PD-ABG-393
82212

Salesian Missions

of the

Salesian Society, Inc.

ANNUAL REPORT

A.I.D. Grant No. OTR-0158-A-00-9078-00

November 23, 1992

TABLE OF CONTENTS

SUMMARY.....ii

I. BACKGROUND TO GRANT AND PROJECT CONTEXT.....1

II. PROJECT METHODOLOGY 4

III. MONITORING AND EVALUATION.....5

IV. REVIEW AND ANALYSIS OF SPECIFIC PROJECT ACTIVITIES.....7

ACTIVITY 1 - Modernizing Headquarters Operations to Manage a Worldwide Development Program.....7

ACTIVITY 2 - Training Key Field Staff in Project Development and Management.....11

ACTIVITY 3 - Implementation of Field Projects.....13

V. MANAGEMENT: REVIEW AND ANALYSIS OF HEADQUARTERS/SUPPORT FUNCTIONS.....13

VI. FINANCIAL REPORT.....17

VII. LESSONS LEARNED AND LONG-TERM PROJECT IMPLICATIONS.....18

VIII. RECOMMENDATIONS.....23

Attachments

1. Financial Profile of Salesian Missions
2. Financial Profile of the Project
3. Logical Framework
4. Program Description

SUMMARY

This is the final report on AID Matching Grant Number OTR-0158-A-00-9078-00 and covers the last year of the project. The purpose of the grant was to upgrade the institutional capabilities of the Salesians to undertake development activities, to improve the impact of their activities and to enhance their ability to attract support for their development work.

The project contained three separate activities:

1. support to Salesian Missions to help sustain and expand the work of program development, coordination and funding begun in our first matching grant which ended in August 1989;

2. development of a set of methodologies for overseas Salesians in project management, implementation and evaluation (a "Salesian approach" to development) and presentation of a series of training courses in these methodologies to Salesians working in developing countries; and

3. funding for overseas projects developed by or in conjunction with overseas Salesians.

Good progress has been made in Activity 1, strengthening the headquarters capabilities of Salesian Missions. Salesian Missions' Office for Government Programs is fully staffed with experienced personnel and the accounting office staff has been upgraded and expanded. Operating systems and procedures have been developed and refined. While joint financing with Salesian counterpart offices in Europe and elsewhere has been difficult, we continue to try to find ad hoc opportunities for cooperation. A program to improve the quality of agricultural education and extension to campesinos in Latin America has begun with the support of the W.K. Kellogg Foundation. The program totals over $4.2 million dollars with the Foundation's contribution in excess of $2.8 million dollars. Several of new initiatives with new, non-traditional donors are in process.

Under Activity 2, we have developed a series of methodologies for project design and management with the cooperation of Management Systems International (MSI). MSI has conducted nine training courses (six of them financed under this project) for over 190 Salesian men and women. Representatives have participated from countries of Latin America, Asia, Africa and Eastern Europe. The courses, evaluated against the satisfaction of the participants and their post-course experience, have been very successful.

Activity 3 provided financing for projects developed by participants in the training courses and for leveraging donations from other public and private U.S. and international donor groups. This initiative proved difficult and time-consuming and, at the recommendation of an outside evaluator was dropped with PVC concurrence.

The Salesian Missions, as a result of institutional support from the U.S. Agency for International Development, has secured commitments for projects totaling over $13 million dollars since establishment as a PVO in 1985. More important, this assistance has resulted in substantial positive institutional improvements throughout the worldwide Salesian organization.

The financial condition of Salesian Missions is very sound. AID funding has represented only about 2% of total annual support and revenue of Salesian Missions, but its impact on Salesian Missions has been in far greater proportion. With AID support over the past six years, Salesian Missions has established itself as a strong PVO with branches in the Washington D.C. area and in New Rochelle, New York. We have acquired a staff of mature, seasoned and experienced development personnel which form an important and integral part of the total operation of Salesian Missions. Perhaps most important, this work has had a substantial impact on the worldwide outlook of key members of the congregation, from the superior staff in Rome to the heads of Salesian provinces around the world and thence to the directors of individual Salesian works and communities. We have been instrumental in obtaining agreement to establish several new project and finance offices around the world, we have been asked to give presentations on our work at international Salesian meetings, and we have elicited agreement on the need for further professionalization of Salesians at all levels in planning, management and administration, a trend that we will continue to encourage and support, hopefully with A.I.D. assistance.

I. BACKGROUND TO GRANT AND PROJECT CONTEXT

Salesian Missions provides administrative support and managerial training and obtains financial support for the development projects of the Salesians of Don Bosco, the second largest missionary order in the Roman Catholic Church.

Salesian Missions is an office of the Salesian Society, Inc. (SSI), the Eastern United States province of the order. SSI is headquartered in New Rochelle, New York, and was incorporated as a private, non-profit corporation in the State of New York in 1907. It is a tax-exempt 501(c)(3) organization.

The Salesians were founded in 1864 by Father Giovanni Bosco in Turin, Italy, and were named after St. Francis de Sales, a man much admired for his piety and kindness. The Salesian family consists of several affiliated religious and lay organizations. In all, there are over 40,000 priests, brothers, sisters and lay cooperators carrying out humanitarian and development activities in over 100 countries around the world.

Salesians work in many of the most economically deprived areas of the world. Their activities typically are located in areas where poverty is the norm, hunger and malnutrition common, illiteracy high, average life expectancy low and average annual income only a fraction of that of developed countries.

Salesian development work assists poor people to achieve economic self-sufficiency, improve their lives and participate in the benefits of growth. The Salesians' principal development work is to provide technical or agricultural vocational education to poor, orphaned and/or abandoned urban and rural youth through formal and non-formal programs in their schools and training centers. The Salesian system of education provides occupational skills training coupled with personal development. It enhances young peoples' understanding of their civic and societal responsibilities and of their contribution through honest work to the well-being of their families and their communities.

In addition to their work in vocational education, Salesians are also active in fields such as health, nutrition, cooperatives, community development, micro enterprise, refugee services, resettlement and emergency assistance.

In 1985, A.I.D.'s Office of Private and Voluntary Cooperation (PVC) determined that the Salesians merited A.I.D. support because of their extensive outreach in developing countries and because of the many overlapping areas of interest with A.I.D, including job creation, technical training, institution building, technology transfer and increasing small farmer agriculture production. In order to enhance Salesian Missions' capabilities and its development as a PVO, a matching grant agreement was concluded in August 1986 to provide $450,000 over three years to support and strengthen Salesian Missions' programming and administrative capabilities as well as its ability to generate and manage an expanded development assistance program. The Salesians' match for the project was $502,000. Included in the program was assistance to three Salesian education programs. Funds were provided to equip and staff non-formal or non-traditional training programs at three schools in Bolivia and Lesotho. In August 1988, the grant agreement was amended to provide an additional $215,000 from the resources of USAID/Kenya to finance a sub-project there. With the exception of the Kenya sub-project, all elements of the original matching grant terminated in August 1989.

Based on the progress made in institutional development by Salesian Missions with the support of AID's first matching grant, in August 1989, FVA approved a second grant to Salesian Missions. This Cooperative Agreement provided $1.2 million for a period of three years to continue the process of institution building by supporting program operations, training and field projects. Salesian Missions agreed to an equal amount as its match in carrying out this agreement.

The project contained three separate components: 1) support to Salesian Missions to help sustain and expand the work of program development, coordination and funding begun with the first grant; 2) development of methodologies for overseas Salesians in project management, implementation, and evaluation and a series of training courses in these methodologies; and 3) funding for small projects developed by or in conjunction with overseas Salesians.

The emphasis of the grant was to help strengthen the capacity of Salesian Missions as well as that of Salesian provinces and communities in Latin America, Asia and Africa. These overseas provinces and communities are independent non-governmental organizations, and support was directed toward helping them do a better job of analyzing development problems, planning projects, formulating proposals, identifying appropriate assistance agencies to support these projects, and managing and evaluating projects once they entered implementation. The overall objective was to

realize both qualitative and quantitative improvements in the development work of the 40,000 Salesian men and women worldwide.

There was a consensus between PVC and Salesian Missions that while the work of overseas Salesians was generally of a very high standard, it could be improved with better planning and management. Nowhere in the training of Salesians were these skills expressly taught. As a consequence, otherwise worthy development programs remained unfunded for lack of planning and management skills at a level sufficient to meet the expectations and requirements of public and private funding organizations.

Generally resources were not available at the local level for professional upgrading, nor frequently was there adequate in-country training available. For these reasons, Salesian Missions proposed to AID, and AID accepted, a program to develop appropriate methodologies in project development and management and a training program which could be offered to Salesians in key management positions in Latin America, Africa and Asia to improve their capabilities. Recognizing that there would be a need for financing projects which would follow from these training programs, the project also provided funds for projects developed by, or in conjunction with, overseas Salesians.

Because of Salesian Missions' concern that women benefit equally from the training program, the cooperative agreement expressly provided that training be provided to male and female Salesians. This also recognized the fact that within the Salesian family, priests and brothers generally provide care and training to boys and young men, while the Salesian Sisters usually direct their efforts to girls and young women, although there are many exceptions to these general rules.

II. PROJECT METHODOLOGY

The goal of this grant was to increase income, employment, health and community leadership capabilities of the poor in Latin America, Africa, Asia and the Near East in communities where Salesians work. The purpose of the grant was to upgrade the institutional capabilities of Salesians to do development work, to improve the impact of this work, and to enhance Salesians' ability to attract support for their development projects. The project contained three separate activities, and each is described in more detail in the following paragraphs.

Activity 1 continued support for institutional development of Salesian Missions as a relatively new PVO. Under the previous matching grant, Salesian Missions established its Overseas Programs Office in Washington, D.C. (now called the Office for Government Programs). This office had primary responsibility for the activities to be carried out under the grant. It was supported by a senior development professional, a Salesian priest resident in New Rochelle, New York. The New Rochelle office also provided accounting and financial management support to the project. In keeping with the goal and purpose of the project, the end of project status of Activity 1 was to reflect significant improvements in Salesian headquarters' technical and managerial capacity to carry out a worldwide development program; to assist field Salesians to identify, formulate, develop, implement and evaluate development projects; and to access financing and generate financial leverage for projects from private and public sources worldwide.

Activity 2 related to development of methodologies in project planning, management and evaluation (a "Salesian approach" to development), and training in these methodologies for key Salesians from provinces and communities in Latin America, Asia and Africa. Under this activity, Salesian Missions entered into a contract with Management Systems International for the development of a pilot training course for Salesians in Latin America. That course was given in December, 1989 in Santiago, Chile, to a group of 35 Salesians. It was then modified and offered to a second group of Latin American Salesians. During the life of the project a total of nine such training programs were conducted in Latin America, Asia, Africa and Eastern Europe for approximately 195 Salesian-sponsored participants. Six courses were financed from this cooperative agreement, one by USAID/Philippines and two under contract with the Catholic Relief Services. Course participants universally have rated the course very highly.

The Rome-based headquarters of both Salesian congregations endorsed the program to provinces around the world and asked that the training be offered to many more participants. Another indicator of the success of the program was the fact that the participants themselves, recognizing that a brief course was not sufficient to learn all aspects of project planning and management, asked for a second course to be developed which would focus more deeply on planning and administration of projects, including financial management.

Inasmuch as the number of people who could be trained in relation to the number of Salesians worldwide was relatively small, attempts were made to focus on key personnel, particularly those charged with overall project and/or financial management at the provincial level. (In the Salesian order, a province is an organizational and geographic division of the worldwide order. For example, most of the countries of Latin America constitute a single province except for Brazil, Argentina, Colombia and Mexico, each of which have several provinces. Regions are sometimes organized into single provinces, e.g., all of Central America including Panama, is a single province. East Africa, Southern Africa and the Philippines all include more than one country in their respective provinces.)

An expected result of the activity was to increase the number of projects Salesian Missions could present to U.S. and international public and private financing agencies. Our staff is not sufficiently large to develop all of the excellent project ideas we encounter. However, with an enhanced capability on the part of overseas Salesians to conceptualize and develop project proposals, we hoped that Salesian Missions staff would be able to devote more time to broadening the base of donor organizations through expanded contacts and marketing of Salesians' programs to potential new donors.

The primary target group of Activity 2 was a group of at least 150 Salesian men and women who would participate in the training programs. The group also included lay people, either in the employ of Salesians or working as volunteer cooperators, who also were involved in the identification and development of projects.

Activity 3 of the project was funding of field projects developed during the life of the project. Funds were to be provided for several different purposes:

1. As leverage to diversify the base of donors for Salesian overseas activities. The idea was to use AID money as matching funds, preferably low percentage matches (10-30%), to attract funding from new donors.

2. To support projects developed by participants in the Activity 2 training courses. The project plan anticipated funding two projects resulting from the pilot training course offered in Santiago, Chile in December 1989, and two or more projects from later training courses. These were relatively modest goals, and project funds were somewhat limited, but we hoped that by directing project funds to smaller projects, and especially using them to leverage other donor support when possible, we could considerably increase the number of projects from course participants supported by Activity 3 funds.

3. For projects which responded to special needs or opportunities and which helped to strengthen the planning and/or management capabilities of overseas Salesians. This provided sufficient flexibility within the project so that should either Salesian Missions or AID, having identified a particularity worthwhile activity which Salesians overseas might undertake, funds would be available for an immediate response.

Attachment 4 contains the final Program Description for the grant.

III. MONITORING AND EVALUATION

The original Salesian Missions' grant proposal was for a five-year period and contained other activities not included in the final approved three-year project. These changes were reflected in the Program Description, Enclosure 2 to the Grant Agreement, and Attachment 4 to this report.

In accordance with the grant agreement, an independent mid-term evaluation was completed in September 1991 by an evaluator approved by PVC. A representative of Salesian Missions participated in the evaluation and the PVC project office participated in both the pre-and post-evaluation briefings with Salesian Missions staff and the independent evaluator.

The evaluation was based on the original Salesian Missions proposal as modified by the grant agreement and the scope of work for the evaluation approved by PVC. The report is dated September 1991 and is available in PVC or Salesian Missions for review.

IV. REVIEW AND ANALYSIS OF SPECIFIC PROJECT ACTIVITIES

This section describes progress made in each of the project's three separate activities and is keyed to section IV of the Program Description.

ACTIVITY 1 - Modernizing Headquarters Operations to Manage a Worldwide Development Program

A. Increase in Program and Administrative Staff

At the beginning of this project, Salesian Missions' staff consisted of two full-time and one part-time persons: a Salesian priest and a part-time administrative assistant in New Rochelle, and one full-time program director in Washington. In recognition of the progress made by Salesian Missions in establishing a capability for project development and management and in negotiating a number of USAID-funded OPGs during 1987 and 1988, the new grant provided support for the expansion of Salesian Missions' staff. The Washington staff has increased to two full-time program personnel supported by two part-time secretaries and a 3/4 time administrative assistant. The staff in New Rochelle consists of two full-time program officers, and the staff of Salesian Missions accounting office has been increased by one accountant to help support the increased workload generated by this grant and a number of USAID-funded OPGs.

B. Development of a Consultant Roster

Because of our small staff and fluctuating workload, we have regularly used consultants, especially when we need a particular technical capability. We have identified over 35 individuals with particular expertise in vocational education, project design, procurement, law and other skills. The number is not so large that we have had to organize a computer-based roster which can be accessed by language, area and technical expertise. This may be desirable in the future, but for now, is not planned.

C. Staff Training and Development

Since our staff has considerable experience in working within U.S. public sector assistance organizations and PVOs in project design and management, the limited training we have undertaken has been directed more to broadening our knowledge of requirements for project planning and management, especially for A.I.D. and U.S. foundations. We have also taken some courses or attended

seminars on subjects where we are not as strong as we would like to be, such as debt for development, project evaluation and U.S. Government A-133 audits of grants to private voluntary organizations.

D. Operations Manual Development

This activity provides for an operations manual incorporating management systems and program and project guidelines for use by our office and cooperating overseas Salesian offices.

The manual used in Salesian Missions course in project planning, management and evaluation is the core of the operations manual. As successive courses were offered it was changed and improved before each course in consultation with the contractor. Changes were made based on recommendations from course participants, Salesian Missions' personnel who attended and observed the courses and the contractor's own staff.

In addition, working with our public accounting firm we perfected a financial reporting system for use by our overseas grantees. We use these reports to track project progress and to prepare reports required by A.I.D. and other donors. They are also used by our public accounting firm as part of the documentation for the conduct of A-133 audits.

E. Program to Diversify Sources and Leverage Grants for Development Projects from Private and Public Donors

During the life of the project, Salesian Missions personnel made contact with a broad range of international public and private organizations. In most cases, we have found the long-term results of these contacts in terms of receiving concrete funding for projects, exchange of information or other kinds of collaboration, to be quite minimal. A good many private funders are facing shrinkage in available resources. We also often have found a hesitancy to channel funding to Salesian projects abroad through the Salesian Missions. Because of these problems, this effort was curtailed in the last year of the project because we felt the potential return did not warrant further investment of scarce staff time.

By far, the most important work done in attempting to diversify our donor base was with the W.K. Kellogg Foundation. This work occupied much of the time of our Program Director resident in New Rochelle, Father James

Chiosso. Largely through his efforts, the Foundation provided a total of eight grants worth $3,445,041 for assistance for improving Salesian agricultural education and campesino outreach in Latin America. The locations of these programs are as follows:

Argentina	-San José, Misiones
Brazil	-Silvania, Manaus
Chile	-Catemu, Valparaiso; Colín, Talca
Guatemala	-Alta Verapaz
Venezuela	-Barinas, Barinas; Carrasquero, Zulia

The projects cover a spectrum of activities in Latin America ranging from secondary level agricultural education for poor girls in central Chile to integrated rural community development for the Kechí Indians in the Guatemalan highlands. Part of the thrust of the development work proposed in our proposal was to ensure that women also would have an independent source of cash income from employment, gardening or home-based micro enterprises, and an important emphasis of these projects is on helping increase food production and household income, which benefits all household members.

Our success with the W.K. Kellogg Foundation was a major step in our donor diversification efforts. Within the foundation community there is much sharing of information on grantees, and we believe Kellogg's acceptance of this large and complex program indicates its confidence in the Salesian congregation's commitments and capabilities. In early 1993, we are planning a series of visits to Latin America with a representative of the Foundation to review these projects and study other possibilities for assistance for the poor youth, both in rural and urban areas.

Recently, we also have undertaken two new initiatives to diversify sources of funding and leverage grants for our projects. First, an additional staff member has been hired by Salesian Missions to work with the international financial institutions. While this new person is not a part of the Office for Government Programs, he will coordinate closely with the office.

Second, in November 1991, Salesian Missions hired an individual to work on corporate fund raising. As a result of his efforts, we have obtained commitments for grants for development of a new youth center, which will include vocational education, in Cuidad Bolivar, a poor suburb of Bogota, Colombia. Funds will be provided by the Fundación Zoraida Cadavid de Sierra-- approximately

$150,000 for land purchase and an open-ended commitment of $100,000 annually for operations. We have also obtained a commitment from another donor for additional funding ($60,000) for a sports complex at the site. Similar efforts on the part of our corporate fundraiser also have resulted in a commitment from the representatives of the Japanese trading company, Tomen Latin America S.A. in Mexico City. This is a major program to provide care and vocation education for displaced youth in Cuidad Juarez, Mexico, directly across the border from El Paso. The amount of the grant is still under discussion, but it should be approximately $500,000. There are two other programs under review by new donors: a $500,000 agricultural education program in Indonesia, and a $122,000 village water supply project near Ascunción, Paraguay. Indications are that both will be funded.

Thus, these efforts to diversify our donor base and leverage funds begun during the grant project's life have met with a good deal of success, and Salesian Missions will continue in a focused manner to develop relationships with new donor organizations interested in working with Salesian projects to assist poor youth.

F. Coordination Among Salesian Support Offices

The project mid-term evaluation recommended that efforts to improve coordination with foreign donors should be dropped as an objective of the cooperative agreement. This recommendation was accepted by PVC. The Salesian support offices in Europe with which we had hoped to work more closely in routinely coordinating donor assistance from European and U.S. donors, while interested in making attempts along these lines, were not able to effectively conclude agreements. This was largely a result of substantial differences between the way U.S. donor agencies and European donor agencies conduct their business. The latter appear to have simpler systems and procedures and make decisions in a much shorter time than either the U.S. public or private sector grant making entities.

While cooperation on projects between our European counterpart Salesian offices and ourselves has been dropped as a major objective of the cooperative agreement, we continue selectively to explore ways which funding from U.S. and European sources can be melded, with funds from U.S. donors used to leverage greater amounts from Europe. In our latest cooperative agreement submission to A.I.D., we recommend three such projects.

A.I.D. funds would be used to leverage funds from the Spanish and German Governments on approximately a three to one basis. We are hopeful that if these projects can be funded under a new cooperative agreement and are successful, further modes of cooperation will be possible.

G. Financial Management

At the time this cooperative agreement got under way, Salesian Missions in New Rochelle had just installed a new computer-based accounting system. We worked closely with our accounting office in New Rochelle to test the system and set up a chart of accounts to support expenditure controls, accounting and reporting for our grants. The system allows us to monitor expenditures of funds against project budgets and to prepare external financial reports.

In the past year, the staff of Salesian Missions' accounting office was increased to accommodate the increased workload generated by our portfolio of A.I.D. projects. Expenditure report forms for field projects also were redesigned to make them easier to prepare and coordinate with project accounts maintained by overseas project managers.

Finally, for 1991, we were audited for the first time under OMB Circular A-133 guidelines. The audit generated a heavy workload, and while an unqualified audit report was issued, we did identify several areas in which improved management controls would be useful. Action is being taken on these.

ACTIVITY 2 - Training Key Field Staff in Project Development and Management

Activity 2 consisted of the preparation of materials appropriate to Salesians' needs and capabilities for project development and management and the use of these materials to conduct training programs for Salesians in Latin America, Asia and Africa.

A. Preparation of Training Materials

One of the first actions taken after approval of the grant was issuance of a request for proposals to present a course in project planning and management to key Salesian managers. The firm chosen to conduct the course was Management Systems International (MSI) of Washington, D.C. A contract was signed with MSI on October 24, 1989,

to prepare the training manual to be used in the course and to offer the first course in Santiago, Chile in December. Prior to the conduct of the course, Salesian Missions reviewed the manual prepared by MSI and made comments and suggestions for its improvement.

B. Conduct of Project Methodology Courses

In all, six courses were financed under the cooperative agreement and three from other sources, and a total of 195 Salesian participants were trained. USAID/Philippines directly funded a course, and under a grant received from Catholic Relief Services, two other courses were held for Salesians and other individuals working with CRS in Eastern Europe: a course in English in Vienna and one in German in Warsaw, Poland.

While these courses received very positive evaluations from participants, both at the termination of the course as well as in a follow up evaluation taken up after the first four courses had been completed, a consistent observation by the participants was that the course was too short and served only as an introduction to project development and management methodologies. Course graduates also recommended provision of training in other aspects of administration and management, particularly in financial control and accounting.

Based on these recommendations, as well as on recommendations contained in the project's mid-term evaluation of September 1991, our new request for cooperative agreement financing from PVC contains provision for a restructured and longer training course to be conducted in conjunction with the two Salesian universities in Rome. A long-term objective of this new proposal is to institutionalize a training capability in project development and implementation within these Salesian institutions, using Salesian personnel as trainers, thus avoiding continuing use of expensive consultants. Of course, the main objective is to embed broadly throughout the Salesian Society a professional capability in project design and management, resulting not only in increased of funding for projects, but also improved management of Salesian development programs, whether funded internally or by outside resources.

A great deal of enthusiasm for this new program exists at the highest levels of the two major Salesian congregations with which we work, the Salesians of Don Bosco and the Salesians Sisters, and we are hopeful that we will be able to capitalize on this enthusiasm and

maintain the momentum we have achieved in bringing about substantial changes in the way development programs are planned and managed around the world.

ACTIVITY 3 - Implementation of Field Development Projects

The principal outputs of this activity were the development of policies and procedures for administering AID and Salesian funds for field projects, the development of a model agreement between Salesian Missions and participating Salesian communities to govern activities funded under this grant, and the development and implementation of field projects to: 1) encourage the diversification of organizations providing support for Salesian Missions and overseas Salesians; 2) finance projects developed by Salesians who had attended the training courses in project development and management; and/or 3) respond to unique needs or opportunities during the life of the grant which would provide opportunities for institutional strengthening.

In reviewing and approving our original grant proposal, PVC was required to reduce very substantially the amount of funds made available from our request. In approving the project, PVC recommended that the program concentrate primarily on Activities 1 and 2 and, while not discouraging programs under Activity 3, accorded a lower priority to this part of the program.

This proved to be a correct decision. Seven small projects totalling $292,580 were submitted to PVC and to appropriate A.I.D. missions for approval. All of these projects were developed by graduates of the training program. Only one, however, was used as counterpart to leverage a major grant from the another donor. The September 1991 evaluation concluded that these small project operations absorbed too much staff time, both Salesian Missions' and A.I.D.'s, relative to the benefits generated. The evaluation recommended that the project fund be phased out in order to allow Salesian Missions to reorient staff resources toward generating larger projects favored by A.I.D. missions and other donors. This recommendation was implemented and new small project activity was terminated at the beginning of the third year of the agreement. All previously approved small projects were completed.

V. MANAGEMENT: REVIEW AND ANALYSIS OF HEADQUARTERS/SUPPORT FUNCTIONS

Since in great part this grant was to strengthen the institutional capacities of the Salesians, much of the

material related to management is contained in Section IV above. This section touches on other matters not covered in Section IV.

A. Project Planning and Management Activities

During the project year we concentrated our project planning efforts on new programs with a number of A.I.D. field missions. Grant requests were developed and presented for projects in Swaziland, the Philippines, Israel (West Bank) Mozambique and Sri Lanka. Preparation of new proposals for displaced children's programs is in progress in Chile, El Salvador, and South Africa. At the request of the A.I.D. Representative to Paraguay, plans for a small farmer outreach program based at the Salesian agricultural school at Coronel Oviedo were developed, but were subsequently shelved because of A.I.D. budget constraints.

A brief description of projects approved, under negotiation or in process of preparation follows.

1. **Philippines**. USAID/Philippines provided a grant of $300,000 to the Salesian Sisters to finance a set of interrelated programs for street children, primarily girls at risk, abused or exploited in the Metro Manila area. The program provides care for children on the streets and in a Salesian-run shelter as well as for education and vocational training for children to give them alternatives to sexual exploitation and/or marginal employment on the streets. It is the first such venture of the Salesian Sisters in the Philippines and we hope that the successful implementation of this program will attract substantially greater financing for programs operated by both Salesians and Salesian Sisters.

2. **Swaziland**. USAID/Swaziland approved a grant of $91,000 for the Manzini Street Children Productivity Center in Manzini, Swaziland. The project is primarily to purchase equipment for a commercial food processing facility under the direction of the Manzini Youth Care Committee. The project will increase the productive capacity of a commercial food processing center. The center will provide employment for approximately 25 women and will provide supplementary income for groups of rural women supplying produce to the plant. Profits from product sales will be used to pay operating costs and to assure self-sustaining operations of programs for street children and other troubled youth in Manzini.

3. **Sri Lanka**. During the last year personnel of Salesian Missions worked with the Salesian community in Negombo to develop a major program to counter the rapidly growing sexual tourism and youth prostitution there. Through community organization, public information and vocational programs for youth, Salesians are supporting a major civic program to combat this problem. A grant proposal was developed and negotiated with USAID/Sri Lanka, and in November 1992, an agreement for $513,862 was signed with USAID/Sri Lanka and a team fielded to assist local Salesians there develop detailed implementation plans for the project.

4. **Israel (West Bank)**. A grant of $400,000 has been proposed to A.I.D. for upgrading educational programs at the Don Bosco Technical School in Bethlehem. Specifically, the program provides for support for automobile mechanics and computer training at the school which is attended primarily by Palestinian youth. The program was first delayed because of disagreements between A.I.D. and the Department of State regarding the administration of A.I.D. programs on the West Bank. A.I.D. then conditioned consideration of the proposal on receipt of a substantial grant to the school for capital and other improvements from the European Economic Community. The EEC grant has now been approved and we are pursuing completion of negotiations of the grant with A.I.D.

5. **Mozambique**. A proposal for $643,000 has been under discussion with USAID/Mozambique for some time to assist the Salesians in rehabilitating an orphanage which had been expropriated by the government and developing a program of vocational technical education for orphans and other needy youths. USAID attention on this program was diverted by major concerns for refugee relief and assistance necessitated both by the continuing armed conflict and the prolonged drought in southern Africa. With the signing of a cease fire agreement and the recent break in the drought, we are again in negotiations with USAID/Mozambique.

6. **Chile**. Two new projects were developed for Chile. The first program for which A.I.D. funds have been requested is part of our new cooperative agreement request currently before PVC. It asks for counterpart assistance for a major grant from the Government of Spain to the Salesian Sisters' agricultural school in Colín in the Central Valley, the heart of Chile's fruit producing area. The program will provide for a substantial upgrading of the quality of education offered at the school, ensuring that educational programs meet the needs

of employers in the Central Valley's fruit producing and packing industries. The second project is for the Salesian Sisters to help care for street girls in Santiago. The numbers of street children in Santiago are growing very rapidly and this program will serve as a pilot for Salesians and others as they attempt to respond to this difficult social problem. Next steps for this project are to enter into discussions with the A.I.D. Representative to Chile to ensure sponsorship for the project which will be presented for funding from the special earmark for displaced children contained in A.I.D.'s appropriation legislation.

7. **El Salvador**. During the last year, Salesian Missions developed a proposal for care and vocational training for war orphans and other children displaced by hostilities in El Salvador at the Salesian orphanage in Santa Ana. The proposal was accepted by USAID/El Salvador and sponsored to A.I.D./Washington, again for financing under the special displaced children's earmark. Shortly after the termination of the cooperative agreement, Salesian Missions began work on the detailed proposal for this project. It is nearing completion.

8. **South Africa**. We have been working with Salesians in Cape Town, South Africa for a program of assistance, including care and vocational education for street children. The South African A.I.D. mission has not yet accepted the proposal, but we have continued working with Salesians in Cape Town to develop the full project proposal. We believe this is an attractive and necessary program which, if not ultimately accepted by USAID/South Africa, will be of interest to other donor organizations.

In summary, the work of the Office for Government Programs has focused primarily on finding opportunities for cooperation with A.I.D., both at the headquarters and field levels. At the headquarters level, as PVC staff is aware, we currently have a major matching grant proposal pending which we understand will be reviewed in early 1993. The Office for Government Programs will continue to work closely and coordinate activities with other elements of Salesian Missions' staff to share information and project opportunities as well as to determine further opportunities for joint financing, blending Salesian Missions' funds with those of other public and private donors, both U.S. and overseas.

B. Staff Resources

Staff resources were augmented during the last year of the project proposal in response to identified needs as well as recommendations in the September 1991 evaluation. In the Washington, D.C. area office two program offices as well as three part-time support staff are assigned to the Office for Government Programs. In addition, the corporate fundraiser is headquartered here. In New Rochelle, two additional program offices, one Salesian and one lay person with extensive prior experience with Catholic Relief Services and other non-profit organizations, support the work of the Office for Government Programs. The Salesian Program Director also has primary responsibility for foundation development.

In 1992, the director of Salesian Missions' accounting staff was changed. The new chief accountant has extensive experience with non-profit operations. In addition, another accountant was hired for the office, specifically to provide support to the Office for Government Programs in financial management and accounting for our large number of grant projects.

C. Other Topics

Other topics suggested for review here in PVC's "PVO Annual Report and Guidelines" are: training, logistical support, technical assistance, project fund-raising and marketing, the role of the board of directors and development education. None of these currently are major concerns or activities for Salesian Missions. There is nothing of consequence to report, other than that which is contained above and in other sections of this report.

VI. FINANCIAL REPORT

Included as Attachments 1 and 2, respectively, are the Financial Profile of the Project and Salesian Missions Financial Profile tables. The former is a final picture of the project's status at the end of the project. The latter contains the same data provided in our recently-submitted FY 1993 cooperative agreement request, since the information requested is the same. As can be seen from the tables, the project budget and actual expenditures of A.I.D. funds were almost the same with very small variances. Salesian contributions of $1,437,860 substantially exceeded the contracted $1.2 million, and while not actually negotiated as an amendment to the agreement, are reported to demonstrate that the actual cash match was better than one for one.

The guidelines for this report ask for a brief description of fundraising plans and activities. These are substantially covered in Section V. above. Attachment 5, Salesian Missions' Project List, is a list of all projects funded through the efforts of the Office for Government Programs and predecessor offices since registration of the Salesian Missions as a private voluntary organization with A.I.D. In all, better than $13.5 million has been raised by this office in a bit over six years. This success is largely because of continuing A.I.D. support for the establishment of Salesian Missions as a dependable, self-sufficient, professional PVO. The FY 1993 cooperative agreement request pending before PVC is the last request for support to complete this effort. It will also assist in bringing about substantial institutional change in the Salesians' worldwide organization. If approved, this program should carry the development activities of Salesian Missions to another plane, thus assuring its capability to work as a strong and efficient long-term partner of A.I.D., particularly in the areas of education and youth development.

VII. LESSONS LEARNED AND LONG-TERM IMPLICATIONS

The basic underlying rationale for A.I.D.-Salesian Missions cooperation over the last six years has been a shared view that the 40,000 Salesian men and women and the thousands of additional collaborators and employees of the Salesians constitute a potent and effective development resource. The program funded by A.I.D. has been fundamentally institution building at two levels: first, the development of the Salesian Society of the United States as a strong and viable private voluntary organization able to cooperate with A.I.D. in achieving desirable shared development goals and objectives. At the second level, the objective has been much larger and longer term, i.e., through the provision of technical advice and assistance, training and relatively small amounts of funding, to embed in the Salesian structure worldwide improved professional competence to plan, manage and evaluate development activities which can provide services to assist poor, orphaned, abandoned and otherwise at-risk children and youth.

The need to strengthen institutions worldwide to deal with the problems of youth is abundantly clear. The United Nations Conference on the Rights of the Child called to the attention of the world in graphic terms the growing problem of displaced children and youth unemployment. There are millions children and young people living in and on the streets in major cities around the world and their numbers

are growing at an alarming rate. These children, without the loving support of families and without education and skills to earn a living, are subject to cruel and harsh conditions of life. They are exploited sexually and economically. They are outcasts, viewed with distaste and distrust by large segments of their society. They are oppressed, and in some countries killed, simply because of their condition. To survive, they turn to theft and other crimes to try to maintain themselves, and society has demonstrated much more efficiency in oppressing them than in aiding and rehabilitating them.

While only one of thousands of organizations around the world working to save these children from their wretched existence, the Salesians represent one of the most effective organizations in the field, both because of their 130 years of experience in successfully working to rehabilitate and save children at risk and because they are one of the largest such organizations in the world. Their work touches literally millions of people each day. Clearly, they need and deserve help. They are not a profit making organization and they produce no products for sale. Because of their capability and their reputation, however, they continue to expand their work with the assistance from millions of individuals and many hundreds of corporations, foundations and other organizations around the world who view their efforts as eminently worthy of support.

This has been the context of A.I.D.'s generous support to Salesian Missions in two successive matching grant programs. The second, the subject of this report, has been very successful. There are, however, lessons that can be gleaned when one reviews the history and achievements of the project.

In 1989, when A.I.D. approved this project, funding constraints required a substantial reduction from the amount of funds that had been requested. This in turn reduced the term of the project from five to three years. As a consequence, some of the proposed core institutional developmental activity had to be eliminated or severely curtailed. As noted elsewhere, in approving the grant, A.I.D. recommended that primary attention be focused in the grant on Activities 1 and 2. Activity 3 was greatly reduced.

Activity 1 dealt with the institutional strengthening of Salesian Missions as a U.S. private voluntary organization. With A.I.D.'s generous support the office grew both in size and professional competence. As its primary role is to help the several hundred Salesian provinces around the world, essentially local NGOs, to develop their programmatic and management capabilities, the level of staffing has always

been kept small. This approach, while generating at times very heavy workloads, has proven viable and efficient. The number of staff in relation to the number of projects managed and the value of these projects probably presents one of the more favorable ratios among U.S. PVOs.

While we expect staff growth to continue modestly, it is not our intention to ever become a "full service" PVO with our own assigned field staff and a large support staff in the United States. We have managed workload peaks primarily though the use of consulting services. We have engaged a few highly qualified consultants who, as the have built their knowledge of Salesian programs and activities, have become quite productive and able to work independently with minimal direction or oversight by regular staff. This has proved to be an efficient mode of operation and one which we will continue in the coming years.

Activity 2 envisioned the development of a "Salesian approach" to development--a set of Salesian-specific policies, guides and methodologies for project development, management and evaluation. This effort, while successful in part, was never able to be conducted as originally proposed. In the program proposal, it was envisioned that the "Salesian approach" would be developed prior to initiation of the training program through a broad-based consultative effort which would involve senior Salesian administrators overseas working with Salesian Missions personnel and a programming expert to develop these materials. This work was to have been the basis for competing the contract for training in the methodologies. We also envisioned periodic reviews and refinement of the materials. However, because of the time and funding constraints, this approach was not feasible, and we moved immediately to commercially obtained materials and training.

This is not a new finding. Conversations with professional colleagues in PVC recognized this fact from the beginning. With reduced time and funding, the only viable approach was to develop the programmatic methodologies in the context of preparing and presenting a short course in project development, management and evaluation at several sites around the world. The course handbook as it evolved over three years represents the set of methodologies developed to date, but does not constitute an actual "Salesian approach" as such. It is still quite generic and requires development of examples, forms and case materials more appropriate to Salesian experience, practices and needs.

We had also envisioned in a context of a five year program that we would train Salesian trainers who could carry this work forward. Again, time, funding and staffing constraints

prevented us from doing this. The training program, as noted earlier in this report, was considered a great success by course participants and in the process of conducting the project's mid-term evaluation, the evaluators uncovered numerous cases of Salesians who had participated in the program and were applying the materials learned in the course, not only in the successful development and negotiation of projects with other donors, but also applying them as managerial and administrative approaches in other problem solving situations.

What is still needed is development of a capability to continue the training program, training of the hundreds more Salesians who could benefit from such training and to ensure that a training capacity is developed within the a Salesian institution where is can be continued, sustained and improved over time. In this respect, the new matching grant request pending before FHA/PVC is a continuation of the earlier curtailed five year program to carry it forward to completion as well as enhance and improve it based on our experiences over the past three years.

A third lesson we have learned is that there are numerous opportunities for international cooperation in development programs which with flexibility and patient negotiation can be exploited. One clear example we have found in working with Salesian overseas institutions on this cooperative agreement and on a number of mission grants (OPGs) is that there are numerous European and European Economic Community programs which provide funds for construction and equipment of technical education programs and other economic and social development activities as well. A.I.D.'s disposition not to fund construction and procurement sometimes impeded the development of otherwise excellent programs. However, blending A.I.D. funds for small procurement, educational materials development, personnel and other "soft" costs of our programs with European money for construction and major procurement can result in programs with broad development impact. As international PVO-NGO cooperation continues to increase and is maintained as an important initiative by A.I.D., we believe that many PVOs stand to benefit if all parties can find ways to blend systems, procedures, funding approaches and timing to achieve programmatic objectives. All that is lacking, we believe, is time and a disposition to cooperate on the part of all parties, the latter perhaps being more of a problem with European donors than with A.I.D. and U.S. PVOs. Nonetheless, we believe that a clear lesson from our experience is that these opportunities exist and are worthy of further study and exploration.

A fourth lesson based on our past experience using A.I.D. support in institutional development is that U.S. PVOs of relatively small size can provide useful and important support to overseas NGOs, either individually or to large networks of NGOs such as that represented by Salesian communities working in over 100 countries worldwide. This is not to say that established U.S. PVOs with large field staffs are not valid organizations for the delivery of services. Rather, we simply note that it is not necessary to be very large to have significant development impact working through local NGOs. Specific to the Salesians, but not unique, is the fact that the Salesian communities which we work with overseas, the local NGOs, in most cases are also well-established institutions with long histories of successful provision of social and economic services to the poor. They bring to the table in-depth experience, skills and abilities. Working with newly-established NGOs would be, of course, a more difficult matter.

The major constraint to a small staff in carrying out this activity, at least with respect to A.I.D., is the large number of complex rules and regulations, many of which A.I.D. itself would like to change, which govern project administration. These deal with complex and protracted procedures for contracting for services, procurement, reporting, internal controls, and, more recently, the expensive, time-consuming and complex requirements imposed by OMB under Circular A-133 for auditing U. S. Government grants. These are tremendous consumers of staff time. Simplification would be a major step forward. None of the above will be news to anyone in A.I.D., but perhaps the internal work being done to improve the procurement processes within A.I.D. can be extended to negotiations to OMB and Congress to see what simplifications might be possible. It simply makes no sense to impose the same set of regulations and restrictions on a $250,000 project as, for example, on a multimillion grant made to a U.S. university. We believe this lack of differentiation is the source of severe problems for all PVOs. Even within A.I.D. some different approaches could be evolved. The contrast might be between the internal rules governing a multimillion dollar commodity procurement program financed under ESF and a modest grant made to or by a PVO to an overseas sub-recipient.

A final lesson which is analyzed in some detail in the mid-term evaluation for this project are the problems of managing small grants. While a small grant program was a major objective in the original project proposal, the substantial reductions in funds and A.I.D.'s instruction to focus less attention and effort on Activity 3, ultimately resulted in only the seven small activities actually being

financed. We found them to be time consuming and expensive to manage. The process of obtaining A.I.D. approval was lengthy. The same set of complex rules and restrictions governing the cooperative agreement applied to the management of these activities and imposed a heavy workload in terms of instructing and monitoring Salesian field staff. In the end these activities proved not to be cost effective (in terms of the costs of managing them) given the relatively small amounts of money involved. (The average value of the six smallest programs was only $33,000).

The problem of workload and cost benefit considerations working with smaller grants was not restricted to the cooperative agreement. During the life of the project, this office also successfully negotiated seven small grants from U.S. foundations totalling $43,000. We also found work on these to be very time consuming, and in mid-1991 we decided that the Office for Government Programs should not involve itself further with these types of grant requests. Small grant requests arriving in Salesian Missions are now routinely referred back to provinces with the recommendation that participants in the project development course take responsibility for them. Small grants can be enormously helpful for specific program needs, but in terms of the costs of doing business in the United States, they are not cost effective. It is for this reason that our new cooperative agreement request for FY 1993 currently before PVC limits itself to field program valued at several hundred thousand dollars or more.

So as not to repeat data already submitted to A.I.D. we commend to the reader the mid-term evaluation of the cooperative agreement dated September 20, 1991. It contains a comprehensive evaluation of the first two years of activity under the project and is quite consistent with the lessons learned and other matter discussed in this report.

VIII. RECOMMENDATIONS

Institutional strengthening within an organization as large and complex as the Salesian Society is complicated. The organization has a deep and rich management culture. Moreover, at the local level particular development approaches are adapted to local practices, conditions and cultures. Personnel are extremely busy, many with two or three major responsibilities which literally occupy all of their waking time, and lack of financial resources is a constant constraint. In this milieu, institutional strengthening must take place at all levels and initiatives for change must be carefully explained and coordinated. People whose lives will be affected must be enlisted as

active supporters because implementation of so much falls to them.

It is for this reason that projects limited to short duration make the institution building effort very difficult. We feel strongly that broad-based initiatives such as the evolution of the "Salesian approach" to development and its adoption broadly throughout the organization can only be done with patient well-structured effort over a number of years. Based on our experiences over the past six years with two successive A.I.D. cooperative agreements, we think that this effort, if it is to continue, with or without A.I.D. support, must be viewed as a very long-term process. Therefore, the efforts to embed deeply within the society the capability to plan, carry out and teach development program work requires a long-term commitment from the highest levels of both Salesian Missions and the worldwide organization.

Our second recommendation is likewise directed to ourselves. Our work in providing technical assistance and seeking financial support for Salesian activities can only continue if it can be financially self-supporting. Therefore, the future growth of Salesian Missions must continue to be measured, consistent with the flow of resources from our supporters.

However, as discussed in previous sections of this report, a great deal can be done with a small staff if that staff can be relatively free to concentrate on the major issues such as improving the quality of technical assistance offered, coordinating with Salesian organizations at all levels on interesting and important initiatives, continued contact and marketing to international donors to identify opportunities for cooperation and joint-financing, and above all, training Salesians at the country and local level in the processes of programming and management, thus relieving Salesian Missions of continuing in-depth involvement in these tasks. If with the assistance of A.I.D. and other organizations we can continue to develop this institutional capability, Salesian Missions can have a major impact in improving the quality of programs offered by Salesians, while maintaining a modest staff of highly qualified personnel.

With respect to recommendations for donors and other organizations seeking similar impacts, while obviously not unbiased in this recommendation, we commend to all the Salesians as an extraordinarily effective organization in the fields in which it concentrates. We have worked with a number of A.I.D. Missions around the world and we believe we enjoy an excellent reputation with them. The "we" mentioned is not only Salesian Missions, but perhaps more so, the Salesians working at the local level where programs are

implemented and services delivered. In countries where we have worked with the Peace Corps such as Nicaragua, we believe we enjoy a similar reputation. Among European donors, particularly in Germany, Belgium, Spain, and Italy, Salesian programs, as measured by the willingness of donor organizations to assist, are viewed as important and worthy of support.

We therefore would recommend that other donors and organizations seeking similar impacts engage Salesian Missions and other Salesian offices throughout the world in an exploration of how cooperation can be enhanced and improved. One example of this having happening during the last year is with the International Youth Foundation, a major foundation recently capitalized by the W.K. Kellogg Foundation. The IYF has engaged a number of Salesian provinces in discussions on how the Foundation can identify model youth programs for successful replication and has developed a list of such programs. Among the programs identified by the Foundation are a number operated by the Salesians.

We have deeply appreciated A.I.D.'s continuing sympathetic support. It has been essential in achieving our present capability and in beginning to make important institutional changes in the Salesian Society at all levels worldwide. We look forward to a continuing productive, collaborative relationship.

Attachment 1

FINANCIAL PROFILE OF THE PROJECT

September 1, 1989 - August 31, 1992

A. Budgeted Versus Actual Expenditures

	A.I.D.		Salesian Missions	
Project Elements	**Budget**	**Expense**	**Budget**	**Expense**
Program Costs	$ 860,612	$ 863,004	$ 700,850	$ 919,169
Procurement	339,388	336,959	499,150	518,691
Total Project	$1,200,000	$1,199,963	$1,200,000	$1,437,860

B. Sources of Project Funds for Salesian Missions

A.I.D. Matching Grant	$1,199,963
Private - Cash	1,437,860
Total	$2,637,823

Attachment 2

FINANCIAL PROFILE OF SALESIAN MISSIONS
(Calendar Year)

SOURCES OF FUNDS	Historical			Projected
	1989	1990	1991	1992
Total AID	939,256	1,951,024	1,820,067	1,800,000
Private - In Cash	24,436,777	25,535,762	24,621,836	23,500,000
Private - In Kind	469,795	352,341	921,581	750,000
Legacies & Bequests	1,361,698	1,144,832	2,300,875	1,950,000
European Gov't Grants	1,757,523	1,944,451	1,689,552	1,750,000
Foundation Grants		1,752,696	645,439	650,000
Interest Income	1,021,063	956,997	934,051	750,000
Other Revenue	952,485	5,799	89,163	75,000
Total Source of Funds	30,938,597	33,643,902	33,022,564	31,225,000
Expenditures				
Program Services				
Mission Support	17,695,875	14,463,272	14,837,987	15,300,000
Education Ministries	2,166,716	1,073,040	2,618,667	2,500,000
Religious Ministries	6,349,660	9,590,402	8,929,100	6,625,000
A.I.D.	1,196,266	2,202,684	2,141,562	1,800,000
Total Program Services	27,408,517	27,329,398	28,527,316	26,225,000
Support Services				
Management & General	507,844	604,887	641,225	585,000
Fund Raising	4,058,608	4,677,895	4,590,545	4,415,000
Total Support Service	4,566,452	5,282,782	5,231,770	5,000,000
Total Expenditures	31,974,969	32,612,180	33,759,086	31,225,000

LOGICAL FRAMEWORK

Narrative	Indicators	Means of Verification	Assumptions
Goal			
The goal of the program is to increase income and employment and improve health and the community leadership capabilities of the poor in Latin America, Africa, Asia and the Near East.	Incomes of beneficiary families. Employment and self-employment. Community health status. Community leadership activity.	Available data on the economic and social condition of beneficiaries of Salesian projects/activities Evaluation	Prevalence of political and economic conditions which permit beneficiaries to apply skills. Continued acceptance of Salesians by LDC governments and the poor.
Purpose	**EOPS**		
The purpose of the matching grant is to improve the institutional capabilities of the Salesians to do development work and to improve the impact, sustainability and leverage of Salesian development projects and activities.	Significant improvements in Salesian headquarters staff technical and managerial capacity to: - manage efficiently a worldwide development program; - assist field Salesians to identify, formulate, implement and evaluate development projects; - access financing and generate financial leverage for projects from private and public sources worldwide; - sustain the improvements in Salesian's institutional capacity and project results. The institutionalization of a comprehensive set of methodologies for planning and managing development activities. Salesian development projects achieving greater impact, sustainability, and leverage because of improved planning and management.	Evaluation reflecting: - well trained staff providing effective support to Salesian development and operations in LDCs. - Salesians in field applying accepted methods of programming and project management in development projects. - high quality development projects routinely developed and implemented in LDCs incorporating annual planning and management and financial support from non-A.I.D. sources.	Appropriate headquarters staff and consultants can be recruited and retained. Salesians benefit from ehanced development professinalization and do not percieve program as an undue bureaucratic burden. Donors and other ogranizations perceive heightened level of professionalization of Salesians to meet their quirements for significant institutional commitments. Sufficient number of people will enter the congregation and communities in developing countries to assure continuity an sustainability of projects.

Narrative	Indicators	Means of Verification	Assumptions
Outputs			
Headquarters modernization:			
- program and administrative staff increased to seven persons - consultant roster - OPO staff training and development (estimated 44 persons/weeks) - OPO development operations manual incorporating management systems, program and project guidelines and methodologies - donor diversification and leverage activities planned and implemented - Salesian Missions' accounting and financial management system improved to meet needs for internal management control and external reporting - financial management guidelines for operations manual	Staff on-board according to schedule. Leverage/diversification projects undertaken. Guidelines and manuals published. Financial systems operating on routine basis.	Records of Salesian Missions AID/FVA/PVC; A.I.D. Missions Reports Evaluations	Continuation of contributions to Salesian Missions in amounts sufficient to meet A.I.D. match obligations.
Development of the "Salesian Approach" to development activities:			
- a set of Salesian development methodologies - 150 Salesians trained in methodology in 15 countries	Projects applying new methodologies routinely produced.	Project documentation	
Implementation of development projects:			
- policies and procedures for project fund - donor diversification/leverage projects - two "Salesian Approach" development phase pilot projects - extension phase projects - special development projects	Projects developed and implemented utilizing new project planning and management methodologies. Projects supported by new donors funded and implemented.	Evaluation Evaluation records of Salesian Mission	Continuation and practical realization of interest in working with Salesians expressed by various donors and other organizations. Acceptance of requirements of "Salesian Approach" by cooperating Salesian communities.

Narrative	Indicators	Means of Verification	Assumptions
Inputs	($000) Yr 1 Yr 2 Yr 3 Total		
A.I.D. matching funds Salesian matching funds	400 400 400 1,200 312 440 448 1,200 (non-add Salesian contribution)	Financial reports of A.I.D. and Salesian Missions	Timely A.I.D. approvals of proposed Salesian field projects.
Salesian staff facilities worldwide	To be determined in implementation.	Evaluation	Projects meet other criteria for matching grant financing.
Funding matches from public and private resources	To be determined in implementation.		
Local contributions	To be determined in implementation.		

Revised: March, 1991

AID Cooperative Agreement No. OTR-0158-A-00-9878-00

Revised Program Description

I. Program Goal:

The goal of the proposed grant is to increase the income and employment, health and community leadership capabilities of the poor in Latin America, Africa, Asia and the Near East.

II. Program Purpose:

The purpose of the proposed grant is to improve the institutional capabilities of the Salesians to do development work and to improve the impact, sustainability and leverage of Salesian development projects and activities.

III. Principal Activities:

In accomplishing the goal and purpose, SSI's End of Project Status will reflect:

- Significant improvements in Salesian Missions' staff technical and managerial capacity to:
  - manage a worldwide development program.
  - assist field Salesians to identify, formulate, implement and evaluate development projects.
  - access financing and generate financial leverage for projects from private and public sources worldwide.
- The institutionalization of a comprehensive set of methodologies for planning and managing development activities.
- Salesian development projects achieving greater impact, sustainability and leverage because of improved planning and management.

IV. <u>Outputs/Principal Activities</u>:

The outputs of SSI's matching grant will be:

- Headquarters modernization:
  - program and administrative staff increased to seven persons
  - consultant roster
  - OPO staff training and development (estimated 44 persons/week)
  - OPO development operations manual incorporating:
    - management systems
    - program and project guidelines and methodologies
    - funding source guidelines
    - financial management guidelines

- Development of the "Salesian Approach" to development activity:
  - a set of Salesian development methodologies for project planning and management appropriate to Salesians' needs and capabilities.
  - 150 Salesians from at least 15 countries trained in these methodologies in five training programs in project design, management and evaluation

- Implementation of development projects:
  - policies and procedures for project fund
  - donor diversification/leverage projects
  - two pilot projects resulting from training and other support activities in pilot phase of the program to develop the "Salesian Approach"
  - two or more projects resulting from training and other support activities in the extension phase of the program
  - development projects responding to special needs or opportunities during the life of the project

03/05/91