific CDSS program elements (i.e. community-based management of rainfed resources, energy, rural enterprise development, local resources management, reduced fertility and infant mortality especially through innovative approaches to

primary health care delivery and finance.) Note: This criterion of close linkage to the Mission's CDSS will be adjusted in accordance with changes in the focus and scope of USAID's worldwide and country specific objectives.

2. Contribute to strengthening PVO capacity to act as a positive and dynamic development force.
  3. Contribute to the development of new strategies and approaches which the Mission may wish to consider which may not link directly to the CDSS.
  4. Have potential to contribute to the four Agency initiatives of private sector development, policy dialogue/reform, technology transfer, and institutional development.
  5. Have potential to provide insights useful for the development of the Asia Bureau regional strategy particularly as related to the role of PVOs in middle income countries.
- C. Negative Allocation Criteria: A high priority proposal shall not include:
1. Welfare oriented activities.
  2. Beautification, recreation and other civic, nondevelopmental activities.
  3. Development activities whose intended beneficiaries are not legitimate poverty group members.
  4. Religious activities.
  5. Subprojects which are essentially physical infrastructure.

b) Available Assistance:

Each PVO has its own unique goals, organizational structure and level of sophistication. Therefore, there is a great variance in the amount of assistance needed in the development, implementation and evaluation of PVO subprojects.

Since a goal of the PVO Co-Financing II project is the strengthening of PVO capabilities, an attempt will be made to give as much assistance as necessary to develop potential high priority proposals, provide implementation assistance and help with the evaluation of subprojects. Mission PVO staff time is a limited resource. The assistance they provide will be determined by the Project Manager based on workload priorities. However, the following minimal assistance can be expected by each PVO who submits a proposal:

- a thorough reading and review of the project proposal by O/FFPVC staff;
- a thorough reading and review of the project proposal by relevant technical offices within the Mission;
- a letter discussing the proposal and the results of these reviews.

In addition, PVOs with subprojects chosen for further development and funding will:

- be visited by O/FFPVC and relevant technical office staff during the time the issues raised by the subproject committee are being resolved.

PVOs with subprojects selected for funding will:

- receive grant funds for subproject implementation;
- be invited to a workshop on subproject implementation/evaluation and USAID requirements;
- be visited at least once a year.

In addition, the following assistance may be given:

- referral for further discussion of the proposal with USAID resource person(s);
- referral for further discussion of the proposal with a group or an individual in the private or government sector;
- consultation by O/FFPVC on project design or evaluation;
- "walk-in" and trouble-shooting assistance with problems as they came up;
- access to USAID library;
- handouts on subproject design, implementation and evaluation;
- invitations to participate in various seminars, sponsored by O/FFPVC on development topics;
- exercises in project conceptualization and development such as the logical framework;

It should also be noted that the job description of one of the PVO consultants will emphasize PVO development and direct assistance.

4. Consultant and Technical Assistance:

a) Role of Consultants:

Consultants will play a major role in achieving the project's dual purpose of improving beneficiaries status through quality projects and strengthening the capacities of PVOs.

The consultant's principal task will be to help PVOs improve their professional capabilities ultimately helping them to institutionalize their services and be recognized as viable development organizations. PVOs have various levels of technical/professional expertise. The consultants role will be to coordinate the sharing and transfer of information and skills between PVOs and other PVOs, between PVOs and USAID staff, and between PVOs and outside technicians. Through site visits and office contact, consultants will assess the needs of individual PVOs be they technical, such as in the areas of reforestation or establishing small businesses, or management, such as bookkeeping, and help PVOs to find ways of meeting these needs.

They may use various methods to achieve this including, but not limited, to setting up one on one training sessions, coordinating "sharing" seminars for PVOs involved in similar activities, writing and/or editing and disseminating relevant materials, organizing USAID PVO orientation workshops, as needed; and making themselves available as a liaison between USAID and with PVOs.

In addition to this, consultants, with the PVO staff will assist PVOs in general with the development, implementation and evaluation of their specific subprojects. Consultants will help with proposal analysis, gather data to track project implementation and assist the PVO Manager and project officers as called upon.

As PVO Co-Financing II implementation progresses there will be a reassessment of the roles and requirements for the two PVO consultants.

b) Technical Assistance Fund:

A fund will be established within the PVO Co-Financing Project from which the expenses for the technical assistance and other forms of operational support of selected PVOs can be filled. The amount of funds available for this purpose will be \$40,000 annually.

Specifically, through outside contracting or other appropriate arrangements, like small operational grants to indigeneous PVOs, these funds will be programed to a) provide design services for specific proposal development above and beyond the assistance normally provided; b) provide for specific workshops, one on one trainings, and materials, relevant to the needs of PVOs in terms of development activities; and c) make available specific technical expertise that a PVO might require, and (d) help PVOs develop general skills required

to manage their overall programs. This might include (but is not limited to) one on one workshops covering bookkeeping or evaluation techniques, seminars on training and technical workshops on topics such as small scale industries. The technical assistance fund will also support USAID PVO orientations.

The use of this fund will broaden the base of potential PVOs to be assisted, including those which may not be, or are not, eligible for PVO project grants such as relatively new organizations and groups which are not now registered with USAID (e.g. some cooperatives). This assistance is expected to increase the quality of proposals submitted for PVO project funding consideration, assist PVOs in the preparation of better proposals for submission to other funding sources and provide PVOs training in administrative and other technical skills which will ultimately enhance their capacities as catalysts in development.

In addition, PVOs awarded grants will be assisted in developing relevant skills in project implementation to improve further the quality of PVO project activities.

Finally, these activities will be designed in such a way that a rapport between USAID (not only the PVO office) and PVOs will be established so that a mutual exchange of ideas will take place.

## 5. Financial Plan:

### a) General Financial Plan:

USAID will provide \$10 million to this project to be used in conjunction with non-U.S. Government resources in cash or in kind of approximately \$5 million (U.S. dollars) to defray the cost of USAID approved PVO development activities in the Philippines.

At least \$9.20 million of the \$10.0 million USAID contribution will be used to provide grants to PVOs. This is estimated to cover approximately 50%-75% of the total costs of the PVO subprojects financed. It will be the responsibility of each PVO Grantee to acquire non-U.S. Government resources to cover the remaining costs. Possible sources of support are: international agencies; private U.S. or other foreign resources; foreign governments; cooperating GOP agencies; local private organizations; and the beneficiaries of the subprojects themselves.

As stated above, non-U.S. Government contributions may be in cash or in kind. PVOs are encouraged to mobilize private resources, especially from subproject beneficiaries, as evidence of the beneficiaries' willingness to participate in the development activities. Mobilization of private resources will result in an increase in the total resources devoted to development in the country. Dependence on Government of the Philippine contributions for

these subprojects will put added strain on limited Government development resources and will not result in a net increase in development activity. For this reason, PVOs are not encouraged to seek GOP contributions to their activities unless it is critical to the subproject or can be readily provided out of resources in-place.

b) Recurring Costs:

Most PVO subprojects will be directed toward activities in the private sector. If the activities result in a liability for recurring costs, we expect that the responsibility for underwriting these costs will be met by participating private organizations or groups, probably the beneficiaries themselves. We intend to examine all proposals that place a recurring cost liability on a Government organization to determine whether all possible alternatives have been examined, the recurring cost liability is understood and accepted by the Government, the action is not only appropriate but necessary to meet a Government program objective and the Government will have the resources to cover the recurring costs.

c) Expenditures:

Each Grant proposal will include a budget estimate on which the total Grant amount will be determined. The Grant proposal will also include a schedule of proposed project expenditures including both Grant and counterpart funds over the life of the subproject. Based on this schedule, USAID will arrange Grant fund disbursements sufficient to cover expenditures. After the initial disbursement, succeeding disbursements will depend on the PVOs drawdown of funds already in hand and on anticipated expenditures for the forthcoming period. (Please see Appendix D, USAID Handout "PVO Co-Financing Program Subproject Proposal Format, #8 "Financial Narrative and Budget".)

Five Year Financial Breakdown  
(\$000)

		<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>	<u>Totals</u>
ARDN	103	1,000	1,000	1,000	1,000	1,000	5,000
HLTH & POP	104	250	250	250	250	500	1,500
EHRD	105	250	250	250	500	250	1,500
SDA	106	<u>500</u>	<u>500</u>	<u>500</u>	<u>250</u>	<u>250</u>	<u>2,000</u>
<b>Totals</b>		<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>10,000</b>

Summary Cost Estimate and Financial Plan

(\$000)

<u>SPECIFIC INPUTS:</u>	<u>USAID</u>	<u>Other Donors</u>	<u>Total</u>
1. Grants to PVOs	9,200	3,500	12,700
2. Project Consultants (Personal Services Contracts)	400	-	400
3. Technical Assistance (Project Design and General Operational Support)	200	-	200
4. Evaluation	50	-	50
5. Training	100	-	100
6. Contingency	<u>50</u>	<u>-</u>	<u>50</u>
<b>Totals</b>	<b>10,000</b>	<b>3,500</b>	<b>13,500</b>

Funds earmarked for project consultants and technical assistance are estimates. Funds not used for these purposes will be used for grants to PVOs. Training costs are associated with improving PVO staff capability in subproject design, management, and evaluation.

## 6. Evaluation Plan

This project, being a cluster of small diverse subprojects, will be evaluated on two levels.

### a) Overall project evaluation:

On the overall project level, we will evaluate whether or not we have been able to engage the expertise of PVOs working in the Philippines and whether or not our contribution has resulted in a net increase in or improvement in the effectiveness of PVO sponsored development activity. In order to do this, data was collected at the beginning of PVO Co-Fi I that established the base against which additional PVO activities can be measured as the project progresses.

We expect that Mission sponsored PVO subprojects, carried out with the involvement of groups of potential beneficiaries, will help to strengthen the capabilities necessary for these groups to continue the development process on their own or with reduced assistance from outside sources. One good indicator might be that the development undertaken with PVO Co-Financing assistance is continuing or will be able to continue after the project period. Another indicator might be that the group has branched into different development activities without any outside assistance or with a lower level of assistance than previously.

As discussed in the PVO Co-Financing I Project Paper, in order to be able to see the evidence described above, some of the subprojects must have reached completion. It will not be until the fourth and fifth years of Co-Financing I (which coincides with the beginning years of PVO Co-Fi II) or even later in some cases that a sufficient number of subprojects will be completed to evaluate whether target groups involved in PVO Co-Financing I supported activities have continued subproject activities or branched out into additional development activities. Even at this point, it is quite likely that the evidence will not be conclusive. It should be sufficient however to indicate the likelihood of success.

Not all subprojects will be involved in setting the conditions necessary for groups to continue development on their own. A subproject may test a new technology or system that is to be

adopted by a government organization or other agency for broader application in the country. In this case, subproject results will be examined to determine whether or not the technology or system proved to be appropriate and whether or not the technology was or will be adopted by the agency or organization for whom it is intended. Again, this sort of evidence will not be apparent until the particular subproject is completed. If success depends on the adoption of the particular strategy, system, or technology, evidence may not be available for some time after this. The fact that a particular strategy, system or technology has not been adopted will have to be looked at in depth to determine if the fault lies with the sponsoring organization and the subproject activity pursued or if it lies with factors outside the organization's control. Before entering such a subproject, USAID and the sponsoring agency will have to vigorously examine the assumptions related to the adoption of the subproject results.

U.S. voluntary organizations are encouraged to enter into joint ventures with indigenous voluntary organizations. One of the purposes of this project is to increase the capability of indigenous PVOs to plan, design, implement and evaluate development activities on their own. We also wish to see increased ability among these groups to mobilize private resources for development. A measure of successful action toward this objective will be the number of projects sponsored by U.S. voluntary organizations or as a joint venture with indigenous PVOs. A positive trend here will, however, only indicate that the U.S. PVOs are willing to try this approach. It will not be until joint ventures are completed and the capabilities of the indigenous partner can be examined that we will have some indication that our purpose has been attained. A partial test will be whether the indigenous organization can meet the requirements for USAID registration. It will not be until the capabilities established have been proved by successful completion of a development project on its own that an indigenous agency can be certified as definitely qualified and our purpose attained.

All of the measures indicated above are designed to determine the extent to which this project has reached its multiple objectives. The periodic reviews will be scheduled to take place when appropriate evidence is available (i.e. after sufficient subprojects have been completed). Relevant timing for the overall evaluation will be halfway through the implementation of PVO Co-Financing II. The evaluation process itself is an ongoing activity which examines evidence quarterly progress reports from ongoing subproject activities funded through Co-Financing grants. Elements of this sort of evaluation have already been used to develop this project.

Most of the evaluation exercises during the first two years of Co-Financing II will be performed by Mission staff with perhaps some local contractor assistance in gathering data.

It should be noted that as per discussion in the Project Paper of PVO Co-Financing I, an overall project level evaluation was conducted by a team composed of an AID/Washington General Development Officer, a USAID/Philippines Evaluation Officer and two private contractors during the period of August 23 - November 5, 1982. The recommendations resulting from this evaluation have guided the development of PVO Co-Financing II.

b) Subproject Evaluation:

The second level of evaluation is subproject specific. Each subproject will be evaluated to measure the degree to which the subproject purpose has been achieved. Scheduling and designing each evaluation will be the responsibility of the sponsoring PVO. Subproject funds will be set aside in the Grant budget to cover the cost of these evaluations. USAID does not intend to require a rigid format for evaluations. However, the evaluation must examine the degree to which the projects' purpose and specific objectives have been achieved. In assessing the relative merits of individual proposals, serious attention will be given to the evaluation plan developed by the PVO.

A prerequisite for funding a proposal will be USAID acceptance of the sponsoring PVOs evaluation plan and schedule. As in all other aspects of subproject design, USAID will, as requested, provide assistance in preparing evaluation designs and schedules. USAID staff will be available to carry out certain aspects of subproject evaluations depending on the need, availability of personnel and agreement with the sponsoring PVO.

PVO CO FINANCING MISSION ORDER

1. Purpose: This order establishes USAID/Philippines policy and procedures for approval of subproject proposals submitted by eligible U.S. and Philippine Private Voluntary Organizations (PVOs) under its PVO Co-Financing Program.

2. Background: The PVO Co-Financing Program was designed to enhance private development activities, involving beneficiaries and PVOs, which complement GIP funded development efforts as well as private initiatives.

3. Approval of Project Proposals:

A. A USAID PVO Subproject Review Committee reviews PVO Co-Financing subproject proposals formally and makes appropriate recommendations to the Mission Director by clearing decision memos concerning proposals. The Subproject Review Committee is made up of a representative of each USAID technical office and a member from the Program Office, Program Economists Office, and the Controllers Office.

B. O/FFPVC is responsible for co-ordinating with the appropriate USAID technical offices for proposal review and development. Other USAID technical personnel may be requested to participate in the review and development of specific proposals, if it is found appropriate. The extent of this participation can vary from a brief technical review to extensive assistance and/or referral. (See USAID Handout titled "Processing of PVO Co-Financing Subproject Proposals".)

C. The preparation of PVO Co-Financing subproject proposals is primarily the responsibility of the PVOs and their counterpart organizations. Proposals submitted for USAID consideration will be reviewed in accordance with the guidance offered in USAID Handbook 3, Appendix 4B ("Procedures for PVOs on Operational Program Grants -- OPGs"). Subproject proposals should generally follow the form and substance of Attachment B to the Appendix 4B entitled "Operational Program Grant (OPG) Proposal Outline". (See USAID Handout titled "PVO Co-Financing Program Subproject Proposal Format".)

D. If a proposal has been designated for development through a decision memo approved by the Mission Director, it is the sole responsibility of the PVO submitting the proposal to USAID to obtain the necessary approval/endorsement from NEDA.

4. Subproject Criteria

In evaluating subproject proposals, the Subproject Review Committee will give preference to PVO development activities which meet both the quality and allocative criteria as described below.

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- A. Quality Criteria: A high priority proposal must:
1. Be technically, economically, financially and socially feasible.
  2. Be sponsored by a registered PVU with the necessary qualifications, a good track record and a strong commitment.
  3. Be sustainable and/or replicable without additional USAID assistance.
- A high priority proposal should also:
4. Have a complete and well-conceived implementation plan and mechanism for competent administration.
- B. Allocative Criteria: A high priority proposal should preferably:
1. Be consistent with the overall CUSS goal of poverty alleviation through increased, more productive, employment for poor groups: (i.e. more jobs and higher productivity for those already working), and have potential to contribute lessons for specific CUSS program elements (i.e. community-based management of rainfed resources, energy, rural enterprise development, local resources management, reduced fertility and infant mortality (especially through innovative approaches to primary health care delivery and finance.) Note: This criterion of close linkage to the Mission's CUSS will be adjusted in accordance with changes in the focus and scope of USAID's worldwide and country specific objectives.
  2. Contribute to strengthening PVU capacity to act as a positive and dynamic development force.
  3. Contribute to the development of new strategies and approaches which the Mission may wish to consider which may not link directly to the CUSS.
  4. Have potential to contribute to the four USAID initiatives of private sector development, policy dialogue/reform, technology transfer, and institutional development.
  5. Have potential to provide insights useful for the development of the Asia Bureau regional strategy particularly as related to the role of PVUs in middle income countries.
- C. Negative Allocation Criteria: A high priority proposal shall not include:
1. Welfare oriented activities.
  2. Beautification, recreation and other civic, nondevelopmental activities.
  3. Development activities whose intended beneficiaries are not legitimate poverty group members.
  4. Religious activities.
  5. Subprojects which are essentially physical infrastructure.

5. Grant Agreement:

If the PVU subproject committee's positive funding recommendation of a proposal has been approved by the USAID/Philippines Director and if all

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outstanding issues/concerns surrounding the subproject have been resolved by a team made up of PVO Co-financing and Technical Office staff, a mission review committee will meet to review and approve the revised proposal. Following this review a PIO/T will be prepared for clearance by the appropriate offices. Upon clearance, USAID/Philippine Contract Services Division will draft a Grant Agreement in accordance with USAID Handbook 13 ("Grants" - Chapter 4, "Specific Support Grants".)

Beginning in FY 84, all PVO Co-Financing subprojects selected for development through the Director's decision memo must have prior approval from NEDA before the Grant Agreement is signed.

Prior to submission of the Grant Agreement to the Director for his final approval and signature, it is cleared by the following USAID/Philippine offices: Program Office, Controller's Office and Contract Services Division. The Grant Agreement may be signed by either the Mission Director or the USAID Contracting Officer.

After the Grant Agreement has been signed, the responsibility for managing the subproject, in most cases, will pass to the appropriate technical office and be managed from that office like any other project.

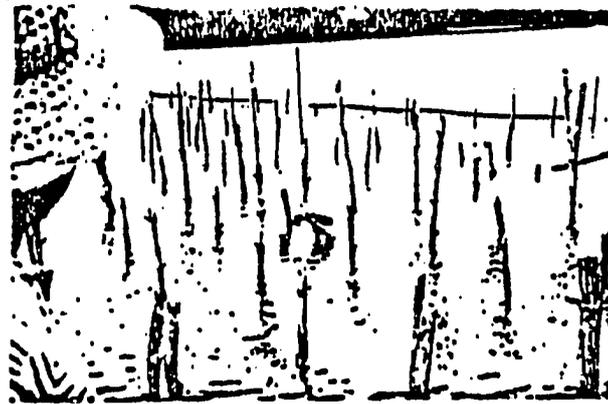
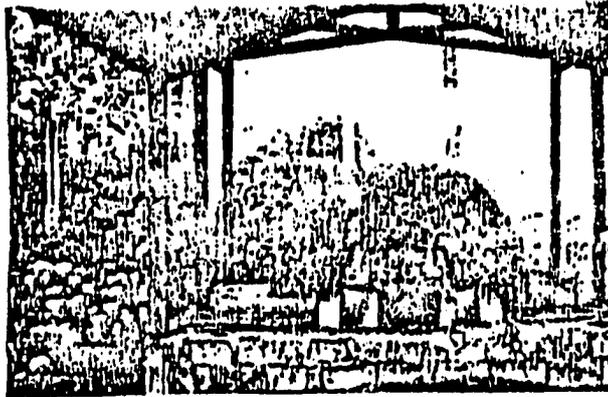
6. Additional Information:

The most current revision of the following documents can be obtained from the Office of Food for Peace and Voluntary Cooperation:

1. Processing of PVO Co-Financing Program Subproject Proposals
2. O/FFPVC Office Structure
3. PVO Co-Financing General Guidelines
4. PVO Registration Guidelines
5. PVO Co-Financing Program Subproject Proposal Format

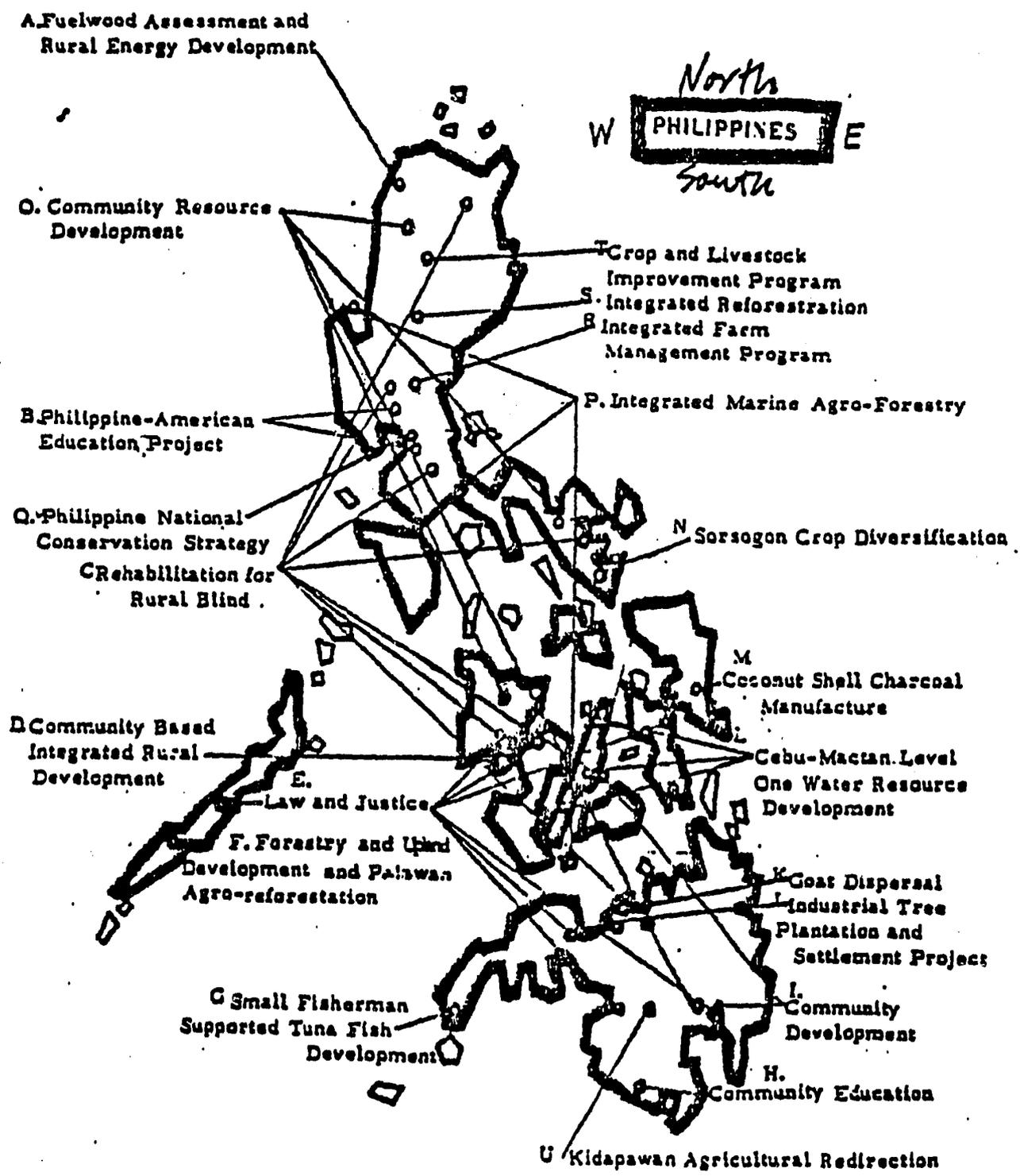
# The USAID Private Voluntary Organization Co-Financing Program (PVO Co-FI)

## GUIDELINES FOR PRIVATE VOLUNTARY ORGANIZATIONS



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
Manila, Philippines

# PVO Co-Financing <sup>sub-</sup>Projects to Date (as of May 1983)



**The Co-Financing Approach  
Supporting Private Voluntary Organization's  
Development Efforts in a Changing Philippines**

Development activities addressed to the needs of disadvantaged people are most likely to succeed when the beneficiaries themselves are fully involved in the development process. Furthermore, the capabilities and resources of beneficiaries should be used to the greatest extent possible in the efforts undertaken.

Private Voluntary Organizations (PVOs) have proven their ability to recognize and respond to local needs with appropriate and timely assistance. Their activities involve intended beneficiaries in the development process and are designed to make a direct impact that satisfies an identified need.

In order to support these PVO development activities the PVO Co-Financing Project was initiated.

The United States Agency for International Development (USAID) through the PVO Co-Financing Project provides funds from which PVO sponsored development subprojects are financed. PVOs registered by USAID are eligible to submit subproject proposals for consideration. USAID grants assistance under the Co-Financing mechanism for a maximum of 75% of the subproject total costs. At least 25% of the total subproject costs must be contributed from other than U.S. Government sources, in cash or in kind.

The PVO Co-Financing project funds a variety of PVO subprojects in areas that include agricultural and rural development, human rights/legal assistance, nutrition, education, health and population.

USAID is especially interested in activities that increase on and off farm employment and income. In addition, subprojects designated to improve agricultural productivity in upland areas are given preference. Subprojects designed to be self-sustaining after the initial Grant period are given the highest priority. Subprojects that are not self-sustaining are given a lower priority.

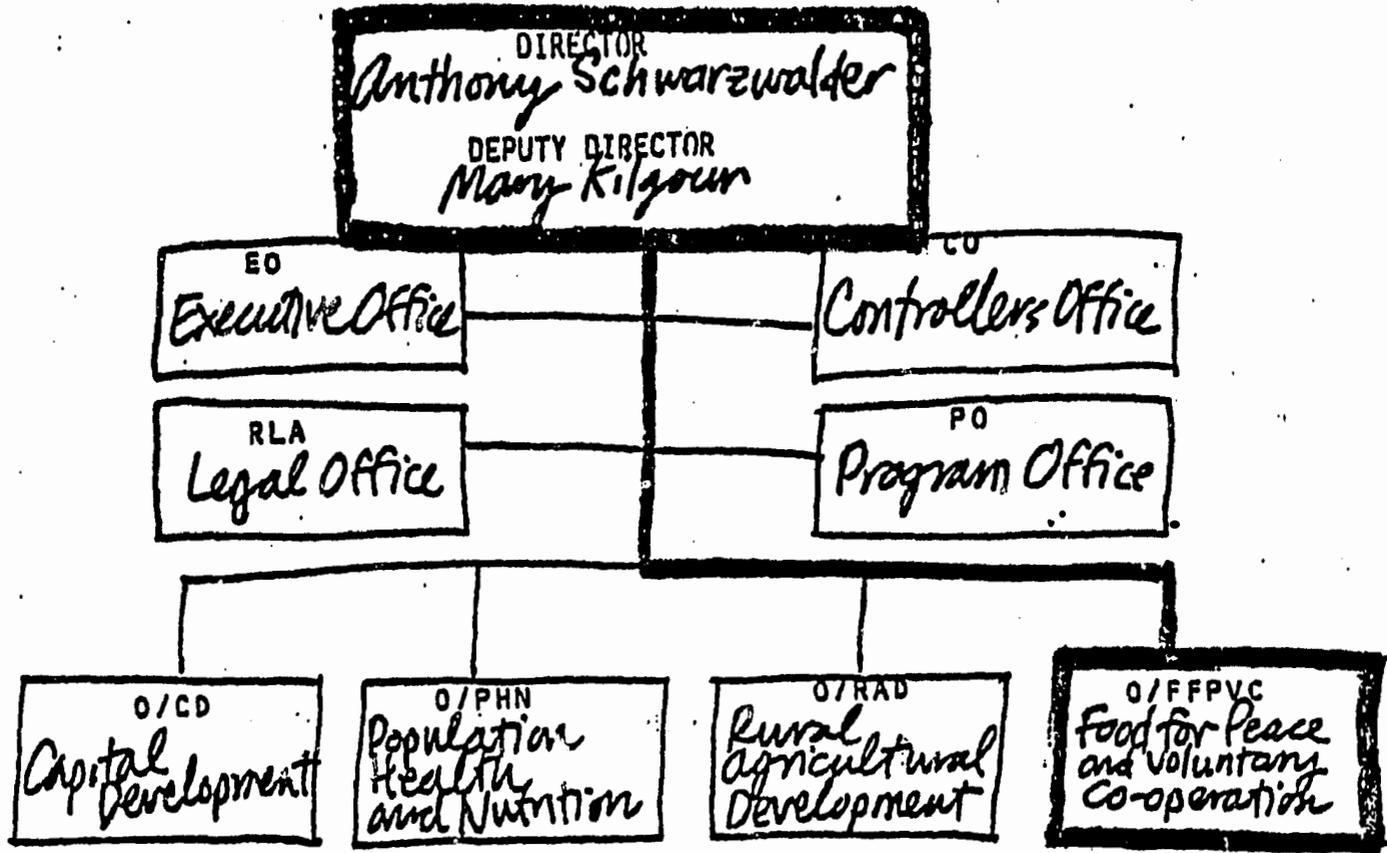
For a summary of PVO Co-Financing subprojects that USAID has funded through May of 1983, please refer to the attached map and chart. Following are 3 examples of PVO Co-Financing subprojects in more detail:

1. Goat Dispersal Subproject/Xavier Science Foundation, Inc.

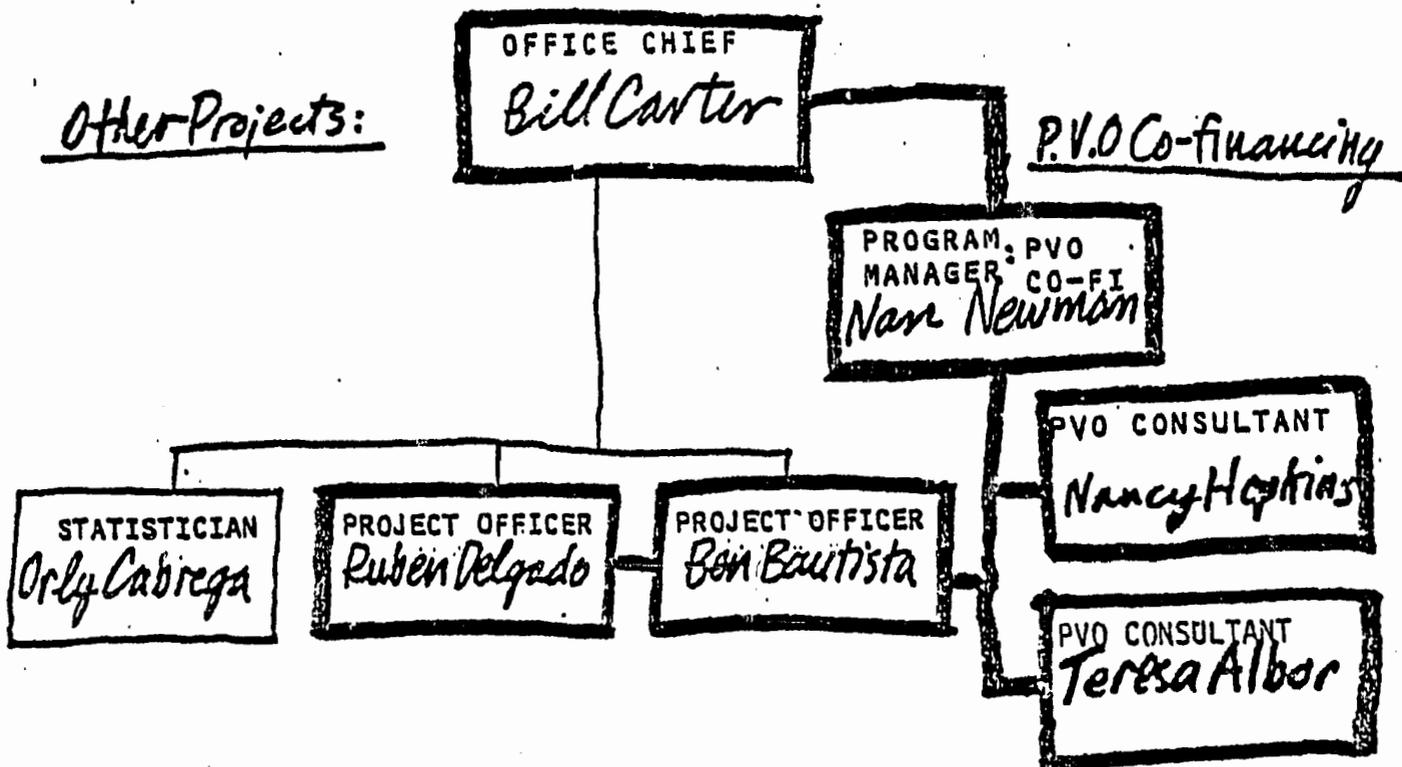
USAID -	\$44,745
Counterpart -	14,985
Total -	<u>\$59,730</u>

Located on Mindanao in Cagayan de Oro, Misamis Oriental, this subproject aims to support a goat dispersal program for selected rural poor families and to demonstrate that goats are a practical and economic source of meat. This subproject maximizes use of land presently under coconut cultivation and gathers additional information on the economic and nutritional value of goats.

ORGANIZATIONAL CHART OF USAID:



ORGANIZATIONAL CHART OF THE OFFICE OF FOOD FOR PEACE AND VOLUNTARY CO-OPERATION (O/FFPVC):



2. Coconut Shell Charcoal Manufacture Subproject/International Human Assistance Program (IHAP)

USAID -	\$212,566
Counterpart -	73,602
Total -	<u>\$286,168</u>

The basic goal of this subproject is to organize small coconut farmers to produce charcoal from coconut shells that are in abundant supply. Coconut shell charcoal is used as an appropriate energy source for industrial and domestic purposes. This subproject located in Borongan Eastern Samar envisions increasing the income of the small farmers by at least 15%.

3. Cebu-Mactan Level One Water Resources/The Asia Foundation (TAF)

Sub-Grantee: Water Resource Center, San Carlos University, Cebu City

USAID -	\$439,692
Others -	160,168
Total -	<u>\$599,860</u>

The objective of this subproject is to improve existing water resources and to develop a method of providing potable water to economically depressed areas of Cebu and Mactan Island.

An Introduction to USAID and the Office of Food for Peace & Voluntary Cooperation (O/FFPVC)

USAID is responsible for implementing the U.S. Government's official overseas economic development assistance programs. USAID works with numerous governments around the world helping to provide grants, loans and commodities for worthwhile development projects.

As you can see from the organizational chart, the USAID/Philippines is divided into 4 main technical offices including our office, Food for Peace and Voluntary Cooperation (O/FFPVC). In addition, there are several support offices such as Legal, Economics, and Energy. USAID/Philippines cooperates with a number of Government of the Philippines programs designed to address developmental concerns with the ultimate goal of reducing poverty.

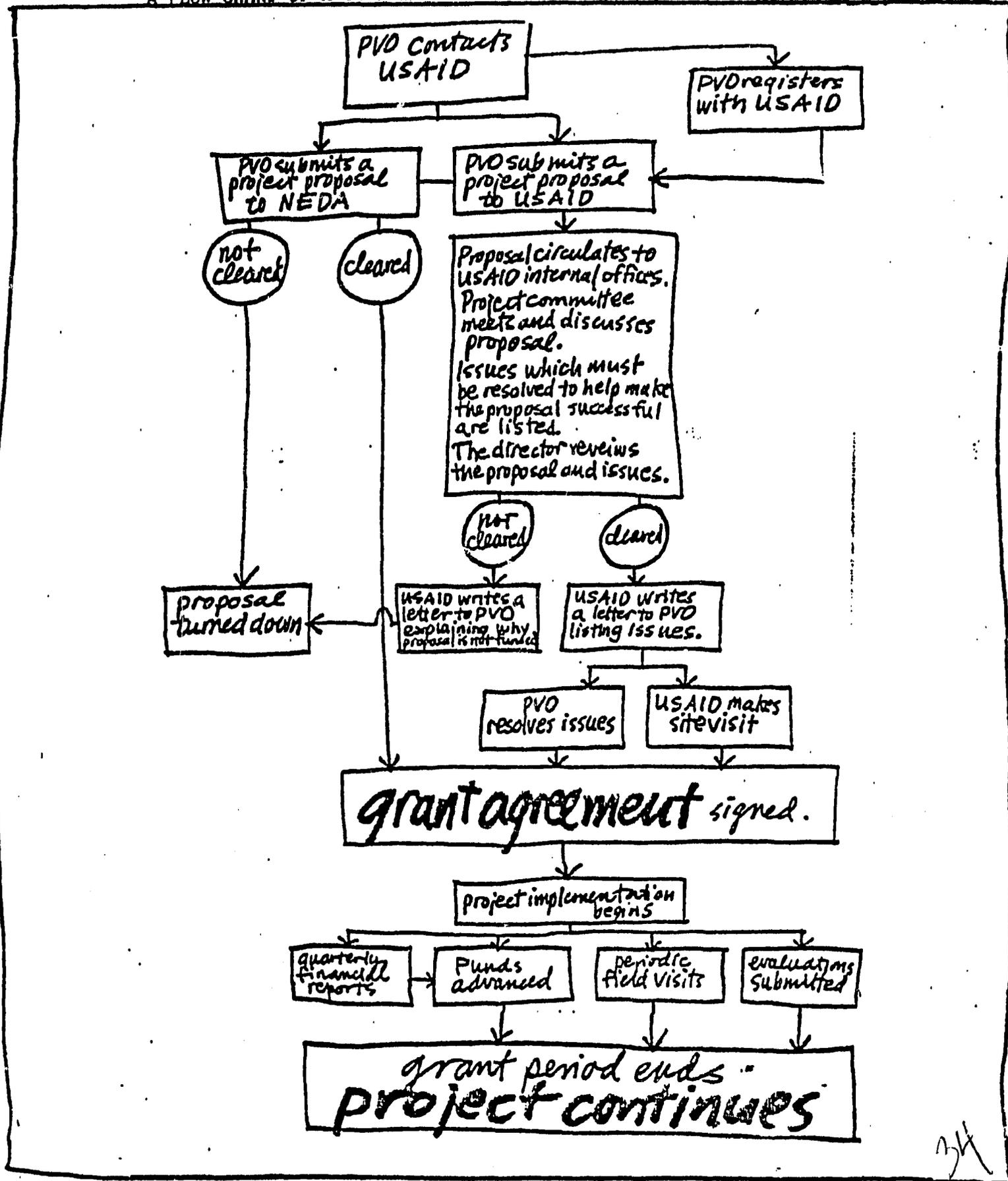
O/FFPVC staff members work directly with PVOs to design, implement and eventually evaluate quality subprojects. To do this, O/FFPVC consults with and seeks the guidance of other USAID technical staff. At times Philippine Government agencies and elements of the private sector are brought into the picture to give advice on a specific subproject. The goal of USAID is to work with PVOs to draw together the appropriate expertise needed to make a subproject workable.

How Co-financing Works

The process of Co-Financing begins when a PVO approaches USAID. To be eligible for funding, the PVO must first be registered with USAID. Registration details are available from O/FFPVC. When a PVO has been registered it may submit a subproject proposal to USAID through O/FFPVC and to the National Economic Development Authority (NEDA) for review and approval. Subproject proposal forms are available through O/FFPVC.

# How Co-Financing Works:

A FLOW CHART OF A CO-FINANCING SUBPROJECT FROM PROPOSAL TO END OF GRANT PERIOD.



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When O/FFPVC receives a proposal, it drafts a memo discussing the issues needing to be resolved to strengthen the proposed subproject. O/FFPVC then circulates the memo with the proposal to the appropriate USAID offices for their additional comments. An internal USAID committee meets to discuss the results of this internal review in terms of the proposal's potential along with proposals submitted by other groups. The proposal, the issues brought up by various offices and the committee, and a recommendation are sent to the Director of USAID.

After the Director makes a decision on a specific proposal, the PVO is contacted concerning the outcome of the above process. If the reaction to the proposal is favorable, O/FFPVC staff will work with the PVO to improve the subproject design by resolving the issues raised. Usually the O/FFPVC staff will make a site visit during the period that issues are being discussed. When all issues have been successfully resolved a Grant Agreement can be signed.

The Grant Agreement can be signed when: 1) the issues have been resolved; and 2) NEDA has approved the proposal. The terms and conditions of the Grant Agreement will set the pattern for the USAID/PVO relationship during the funding period.

In all of this work, USAID seeks subproject quality, extensive beneficiary participation, realistic planning and comprehensive reporting.

This process is illustrated by the accompanying flow chart.

For further information:

If your organization is interested in further information, please contact us at phone number 59-80-11, loc. 2444, 2445 and 2446. Our office is located on the 17th floor, Ramon Magsaysay Bldg. 1680 Roxas Boulevard, Manila.

Cover photographs:

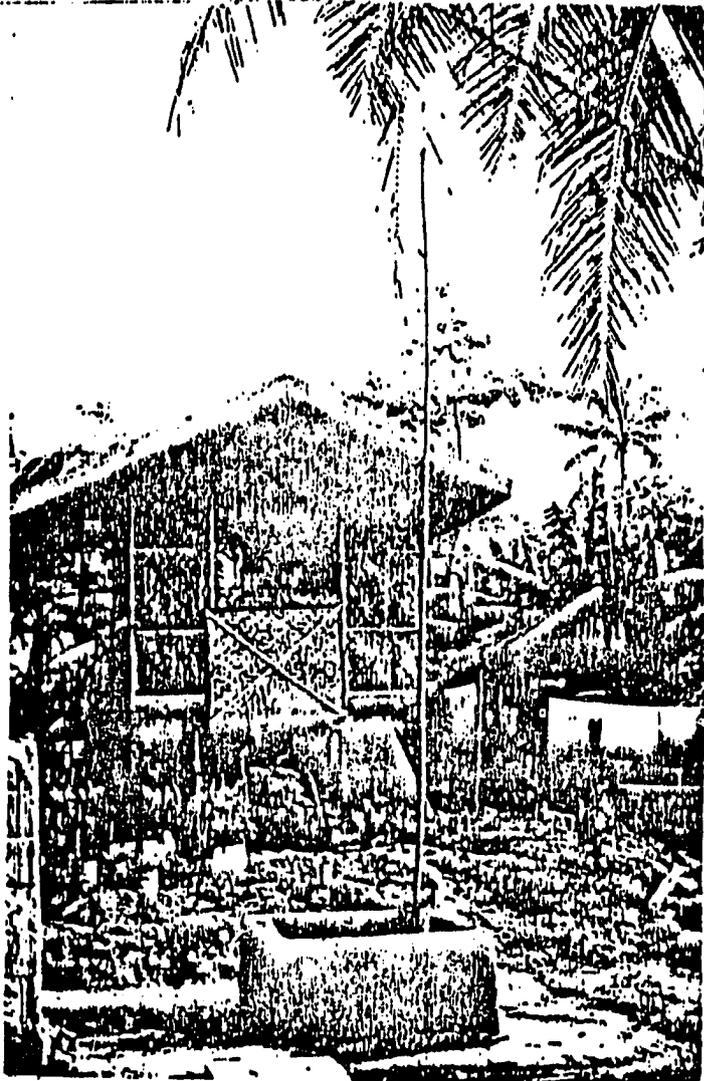
Top: Coconut Shell Charocal Subproject in Borongan Eastern Samar  
Middle: Cebu-Mactan Level One Water Resource Subproject  
Bottom: Oyster Farming Subproject in Bolinao, Pangasinan

Abbreviations used in this handout:

USAID: United States Agency for International Development  
PVO: Private Voluntary Organization  
O/FFPVC: Office of Food for Peace and Voluntary Cooperation  
NEDA: National Economic Development Authority

*The USAID Private Voluntary Organization  
CoFinancing Program (PVO Co-Fi I)*

PVO REGISTRATION GUIDELINES



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
Manila, Philippines

Summary of Documents for Registration

Xerox copies of the following:

- 1) Certificate of Registration with Securities and Exchange Commission (SEC)
- 2) Articles of Incorporation
- 3) Constitution and by laws
- 4) Financial Statement audited by a CPA
- 5) Certificate of Bureau of Internal Revenue (BIR) Registration, Tax Exempt Status
- 6) Latest Annual Report (Narrative)
- 7) Current Budget
- 8) List of Board of Trustees/Directors
- 9) List of salaries and/or allowance of the top five positions

Conditions and Documentation Requirements

- | If the organization:  | then the documentation required is:   |
|---|---|
| A. Is a legal entity, organized under Philippine law for philanthropic and/or public service purposes:  | 1. Certificate of Registration with Securities and Exchange Commission (SEC).<br>2. Articles of Incorporation, constitution, by laws, relevant documents establishing its legal status. |
| B. Is private (non-governmental):   | 3. Constitution & by laws, other relevant documentation   |
| C. Is non-profit:   | 4. Audited financial statements by a CPA, for last three fiscal years if possible.<br>5. Certificate of Tax Exemption   |
| D. Is engaged in or anticipates becoming engaged in voluntary charitable or development assistance operations (other than religious) including but not limited to services of relief, rehabilitation, disaster assistance, welfare, training and/or program support and coordination for such services in the fields of health, education, population planning, nutrition, agriculture, industry, environment, and ecology. | 6. Latest annual report (or document of similar import); third party descriptive information of what they do; letter stating reasons for seeking registration.                          |

E. Accounts for its funds in accordance with generally accepted accounting principles and applicable Philippine Institute of Certified Public Accountants (PICPA) guidelines.

Audits, covering last three fiscal years, if possible, prepared by independent Certified Public Accountant (CPA) disclosing administrative, program and fund raising costs (the latter, where applicable), and providing complete information on financial position as evidenced by liabilities and assets. (See 4 above.)

NOTE: New organizations (organizations which have been established less than a year) must provide an independent CPA's statement that an accounting and financial reporting system consistent with the PICPA guidelines has been installed, along with an unaudited financial statement covering the period between establishment and application for registration. The Certified Public Accountant's statement for new organizations will also indicate whether the organization has installed internal controls to engage the execution of an audit in accordance with the applicable guidelines at the end of the first year of operations.

F. Exercises financial planning through submission of an annual budget for the year subsequent to that covered in the annual audit:

7. A current budget, for the year subsequent to that covered in the audit, prepared in the manner consistent with the format used in the audit.

G. Has a functioning board or governing body which is the highest authority of the organization, is legally responsible, whose members serve without compensation for such service, and that paid officers do not constitute a majority in any decision of such a body:

8. List of Board of Trustees/ Directors names and addresses- (In the case of a Corporation Sole desiring to register, suitable evidence must be submitted to the satisfaction of USAID to ensure that the nature of the organization's functions and purposes shall not change during the life of any USAID assistance.)

H. Provides compensation for top five headquarters positions:

9. A list of salaries and allowances of the top five positions.

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## GENERAL BACKGROUND

Writing a well-thought-out project proposal is not an easy task. It takes a considerable amount of time and effort. The process can be confusing, frustrating and one can even lose sight of the original purpose for writing the proposal.

The attached subproject proposal form is a tool to make proposal writing a little easier. Please remember that the form is only a tool. Realizing that each subproject is unique, we expect the PVO to be flexible in adapting this form to their specific subproject. Secondly, the idea of the form is to draw out and clarify what it is a subproject will do. Good planning can substantially reduce the number of obstacles the subproject will face.

Although writing the proposal is primarily the responsibility of the PVO, USAID is willing to assist, whenever possible. Other planning tools, such as the logical framework used by USAID in subproject design, and other exercises are available. Please feel free to consult USAID about any aspect of proposal writing.

Following are specific guidelines for completing the subproject proposal form:

### PREPARATION OF COVERSHEET AND TABLE OF CONTENTS

**COVERSHEET:** Please use the coversheet form provided. List the subproject manager only if known. "Grant Period" refers to the proposed number of years of USAID funding. "Subproject Coverage Area" means the towns and provinces where the actual beneficiaries reside and where the subproject activities will take place. If a sub-Grantee is involved, fill in information concerning this organization. The "Subproject Abstract" is a very brief and concise description of the subproject.

**TABLE OF CONTENTS:** When you have finished writing the proposal fill in the table of contents form provided by listing the appropriate pages. Add titles and pages of additional sections and annexes.

### GENERAL INSTRUCTIONS FOR PREPARATION OF MAIN ELEMENTS OF THE PROPOSAL

The body of the subsubproject proposal should contain eight sections as listed in the table of contents. Although there are forms provided for Sections 6 and 8, ("Implementation Plan/Timeframe" and "Budget" respectively), there are no special forms provided for Sections 1-5, 7, and the "Budget Narrative". Prepare each of these sections by using as many sheets of paper as necessary, use the table of contents to label each section. Indicate your organization and subproject title in the upper right hand corner and number each page.

### INSTRUCTIONS FOR PREPARATION OF SPECIFIC SECTIONS

1. **STATEMENT OF THE PROBLEM/PURPOSE:** Describe briefly the development problem which you are attempting to address and note relevant studies or other evidence which establishes that the problem exists.

2. SPECIFIC OBJECTIVES: State what you hope the subproject will achieve in such a way that your accomplishments or objectives can be measured or counted. This helps to evaluate and keep the subproject on track. In development work, with its challenges and unpredictable events, some objectives you may want to achieve are difficult to predict or measure. Even so, these less measurable objectives must also be stated. Two examples of objectives are:
  - a. Specific Objective: Three nurseries with at least 1,000 available seedlings will be operating at the end of the subproject's first year.
  - b. Less Measurable Objective: By the end of the Grant period the 2,000 beneficiaries in the four targeted barangays will have demonstrated their ability to manage similar development activities.
3. WORK TO DATE/ADMINISTRATIVE CAPABILITY: Explain how you became aware of the problem and what has been done by your organization in the problem area to date. Describe the activities of the Philippine Government or other development organizations to overcome the problems and explain how your subproject will complement or supplement these activities. Give information about your organization's management capabilities supporting its ability to manage the proposed resources. If an intermediate organization is expected to manage some or all subproject activities, include similar information describing this organization's competence.
4. BASELINE INFORMATION: A profile of the beneficiaries of the subproject should be provided, listing the number to be directly affected, and those indirectly affected. Also, describe other beneficiary characteristics such as income level, ethnic group, age, location, employment, sex, organization and community group membership, etc. Explain any anticipated positive and/or negative impact that the subproject will have on cultural traditions and values.

Outline conditions which presently exist and which you expect to change and/or improve by the subproject. State the economic effects and benefits to be achieved by the subproject. USAID will be comparing benefits with the cost of the proposed effort. Since a cost per beneficiary analysis will be made, a clear and complete discussion which can assist in this comparison will facilitate review of the proposal.

5. METHODOLOGY/EVALUATION PLAN: Describe your plan to achieve the objectives and to bring about changes as indicated in the baseline information above. In other words, tell us how you will attempt to solve the problems discussed in Section 1. Discuss technologies to be used providing evidence that your organization has the capacity to implement these technologies. If beneficiaries will be expected to carry out some implementation functions such as planning, evaluation or maintenance of subproject outputs such as water systems, roads, or services, describe the beneficiaries capabilities in these areas. If part of the subproject activity is to assist the beneficiaries to gain these skills explain how this will be accomplished.

Give attention to how the subproject will be sustained or repeated (replicated), such as where and how this will take place and the financial viability. Please note that replicability and financial viability are a high USAID priority in proposal consideration.

Finally, describe your evaluation plan. USAID can assist in evaluation design as well as implementation although this is primarily the responsibility of your organization. State who will perform the evaluation, when it will be scheduled and the facets of the subproject to be examined at each stage of the evaluation. Remember that there is a corresponding budget section for evaluation.

6. IMPLEMENTATION PLAN/TIMEFRAME:

The implementation plan/timeframe is intended to help create a clear working outline for implementing the subproject. Using the form provided list all the activities in the order they must be accomplished. Next under "People", note the persons responsible for this activity and other persons involved in the activity including beneficiaries. Under "Schedule" enter the year and the quarter the activity will begin, under "Duration" the time necessary to accomplish the activity. List all budget line items which pertain to the activity. Under "Resources" include organizations, documents etc. which will be needed to support the activity from counterpart, USAID or other resources. Finally, cite in a measurable way, that which you hope to achieve through the activity under "Objectives and Indicators". When completed, the implementation plan/timeframe will greatly facilitate monitoring and evaluation. Below is an example of a section of a completed Implementation Plan:

IMPLEMENTATION PLAN			SUBPROJECT: Local Cottage Industry				
ACTIVITY:	PEOPLE		SCHEDULE	DURATION	BUDGET ITEM AND AMOUNT	RESOURCES	OBJECTIVES AND INDICATORS
	RESPONSIBLE	INVOLVED					
Recruitment and Selection of craft course instructors	Project Manager- Mr. Cruz	Interested craft instructors	Year 2 Quarter 2	2 weeks	Administration- Office expenses, publication of positions. . . . P800.00	Co-operation of NACIDA in referring instructors	4 qualified craft course instructors will be contacted
Reservation of municipal hall and other logistical details	Project Manager- Mr. Cruz		Year 2 Quarter 2	1 week	Training-Hall Rental . . . . P400	Municipal Hall committee	All arrangements will be made so training can be held

7. ASSUMPTIONS: Describe what other developments must take place (or not take place) in order for the subproject to succeed. Include the following:

- a. Government involvement: approval, government funds, commodities, personnel, or land.
- b. Availability of people, commodities, other counterpart funds.
- c. Weather and acts of nature.
- d. Your parent organization's approval of subproject.
- e. Participation of other organizations.
- f. Local participation.
- g. Other assumptions unique to your subproject.

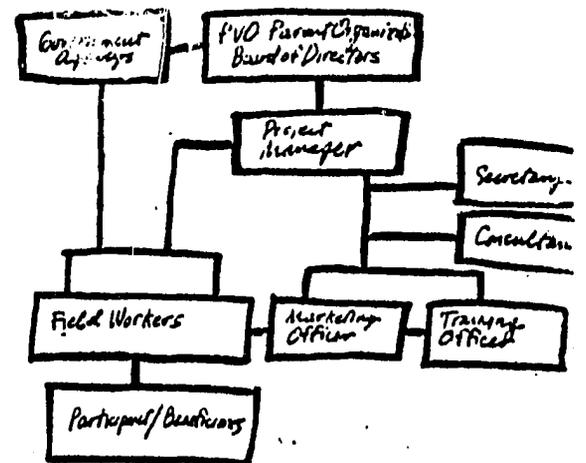
8. FINANCIAL NARRATIVE AND BUDGET: Describe how your budget relates to the subproject and complete the budget form provided. Following are comments to help you complete this form. When preparing the budget do not list miscellaneous, contingency funds or unanticipated costs as line items under any schedule. Your budget should be prepared in Philippine pesos. Supply US dollar equivalent only where requested and be sure to fill in the US dollar to Philippine peso exchange rate used.

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1. Budget Summary:
  - "Budget Breakdown": List the totals from the various schedules. These totals must match the attached schedules exactly.
  - "Subproject Beneficiaries": Estimate the number of individuals who will be directly and indirectly affected.
  - "Cost per Beneficiary": Divide the "Total Subproject Cost" by "Number of Beneficiaries".
  - "Percentage Administrative": Add together the amount of Schedule #4 Administrative, all salaries of non-field workers, Schedule #3 Evaluation, external auditing and subproject planning costs. Find what percentage of the total budget this amounts to.
2. Schedule 1 (Personnel): Make sure to use employee titles consistent with job descriptions included in Annex #2. Figure fringe benefits and indicate formula used on attached worksheet. Transfer the total amount of benefits from worksheet to schedule 1. Indicate whether full or part-time.
3. Schedule 2 and 4 (Commodities and Equipment, Administration): Fill in line items, quantify and total.
4. Schedule 3 (Evaluation): Describe in detail the funds needed for the evaluation based on the evaluation plan in Section 5 of the proposal.
5. Schedule 5 (Training): List training, participants and expenses and use the appropriate computation column be it per day, per hour or per training. Every training should be listed separately.
6. Other Schedules: Add other specific schedules unique to your subproject.

ANNEXES:

1. Organizational Chart: Make a chart which includes all cooperating organizations, boards, committees, government agencies, and subproject staff showing how they relate to each other. This chart will help to determine accountability and responsibilities. A simple example is the organizational chart of a hypothetical PVO illustrated here:



2. Responsibilities and Job Descriptions: Describe the responsibilities of each volunteer and paid subproject staff member. Provide their job descriptions. In addition, list coordinating committees and agencies and the role each will play.
3. Others: Provide any other relevant annexes such as evidence of support, building plans, feasibility studies, etc.

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**A Private Voluntary Organization Co-Financing Subproject Proposal**

SUBPROJECT TITLE:			
PRIVATE VOLUNTARY ORGANIZATION AND ADDRESS:			
PRIVATE VOLUNTARY ORGANIZATION DIRECTOR:			
TITLE:		TELEPHONE:	
SUBGRANTEE ORGANIZATION AND ADDRESS:			
SUB-GRANTEE ORGANIZATION DIRECTOR:			
TITLE:		TELEPHONE:	
PROJECT MANAGER:			
ADDRESS:		TELEPHONE:	
CO-OPERATING GROUPS:			
DATE OF PRESENTATION TO USAID:		GRANT PERIOD:	
TOTAL PROJECT COST	: \$	P	US \$ = RP P:
TOTAL USAID REQUEST	: \$	P	TOTAL COUNTER-PART FUNDS : \$ P
SUBPROJECT COVERAGE AREA:			
SUBPROJECT ABSTRACT:			

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PVO:  
SUBPROJECT:

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3. Work to Date/ Administrative Capability	
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6. Implementation Plan/Timeframe*	
7. Assumptions	
8. Financial Narrative/Budget*	
Annex #1 Organizational Chart	
Annex #2 Responsibilities and Job Descriptions	

\* Please use the form provided.

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Processing of PVO Co-Financing Subproject Proposals

<u>Action</u>	<u>Office</u>	<u>Duration</u>
<b>A. <u>Proposal Submission</u></b>		
1. PVO contacts USAID/O/FFPVC concerning the PVO Co-Financing Program. The PVO is given registration guidelines and/or a general outline of the PVO Co-Financing Program and/or a proposal form and guidelines. If needed, and depending on availability of personnel, assistance may be given in proposal design. A PVO may approach O/FFPVC with a subproject idea to establish basic feasibility and appropriateness for the PVO Co-Financing Program.	O/FFPVC	N/A
2. PVO registers with either USAID/Philippines or USAID/Washington.	O/FFPVC	1-6 mos.
3. PVO submits subproject proposal.	O/FFPVC	N/A
<b>B. <u>Mission Review and Selection</u></b>		
4. Submitted proposal is reviewed for basic requirements.	O/FFPVC	upon receipt
5. The proposal is summarized and issues pertaining to its viability are listed. A memorandum to this effect with the proposal are circulated within the USAID Mission for technical review.	O/FFPVC, appropriate technical offices	2 weeks
6. Based on the written comments from the technical review and a meeting of the PVO Subproject Committee a decision memo is drafted with a recommendation to fund, develop the proposal further, or not to fund.	O/FFPVC, PVO Subproject Committee	2 weeks
7. The decision memo is approved by the PVO Co-Financing Subproject committee.	O/FFPVC, Committee	2 weeks
8. Mission Director reviews and signs decision memo sometimes with comments of his/her own.	OD	1 week

C. Resolving Issues and Signing Grant Agreement

- |     |   |  |                                 |
|-----|---|--|---------------------------------|
| 9.  | If the proposal is recommended for funding the PVO is contacted concerning the issues brought up during the USAID technical review. Assistance is often provided by O/FFPVC in resolving the issues. A field visit is made to the project site. A formal document listing the issues and what has been done to resolve them is prepared by the PVO and submitted to USAID/Philippines O/FFPVC. If proposal is not recommended for funding a letter is sent discussing the reasons for USAID's decision. | O/FFPVC  | average 4 mos.<br>(1 - 11 mos.) |
| 10. | A PIO/T containing full information on each PVO subproject to be funded is circulated for internal Mission clearance.   | O/FFPVC,<br>clearance:<br>CSD,EO, RLA,<br>appropriate<br>technical<br>offices, CO,<br>PO, OD | 2 weeks                         |
| 11. | Based upon an executed PIO/T a Grant Agreement is prepared. It is then signed by USAID Contracting Officer or Mission Director and a representative of the PVO.   | O/FFPVC,<br>clearance:<br>PO, CO, CSD  | 2 weeks                         |
| 12. | USAID/Washington is notified of the obligation under the Grant Agreement.   | CSD & CO   | N/A                             |
| 13. | Upon signing the Grant Agreement the PVO requests an initial advance of funds.  | Appropriate<br>technical<br>office   | 1 month                         |

D. Subproject Monitoring and Evaluation

- |     |   |                                    |                    |
|-----|---|------------------------------------|--------------------|
| 14. | The PVO is required to submit quarterly financial and narrative status reports, a final report, an evaluation plan and budget, and a final evaluation. Midterm evaluations are sometimes required. Site visits are required at least once a year. | Appropriate<br>technical<br>office | Life of<br>project |
|-----|---|------------------------------------|--------------------|

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A Summary of PVO Co-Financing Sub-projects (As of September 1983)

1. 1. PVO: Helen Keller International (HKI)  
2. Project: Rehabilitation of the Rural Blind  
3. Project Director: Ms. Marita Capadocia  
4. Funding: AID - \$184,205  
Counterpart - 19,550  
Others - 101,350  
Total - \$305,105  
  
5. Location: Tarlac, Laguna, Misamis Oriental, Iloilo, Capiz, Cagayan Valley, Albay, and Camarines Sur  
6. Project Description: Training for poor rural blind persons to give them greater physical mobility as well as vocational and trade skills. The project is designed to increase the productivity and income of these blind people.  
  
7. Date Started: 22 Aug. 80 PACD: 21 Aug. 83  
8. Status: Extended until 29 Feb. 84
  
2. 1. PVO: International Human Assistance Program (IHAP)  
2. Project: Crop Diversification  
3. A) IHAP Director: Gerald K. Davey  
B) Project Director: Nelson Delorios  
4. Funding: AID - \$267,386  
Counterpart - 89,655  
Total - \$357,041  
  
5. Location: Sorsogon Province, Bicol  
6. Project Description: To expand the development of the coffee, cacao and pepper industry in Sorsogon Province. Also, to maximize the use of idle and under utilized lands, including those that are under coconut cultivation. There is also a project component designed to help farmers with marketing techniques for their produce.  
  
7. Date started: 08 Jul. 80 PACD: 07 Jul. 83  
8. Status: Extended until 07 May 85
  
3. 1. PVO: The Asia Foundation (TAF)  
2. Sub-Grantee: Resource Center, San Carlos University, Cebu City  
3. Project: Cebu-Mactan Level One Water Resource  
4. Project Director: Fr. Van Engelen

5. Funding: AID - \$439,692  
Counterpart - 160,168  
Total - \$599,860

6. Location: Mactan Island, Municipalities of Dumonyug and San Remigio, Cebu

7. Project Description: To improve existing water resources and to develop a method of providing potable water to certain economically depressed areas of Cebu and Mactan Island.

8. Date started: 08 Sept. 80 PACD: 7 Sept. 83

9. Status: Ongoing

4. 1. PVO: The Asia Foundation (TAF)  
2. Sub-Grantee: Notre Dame Educational Association (NDEA)  
3. Project: Kidapawan Agricultural Redirection  
4. Project Director: Bro. Angel Bertomo  
5. Funding: AID - \$227,865  
Counterpart - 130,763  
Total - \$358,628

6. Location: Kidapawan, South Cotabato

7. Project Description: To augment and to improve the agricultural education programs of the Notre Dame Educational Association. To revise and implement a practical curriculum that better addresses the agriculture needs of the local community.

8. Date Started: 08 Sept. 80 PACD: March 85

9. Status: Ongoing

5. 1. PVO: Kalahan Education Foundation, Inc.  
2. Project: Integrated Reforestation Project  
3. Project Director: Dr. Delbert Rice  
4. Funding: AID - \$223,675  
Counterpart - 120,586  
Total - \$344,931

5. Location: Imugan, Santa Fe, Nueve Vizcaya

6. Project Description: To continue and to expand various development activities related to the reforestation of approximately 14,000 hectares leased to the Kalahan Educational Foundation. These activities include: terracing, construction of firebreaks, upland crop production and orchard plantation. The project seeks to

develop and to protect the natural resources of the area and to increase the income of approximately 2,000 people of the Ikalahan cultural minority group.

- 7. Date Started: 10 Jun 81      PACD: 11 Jun 84
- 8. Status: Ongoing

- 6. 1. PVO: International Human Assistance Program (IHAP)
- 2. Project: Coconut Shell Charcoal Manufacture
- 3. Project Director: Mr. Gerald K. Davey
- 4. Funding: AID - \$212,566
- Counterpart      73,602
- Total -      \$286,168

- 5. Location: Borongan, Eastern Samar
- 6. Project Description: To organize small coconut farmers to produce charcoal from coconut shells that are in abundant supply for use as an energy product for industrial and domestic uses. In addition to other by-products gained from the coconuts, the activity would increase the income of the small farmers by at least 15%.

- 7. Date Started: 28 Aug. 81      PACD: 1 Sept. 84
- 8. Status: Ongoing

- 7. 1. PVO: Project Compassion, Inc.
- 2. Project: Integrated Marine Agro-Forestry Project for Coastal Areas
- 3. Project Director: Mr. Ramon P. Binamira
- 4. Funding: AID - \$493,008
- Counterpart -      167,328
- Total -      \$660,336

- 5. Location: Alaminos, Anda, Bolinao, Pangasinan; Panglao, Dawis, Baclayan, Bohol; Pagbilao, Quezon
- 6. Project Description: Will undertake three pilot projects on how to address effectively the multiple problems of depleted marine and agro-forestry resources through a comprehensive educational campaign. This will involve the overall participation of the community and government officials and will be integrated with various socio-economic activities designed to improve the living conditions of the people living in coastal areas.

- 7. Date Started: 19 Aug 81      PACD: 18 Aug 84
- 8. Status: Ongoing

8.
  1. PVO: Xavier Science Foundation, Inc.
  2. Project: Goat Dispersal Project
  3. Project Director: Fr. William Masterson
  4. Funding: AID - \$44,745  
Counterpart - 14,985  
Total - \$59,730
  5. Location: Cagayan de Oro, Misamis Oriental
  6. Project Description: To undertake a goat dispersal project for selected rural poor families and to demonstrate that it is a practical and economic source of meat and other by-products for the rural areas. The project also seeks to maximize the use of land presently under coconut cultivation and to gather additional information on the economic value of goats.
  7. Date Started: 28 Aug. 81 PACD: 27 Aug. 84
  8. Status: Ongoing
  
9.
  1. PVO: The Asia Foundation (TAF)
  2. Project: Law and Social Justice Project
  3. Project Director: Ms. Edith S. Coliver
  4. Funding: AID - \$102,540  
Counterpart - 43,900  
Total - \$146,440
  5. Location: University of the Philippines (U.P.) College of Law and Law Center
  6. Project Description: Furnishing of a Clinical Legal Education Center at the U.P. College of Law to involve Metro-Manila students in community service through practical law training; enabling the U.P. Law Center to conduct a Clinical Legal Education Seminars and to hold "legal literacy" seminars in eight provinces; establishing a U.P.-centered ASEAN regional network of human rights documentation; and conducting research on the efficacy of the Barangay Justice system.
  7. Date Started: 01 Sept 81 PACD: 31 Aug. 83
  8. Status: Extended until 31 May 84

10. 1. PVO: Igorot Mutual Association (IMA)
2. Project: Crop and Livestock Improvement and Marketing Program
3. Project Director: Fr. Jose Bangao
4. Funding: AID - \$134,274  
Counterpart - 134,685  
Total - \$268,959
5. Location: Conner and Pinukpok, Kalinga, Apayao
6. Project Description: The project aims to improve the living standard of cultural minorities in Northern Luzon through crop diversification and animal breeding and dispersal. The project involves the planting of coffee, cacao, bananas, vegetables, and cotton. The project also envisions the breeding and dispersal of cattle and swine.  
  
In addition to the animal and crop production the grant will provide funds for establishing an effective marketing system for the various cooperatives associated with IMA.
7. Date Started: 28 April 82 PACD: 27 April 85
8. Status: Ongoing

11. 1. PVO: Xavier Science Foundation (XSF)
2. Project: Manticao Industrial Tree Plantation & Settlement Project.
3. Project Director: Fr. William Masterson
4. Funding: AID \$91,288  
Counterpart 30,622  
Total - \$121,910
5. Location: Manticao, Misamis Oriental
6. Brief Summary: The project aims to develop a deforested, denuded area leased from the Bureau of Forest Development (BFD) into a productive and fully integrated community. Approximately 180 families living in the area have been organized and incorporated to operate and to manage the project. Technical assistance for project implementation will be extended by Xavier College of Agriculture. Initial operations will cover 310 hectares to be cultivated with ipil-ipil, coffee, calamansi, pumelo and mango. The project will assist XSF in setting up an effective marketing system for the crops to be produced. Financial assistance will be in the form of a grant over a period of three years, after which the project should be self-supporting.
7. Date started: 10 May 82 PACD: 09 May 85
8. Status: Ongoing

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12. 1. PVO: Philippine Business for Social Progress (PBSP)
2. Project: Building Competence in Social Development Management through Resource Centers.
3. Location: Trainings will take place in centers located in Manila, Iloilo and Cebu for development groups located throughout the Philippines.
4. Project: Director: Mr. Bienvenido Tan
5. Funding: AID - \$170,480  
Counterpart - 82,600  
Total - \$253,080
6. Project Description: The project aims to increase the capabilities of at least 169 institutions and/or organizations engaged in development work by providing training and technical assistance in the planning, implementation and evaluation of development projects. This will be accomplished through three regional centers. The beneficiary organizations are those which have been assessed by PBSP as having the basic skills to manage a project effectively. It is presumed that the improved management skills from PBSP will result in more efficient operations and substantial savings of resources for participating organizations. The methodology and techniques employed are those developed by PBSP after many years of experience in conducting similar training and in providing technical assistance. Through the regional centers, the project will enable PBSP to continue to provide needed development assistance to target organizations.
7. Date started: 21 Jun 82      PACO: 20 Jun 85
8. Status: Ongoing
13. 1. PVO: Catholic Relief Services (CRS)
2. Project: Integrated Farm Management Program
3. Project Director: Mr. Rodrigo Custodio
4. Funding: AID - \$130,616  
Counterpart - 95,069  
Total - \$225,685
5. Location: Municipalities of LLanera, Talavera in the Province of Nueva Ecija
6. Project Description: The project will provide direct technical and organizational training to 1600 farmers. The training will be designed to increase significantly the rice production of the farmers and therefore increase their incomes. The training will take place in the villages of the farmers so that they can "learn by doing". The project



5. Location: Municipality of Nueva Valencia, Guimaras a sub-province of Iloilo province
  6. Project Description: the project will effectively enable Save The Children to mobilize the residents of four targetted barangays to identify, design, implement and evaluate their own development projects. The project will provide community awareness, community development, and project management training for barangay residents. The residents themselves will select and implement specific development projects designed to enhance their income or increase their food production capability.
  7. Date Started: 1 Aug. 1982 . PACD: 31 July 85
  8. Status: Ongoing
- 
16. 1. PVO: Seventh Day Adventist World Services (SAWS)
  2. Project: Small Scale Fishermen-Supported Tuna Export Industry
  3. Project Director: Dra. Engie Domondon
  4. Funding: AID - \$410,836  
Counterpart - 429,253  
Total. - \$840,089
  5. Location: Talucsangay, Mercedes, Mulu-Muluan and Sangali - four depressed barangays of Zamboanga City, Zamboanga del Sur
  6. Project Description: The project will design and organize a small scale tuna export industry for the benefit of poor fishermen living in four depressed barangays. Under the project, direct links will be established between the fishermen and several international marketing companies. The project will increase the income of the fishermen by developing direct market outlets for their fish, thereby reducing their dependence on middlemen. In addition to returning part of the proceeds from the fishing industry back to the fishermen, some monies will also be used to fund



5. Funding: AID - \$388,900  
Counterpart - 170,323  
Total \$559,223

6. Location: San Nicolas, Pangasinan  
7. Project Description: This subproject is designed to check the alarming rate of erosion and continuing denudation of forest land in the Upper Agno watershed and to stop further destruction of the fertile farm soils in the lowlands due to siltation and erosion.

8. Date Started: June 30, 1983 PACD: June 30, 1986  
9. Status: Ongoing

20. 1. PVO: Development of Peoples Foundation (DPF)  
2. Project: Building Community Capacity  
3. Project Director: Dr. Dela Paz  
4. Funding: AID - \$313,148  
Counterpart- 296,454.44  
Total - \$609,602.44

5. Location: Davao City  
6. Project Description: This subproject hopes to assist approximately 2700 economically depressed farm families in 36 rainfed barangays of 4 municipalities of Davao Province. The sub-project seeks to help these farm families to manage their own development in a community context.

7. Date Started: June 24, 1983 PACD: June 30, 1986  
8. Status: Ongoing

21. 1. PVO: Kalahan Education Foundation (KEF)  
2. Project: Forest Fruit Development and Processing Project  
3. Project Director: Dr. Rice  
4. Funding: AID - \$73,317  
Counterpart - 25,150  
Total - \$98,467

5. Location: Santa Fe, Nueva Viscaya  
6. Project Description: The subproject is designed to maximize use of limited and critical forest resources available to the Kalahan people and enhance the ongoing reforestation efforts. This is to be done through a planting program for fruit trees coupled with a processing and research activity.

7. Date Started: July 19, 1983 PACD: July 31, 1986  
8. Status: Ongoing

22.
  1. PVO: Sariling Sikap Inc. (SSI)
  2. Project: Integrated Rural Development
  3. Project Director: Mr. Antonio Ledesma
  4. Funding: AID - \$221,435  
Counterpart - 276,132  
Total - \$497,567
  5. Location: Candaba, Pamanga
  6. Project Description: The subproject is designed to expand the operational services of SSI SSI's subproject intends to utilize and service small non-governmental organizations as vehicles to reach a greater number of beneficiaries in upland farming and marginal fishing communities .
  7. Date Started: July 29, 1983 PACD: July 30, 1986
  8. Status: Ongoing
  
23.
  1. PVO: Young Men's Christian Association (YMCA)
  2. Project: Rural Improvement Program
  3. Project Director: Mr. Elias Galang
  4. Funding: AID - \$324,117  
Counterpart - 198,813  
Total - \$522,930
  5. Location: Cagayan Valley and Tacloban
  6. Project Description: This subproject has two parts a) The San Vicente Fishermen's Project in Cagayan Valley and b). The Tikog Mat Weaving Industry Project in Basey, Samar. These subprojects are designed to improve the marketing, processing, and production of fish products and quality mats and woven products. These subprojects are designed to create business structures which will significantly improve the employment opportunities, the productivity and the socio-economic status of families engaged in mat weaving and fishing
  7. Date Started: July 29, 1983 PACD: July 30, 1986
  8. Status: Ongoing
  
24.
  1. PVO: Foundation for Education, Evolution and Development (FEED)
  2. Project: Farmers Training Center
  3. Project Manager: Mrs. Marietta Goco
  4. Funding: AID - \$299,969  
Counterpart - 342,564  
Total - \$642,533

5. Location: San Simon, Pampanga
  6. Project Description: The subproject is designed to provide an intensive training program for indigenous farmers to become community organization volunteers who will, in turn, share their organization and technical skills with farmer groups in the community with the goal of increasing farm productivity. The training program will also provide vocational skills training for seasonal farm workers, landless farmers, and out-of-school youths with the goal of increasing their job capabilities.
  7. Date Started: July 19, 1983 PACD: July 31, 1986
  8. Status: Ongoing
- 
25. 1. PVO: The Asia Foundation
  2. Sub-Grantees: PAFID (Philippine Association for International Development Inc.) and Free Legal Assistance Volunteers (Free LAVA)
  3. Project: Legal Outreach Program
  4. Funding: AID - \$83,336  
Counterpart - 133,669  
Total - \$217,005
  5. Location: Cebu and Northern Luzon
  6. Project Description: The subproject is a legal outreach program serving indigents and cultural minorities. The Free LAVA component will be assisted in their Cebu based program while PAFID will be assisted in their work throughout the Philippines with cultural minorities concerning their land rights. Both groups will be funded on a "phasing out" basis as they institutionalize their programs and establish a framework to become self-supporting.
  7. Date Started: July 30, 1983 PACD: July 30, 1986
  8. Status: On-going
- 
26. 1. PVO: Xavier Science Foundation (XSF)
  2. Project: Childrens Primary Health Care Self Help Project
  3. Project Director: Father Madigan
  4. Funding: AID - \$93,123  
Counterpart - 31,712  
Total - \$124,835
  5. Location: Cagayan de Oro
  6. Project Description: This subproject is a comparative study of childrens health problems and the implementation of a health program based on both traditional and modern medical practices identified by this research. Manobo communities

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will constitute one group and migrant Visayan communities the other. The subproject seeks to help these two distinct groups develop and institutionalize appropriate and self supporting health programs based on professional research.

7. Date Started: July 19, 1983 PACD: July 31, 1986
8. Status: Ongoing

27. 1. PVO: Igorot Community Assistance Program (ICAP)
2. Project: Land Tenure Program for the Cultural Minorities of Luzon
3. Project Manager: Fr. Bangao
4. Funding   AID -                   \$141,269  
              Counterpart -           54,219  
              Total -                   \$195,488
5. Location: Tabuk, Kalinga-Apayao
6. Project Description: This subproject will assist minorities to legally own their ancestral lands through land surveying and either titling or obtaining stewardship certificates.
7. Date Started: August 29, 1983 PACD: August 28, 1986
8. Status: ongoing

Completed Projects

1. 1. PVO: Santa Cruz Mission (SCM)
2. Project: Community Education Project
3. Project Director: Fr. Rex Mansmann
4. Funding: AID -                   \$484,395  
              Counterpart -           574,495  
              Total -                   \$1,058,890
5. Location: Lake Sebu, Surallah, South Cotabato
6. Project Description: A multi-faceted effort to improve the general well-being of the T'bolis, a cultural minority group. Under the project initiatives, have been taken to enhance the quality of life of the T'bolis in the areas of health, education, economic development and agriculture. The project contains elements of both formal and non-formal education with emphasis on adult education. Native T'bolis will be recruited to train and work as community development and extension workers among the tribals. Crop diversification as well as high yielding varieties will also be introduced. Another important project component is the strengthening of a Cultural Center, through which to continue the development of T'boli arts and crafts.

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**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

ANNEX G PVO Co-FI II PP

Life of Project:  
From FY 84 to FY 88  
Total U.S. Funding \$10 million  
Date Prepared: September 9, 1983

Project Title & Number: PVO CO-FINANCING

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																																																																																
<p><b>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</b></p> <p>Improved socio-economic status and self-reliance of rural communities.</p>	<p><b>Measures of Goal Achievement: (A-2)</b></p> <p>Income levels Nutrition Status Life Expectancy Independent community development projects initiated and successfully completed. Sense of pride and control over one's own future.</p>	<p><b>(A-3)</b></p> <p>Household and community surveys. Anthropological studies.</p>	<p><b>Assumptions for achieving goal targets: (A-4)</b></p> <ol style="list-style-type: none"> <li>Private development efforts can be tailored to meet local area needs.</li> <li>Private resources from beneficiaries and cooperating private organizations can be mobilized to carry out development efforts that will supplement Government controlled development.</li> <li>Potential beneficiaries will be able to master the skills necessary to plan, implement and mobilize resources for continued development efforts.</li> <li>Government attitude remains favorable to private development efforts.</li> </ol>																																																																																
<p><b>Project Purpose: (B-1)</b></p> <ol style="list-style-type: none"> <li>To improve the socio-economic status of Co-Fi project beneficiaries.</li> <li>To strengthen the initiative and capability of PVOs to undertake development projects.</li> </ol>	<p><b>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</b></p> <ol style="list-style-type: none"> <li>Beneficiaries continue development efforts initiated under Co-Fi with little or no outside assistance.</li> <li>Co-Fi projects achieve their stated purposes.</li> <li>Increased capacity of PVOs to design and implement local development projects.</li> <li>Increased number of U.S. and Filipino PVOs collaborating with local counterparts in local development projects.</li> <li>Increased number of locations nationwide used as sites for PVO Co-financed sub-projects.</li> </ol>	<p><b>(B-3)</b></p> <ol style="list-style-type: none"> <li>USAID reviews of project progress.</li> <li>Annual data collected from PVOs on their economic and social development projects: financed from their own funds and/or with other non-BIC donors, and with the USAID co-financing program.</li> <li>Assessment of the quality and content of PVO project proposals submitted for co-financing, and PVO semi-annual management and financial reports on sub-project progress.</li> <li>Survey of PVO annual reports for development projects program via and budget allocations.</li> <li>Baseline data surveys before sub-project implementation analysis of changes in the base over project life.</li> </ol>	<p><b>Assumptions for achieving purpose: (B-4)</b></p> <ol style="list-style-type: none"> <li>That USAID co-financing funds will be added to, not substituted for, the PVOs own development program budgets.</li> <li>That voluntarism remains both a U.S. and Filipino tradition; and receives corresponding manpower and financial support from the private sector.</li> <li>That additional private resources are mobilized for development activities.</li> </ol>																																																																																
<p><b>Project Outputs: (C-1)</b></p> <ol style="list-style-type: none"> <li>U.S. Registered PVOs participating in Co-financing project.</li> <li>Filipino PVOs certified as eligible to receive U.S. government assistance.</li> <li>Filipino PVOs receiving co-financing grants.</li> <li>Co-financing funded projects undertaken.</li> <li>Number of training interventions...</li> </ol>	<p><b>Magnitude of outputs: (C-2)</b></p> <ol style="list-style-type: none"> <li>U.S. PVOs participating: 15-25</li> <li>Filipino PVOs registered: 30-40</li> <li>Filipino PVOs participating: 15-25</li> <li>Co-financing funded projects: 45-50</li> <li>Training interventions: 5-10</li> </ol>	<p><b>(C-3)</b></p> <ol style="list-style-type: none"> <li>Project proposals submitted to AID by U.S. PVOs. Grants to U.S. PVOs.</li> <li>Requests for certification of eligibility received from Filipino PVOs - certifications made by USAID.</li> <li>Project proposals received from Filipino PVOs.</li> <li>Grants made to Filipino PVOs.</li> <li>Total number of grants made/projects implemented.</li> <li>Reports of training interventions.</li> </ol>	<p><b>Assumptions for achieving outputs: (C-4)</b></p> <ol style="list-style-type: none"> <li>Philippine government will continue to allow U.S. and international PVOs to operate in country.</li> <li>A number of Filipino PVOs have or will be able to develop organizational capacity necessary for certification of eligibility.</li> <li>That training needs of PVOs will be identified and can be satisfied with resources available.</li> <li>PVOs will find Co-financing grants a useable additional resource whereby they can expand their development activities.</li> </ol>																																																																																
<p><b>Project Inputs: (D-1)</b></p> <table border="1"> <tr> <th></th> <th>PROJECT INPUT</th> <th>AID</th> <th>OTHER</th> <th>TOTAL</th> </tr> <tr> <td>1. Grant Funds</td> <td>\$1,000,000</td> <td>\$1,000,000</td> <td>\$0</td> <td>\$1,000,000</td> </tr> <tr> <td>2. Excess property</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>3. Consulting services (Project Develp.)</td> <td>\$200</td> <td>\$200</td> <td>\$0</td> <td>\$200</td> </tr> <tr> <td>4. Trainings</td> <td>\$100</td> <td>\$100</td> <td>\$0</td> <td>\$100</td> </tr> <tr> <td><b>PVOs</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1. Planning, design and implementation management including evaluation</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>2. Funds</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cooperating local private organizations</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1. Design, implementation, evaluation</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Funds and/or in kind resources</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Beneficiaries:</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1. Design, implementation, evaluation</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Funds and/or in kind resources</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Other Donors</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1. Funds and/or in kind resources</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		PROJECT INPUT	AID	OTHER	TOTAL	1. Grant Funds	\$1,000,000	\$1,000,000	\$0	\$1,000,000	2. Excess property	0	0	0	0	3. Consulting services (Project Develp.)	\$200	\$200	\$0	\$200	4. Trainings	\$100	\$100	\$0	\$100	<b>PVOs</b>					1. Planning, design and implementation management including evaluation	\$0	\$0	\$0	\$0	2. Funds					Cooperating local private organizations					1. Design, implementation, evaluation					2. Funds and/or in kind resources					<b>Beneficiaries:</b>					1. Design, implementation, evaluation					2. Funds and/or in kind resources					<b>Other Donors</b>					1. Funds and/or in kind resources					<p><b>Implementation Target (Type and Quantity) (D-2)</b></p> <ol style="list-style-type: none"> <li>USAID             <ol style="list-style-type: none"> <li>\$10 million</li> <li>as needed and available</li> <li>as needed (drawn from Grant funds)</li> <li>as needed</li> </ol> </li> <li>PVOs             <ol style="list-style-type: none"> <li>GDP</li> <li>Cooperating local private organizations</li> <li>Beneficiaries</li> <li>Other Donors</li> </ol> </li> </ol>	<p><b>(D-3)</b></p> <p><b>USAID:</b></p> <ol style="list-style-type: none"> <li>Signed grants</li> <li>Commodities/equipment delivered</li> <li>consultant contracts completed</li> <li>training sessions held</li> </ol> <p><b>Other:</b> project proposals, grant agreements, progress reports, financial expenditure reports</p>	<p><b>Assumptions for providing inputs: (D-4)</b></p> <p><b>USAID</b></p> <ol style="list-style-type: none"> <li>Allocations sufficient to fund project activities are available to the Mission.</li> <li>Excess property is available.</li> <li>USAID through staff and/or contractor can supply TA consultative assistance not available through PVO channels.</li> <li>That training requirements can be met by USAID staff and contractors.</li> </ol> <p><b>Other Resources</b></p> <p>That beneficiaries and other private sources have resources that can be mobilized for development activities.</p> <p>That grantee PVOs will be able to mobilize non-U.S. Government resources in cash or in kind to meet approximately 50% of total project costs.</p> <p>That all participants in a Development project will have the resources and technical/managerial capacity to perform their part of the project as described in the grant agreement.</p>
	PROJECT INPUT	AID	OTHER	TOTAL																																																																															
1. Grant Funds	\$1,000,000	\$1,000,000	\$0	\$1,000,000																																																																															
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5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only:

- B.1. applies to all projects funded with Development Assistance Funds,
- B.2. applies to projects funded with Development Assistance loans, and
- B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project;

(a) Via Congressional Notification

(b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(b) Yes

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and

(a) Yes

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- (b) a reasonably firm estimate of the cost to the U.S. of the assistance? (b) Yes
3. FAA Sec. 611(a) (2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance? N/A
4. FAA Sec. 611(h); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.) Yes
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the

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country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

- (a) Not expected to have any significant impact on international trade
- (b) Not expected to have any influence on the strengthening of free labor income
- (c) Yes
- (d) Yes
- (e) Yes, on a small scale

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

N/A

9. FAA Sec. 612(b), 636(h); FY 1982 Appropriation Act Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

A minimum of 25 percent of total project costs are expected to be contributed by the private sector

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have made for its release?

No

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

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12. FY 1982 Appropriation Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

This is not expected..

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests?

Yes

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance  
Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will  
(a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to

(a) Potential poor beneficiaries are expected to be involved in all aspects of development during the implementation of this project.

small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 203, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Activities to be in all areas corresponding to these funding sources. Subprojects similar to those outline in Section II, 6 of the PP will be carried out under the project.

Yes

Support will be realized mostly from private sector resources and is expected to exceed 25 percent of total/individual subproject costs. ✓

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character."

No

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government .

The project is oriented towards local problem identification and solving by using primarily private initiative and resources. The role of government in project design and implementation is supplemental only.

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2. Development Assistance Project  
Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? N/A

c. ISDCA of 1981, Sec. 724 (c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)? N/A

3. Economic Support Fund Project  
Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102? N/A

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N/A

c. FAA Sec. 534. Will ESF funds be used to finance the construction or the operation N/A

or maintenance of, or the  
supplying of fuel for, a  
nuclear facility? If so, has  
the President certified that  
such use of funds is  
indispensable to  
nonproliferation objectives?

d. FAA Sec: 609. If  
commodities are to be granted  
so that sale proceeds will  
accrue to the recipient  
country, have Special Account  
(counterpart) arrangements been  
made?

N/A

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes
  
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? U.S. and Philippines
  
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Yes

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) Yes
  
5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas? Yes
  
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates? Yes
  
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal Yes

agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes

9. FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? Yes

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? Yes

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? N/A

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C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A
  
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
  
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes
  
4. Will arrangements preclude use of financing:
  - a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525:
    - (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions;
    - (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization;
    - (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning;
    - (4) to lobby for abortion?

is

- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes
- d. FAA Sec. 662. For CIA activities? Yes
- e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes
- f. FY 1982 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes
- g. FY 1982 Appropriation Act, Sec. 505. To pay U.S. assessments, arrearages or dues? Yes
- h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes
- i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? Yes
- j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to

repress the legitimate rights  
of the population of such  
country contrary to the  
Universal Declaration of Human  
Rights?

k. FY 1982 Appropriation Act,  
Sec. 515. To be used for  
publicity or propaganda  
purposes within U.S. not  
authorized by Congress?

Yes

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UNCLASSIFIED

AID

ANNEX I. PVO CO-FI II PP  
SECSTATE WASHDC 074323

p-367

ACT: AID-5 INFO: DCM CPU/B

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MAR 21 10 10 AM '93

LOC: -IN 19 553  
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**ACTION COPY**

Action taken: Will consider in PP

No action necessary:

Date: FAR 93 Inits: (M)

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: PHILIPPINES: CO-FINANCING II PROJECT 492-0367  
- APAC PID REVIEW

REFS: A. MANILA 01890, B. MANILA 04815

SUMMARY: APAC MET MARCH 10 TO REVIEW PID FOR CO-FI II PROJECT 492-0367. MEETING CENTERED AROUND THREE ISSUES IN ISSUES PAPER, RECENT CO-FI PROJECT 492-0245 EVALUATION AND USAID'S TWO CABLES, REFS A AND B, COMMENTING ON THE ISSUES AND EVALUATION. BERNIE SALVO, TEAM LEADER FOR EVALUATION WAS PRESENT. AA/ASIA APPROVAL WAS GIVEN FOR USAID TO PREPARE PROJECT PAPER AND APPROVE PROJECT IN THE FIELD. APAC GUIDANCE AND COMMENTS FOLLOW. END SUMMARY.

1. THE USAID/MANILA PVO RELATIONSHIP

- CONSIDERABLE APAC INTEREST WAS EXPRESSED OVER USAID'S DESIRE FOR PROJECT TO BOTH LEAD AND FOLLOW USAID'S DEVELOPMENT STRATEGY AS EXPRESSED IN THE PRESENT AND FUTURE-- CDSS. WHILE ALL MEMBERS ACKNOWLEDGE NECESSITY FOR PVO CO-FI II PROJECT TO MAINTAIN A DEGREE OF FLEXIBILITY,

THE CO-FI II PROJECT SHOULD NOT BE ALLOWED TO BECOME A "HODGE PODGE" OF UNRELATED DEVELOPMENT ACTIVITIES. IN THIS REGARD, APAC REQUESTS (A) THAT PP CONTAIN ILLUSTRATIVE LIST OF PROBABLE PVO SUBPROJECTS WITH ANALYSIS OF THEIR STRATEGY RELEVANCE AND (B) THAT PROJECT PURPOSE IN PP SHOULD GIVE INDISPUTABLE PRIORITY TO OBTAINING AID DEVELOPMENT OBJECTIVES AND, THUS, USAID SHOULD CONSIDER ASSISTING PVO'S AS A SECONDARY OBJECTIVE.

2. EVALUATION REPORT CONCERNS:

A. USAID'S REACTION TO EVALUATION REPORT OF PRESENT CO-FI PROJECT (MANILA 01890) WAS DULY NOTED AS WAS USAID'S INTENT TO INCORPORATE REPORT'S FINDINGS AND RECOMMENDATIONS INTO PP

B. APAC EXPRESSED CONCERN OVER RELATIONSHIP BETWEEN USAID PROJECT MONITORING RESPONSIBILITIES AND STAFF LIMITATIONS. HOWEVER, APAC SATISFIED THAT USAID IS AWARE OF PROBLEM

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WILL CONTINUE TO IMPROVE MANAGEMENT PROCEDURES IN PP  
REDUCE STAFF TIME AND DELAYS IN APPROVING OPG'S.

C. APAC ALSO EXPRESSED CONCERN WITH PRESENT USAID PVO  
GRANT SELECTION AND APPROVAL PROCEDURES BUT FEELS CERTAIN  
THAT USAID, BEFORE OBLIGATING SUBPROJECTS, WILL FORMALIZE  
CRITERIA THEY IDENTIFIED IN REF B (MANILA 04815). IN  
THIS RESPECT, APAC RECOMMENDS THAT EACH PVO GRANT PROPOSAL  
ALSO PROVIDE PLANS FOR PHASE-OUT OF AID ASSISTANCE AND  
SUSTAINING/REPLICATING DEVELOPMENT BENEFITS WITHOUT  
LONGER TERM AID FUNDING.

3. OBLIGATION BY GRANT PROJECT AGREEMENT:

- APAC DETERMINED THAT PVO CO-FI II PROJECT NOT BE  
OBLIGATED BY PROJECT AGREEMENT WITH THE GOP. UNLESS  
AID/W ADVISES OTHERWISE, THE NEW PROJECT SHOULD CONTINUE  
USING THE PRESENT METHOD OF OBLIGATION USING OPG'S  
FOR PVO SUBPROJECTS AND PIO/T'S OR DIFFERENT METHODS  
FOR OTHER PROJECT ACTIVITIES.

4. WE ARE POUCHING COPIES OF APAC DOCUMENTS TO USAID/  
MANILA ATTENTION OFVA/WCARTER.

5. ASIA/DP ALSO URGING USAID TO CONSIDER VERY CARE-  
FULLY AUTHORIZING OF NEW PROJECT WHICH IMPLIES TWICE  
THE ANNUAL RATE OF DA FUNDING OF THE PRESENT CO-FI  
PROJECT. THE QUESTION TO CONSIDER IS IF NEW PROJECT  
HAS SUFFICIENTLY HIGH PRIORITY WHEN COMPARED WITH OTHER  
DA GRANT ACTIVITIES. SHOLTZ

PROJECT AUTHORIZATION

Name of Country: Philippines  
Name of Project: PVO Co-Financing II  
Name of Project : 492-0367

1. Pursuant to the Foreign Assistance Act of 1961, as amended, I hereby authorize the Private Voluntary Organization Co-Financing Project for the Philippines involving planned obligations of not to exceed Ten Million Dollars (\$10,000,000) in grant funds over a five year period from date of authorization, subject to availability of funds in accordance with A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.
2. This project establishes a fund from which PVO sponsored development activities will be funded. U.S. PVOs registered by the Agency for International Development and Filipino PVOs that have been certified as eligible to receive U.S. Government Assistance by the Director, USAID/Manila, will be eligible to submit proposals for consideration. Grants will be for a maximum of 75% of subproject total costs. At least 25% must be contributed from other than U.S. Government sources. All other considerations being equal, USAID will give priority to subprojects with higher non-U.S. Government contributions.

Through this project USAID expects to be able to fund a variety of PVO subprojects in several sectors including but not restricted to agricultural and rural development, human rights/legal assistance, nutrition, education, health and population. We will be especially interested in activities that increase farm productivity and income in upland areas and that develop or establish the conditions necessary for the development of additional off-farm employment opportunities. Specific proposals have yet to be finally selected for funding under this project.

3. The Grant Agreements, which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

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Source and Origin of Goods  
and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in the United States, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

Anthony M. Schwarzwald  
Director, USAID/Manila

Date: \_\_\_\_\_

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O/FFPVC Office Structure

The PVO Co-Financing Program is administered by USAID's Office of Food for Peace and Voluntary Cooperation (O/FFPVC). Besides the PVO Co-Financing Program the Office has responsibility for the U.S. supported food assistance program, disaster relief, education projects and Peace Corps projects funded with USAID resources. The office staff assigned to the PVO program includes two direct hire Americans, two contractors, two Filipino professional staff and two secretaries. Most of these individuals have additional responsibilities other than their work on the PVO Co-Financing project.

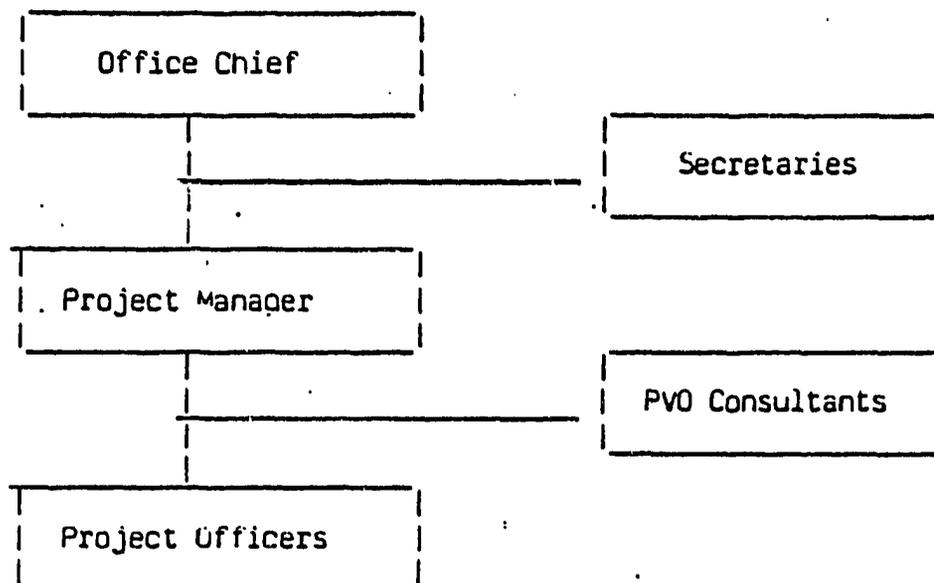
A. Job Descriptions:

Office Chief: Responsible for overall administration of programs and supervision of PVO program staff through project manager.

Project Manager (Field Officers): Responsible for overall administration of the PVO Co-financing project which includes; preparing funding decisions memoranda; coordination of staff and assignment of tasks; smooth operation of programs; PVO compliance with USAID requirements; facilitates the flow of proposals through approval process; follow-up monitoring and evaluation of subprojects.

Project Officers: Responsible for field visits and follow-ups; subproject design, implementation and evaluation assistance; PVO registration.

Consultants: Line staff responsible for assisting project officers and project manager in implementing the program. In addition one consultant's focus is the development of PVO skills in project design, implementation and evaluation.

B. Organizational Chart:

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PVO Co-Financing I Evaluation Recommendations  
and Status of Recommendations

1. Recommendation: That USAID explore with NEDA ways in which its review and clearance process can be streamlined. This will be especially important if USAID improves its procedures and attempts to complete its review process within a 60 day period.

Status: This has been and will continue to be discussed with NEDA. NEDA is exploring the possibility of approving "proposal concepts" or "proposals in principle" rather than examine the details of each subproject as it has done in the past. However, a NEDA policy determination has not yet been made on this matter. If NEDA does approve the "proposal in principle" method, this would greatly expedite the review process.

2. Recommendation: That USAID explore with NEDA and PVUs the nature of problems PVUs are experiencing in working with local officials and attempt to improve the situation to the extent possible and appropriate.

Status: Mission has had discussions with NEDA and with selected PVUs on the problems of working with local government officials. This has not been a major problem, but it is one where additional efforts are needed. Mission has encouraged PVUs to seek approval of their subprojects at the provincial and regional levels and from there have them endorsed to NEDA/Manila. To date, this method has been relatively successful and has lead to better coordination and cooperation between local government and PVUs.

3. Recommendation: That Mission involve U.S. and appropriate Philippine PVUs to the greatest extent possible in the development of USAID country policies, strategies and programs.

Status: The Philippines has, perhaps, one of the largest PVO communities in the world. To the extent possible, Mission tries to share with as many PVUs as possible pertinent information and documentation. This is done through visits, orientation sessions, attendance at PVO meetings, newsletters, mailings, etc.,

Strategy development is a Mission Process which at certain intervals is formalized into a Strategy Statement. The Mission's interaction with the PVO community with regard to the strategy has focused more on the ongoing process and less on the static exercise of putting together a paper which takes a snapshot of that process at any given point.

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PVOs were a major influence on the development of our original strategy. They assisted the Mission in understanding a series of problems which when analyzed, became the basis for our poverty analysis and also what to do about that poverty. The fruitfulness of this relationship has carried on and has grown richer through the PVO Co-Financing project and through the key role that PVOs are playing in each of our major core projects which define the Mission solution to the problem contained in the strategy.

We see the challenge now facing the Mission as one of maintaining this creative collaboration and not letting our association with PVOs fall into a client/grant given relationship. We hope to do this by the increasingly creative use of the PVO Co-Financing Project and by keeping PVO concerns foremost in our minds as our four core programs move through implementation and redesign.

4. Recommendation: That USAID encourage CIVAP to expand its activities and capabilities as a PVO coordinating and technical body. Consideration should be given to the inclusion of viable Philippine PVOs who are effectively involved in development programs.

Status: The evaluation of PVO Co-Financing I suggested a larger role for CIVAP (Council for International Voluntary Agencies in the Philippines) in carrying out the PVO Co-Financing project. While CIVAP will continue to be kept up-to-date on all matters relating to this project by a USAID representative presence at CIVAP meetings, it will have no other specific involvement at this time. CIVAP represents many diverse international PVOs, some of which have no interest in PVO Co-Financing. Secondly, CIVAP only represents international PVOs and excludes the many indigenous PVOs that the project also seeks to reach. CIVAP will continue to be kept up-to-date on matters relating to USAID and the Co-Financing project by a USAID presence at CIVAP meetings. However, CIVAP, per se, will have no other specific involvement in the project at this time. CIVAP represents many diverse international PVOs, some of which have no interest in PVO Co-Financing or in other USAID resources. Secondly, CIVAP only represents international PVOs and excludes the many indigenous PVOs that USAID and the project also seek to reach. USAID can try to influence CIVAP along the lines suggested in the recommendation, but CIVAP is a heterogeneous and independent entity and it is difficult to alter its role.

5. Recommendation: That the current staffing level of O/FFPVC be retained and that the proposed second contract position be established as soon as possible.

Status: The second PVO Contract person is established in the project. Total office levels is a matter ultimately determined by AID/W.

6. Recommendation: That the program be continued and expanded. USAID has submitted a PID for an additional five-year period, beginning in FY 84. The evaluation team strongly endorses the Mission's request but questions

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whether the \$10 million proposed is adequate to meet the demands for an anticipated significant increase in the participation of new PVUs and related requests for assistance.

Status: The PVO Co-Financing II PP calls for a 5 year 10 million dollar project.

7. Recommendation: That the Mission budget adequate funds in the follow-on project to intensify its efforts in providing technical assistance and training to PVUs in the design, implementation and evaluation of projects.

Status: A budget item for \$200,000 over life of project has been included in the PP to provide technical assistance and training to PVUs in the design, implementation and evaluation of subprojects.

8. Recommendation: That the Mission streamline procedures regarding registration of Philippine PVUs and define the responsibilities of concerned USAID staff. A Mission Notice should be issued to this effect.

Status: This recommendation is still in the process of being implemented. Some steps have already been taken to define more accurately the specific roles of key USAID staff. A new tracking system within the Mission is also aiding in moving registration documents more swiftly through the bureaucracy.

9. Recommendation: That the Mission not earmark funds for U.S. and Filipino PVUs, but that a conscious effort be made to maintain appropriate and effective participation of both groups.

Status: The PP has avoided making any specific split between funds allocated to U.S. and Filipino PVUs.

10. Recommendation: That the Mission encourage PVUs to submit smaller, less complex subprojects that have shorter implementation periods and a more immediate impact on development. That incremental funding be considered for larger, more complex subprojects in order that more effective use can be made of limited funds available.

Status: The PP highlights Mission desire to have smaller, less complex subprojects with shorter implementation periods. Handouts have been developed by the Mission to distribute to PVUs that stress the elements of the recommendation.

11. Recommendation: That USAID continue to support TAF but perhaps at a reduced amount of funding in order that limited funds can be spread more widely to a larger number of PVUs for more development activities.

Status: Mission staff intends to keep this recommendation in mind during the implementatin of PVO Co-Financing II.

12. Recommendation: That USAID and the PVUs continue to obtain better information on costs and benefits and explore meaningful methods of

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assessing them for PVO activities.

Status: This recommendation is addressed in Annex D to the PP, "PVO Co-Financing Program Subproject Proposal Format".

13. Recommendation: That USAID take a closer look at counterpart contributions in proposals during the review process and that PVOs keep better records on total project inputs in order to obtain actual figures at the end of the subprojects.

Status: Budgeting formats suggested in Mission handouts now stress counterpart contributions. Mission also elaborates on specifics regarding counterpart contributions in orientation sessions and during site visitations.

14. Recommendation: That USAID and the PVOs determine the exact nature of the problem regarding low disbursement and expenditure rates and take required action to resolve the matter. That USAID continue to provide PVOs with training in budgeting, financial management, accounting and reporting and, at the same time, focus on these aspects in the review of proposals.

Status: Mission continues through orientation sessions, the work of the PVO consultant and other O/FFPVC staff to provide training to PVOs on budgeting, financial management, accounting and reporting. This, hopefully, over the longer term, will lead to improved disbursement rates.

15. Recommendation: That USAID continue to support worthy PVO activities, designing, reviewing and approving subprojects; USAID and PVOs should give particular attention to: simple subprojects with realistic designs and timeframes, active beneficiary involvement in all aspects of the project, and sustainability as indicated by economic viability and support by government and local communities.

Status: Mission supports the recommendation and is implementing it. Mission is not only supporting PVO activities through the PVO Co-Financing Project, but also through the LRM, PHCF and SMED projects.

16. Recommendation: That O/FFPVC explore with the Peace Corps the possibility of greater involvement of PCVs in PVO programs. During the review of subproject proposals, O/FFPVC and the concerned PVO should consider the possible role of PCVs in the activity.

Status: This recommendation is addressed in IV, 3, B of the PP.

17. Recommendation: That Mission Manual Order be adopted which clearly explains the project purpose and the specific USAID procedures used to implement it. In the adopting of a Manual Order, the Mission should alter its "maximum flexibility" policy to one of "reasonable flexibility". The Manual Order should state explicitly the policies and procedures used to implement the project so that Mission staff, PVOs and

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others will understand them clearly. Items covered by the Manual Order should include: (a) goals and purposes of the project, (b) allocative criteria, (c) explicit proposal requirements, (d) composition of proposal review committees and responsibilities of each member, (e) procedures and criteria used to review proposals, and (f) recommend or required maximum time limits for completing various stages of the proposal review and approval process.

Status: A Mission Order has been drafted and is in final stages of Mission approval in response to this recommendation.

18. Recommendation: That the Mission make a definite decision as to whether the fundamental objective of the Co-Financing Project is to help PVUs or to help with implementation of the CUSS. In any case, the design team for PVU Co-Financing II should think seriously about the pros and cons of adopting specific allocative criteria.

Status: Mission believes there is no contradiction between the dual objectives of helping the PVUs and implementing the CUSS. At a minimum, 75 per cent of past PVU Co-Financing subprojects have supported CUSS priorities. Thus, it appears that the existing policy of funding the most solid proposals and also helping PVUs is achieving CUSS objectives.

19. Recommendation: That explicitly stated, quality criteria be adopted for reviewing proposals. The criteria should indicate which specific factors should be used to evaluate each proposal. The following criteria should be considered for adoption: (a) technical feasibility, (b) sustainability and replicability, (c) cost effectiveness (or benefit/cost ratio), (d) financial viability, (e) institutional and administrative components, (f) track record, qualifications and commitment of PVU, (g) capability of immediate project staff, (h) implementation plan, (I) quality of proposal presentation and (j) counterpart total and cash contributions as percentage of total project costs.

Status: The Mission Order now being cleared should satisfy the intent of this recommendation.

20. Recommendation: That USAID provide PVUs with more assistance during the project identification and proposal preparation stage. To the degree possible, such assistance should be provided through contracts so as not to exacerbate existing workload problems. However, USAID technical staff and others should be involved to the point where they can refer PVUs to appropriate technical sources, organizations doing similar activities, and other important contracts. A Project Design and Support (PDS) fund should be established within the PVU Co-Financing Project to hire consultants to help PVUs develop their project ideas, to conduct feasibility studies (when deemed necessary) and to write proposals. A standardized proposal format should be adopted. Proper guidance materials should be prepared and distributed to PVUs with instructions on their use.

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Status: A PD & S type fund has been added to the project in the amount of \$200,000 which should satisfy this recommendation. Also, guidance materials in the form of handouts have been prepared and distributed to interested PVOs.

21. Recommendation: That Mission adopt a continuous proposal review process wherein each proposal is reviewed as it is received. To be fair to PVOs and to insure that proposals are reviewed and funding decisions made in an expeditious manner, the Mission should establish a 60 calendar day maximum time limit between receipt of formal proposal and notifying of the PVO on whether or not the proposal will be funded.

Status: See Section IV, 1, B of PP. While Mission initially plans to follow a semi-annual review pattern, as was the case during PVO Co-Financing I, there will be experimentation during the project implementation stage which, if successful, may lead to alternative review procedures. If new review procedures are adopted, the Mission Order, which covers this, will be changed. In any case, subproject proposals will be reviewed within the Mission as they are received. However, funding decisions on which subprojects will be funded will still be made on a semi-annual basis.

22. Recommendation: That a formal proposal review committee meet to review each proposal. The committee should have three permanent members from (1) O/FFPVC (chair), (2) the Program Office, and (3) the Controller's Office, as well as members from concerned technical offices. After the formal review meeting to which the PVO should be invited, the committee should vote on whether or not to recommend to the Director that the proposal be funded. Within one week of the meeting, the results of this vote should be forwarded to the Director along with a brief summary of strengths, weaknesses and issues or concerns surfaced by committee members.

Status: Under PVO Co-Financing II, subproject proposals will be initially scanned by O/FFPVC and forwarded to the relevant technical office(s) for review. If these reviews are successful, then the proposal will be put before the Project Committee which will decide how it stacks up against other proposals completing for funding at the same time.

23. Recommendation: That a two-stage proposal process be adopted.

Status: Mission is essentially practicing a multi-stage proposal process by conducting informal discussions with PVOs during the proposal preparation stage. Mission does not believe that a formalization of this process will yield any better results and in fact could slow the review process.

24. Recommendation: Staff workload implications should be considered carefully in developing new procedures for USAID implementation of the project. At least two contract PVO specialists should be hired with project funds to inform PVOs of the project, assist them with

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registration and proposal preparation, help with the review process, and generally relieve USAID staff with the numerous day-to-day administrative requirements associated with the implementation of the projects. In addition, proposals which assist PVUs in increasing their capabilities should be encouraged such as the present P&SP grant to provide management training to the staff of 169 organizations.

Status: Two contract PVU consultants will be hired during the implementation of PVU Co-Financing II.

25. Recommendation: That efforts begin under Co-Financing II to develop the capacity of an outside organization to take over the complete administration of the PVU Co-Financing program. This should be considered only if it is determined that USAID staffing levels definitely will continue to be reduced without a reduction in the workload. Otherwise the program should be kept within USAID in order that a valuable collaborative relationship be expanded and maintained. USAID would lose much by having a contractor administer the program.

Status: A Concept Paper will be prepared to explore developing the capacity of an outside organization to be contracted to administer the PVU Co-Financing program or a similar type program. This will be done regardless of decisions effecting future USAID staffing levels. New management options may be tested on a pilot scale during PVU Co-Financing II.

26. Recommendation: That narrative reports be required on a semi-annual basis instead of quarterly.

Status: Mission will continue to require quarterly narrative reports on each subproject. In this way Mission can keep abreast of what is happening with a subproject on a regular basis.

27. Recommendation: O/FFPVC and/or other USAID staff visits to observe project implementation should be scheduled prior to or following receipt of semi-annual narrative reports to insure appropriate monitoring and to assist in resolving issues or problems which have surfaced.

Status: Mission will attempt to visit each subproject at least once a year.

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