

DEVELOPMENT THROUGH PVOs AND NGOs

UMBRELLA ACTIVITIES LITERATURE REVIEW

Submitted by

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EXECUTIVE SUMMARY

As part of the A.I.D.'s Center for Development, Information, and Evaluation (CDIE) study of development through PVOs and NGOs, a literature review of PVO/NGO umbrella activities was undertaken. Approximately 20 AID project papers and evaluations (mostly of African and Latin American projects) were used for the review.

A.I.D.'s use of umbrella mechanisms for funding projects to PVO/NGOs began in the early 1970s and has increased in the last two decades along with the growth of PVO/NGOs. An umbrella project usually involves a larger PVO which is given a block grant and, in turn, provides smaller subgrants to NGOs.

The two main topics addressed in the literature review were umbrella activities management problems and how well this mechanism allows A.I.D. to accomplish its goals rather than merely strengthen NGOs.

Under management problems, these four topics were covered: 1) the umbrella grant mechanism and its advantages and disadvantages; 2) a review of PVO/NGO umbrella organizations including a look at Private Agencies Collaborating Together (PACT); 3) the institutional capabilities of PVO/NGOs; and 4) monitoring and evaluation issues.

In reviewing umbrella project successes and failures, the literature was, overall, positive although there were implementation problems and some subprojects that were not successful. As for institution strengthening of PVO/NGOs, this was often necessary for the success of projects or, in many instances, it was part of the projects' goals. The latter was especially true in projects with umbrella organizations.

Lessons learned regarding umbrella project design include the following:

- ◆A strong lead PVO and a well-staffed Management Unit are critical factors for the success of projects.
- ◆Project implementors must be realistic in their assumptions regarding PVO/NGO capabilities, project scheduling, and project goals.
- ◆Developing evaluation and monitoring systems may be necessary.
- ◆Community based programs require investments in institutional building.
- ◆Cooperation instead of competition should be encouraged among PVO/NGOs.

I. INTRODUCTION AND BACKGROUND

As part of the Agency for International Development's (A.I.D.) ongoing program of evaluation and assessment, the Center for Development, Information, and Evaluation (CDIE) has undertaken a review of Private Voluntary Organizations (PVOs) and Non-governmental Organizations (NGOs)¹ and how they can be used in accomplishing their development objectives and goals. As part of this assessment, CDIE has asked for literature reviews of these three areas: 1) sustainability of PVO/NGO activities; 2) other donor experience with PVO/NGO activities; and 3) umbrella PVO/NGO activities. This paper covers the latter of these three--umbrella PVO/NGO activities.

Definition of PVO/NGO Umbrella Activities

Since the 1970s A.I.D. missions have used umbrella block grants and mechanisms to fund projects. In very basic terms, an umbrella project is one which has the "capability to distribute financial resources to a number of agencies under one funding obligation." (Drabek 1992, 5)

Usually a PVO or larger NGO, often referred to as the 'lead' PVO, is given a block grant and, in turn, it provides smaller subgrants to local NGOs. This creates an umbrella mechanism whereby A.I.D. can distribute money to many NGOs but cut down on its administrative and managerial work by only having to deal with the one PVO administering the grants. Sometimes the lead PVO only functions as a financial intermediary.

The reasons for using an umbrella set up are that it costs less, reduces A.I.D. personnel involvement, shortens the time outlay for the project infrastructure, and project personnel also have extensive knowledge of local conditions and the constraints to the methods for getting the task accomplished. (USAID/Africa Bureau 1988, 14)

The lead PVO is often responsible for providing not just money, but also administrative and technical assistance to smaller NGOs receiving grants. This may include ensuring the project is implemented in technically and administratively acceptable ways, instituting a mechanism for ensuring the project's sustainability, and, when necessary, assisting local NGOs to refine subgrants proposals and complete documentation necessary to become eligible for A.I.D. funding.

In addition to this, there are also PVO/NGO associations or

¹As is the general A.I.D. convention, PVOs refers to US Private Voluntary Organizations and NGOs refers to local or indigenous Nongovernmental Organizations.

umbrella organizations which have developed, sometimes with A.I.D.'s assistance, that have been used by A.I.D. missions in similar project designs.

Brief History of A.I.D.'s Use of Umbrella Activities

This umbrella approach to funding programs first began in Indonesia in 1971. Other missions in Asia picked up on the idea and, eventually, by the 1980s many missions in African and Latin American were also using umbrella grant mechanisms. (Organisation 1988, 92) This also paralleled the growth of NGOs around the world.

An array of umbrella project mechanisms were developed and implemented. Initially the goal was simply to provide funds to NGOs. However, in doing this, missions found that these NGOs needed technical assistance to develop their institutional capabilities to administer and monitor these grants.

For long-term sustainability, these NGOs also needed to create fund-raising capabilities to pursue other non-A.I.D. grants in order not to create a dependency on A.I.D. funding for their survival. Consequently, strengthening, or institution building, of NGOs became a component of umbrella project designs and eventually an end in itself.

Umbrella projects cut across many sectors. In this literature review, most of the projects fell into the agriculture/rural development, environmental management, and microenterprise development sectors. In addition, there was one family planning project in the South Pacific (USAID/Bureau for Asia 1990) and another aiding women's education in Afghanistan. (El-Sanabary 1992)

As an illustration of the range of umbrella projects, a study of 13 PVO/NGO umbrella projects in Africa (Drabek 1992, 4) covered the following areas: eight were PVO/NGO support-type projects; three were community or rural enterprise development; one was for regional government capacity building; and one was a health, agricultural, and rural enterprise development project. To determine if PVO/NGO umbrella activities predominate in certain sectors over others, additional research beyond this literature review is needed.

Literature Review

Using A.I.D.'s library and document search services, approximately 20 A.I.D. evaluations and project papers were obtained that describe umbrella activities. Given the limited time frame for completing this report, it is a fair estimation that these documents represent a good sample but not an exhaustive compilation of all existing A.I.D. materials on umbrella organizations. Furthermore, this document sample is not a balanced representation of umbrella projects worldwide: it is

weighted heavily toward Latin America and Africa.

In doing this literature review, I tried to keep in mind the two major questions asked in the CDIE study concerning umbrella mechanisms:

- 1) What are the management problems A.I.D. has faced in administering A.I.D. umbrella grants?
- 2) How does this mechanism allow A.I.D. to accomplish its project goals rather than merely strengthening the subgrantees or NGOs?

The next two sections of this paper will address these questions. Last will be a concluding section on lessons learned.

II. MANAGEMENT PROBLEMS FOR UMBRELLA ACTIVITIES

In this section, four topics will be covered: umbrella grant mechanisms, PVO/NGO umbrella organizations, PVO/NGO institutional capabilities, and monitoring and evaluation issues. Although there are many variations of umbrella projects, in the literature reviewed, the projects could be broadly categorized as those funded through a standard umbrella block grant mechanism or those where funds were provided to PVO/NGO umbrella organizations. Following that, the topics of PVO/NGO institutional capability and monitoring and evaluation will be addressed which are relevant to both types of umbrella projects. This discussion will highlight management problems A.I.D. has faced in administering umbrella grants.

A. Umbrella Block Grant Mechanism

As described earlier, the block grant mechanism is a fairly straight-forward way of providing money to a large number of PVO/NGOs without A.I.D. having to take on all the management responsibilities. But, in not taking on direct management of projects and funds, A.I.D. is limiting its control of the projects. Even in the simple case where one lead PVO is distributing block subgrants to local NGOs, A.I.D. has the problem of communicating its goals and objectives through the PVO to perhaps a dozen NGOs which all have their separate development goals, management structures, and personalities.

In addition to a lead PVO, there maybe a government agency or other foundations that are contributing funds and are major players in an A.I.D. umbrella project design. For example, in Honduras during the 1980s the A.I.D. mission, with the government, funded a Rural Technologies project which was administered through a special government office established for

the project. It, in turn, had project agreements with 11 PVOs and also worked with many others PVO/NGOs as well. (Fitch 1986, 11)

In Afghanistan, the Office of the A.I.D. Representative has Cooperative Agreements with the International Rescue Committee and the Asian Foundation to fund women's education programs which are implemented through subgrants to more than a half dozen NGOs. A program evaluation found that there was a lack of coordination between the various donors and implementing organizations. In the report's recommendations, it stated, "All delivery organizations are urged to work together, and with A.I.D.'s sectoral projects, to share resources and expertise." (El-Sanabary 1992, 47)

In another example, the A.I.D. South Pacific Regional Development Office funded a project through a PVO and the South Pacific Alliance for Family Health (SPAFH) to promote population and family planning activities in the region. Through this set up, A.I.D. was able to provide assistance without having to manage multiple assistance efforts in ten cooperating countries. (USAID Bureau for Asia 1990, 4, 40) As this illustrates, the numerous partners involved in umbrella projects need to have mutual cooperation and a meshing of agendas and objectives.

The literature does suggest that it is important for PVOs and NGOs to work together. Evaluators of over a dozen umbrella projects in Africa concluded that "donor encouragement of PVO/NGO investment in collaboration pays off in improved performance and achievement.." and that "market place concepts of competition for its own sake are counterproductive in most PVO/NGO settings." (Drabek, 1992, 16) A.I.D. has tried to foster cooperation between PVOs and NGOs as evidenced by its support of PVO/NGO umbrella organizations which will be discussed in greater detail in the next section.

Setting up of an Management Unit (MU) is also common with umbrella projects. (USAID/Uganda 1991, 13) (USAID/Africa 1988, iii) Often this is a small office set up by the lead PVO, outside of the mission, with the purpose of being an intermediary agency to take on fiduciary responsibility for administering grants to NGOs. This reduces the management burden on A.I.D. mission personnel. Only two of the evaluations reviewed made substantive comments about their MUs.

In an evaluation of The Senegal Community and Enterprise Project, the Management Unit (MU) was found to be understaffed and weak in certain technical areas. This was due, in part, because USAID/Senegal did not provide the MU with the technical and managerial support that had been envisioned. As a consequent, many subprojects were poorly designed and failed. (USAID/Senegal 1992, v)

The evaluation of African PVO/NGO umbrella projects lists the pluses and minuses of having an intermediary MU. The major advantages are "the flexibility and ease of operations afforded by funding through a grant mechanism, the creation of a buffer between PVO/NGOs and A.I.D.'s regulations, and the provision of services by a specialized unit with links directly into the PVO/NGO world." The disadvantages of a MU compared to direct A.I.D. management include "a somewhat slower start up time, possibly higher management costs (but with more extensive services provided), and less control by the A.I.D. mission over daily operations." (Drabek, 1992, 20)

In projects where there are many activities outside of grant making, flexibility in project management is needed, and A.I.D. wants to fund NGOs which are ineligible for direct A.I.D. grants, an external MU serves a useful function. Conversely, direct management is better in cases where quick project set up is needed or tight A.I.D. controls are required. As a general rule, the evaluators of the African umbrella projects concluded that an intermediary MU has more advantages and less constraints than direct A.I.D. management. (Drabek, 1992, 20)

B. PVO/NGO Umbrella Organizations

As the number of PVO/NGOs has increased in the last two decades, these organizations have formed associations or umbrella PVO/NGOs. A.I.D. has used these organizations in umbrella project designs. One example of this type of organization is Private Agencies Collaborating Together (PACT) which has received much of its funds and support from A.I.D.

Evaluations of PACT and other local associations it supported were found in the documents reviewed. PACT has received A.I.D. funds/grants to establish country-level associations and provide them with grant money and to help improve their institutional capabilities.

The Asociacion de Entidades de Desarrollo Y de Servicio no Gubernamentales de Guatemala (ASINDES) is an example of one of these organizations. It received an \$2.3 million operational grant from USAID/Guatemala which was distributed through PACT. (Stewart, 1992, 2) In another case, USAID/Cost Rica gave PACT a \$1.3 million grant to assist in the establishment of an independent PVO/NGO umbrella support entity in Cost Rica which would also channel money to PVO/NGOs for operational grant activities. (Private 1986 1,4)

PACT

Although PACT has its own unique set of problems--being US-based and having US and international members--a study of its activities is still reflective of difficulties inherent in A.I.D. activities using this type of organization. In 1992, PACT had 25

members including three organizations which represent 100 other PVOs.

Since its formation in 1972 (originally it was just made up of small US PVOs), A.I.D. has supported and funded PACT's efforts at institutional development of PVO/NGOs and creation of other similar country-level NGO coalitions or associations. Between 1971 and 1988, PACT financed and managed over 500 PVO grants totaling over \$50 million. (Stewart 1992, 3-4) As a funding entity, PACT was successful leveraging money and generated \$49 million for PVO/NGOs. In doing this, PACT worked at building relationships with regional A.I.D. offices in addition to the A.I.D. bureau in Washington. (Buzzard 1991, 12)

In 1991, an evaluation was done of A.I.D.'s \$5.2 million, 5-year Cooperative Agreement (CA) with PACT. During this period PACT managed 116 Institutional Development Grants (IDGs) to 46 PVOs and 21 NGOs. These were small but useful and allowed organizations to take risks and get things off the ground. (Buzzard 1991, VI, 30)

Originally, funds for PVOs had to go through a cumbersome set of programs, however, this was changed midway through the CA so money could go directly to local NGOs. Evaluators concluded that "Since the midterm evaluations, PACT has made excellent progress in moving from a nearly incomprehensible collection of small activities to a clear program strategy focusing on four regions." (Buzzard 1991, VI)

One advantage of belonging to PACT is that it can be a mechanism for laundering A.I.D. money especially where receiving US foreign assistance is not viewed in a positive light. (Buzzard 1991, VI) Conversely, the use of umbrella mechanisms can result in A.I.D. getting little or no recognition from beneficiaries or NGOs as the funding source. (Checchi 1989, 4) Depending on the country and political situation, that may not be in the best interest of A.I.D. either.

As for PACT accomplishments, the evaluation included the following reasons why an umbrella organization, like PACT, is successful at managing umbrella grants:

- ◆ Because PACT is neutral and does not implement projects, it can work with several organizations at a time without ulterior motives;
- ◆ PACT is better at the coordination function than any individual member;
- ◆ When one PVO manages an umbrella project, it interferes with the egalitarian relationship among PVOs/NGOs and this

can slow the development of a sense of community among them;

♦ When on PVO manages a project, it automatically precludes working at the community level where they are most effective. (Buzzard 1991, 19-20)

Although, overall, PACT has been successful at managing umbrella grants, several issues are of note which also arose in evaluations involving country-level associations. One is the competition between PACT and its members for grants. (Buzzard 1991, IV) With fewer funds and more PVOs and NGOs, this problem is bound to arise more and more and could be a disincentive for PVO/NGOs to join an organization such as PACT.

Another problem is the conflict of interest which is created when members serve on PACT's board of directors. (Buzzard 1991, 21) Is a board member's allegiance first to his/her organization or to PACT? This same conflict of interest was cited in a study of Colombian apex organizations. Evaluators found that because of this conflict, consequently, "policy decisions seldom take into account a larger vision beyond the parochial concerns of the members." Moreover, "the growth of the organization and its long-term sustainability have been sacrificed in favor of cheap money and free services for the membership." (Alfonso 1992, 18)

This conflict can create some policies which are beneficial for the member organizations in the short-run but have a negative effect on PACT for the long run. Furthermore, PACT's staff must answer to the board members and their decisions while also deciding which grants go to the board members' organizations.

Last, is the issue of funding. Members are often in arrears on their dues and administrative expenses and marketing expenses cannot come out of the CA with A.I.D. (Buzzard 1991, IV, 12) This raises the question of whether PACT could survive without A.I.D.'s financial support. This is an important point also relevant for country-level NGO associations. To survive, they should have a diverse funding base along with staff and resources committed to fund raising.

Another evaluation of PVO/NGO umbrella groups in five Latin America/Caribbean countries echoed the funding and focus concerns brought up in the PACT evaluation. It found that "All the membership organizations have suffered some degree of internal tension over the relative importance to assign their various purposes and over advisability of focusing their efforts on utilizing resources from A.I.D. and from their own governments." (Checchi 1989, 3)

In sum, the advantages of using umbrella organizations are that they can: minimize technical assistance, training, and

supervision costs involved in implementing programs; have strong political clout; play a key role as a financial intermediary that cannot be played separately; and be better situated for raising both national and international resources. (Alfonso 1992, 32)

C. Institutional Capabilities of PVO/NGOs

While most PVOs have sophisticated financial mechanisms and staffs with extensive management and administrative experience, this is seldom true for NGOs. In many of the projects reviewed, the lead PVO or intermediary NGO association had to provide technical training, seminars, and workshops on project implementation skills to other NGOs.

For example, the goal of the \$15 million Senegal PVO/NGO Support Project was to aid PVOs, NGOs, and NGO associations in Senegal through financial assistance and institutional improvement. Project implementation plans outlined that NGOs would receive training and technical assistance, along with grant processing, monitoring, evaluation, financial management, and organizational support. (Ba 1990, 4)

As was pointed out in the Honduras Rural Technologies Project impact evaluation, the over 200 PVO/NGOs operating in Honduras have different abilities strengths, and weaknesses. (Fitch 1986, 93-94) Consequently, the project implementors had to be careful in the PVO/NGOs they chose to use for the project.

The evaluators of the Africa PVO/NGO study, again, provide perhaps the most relevant and insightful information on NGO institution building. They found that most of the umbrella projects "included training and technical assistance for PVO/NGOs, although the importance of this activity to the achievement of the projects objectives is not always appreciated." (Drabek 1992, 127).

What these evaluators also acknowledged is that the development of strong autonomous community groups may be of greater long-term value than the accomplishment of the projects and its physical achievement. In other words, the means to achieving a project may become more important than the end result.

In another case a recent evaluation of a Bolivian regional development project, described the lead PVO as a source of guidance and assistance not just a grant maker. The seminars and workshops provided to the NGOs were very valued by the NGOs and also seen as validation for their work. At the same time, these activities allowed for better coordination among staff in the field. (Kraljevic 1993, V-18)

In Madagascar A.I.D. is funding a \$26 million Environmental Management project (SAVEM), which through an umbrella mechanism, is aiming "to develop the country's institutional, managerial, technical, and human resources." It will do this by "providing technical assistance, training, and commodity support to both governmental and nongovernmental institutions." (USAID/Madagascar 1990, 11)

An umbrella organization's ability to strengthen PVO/NGOs is one of the reasons why they are appealing partners to A.I.D. for administering subgrants. However, these organizations, themselves, may need strengthening. This was true for the Federation of Private Development Organizations of Honduras (FOPRIDEH) project which had the goal of assisting in the institutional training of FOPRIDEH and the also the PVO/NGO community itself. (USAID/Honduras 1992, 3)

One of the recommendations for FOPRIDEH was that PVO/NGO training should be concretely programmed and based on a real needs assessment and not left up to the PVO/NGOs to decide what training they need. (USAID/Honduras 1992, 8)

In terms of institution strengthening, umbrella organizations are better at this than non-membership organizations. This was the conclusion of a study of umbrella organizations in five Latin American and Caribbean countries. The evaluation stated that, on the other hand, if the main purpose is funding PVO/NGO projects, then use of a nonmembership organization is simpler and more efficient. (Checchi 1989, 5) This has implications for how A.I.D. uses umbrella organizations and chooses to development them.

As umbrella organizations become more successful and grow, this may weaken their ability to be a conduit between their members. This happened with the ASINDES umbrella organization in Guatemala: "Some NGOs with long association with ASINDES have stated that inter-NGO coordination was stronger at the beginning when there were just 11 NGOs affiliated with ASINDES, and that this coordination has decreased with increased membership." (Stewart 1992, 14)

D. Monitoring and Evaluation

Monitoring and evaluation are useful to assess how well a project is working, to see if the goals are being met, and to determine if any changes may be needed. The aforementioned institutional capability of PVO/NGOs is also a critical factor for the monitoring and evaluation of an umbrella project especially when there are many PVO/NGOs in the project.

It is important to have a strong lead PVO or MU to ensure baseline data criteria and baseline collection systems are

established, schedules are met, and monitoring and evaluation are done in a timely fashion. If good baseline monitoring systems are in place, this should enable the MU to help the PVO/NGOs with institutional management and technical problems.

Given the limited institutional capabilities of some NGOs, establishing adequate monitoring and evaluation systems takes time. One of the problems for the Senegal Community Enterprise Development Project/PVO Component was an overly ambitious project implementation schedule which did not allow adequate time for monitoring systems to be established. (Ba, 1991, 3-4, 44)

The evaluation of African PVO/NGO umbrella projects recommended that project planners be realistic about scheduling and target goals. They also found that "Many projects in this study did not develop the baseline data and data collection systems necessary for effective evaluations of performance impact." (Drabek 1992, 12)

Monitoring and evaluation can also be a problem for umbrella organizations. A report on the project to strengthen FOPRIDEH, the Honduran NGO association, found that impact evaluations of the subprojects were not accomplished. The evaluators concluded that: "Member organizations often place low priority on impact evaluations, efforts to attain self-sufficiency, and other activities important for the federation's institutional development." (USAID/Honduras 1992, 8)

Other umbrella organizations have had similar problems in establishing monitoring and evaluation systems. The study of umbrella PVO groups in five Latin American and Caribbean countries stated that "little progress has yet been achieved in creating systems for planning and evaluating programs" and consequently more institution building need to be done in all these umbrella organizations. (Checchi and Company Consulting, Inc. 1989, 3)

Despite the difficulties, there are some pluses, for using umbrella organizations for managing grants and for monitoring and evaluation. For example, PACT, as a member organization, has an advantage in managing grants because "When one PVO is dispensing funds to a sister organization, it may be difficult to disallow expenses, carry out audit, or do evaluations." (Buzzard, 1991, 20) An umbrella organization may be in a better position to conduct project evaluations of other PVO/NGOs than another PVO/NGO.

III. SUCCESS IN MEETING UMBRELLA PROJECT GOALS

Have A.I.D. umbrella projects been able to accomplish their stated goals and not merely strengthen the subgrantee or NGOs? This second question can actually be broken down in the following manner: Have A.I.D. umbrella projects been able to accomplish their stated goals? Or have these umbrella projects merely strengthened NGOs? In addressing these questions, it is instructive, again, to first look at PVO/NGO umbrella projects separate from projects which use PVO/NGO umbrella organizations.

A. Project Goals Meet

Overall, there were mostly positive conclusions in the umbrella project evaluations reviewed. The African PVO/NGO Umbrella Projects study sums up their usefulness and difficulties:

Umbrella projects have proven to be a flexible mechanism for enlarging PVO/NGOs' operations, improving these agencies' capacities, and opening possibilities for A.I.D. involvement with beneficiary groups not easily reached by other programming approaches. At the same time, the study found a series of commonly repeated errors in the conceptualization and implementation of umbrella projects that reduce their effectiveness and limit their potential impact. (Drabek 1992, 1)

In other words, although umbrella projects have worked, there is still room for improved project designs and learning from past mistakes.

Below are the conclusions of the most relevant evaluations reviewed:

◆ In the Honduras Rural Technologies project, evaluators concluded that despite problems with operations, the project reached its target group and was meeting its economic objectives. (Fitch 1986, 6-7)

An umbrella mechanism and the use of over a dozen PVO/NGOs was well suited to dissemination, on a grassroots level, of the technology developed in the project.

◆ In Bolivia Regional Development project, a midterm evaluation found that the NGO component was helping A.I.D. achieve its strategic objectives of increases in crop yields and incomes. (Kraljevic 1993, iii-V, V7)

Again, the NGO component of this project proved to be a useful mechanism for dissemination of crop production technologies to local farmers.

◆ In a Senegalese Community and Enterprise Development project, although there were problems with project design and administration, the PVO component did show that PVO/NGOs could deliver services to rural communities. (Ba 1991, 4)

Part of the problem here was a weak MU coupled with a complex project involving not just PVO/NGOs but also village organizations.

As for projects which used PVO/NGOs umbrella organizations, there were mixed conclusions as to whether project goals were met. Below are the results of six PVO/NGO umbrella organization projects reviewed:

◆ For a project supporting ASINDES, a Guatemalan NGO association, the success rate of the projects was adequate but NGO participation and satisfaction with ASINDES has been uneven. (Stewart 1992, 1)

Member NGOs in ASINDES felt they received fewer grants and benefits from the organization as it grew.

◆ In Honduras A.I.D. funded the Federation of Private Development Organizations of Honduras (FOPRIDEH), a project that was only partially successful at creating a self-sufficient NGO organization to evaluate, fund, and provide technical assistance to NGO organizations. (USAID/Honduras 1992, 5)

A short time frame for the project and a lack of targeted funds and personnel for obtaining self-sufficiency were the problems here.

◆ An examination of umbrella groups in Cost Rica, Guatemala, Honduras, Haiti, and Jamaica indicated, with limited evidence available, that sub-projects were meeting their objectives and having a beneficial impact on recipients, however, NGO training and technical assistance programs have been less successful. (Checchi 1989, 2-4)

This study illustrated the difficulties in association building and NGO institution building.

◆ An evaluation of three PVOs doing microenterprise development in Guatemala concluded: "that the use of umbrella agencies as channels for funding appears to have a limited potential to contribute to the institutional sustainability of PVOs assisting microenterprises." (Cannellas 1989, XI)

Here the use of an umbrella organization, ASINDES, for funding and approval of projects proved to be too awkward and slow for a

program were credit had to be supplied quickly.

◆An evaluation of A.I.D.'s Cooperative Agreement with PACT found that PACT was successful in managing umbrella grants and the institutional development grants given to NGOs were useful. (Buzzard 1991, V-VII)

As described earlier in this paper, PACT has been successful at distributing grants and institutional development of PVO/NGOs.

◆In Colombia, a study of AGS, (asociacion de grupos solidarios de Colombia), an association of 17 microenterprise PVOs, concluded that an this type of organization can be excellent for institutional strengthening, program expansion, and channeling of financial resources. (Alfonso 1992, 28)

A reason why AGS was successful may be that it sought out strong, experienced organizations as members.

The results of the two umbrella organizations doing microenterprise work in Latin America are of note. On one hand, in Guatemala, ASINDES did not prove to be a good funding mechanism while in Colombia, AGS proved to be very good at doing this. Perhaps that was because AGS was a specialized association of PVO/NGOs doing microenterprise development while ASINDES members do a range of activities.

This mixed bag of results illustrates the difficulties in assessing 1) how well umbrella organizations have been used to provide subgrants that have their intended impact and 2) how well they have been able to provide the technical assistance or strengthen institutional capacity which is often incorporated into project designs. They may be useful for both of those purposes under the right circumstances.

B. Strengthening PVO/NGOs

As outlined in the section on PVO/NGO institutional ability, many of these organizations need training in the basic operational skills. So in order to attain a project's ultimate goal, say, of increasing support for community-based small scale development activities in rural areas, first a certain level of institutional capability needs to be gained by the PVO/NGOs. Thus, arguably, strengthening PVO/NGOs is a necessary step and, in essence, becomes an element of the project's objectives. Moreover, as the evaluators of African PVO/NGO umbrella projects point out, "The existence of competent and autonomous community groups may well be of more lasting value than specific physical achievements called for in the project." (Drabek, 1992, 12) As was touched upon earlier, the means to achieving a goal may have a greater value than attaining the goal itself.

For projects which included PVO/NGO umbrella organizations, institutional building or strengthening was usually part of the project's objectives. This included not only management training, technical assistance, and membership coordination, but also securing funds for the PVO/NGO community. Despite problems, PACT and the other umbrella organization were fairly successful at accomplishing this.

IV. LESSONS LEARNED

Given the relatively small number of project evaluations reviewed here and the wide range of 'umbrella projects,' it is difficult to make generalizations or try to outline certain trends concerning these projects. As the evaluators of African PVO/NGO umbrella projects conceded, the only real trend is that there are no trends. (Drabek 1992, 9)

However, there are many lessons learned which can be gleaned from these evaluations that may be useful to the CDIE evaluation team and the questions they are addressing regarding PVO/NGO umbrella mechanisms. Those lessons learned concerning project design include the following:

- ◆A strong lead PVO and a well-staffed MU are critical factors for the success of projects.
- ◆Project implementors must be realistic in their assumptions regarding PVO/NGO capabilities, project scheduling, and project goals.
- ◆Developing evaluation and monitoring systems may be necessary.
- ◆Community-based programs require investments in institutional building.
- ◆Cooperation instead of competition should be encouraged among PVO/NGOs.

Lessons learned specifically regarding umbrella organization projects include the following:

- ◆Umbrella organizations are most useful if a project's goal is institutional building and strengthening of PVO/NGOs.
- ◆There is usually an inherent conflict of interest in how the governing bodies of these type of organizations are set up.

◆Adequate resources must be committed to fund raising and marketing PVO/NGO umbrella organizations for them to have long-term viability and sustainability.

It is obvious that PVO/NGOs can learn from one another through sharing experiences, building networks, and creating information banks which will all have a positive effect on the people PVO/NGOs serve. Although limited in scope, this literature review has given an overview of PVO/NGO umbrella projects and their management issues. This should provide additional background for CDIE's current study of development through PVOs and NGOs.

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