

**Agency for International Development**

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**Office Of  
Private and Voluntary  
Cooperation  
(PVC)**

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**June 1989**

## **CONTENTS**

<b>OVERVIEW OF PVC</b>	<b>1</b>
<b>ORIGINS OF THE A.I.D./PVO PARTNERSHIP</b>	<b>2</b>
<b>THE BASIS FOR WORKING TOGETHER</b>	<b>3</b>
<b>PVC: THE FOUNDATION OF THE A.I.D./PVO PARTNERSHIP</b>	<b>4</b>
<b>THE PVC GRANT PROGRAMS</b>	<b>4</b>
<b>MATCHING GRANTS</b>	<b>5</b>
<b>CHILD SURVIVAL/VITAMIN A GRANTS</b>	<b>5</b>
<b>COOPERATIVE DEVELOPMENT GRANTS</b>	<b>7</b>
<b>DEVELOPMENT EDUCATION GRANTS</b>	<b>8</b>
<b>FOOD DEVELOPMENT GRANTS</b>	<b>9</b>
<b>COMMODITY FREIGHT PROGRAM</b>	<b>10</b>
<b>PROGRAM AND MANAGEMENT SUPPORT</b>	<b>10</b>
<b>PUBLIC OUTREACH</b>	<b>11</b>
<b>LOOKING AHEAD</b>	<b>12</b>
<b>PVC REPORTS</b>	<b>13</b>
<b>ADDITIONAL INFORMATION</b>	<b>13</b>

## OVERVIEW OF PVC

Created in 1977, the Office of Private and Voluntary Cooperation (PVC) is the focal point for maintaining a productive partnership between the Agency for International Development (A.I.D.) and the community of private voluntary organizations (PVOs). PVC's objective is to support and expand the already considerable role and impact of PVOs in international development.

The amount of private funding for development projects overseas has been increasing steadily since the early 1970s. In 1986 alone, the U.S. PVO community invested more than \$2 billion in international development. PVC programs maximize these resources by building the capacity of PVOs to manage, staff, and evaluate their programs and to transfer those skills to the local organizations they work with overseas.

PVC supports the A.I.D./PVO partnership through grants administration, program and management support, and public outreach. Amounting to almost \$56 million in FY 1989, PVC's six competitive grant programs represent a small but significant portion of A.I.D.'s total support for PVOs. The grants strengthen PVO development activities in technical areas such as child survival, basic health services, small-scale enterprises and trade development. The six programs are:

- Matching Grants (\$22.7 million)
- Child Survival/Vitamin A (\$15 million)
- Cooperative Development (\$6.6 million)
- Development Education Grants (\$3 million)
- Food Development Grants (\$5.7 million)
- Commodity Freight Program (\$2.5 million)

PVC also provides program and management support for all of A.I.D.'s activities with PVOs. This includes PVO registration; a PVO management information system; PVO financial monitoring and other activities to ensure PVO financial independence; and evaluation of A.I.D.-supported PVO activities. Registration is a requirement for all PVOs to compete for A.I.D. funds. PVC maintains a database on the 240 U.S. and 315 local PVOs registered as of May 1989. A PVC publication, The A.I.D./PVO Partnership, describes the registration process and conditions for eligibility.

Finally, PVC provides leadership for A.I.D. and outreach to the public on the role of private institutions in international development. As the chair of the intra-agency PVO Liaison Committee and the staff office of the Advisory Committee on Voluntary Foreign Aid, PVC coordinates interaction among A.I.D., the international donor community, the private voluntary community, and the American public.

## **ORIGINS OF THE A.I.D./PVO PARTNERSHIP**

### **THE EARLY YEARS**

U.S. PVOs have been active in humanitarian work overseas for more than a century. Many of their early charitable activities originated through overseas missionary work and evolved out of an ever-growing response to natural disasters. PVOs emerged as leaders in providing food, clothing, medical help, shelter and other services in the wake of emergencies; they remain in the forefront of disaster relief today.

The formal relationship between PVOs and the U.S. government began during the Spanish Civil War, when the registration of PVO activities overseas was required under the Neutrality Act of 1939. During the years following World War II, PVOs focused their attention on the reconstruction of Europe and relief for displaced populations. In 1946, the U.S. Advisory Committee on Voluntary Foreign Aid began its work of facilitating the growing relationship between PVOs and newly-formed government programs such as the ocean freight and the dairy product programs.

Gradually, the locale of PVO activities shifted from Europe to the Third World. Over the past twenty-five years, PVOs have broadened their programs from relief, disaster assistance and food distribution to efforts aimed at addressing the root causes of poverty and improving the quality of human life.

### **A NEW APPROACH**

This shift signalled a new approach to the A.I.D./PVO partnership. In the early 1970s, A.I.D. and the PVO community began a long-term process of cooperation--PVOs began to implement development projects with the goal of assisting Third World people to meet their needs with their own resources and abilities. In 1973, foreign aid legislation specifically encouraged PVOs to assume increasing responsibility for development projects. To that end Congress provided \$39 million through A.I.D. for PVO activities. This support has grown to \$450 million today.

In 1981, Congress directed A.I.D. to make available to PVOs at least 12 percent and up to 16 percent of its development and disaster assistance funding. The target remains 16 percent, while the minimum level has been raised to 13.5 percent. A.I.D. generally exceeds the target, making an average of 20 percent of its development assistance program available through PVOs. This Congressional directive is grounded in the belief that programs of the private voluntary community embody the traditional humanitarian ideals of the American people and support a principal objective of U.S. foreign policy.

## THE BASIS FOR WORKING TOGETHER

A.I.D. and PVOs have always shared two fundamental objectives:

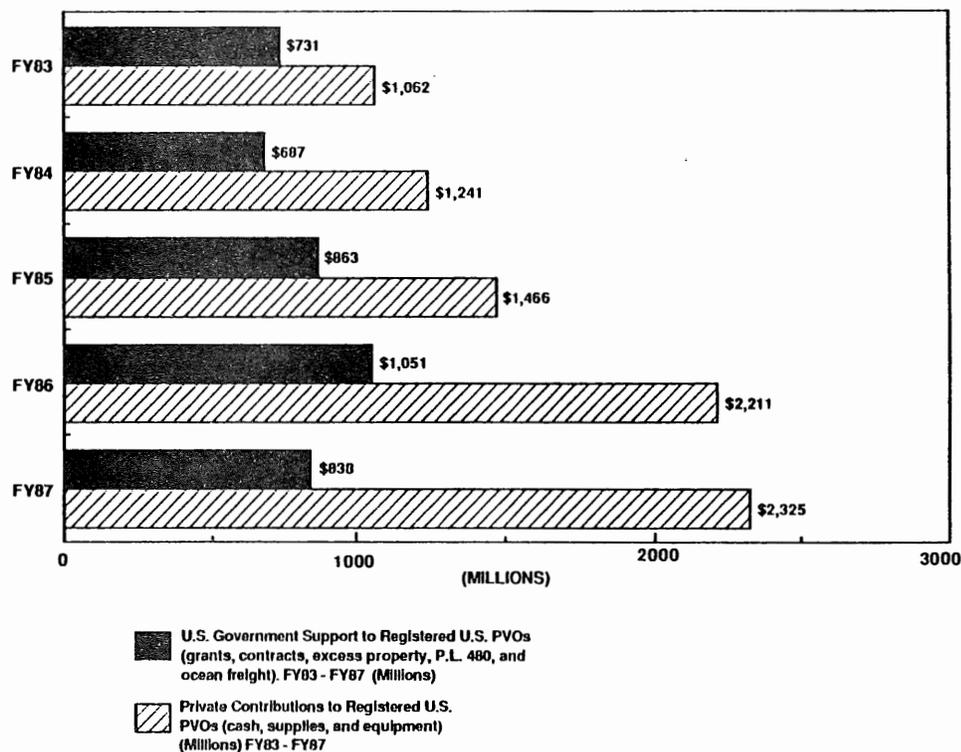
- to develop the abilities of the people of Third World countries to solve their own problems;
- to promote broadly democratic institutions through which local communities can take responsibility for their own development.

The diverse PVO community demonstrates in its work overseas the traditional American values of pluralism, voluntary action, and concern for others. PVOs foster sustainable self-help efforts at the community level, often in areas not reached by other assistance agencies. They provide a direct channel for people-to-people projects that broaden the participation of citizens in developing countries in the social and economic decisions that affect their daily lives.

As demonstrated by an evaluation of PVO effectiveness in 1985, PVOs consistently reach the rural poor in unserved, inaccessible areas; they promote local participation; and they carry out their programs in a low-cost, innovative manner that is responsive to local needs and realities.

Moreover, as the chart below demonstrates, PVOs have been able to raise private funds in amounts far exceeding their U.S. government support. This point is especially important--by virtue of their financial support from the private sector, PVOs afford A.I.D. a means for leveraging its own limited resources for development.

**SUPPORT & REVENUE TO REGISTERED U.S. PVOs**



The A.I.D./PVO partnership today focuses on building the strength and know-how of local organizations and individuals within the Third World. More and more U.S. PVOs are offering training, technical assistance and support to local affiliates and community groups to enhance their capability to carry out technically sound, effective development projects. By helping their partners integrate themselves more closely into national development efforts, U.S. PVOs enhance the development impact of their local affiliates. Because of their heterogeneity and ability to work effectively at the community level, PVOs enhance A.I.D.'s own effectiveness and scope of activity as well.

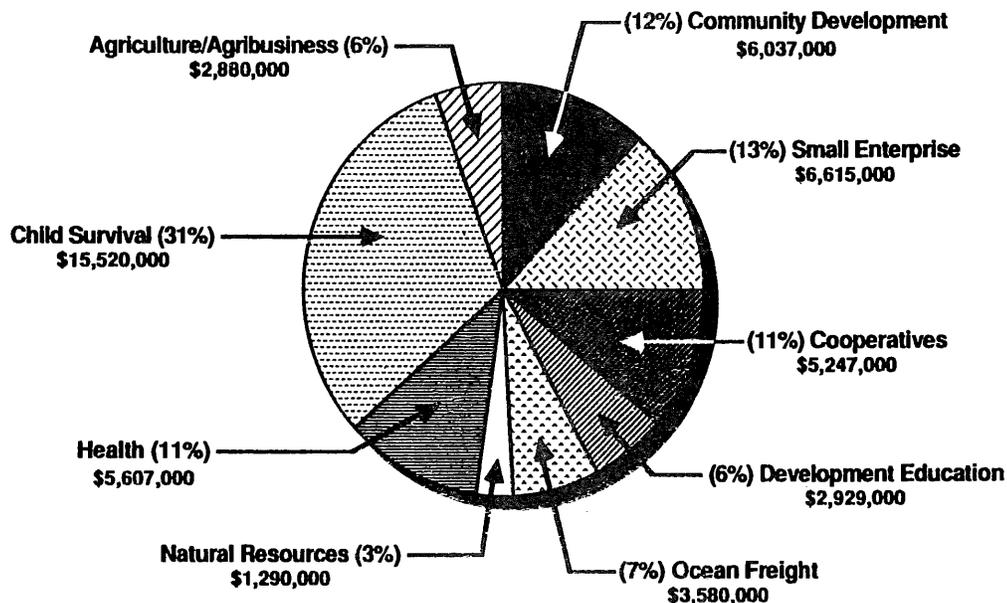
### PVC: THE FOUNDATION OF THE A.I.D./PVO PARTNERSHIP

PVC's three major responsibilities--grants administration, program and management support and public outreach--assist A.I.D. to carry out its development priorities. At the same time, PVC works closely with the U.S. private voluntary community to enable PVOs to be more effective in building self-sustaining local institutions capable of implementing their own development programs. This dual focus helps meet both A.I.D.'s and the PVOs' goals for contributing to the development of Third World countries.

### THE PVC GRANT PROGRAMS

Awarded competitively, PVC's grant programs build upon and strengthen the capacity of PVOs to design and manage effective programs. As the chart below shows, the grants are divided among nine sectors or technical areas.

### PVC PROJECT PORTFOLIO SUMMARY BY SECTOR



FY 88 OBLIGATIONS = \$49,705,000

## MATCHING GRANTS

A major role in A.I.D.'s partnership with PVOs is played by the PVC Matching Grant program. The program strategy is to develop and upgrade PVO management, planning and evaluation systems to improve their field implementation. Matched dollar-for-dollar by PVOs, these grants encourage people-to-people efforts in areas that support A.I.D.'s evolving priorities, such as primary health care, small enterprise and credit programs, natural resources, and local institutions.

The program also provides funding for innovative programs that PVOs otherwise might not attempt. Additionally, because the grants are awarded competitively, PVOs must develop their technical and strategic planning capability in order to qualify. In the long run, this makes for more productive and sustainable PVO programs in the field.

To be eligible for matching grants, a PVO must have a successful record in designing, implementing and evaluating field programs. The emphasis on developing evaluation systems within PVOs, accompanied by joint and independent evaluation by PVC, has resulted in a body of knowledge about why PVO programs succeed or fail. This information has helped A.I.D. and PVOs to capitalize on program strengths and overcome weaknesses.

There are many matching grant successes. For example:

- Since 1979, ACCION International (AITEC) has received four matching grants which have enabled ACCION to maintain a direct and ongoing link to more than 24 microenterprise programs throughout the Americas. These programs extend more than \$1.5 million per month to microentrepreneurs in loans averaging \$199 each. In 1987, the programs extended credit and training to more than 34,000 individuals.
- A CARE initiative sponsored by a PVC matching grant successfully spearheaded local afforestation and soil conservation practices among small farmers in a series of countries in Africa and in environmentally depleted Haiti. The program obtained great support from American foresters serving as Peace Corps Volunteers. CARE's fund-raising slogan "Care for the Earth" raised several million dollars from Americans increasingly aware of global environmental concerns.

## CHILD SURVIVAL GRANTS

Each year some 14 to 15 million children in the developing world die of disease and malnutrition before they reach the age of five. The majority of these unnecessary deaths can be prevented by simple, low-cost health strategies, particularly oral rehydration therapy (ORT) and immunization against communicable childhood diseases. These two health interventions have become the cornerstone in A.I.D.'s child survival strategy, supplemented by attention to nutrition, Vitamin A delivery, growth monitoring, birth spacing, breastfeeding, and improved weaning practices.

PVC has reached out to PVOs with good records in delivering food, low-cost community health care and technical assistance to people in remote areas in the developing world

and asked them to play a role in A.I.D.'s child survival activities. Projects are being carried out in the countries where health problems are most severe--those countries with infant mortality rates over 100, maternal mortality rates between 50 and 250, and annual gross national product per capita less than \$200. A key element of all programs is developing local institutions capable of maintaining child survival activities.

PVC and PVO cooperative efforts have paid off. Only a few years ago, immunization coverage in developing countries was less than 5 percent. Today, in A.I.D.-assisted countries the average is above 30 percent and, in some, is reaching 80 percent. Cases of fatal and debilitating childhood diseases are being reduced in many countries.

There have been some outstanding successes:

- In Bangladesh, the Helen Keller International (HKI) child survival program resulted in an important national policy change: the government of Bangladesh incorporated Vitamin A supplementary feeding into its five-year health plan and made a critical commitment of resources for this purpose. This led to a massive training effort in consumption of Vitamin A-rich foods and supplementary Vitamin A capsule distribution. The program involved government health professionals, program managers of other private voluntary organizations and all 23,000 village-based family health and welfare workers. HKI is now developing strategies to increase the number of disadvantaged children receiving Vitamin A capsules.
- PVC challenge grant of \$6 million over five years enabled the Rotary Foundation to mount an extraordinary fund-raising campaign in support of PolioPlus, a worldwide effort to control and virtually eliminate polio and other vaccine-preventable diseases, including measles, tetanus, whooping cough, diphtheria, and tuberculosis.

The campaign raised a total of \$219 million worldwide, nearly double the original goal of \$120 million. U.S. Rotary Clubs alone contributed cash and pledges of \$119 million. A.I.D. funds have been matched by individual Rotarians at a ratio of 2:1.

Since its beginning in 1984, the program has stimulated support by Rotary volunteers for immunizations against polio and the other targeted diseases. There are programs in 70 countries. One hundred twenty-three million children in 70 countries have been immunized through PolioPlus. This is estimated to have prevented about one million cases of polio and more than five million deaths from measles, whooping cough, and neonatal tetanus.

### VITAMIN A GRANTS

PVC's Vitamin A Grant Program enhances the involvement of U.S. PVOs in the international effort to reduce the incidence of preventable blindness, illness and death associated with Vitamin A deficiency in developing countries. It is estimated that 10 million children suffer from Vitamin A nutritional disorders annually, and a half-million children in developing countries go blind each year because of the lack of Vitamin A in their diets.

The program has two components:

- establishment of a center of excellence within the PVO community to provide technical assistance on Vitamin A programs worldwide;
- expanded delivery of key Vitamin A interventions by PVOs in countries where the incidence of Vitamin A deficiency is highest.

PVC/PVO projects contribute to the above strategy by distributing Vitamin A capsules, teaching home gardening, training health workers and promoting Vitamin A consumption.

### **COOPERATIVE DEVELOPMENT GRANTS**

Drawing upon expertise from major sectors of the U.S. cooperative community, U.S. cooperative development organizations (CDOs) are A.I.D.'s major partners in cooperative development overseas.

Cooperatives offer a number of advantages to A.I.D.'s efforts to achieve broadly based economic growth:

- experience in local institution building;
- effective participatory mechanisms for capital formation, infrastructure development and technology transfer;
- democratic structures through which governments may decentralize and/or privatize supply, financing, and marketing functions.

PVC's Cooperative Development Program is carried out through agreements between A.I.D. and U.S. cooperative organizations which represent more than 60 million cooperative members, including approximately 2 million U.S. farmers. PVC grants enable U.S. cooperatives to provide much needed technical assistance to local cooperatives overseas, and help to generate an understanding of Third World development issues among their members.

Key components of the program are:

- **Cooperative Program Support Grants** to strengthen and expand the CDOs' international operations.
- **Cooperative Business and Trade Initiatives** to fund innovative programs to expand trade and economic development.
- Management of the P.L. 480-related **Farmer-to-Farmer Program** and the **Dairy Links Program**.

Among the program's many successes:

- Agricultural Cooperative Development International (ACDI) has introduced computer-based communications to cooperatives in six pilot countries. The potential of the effort was demonstrated by the experience of a group of Jamaican farmers who had decided to plant pumpkins for export to the United States. As a result of an exchange of network messages between themselves and a Miami-based trade and investment center, the farmers were advised that the pumpkin market was already saturated and that they should consider planting bell peppers. The farmers listened, planted peppers instead and achieved a successful venture.

#### **DEVELOPMENT EDUCATION (BIDEN-PELL) GRANTS**

Realizing that increased awareness among the American public is a prerequisite for eliminating hunger and poverty in the Third World, the Presidential Commission on World Hunger unanimously urged that A.I.D. establish a program to help citizens better understand the role that developing countries play in the political, economic, security and humanitarian interests of the United States. Often referred to as the "Biden-Pell Program," it was authorized by an amendment to the International Security and Development Cooperation Act of 1980 sponsored by Senators Joseph R. Biden, Jr., and Claiborne Pell.

PVC's Development Education Program provides seed funding to launch a variety of development education "demonstration projects." The program has three goals:

- to generate widespread discussion and analysis of the root causes of world hunger and poverty in order to help Americans understand the U.S. stake in Third World development;
- to create a climate of public support within which both public and private agencies can address the issues of underdevelopment;
- to expand the network of organizations involved in development education and strengthen their capacity to deliver substantive, effective programs.

PVC's Development Education portfolio also includes efforts to strengthen the emerging and growing field of development education as a whole. It supports an annual Development Education Conference for practitioners; professional development seminars

in development studies, evaluation and project design; and a national clearinghouse on Development Education.

In its first seven years, the program awarded approximately \$15 million to nearly 72 private, non-profit organizations. Americans from all walks of life have learned about the Third World and its importance to the United States by participating in workshops, seminars, films, slide shows, exhibits, and other activities.

Some examples:

- The American Association of School Administrators (AASA) targets the local educational policy makers, the district and school superintendents who are the "gatekeepers" of the school curriculum. A Development Education "Blueprint" of recommended activities and resources has been developed for school administrators. The "Blueprint" is distributed to the 18,000 members of the AASA, and at least one facilitator is being trained in each state to assist local schools to use it effectively. An annual recognition award sponsored by AASA will honor school superintendents who have facilitated the most innovative development education activities within their districts.
- "Investing in the Future of the Americas" is a three-year project aimed at educating the U.S. business media about the importance of the informal sector to the development and integration of the economies of the Americas. Through the business media, ACCION and three other collaborating PVOs will promote the concept that U.S. private sector initiatives to support the economic development of the "micro" and small business sectors in Latin America are investments in the future of the Americas.

### FOOD DEVELOPMENT GRANTS

The most recent of PVC's competitive grant programs for PVOs, the Food Development Grants Program is intended to enhance the use of P.L. 480 food to achieve long-term food security and other development goals. The program builds on A.I.D.'s Outreach and Enhancement Program which provided dollar assistance to PVOs for costs associated with the logistics of food distribution.

The program invests in organizational improvements with the most potential to improve field performance. It will continue to support management and other ancillary costs of programming food, and will also enable PVOs to demonstrate new ways of using food for development.

There are three types of Food Development grants:

- **Strengthening Grants** which address underlying development, hunger/malnutrition and food security issues of ongoing PVO food assistance programs, especially in priority fields, such as forestry and preservation of natural resources, child survival, and microenterprise development;

- **Innovation Grants** which test new and creative approaches in programming food for lasting development impacts, and in reducing the management and financial burden of P.L. 480 programs;
- **Planning Assistance Grants** which allow PVOs to test the feasibility of introducing food assistance into their programs and to develop operational plans.

Early evaluations of outreach grants illustrate the potential of the Food Development Grant program. An evaluation of a Catholic Relief Services food program in Burkina Faso concluded, "the Outreach Grant contributed to reducing the inequities of access to services that would otherwise prevent the most underserved and very poor communities from participating...."

### **COMMODITY FREIGHT PROGRAM**

PVOs often require commodities for their programs overseas. Through the Commodity Freight Program, PVC assists with the transportation costs of commodities donated by the American people.

The program has two components:

- **Ocean Freight**: A competitive program which reimburses registered U.S. PVOs for the shipment of equipment, supplies and other donated resources, such as tools and books;
- **Denton Amendment**: Implemented in coordination with the Department of Defense, this program ships U.S.-donated medical equipment and other supplies overseas on space-available military flights.

During the period 1984-1989, PVC provided \$27 million to ship ocean freight commodities valued at more than \$288 million, benefiting low-income people in over 60 countries. Shipments included equipment for village development projects and income generating activities; medical equipment and supplies to enable primary health clinics to reach the rural poor; and books and educational supplies for primary school programs.

During the period 1985-1989, 4,249,865 pounds of humanitarian goods were transported under the Denton Amendment. In September and October 1988, more than 400,000 pounds of relief supplies were provided quickly and effectively under Denton authority to Caribbean countries for the victims of Hurricane Gilbert.

### **PROGRAM AND MANAGEMENT SUPPORT**

PVC has four major program and management support functions:

- **PVO Registration**: An outgrowth of the U.S. government's need to monitor overseas relief activities of American agencies during World War II, PVO registration is a legislative requirement for PVOs to compete for A.I.D. funds.

The registration process identifies PVOs with foreign aid operations, determines whether they meet established guidelines and accountability standards, and certifies their eligibility to apply for funds. PVC registers U.S. and local PVOs, maintains a detailed registry of qualified organizations, and issues Voluntary Foreign Aid Programs, a report of PVO revenue and expenditures.

- **Management Information System (MIS):** PVC maintains a PVO database to track Agency-wide PVO programs. The MIS assists with program budget decisions, and is used to meet reporting requirements to Congress and the general public on PVO worldwide activities, Agency funding levels, and PVO capabilities.
- **Evaluation:** PVC evaluates individual PVO grant activities and conducts broad assessments of PVO impact in various sectors such as primary health care, small enterprise promotion and institutional development of local PVOs. Information generated by these evaluations is used to improve the Agency's PVO funding decisions and to expand and strengthen PVO international development activities.
- **Ensuring PVO Financial Independence and Monitoring PVO Financial Stability:** PVC commissions an independent CPA to prepare financial profiles of registered PVOs. The profiles help to ensure that PVOs are on sound financial footing and are complying with legislative requirements for private support (20 percent).

## PUBLIC OUTREACH

As the coordinating office within A.I.D. for PVO matters, PVC provides leadership within the Agency and outreach to the public on issues and policies related to the involvement of PVOs in the U.S. foreign assistance program.

To carry out this function, PVC staffs two committees and coordinates their work:

- **The Intra-Agency PVO Liaison Committee**

This committee plays a central role in ensuring involvement of the PVO community in the implementation of U.S. foreign assistance programs. Chaired by the Deputy Director of PVC, it meets every four-to-six weeks to discuss PVO policy, programs and procedures. The Committee members represent each Central and Regional Bureau, the General Counsel, the Office of Procurement, and the Office of Legislative Affairs within A.I.D.

- **Advisory Committee on Voluntary Foreign Aid (ACVFA)**

Formed as an independent citizens body, this committee advises the A.I.D. Administrator on policy issues related to foreign assistance in which the U.S. government and the U.S. PVO community interact. The Committee's purpose is to ensure that the voluntary sector plays an appropriate and dynamic role in the formulation and execution of U.S. foreign assistance programs. Its 27 members represent a cross section of non-governmental entities including PVOs,

cooperatives, foundations, private trade and investment firms, and financial institutions.

In September 1988, ACVFA issued The Effectiveness of Private Voluntary Organizations, a report on the critical role PVOs play in promoting sustainable international development. The Committee spent 18 months examining PVO effectiveness from the four perspectives of: sustainability, management effectiveness, cost effectiveness and effectiveness in influencing structural policy change. The information obtained in this analysis provides a clear context in which the larger question of the future role of PVOs in development can be examined.

ACVFA has begun a similar effort to analyze the future of the public/private partnership in the U.S. foreign assistance program. The process will culminate with a final report to the Agency including recommendations for new directions.

### LOOKING AHEAD

As part of the U.S. Congress' reassessment of the American foreign economic assistance effort, the role of PVOs in future development assistance programs is receiving much attention. Whatever the shape and substance of our foreign aid program, it seems clear that PVOs will be called upon to continue their role in people-to-people, grassroots development initiatives, and promoting democratic pluralism.

As PVC continues to assess the effectiveness of its programs to enhance PVO capabilities, two shifts in emphasis are emerging. First, the focus on development education is becoming stronger. The development community is increasingly aware of the need to create a climate of public support for development overseas.

At the same time, our understanding--and consequently, our language--is changing to reflect the current reality of the developing world. The terms "north" and "south" are replacing "developed" and "Third World." Non-government organizations of the south are becoming more prominent and, in many cases, are receiving direct aid. Increasingly, partnerships between "northern" and "southern" NGOs are gaining prominence as well.

Already emerging in the A.I.D./PVO partnership are PVOs as promoters, both of local development efforts and development education programs back home. As local organizations become more and more involved in their nation's development, PVC and PVOs will turn their sights increasingly to enhancing and expanding that local capability and to educating Americans about their stake in the development of the majority of the world's people.

## PVC REPORTS

*Accelerating Institutional Development (1987)*

*Child Survival: A Third Report to Congress on the USAID Program*

*PVO Child Survival: The 1988 Lessons Learned Conference*

*PVO Effectiveness Study (1986)*

*PVO Resources for Child Survival (1988)*

*Strengthening People-to-People Development into the 1990s (1988)*

*The A.I.D./PVO Partnership*

*The Effectiveness of Private Voluntary Organizations (1988)*

*Voluntary Foreign Aid Programs*

## ADDITIONAL INFORMATION

For additional information about PVC and its programs, please contact:

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