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AN EVALUATION OF PACT PRIVATE AGENCIES
COLLABORATING TOGETHER
(Project No. 932-0100)

Prepared for PACT
and the
Office of Private and Voluntary Cooperation
of the
U.S. Agency for International Development
Under Contract No. AID/SOD/PDC-C-0397

by
Robert R. Nathan Associates, Inc.

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TABLE OF CONTENTS

<u>Chapter</u>		<u>Page</u>
I.	INTRODUCTION AND SUMMARY	1
	History of PACT-AID Relationship	2
	Executive Summary	3
	Summary of Purposes and Methodology	9
II.	PACT ORGANIZATION AND PURPOSES	14
	Membership	15
	PACT Staff	20
	PACT Purposes	23
	Conclusions	32
III.	PACT AS FUNDER OF PROJECTS	38
	The PACT Funding Process	39
	PACT Funding of Projects in This Grant Period	47
	PACT Administrative Costs	51
	Characteristics of Funded Projects	55
	Member Views on the PACT Funding Process	61
	Conclusions	66
IV.	PERFORMANCE OF PACT-FUNDED PROJECTS	67
	Overview of Projects' Effectiveness	67
	The Projects Visited	70
	Assessment of Projects Funded by PACT	79
	Comparison of PACT and RRNA Views on Projects According to PACT Criteria	82
	Assessment of Effectiveness in Implementation and Cost-Effective- ness of Visited Projects	86
	The Difference PACT Makes	92
	Conclusions and Recommendations	105

V.	SUPPORTIVE ACTIVITIES GRANTS AND OTHER PACT SERVICES	117
	Supportive Activities Grants	117
	Technical Assistance in Project Planning, Evaluation, and Implementation	121
	PACT Evaluation and Studies	122
	Other Services to Member Agencies	124
	Representation of Member Interests	125
	Conclusions	126
VI.	PACT AND AID	128
	PACT Relationship With and Views of AID	128
	AID Relationship With and Views of PACT	129
	An Initial Comparison of PACT and AID Activities and Expenditures	132
	Conclusions	136
 <u>APPENDIX</u>		
A	Purposes and Scope of Work of This Evaluation	139
B	Instruments Used in Evaluation	143
C	Persons Interviewed, by Country and Agency	160
D	Projects Visited	169

LIST OF TABLES

<u>Table</u>		<u>Page</u>
II-1	Characteristics of PACT Members	16
II-2	Experience and Qualifications of PACT Staff Working with Field Projects	22
II-3	PACT Funding of Selected U.S. Member Agency Projects, as Proportion of Members' Revenue, March 1979-March 1981	25
III-1	Number of Concept Papers and Proposals Received, Presented to Project Selection Committee, and Funded, July 1979-December 1981	48
III-2	PACT Project Fund, Availability and Commitment of Funds, FY 1979-82	50
III-3	PACT Grants Per Project, All Projects First Funded 1979-81 and Visited Projects	52
III-4	PACT Grants and Expenses, FY 1979, 1980	53
III-5	Basic Characteristics of Projects Approved by PACT, 1979-81, and Projects Visited by RRNA	57
III-6	Views on PACT Funding Process, PACT Board of Directors and Other Member Agency Representatives	63
IV-1	Summary of RRNA Assessment of Performance of Visited Projects Assisted by PACT	68
IV-2	Basic Information on Field Projects Visited by RRNA	73
IV-3	RRNA Assessment of the Extent to Which PACT Criteria Are Met by the Visited Projects	81

IV-4	RRNA Assessment of Visited Projects According to PACT Criteria	83
IV-5	RRNA and PACT Assessments of Visited Projects According to PACT Criteria	84
IV-6	RRNA and PACT Assessment of Implementation and Cost-Effectiveness of Visited Projects	88
IV-7	PACT Grants Per Project, Total and Annual Averages, Visited Projects and Selected Group	94
IV-8	RRNA Assessment of the Importance of PACT Funding, Projects Visited	96
IV-9	Average Project Budgets by Categories of Funding Sources First Year of PACT Funding, Visited Projects and Selected Groups	97
IV-10	Average Agency and Project Budgets, PACT Share, and First and Last Years of PACT Funding, Selected Group of Projects	99
IV-11	Assessments of the Usefulness of the PACT Process, Projects Visited	104
V-1	Number and Total Amounts of Supportative Activities Grants by Type and Membership Status, 1979-81	119
VI-1	Selected AID Grants and Expenditures	134
VI-2	Comparison of Grants and Expenditures, PACT, AID Missions Operating Program Grants, and AID PVC, Recent Fiscal Years	135

I. INTRODUCTION AND SUMMARY

Private Agencies Collaborating Together (PACT), a consortium of private voluntary organizations involved in development, completes in 1982 a three-year grant agreement with the United States Agency for International Development (AID). The AID Office of Private and Voluntary Cooperation (PVC) will soon consider a new grant application from PACT. Thus this is an appropriate time to evaluate how successfully PACT has fulfilled its obligations and expectations. AID PVC and PACT jointly determined the terms of reference and the selection of consultants for this evaluation. It is supported by AID funds, one-third of which are supplied by PACT out of funds received from AID.

The evaluation is based on interviews with a broad range of participants in PACT in the United States, Latin America, and Africa. The visits included 19 projects in a total of seven less developed countries (LDC). These projects are representative of the projects funded by PACT in the current grant period. The evaluation team used interview guides to structure the question and answering process; this framework allowed for comparisons to be made from different information sources. The evaluators assessed the project using criteria and other indicators as the performance standards. Evaluators also conducted an extensive review of documentation provided by PACT and the field projects.

History of PACT-AID Relationship

Important points in the history of PACT and its relationship with AID are as follows:

- 1970 Representatives of certain private voluntary agencies (PVOs) discuss formation of a consortium;
- 1971 Eight PVOs form PACT;
- 1972 AID grants \$149,000 (AID/csd-3635) for administrative costs;
- 1973 AID grants \$300,000 (AID/cm/pha-8-73-19) for technical assistance projects; PACT funds first LDC projects;
- 1974-75 AID amends grant agreement to provide additional \$736,000, with PACT administrative costs included in technical assistance grant; contributions from non-AID sources directly to projects funded by PACT become allowable as PACT matching share;
- 1975 First independent evaluation of PACT, funded by AID, recommends continued funding of PACT;
- 1977 PACT begins Supportive Activities Grants; membership reaches 13;
- 1975-78 AID continues regular amendments to increase grant total to a cumulative \$6,181,000;
- 1979 AID gives PACT new general support grant of \$2,900,000 (AID/SOD/PCD-G-0213) for one year with planned funding for 3 years; PACT membership reaches 19;
- 1980 AID amends grant agreement to provide additional \$3,500,000; PACT revises criteria and guidelines for Project Fund and initiates new funding window of Support for Consortia;
- 1981 AID amends grant agreement to provide additional \$3,500,000, bringing total to \$9,900,000 for grant period since 1979; AID amends grant agreement also to include new Project Fund guidelines and Support for Consortia; membership reaches 20;

1982 Second independent evaluation of PACT funded by AID and PACT; AID approves extension of current grant agreement; PACT to submit proposal for new agreement in May.

Executive Summary

Main Findings

The Projects PACT Funds

- . PACT has approved over 50 new projects during the current AID grant period; annually PACT makes about 45 grants, including refundings, from the project fund; in FY 1981 average project funding was \$54,000 per year, with most projects receiving grants for two or three years.
- . Of the 19 projects visited, RRNA assessed about one-fourth as exemplary according to most measures used, including PACT criteria, success in implementation, and cost-effectiveness. RRNA assessed 16 of the projects (about 85 percent) as at least satisfactory in terms of PACT criteria. A similar proportion were assessed as satisfactory in implementing planned activities. Only three projects were rated as unsatisfactory in terms of PACT criteria and cost-effectiveness.
- . PACT staff assessments of the projects were proportionately similar to the RRNA results, although there were differences on the assessments of a number of specific indicators.
- . PACT has sufficient funds from its current AID grant to cover approvals from the project fund through March 1982. Approvals plus projected refunding of current projects exceed the current AID grant by almost \$2 million.
- . The various PACT administrative, programmatic, and service expenses in FY 1981 totaled 25 percent of the value of funds granted in FY 1981. This averaged about \$11,000 for each of 55 project fund grants and refundings annually. About \$5,000 of expenses per PACT project funding are allocated directly to project fund operations, for an average of \$11,000-\$16,000 during a 2-3 year funding relationship.

The PACT Process of Funding
and Relating to Agencies

- . The PACT process with projects involves not just the screening of proposals and monitoring of grants; it also includes on ongoing communication with projects and sponsoring agencies. This communication includes visits, conferences, exchanges, and technical assistance. Nevertheless, the role of PACT as project funder is certainly the dominant one in view of most member representatives and PACT staff.
- . A characteristic feature of the PACT funding process is the intensive questioning and discussion concerning project design and operations. PACT reviews the projects in light of the PACT criteria and concerns for effective and efficient implementation.
- . The PACT criteria focus on the targeting of benefits to disadvantaged people and the participation of beneficiaries in all aspects of the project. During the current grant period, discussions regarding the criteria within the Board, PACT staff, and Project Selection Committee have included the following: the definition of the target population, currently defined as "persons of limited access to resources"; the degree of participation of beneficiaries in a project; and whether "collective action" is an essential part of the beneficiaries' participation.
- . The majority of Board members express a certain pride and appreciation that PACT Board, staff and Project Selection committee have all contributed to maintaining an independent, objective, and tough-minded project selection process. However, approximately one-fourth of the Board members, mainly member agency representatives, and a similar proportion of project managers, reported substantial conflict and disagreement with the PACT questioning relationship with projects and agencies. At least another fourth reported considerable negative aspects to the relationship along with positive ones. RHA evaluators assessed the PACT questioning process as being more appropriate and positive than did the project managers.

- . Many project representatives view the PACT funding as especially important in terms of the timeliness -- usually at a fairly early stage in the project life -- and of the organizational viability promoted by the funds. These representatives report that PACT handles effectively the mechanics of concluding contracts and of transferring funds promptly.

Other Supportive Activities

- . PACT distributed 171 Supportive Activity Grants in the current grant period, almost all to member agencies. Members appreciate Supportive Activities Grants especially, as well as the other services, although few attach very strong significance to the other services.
- . PACT also carries out a number of other activities of assistance to members in program management, project technical assistance, and representation of PVO interest as a whole.
- . PACT conducts and/or supports studies and conferences on topics relevant to the effectiveness of its members' work and of the projects it supports. For example, considerable effort has gone into the study and discussion of the role of small business development in the type of development PACT is promoting.

PACT as an Organization

- . PACT's diversified membership of 15 U.S. and 5 LDC agencies has held together, despite considerable tensions of some members with staff and Project Selection Committee; given this diversity, the Board has difficulty reaching decisions on a number of open policy questions.
- . Funds from the PACT Project Fund generally account for less than 5 percent of member agencies' revenues; member agencies received 60 percent of the Project Fund allocations in FY 1981.
- . PACT has redirected the type of collaborative activities it sponsors. Rather than formal joint collaborative arrangements in projects, PACT is encouraging more informal arrangements, often through its Supportive Activities Grant program.

PACT and AID

- . The AID mission representatives interviewed differ considerably in the importance they attribute to independent U.S. PVO effort in development supported by the U.S. Government. Some missions look for PVO projects to be tightly coordinated and integrated with the U.S. mission programs.
- . Illustrative AID costs for project funding activities are provided for AID PVC and for estimated mission distribution of Operating Program grants. Comparisons of costs of AID and PACT are extremely difficult to make due to the varying size of the grants and the differing level of involvements. In comparing PACT and AID expenditures, PACT total expenditures per dollar granted were greater than those of the AID programs; however, PACT expenditures per project grant were much less.

Main Conclusions and Recommendations

The Projects PACT Funds

- . In identifying and funding a number of outstanding projects and a good portfolio of projects in general, PACT fulfills the main current intention of AID.
- . As noted, a higher proportion of PACT-funded projects are assessed as less impressive in terms of their cost-effectiveness. However, some of the projects do demonstrate exemplary cost-effectiveness and could contribute to the development in other PVO projects of more rigorous concern for cost-effectiveness and for measuring benefits to project participants.

The PACT Process of Funding and Relating to Agencies

- . A simple measure of how good the PACT-funded projects are a necessary but not sufficient consideration for PACT operations and for this evaluation of PACT. With somewhat different emphasis, PACT and AID expect that PACT will make a difference in the improved design and performance of the projects it funds and of their sponsoring agencies. Based on the interview findings, RRNA concludes that PACT does make a difference,

improving the design and performance of its projects. The degree to which PACT can influence the project design and performance is tied to the level of organizational development of the project. Should PACT select an already well-established, successful project, PACT can play a more limited role in project design and performance. In contrast, should PACT select a new experimental project, PACT will probably make a greater contribution to project design and performance. Certainly, in funding new and experimental efforts, PACT takes some considerable risks of project failure, although this has not been a serious problem.

The process of questioning and involvement which marks PACT's relationship with particular projects and agencies represents a contribution to the whole effort of its PVO members and of LDC PVOs as well. PACT often contributes funds at a strategic early period in the life of a project.

Most LDC agencies receiving PACT project funds appreciate the process of PACT involvement. However, the process sometimes becomes quite conflictive, especially with member agencies. Such conflict has placed strain on the consortium and staff in recent years. In part, such tension is a natural condition of a funding decision process which has maintained a reasonably tough standard of selectivity and a basic independence from individual member interests. Nevertheless, a number of steps, many of them under consideration by PACT at present, could ease some of the conflictive aspects while maintaining the vigor of the questioning process: better focus and limitation of questions; efforts to cultivate more trust of sponsoring agencies; more automatic second and third year refundings while the annual visits and discussions by PACT staff are continued; and further reconsideration and redefinition of criteria with development of specific indicators of what PACT intends.

The similarity of RRNA and PACT staff assessments of projects indicates that the PACT staff maintains both involvement and objectivity. Also, the similarities indicate the degree to which the PACT criteria and other indicators can serve as effective standards in project review and selection.

- . The PACT regional representatives at current staff levels do not appear able to take on new functions of technical assistance, as attractive as this might seem to a number of PACT participants. More geographical concentration within the regions, at least during a given funding-decision period, could help rationalize the travel and workload of the regional representatives.

PACT as an Organization

- . PACT's diverse and inclusive membership is a resource to be maintained. RRNA evaluators agree with some respondents that new forms of increased involvement with LDC agencies are needed rather than an increase of LDC membership in PACT.
- . The participation of PACT members has not necessarily been self-serving, a characteristic that they themselves recognize insufficiently. The Board must apply this goodwill to address and decide on a number of difficult issues. These issues need resolution if the staff and Project Selection Committee are to function more effectively.
- . Collaboration within PACT is not as minimal as various PACT participants sometimes report. Nevertheless, an increase in collaborative activities sponsored by PACT could help shape new roles for U.S. PVOs in LDC development. Fostering this collaboration will not be easy as LDC agencies are hesitant and the U.S. agencies themselves appear unenthusiastic about finding U.S. PVO collaborators. U.S. PVOs continue to need to augment their work together in an organized and systematic way if they are going to find and develop new ways to use their experience and expertise in LDCs.

PACT and AID

- . The intention of some AID missions is to more closely monitor and even direct all AID-funded activity in a given country; this intention is potentially in conflict with PVOs' traditional independence and with the apparent Congressional expectations for PVOs' contribution to LDC development. AID needs to provide both missions and PVOs with guidance; this should not have to be worked out on an ad hoc basis. In any case, the tenor of the times requires that PACT regional

representatives initiate closer communication with AID missions than they have sought in the past.

Cost-effectiveness comparisons between PACT and AID directly funded approaches are difficult. Any such comparison must consider the expectations which AID has for PACT and for its involvement with PVOs as a whole. While PACT costs per dollar granted appear substantial, they are not inappropriate given the small size of grants and the level of involvement with projects which PACT attempts. AID PVC will need to make its own assessment whether it and/or AID missions could provide the level of service that PACT does at a similar or lower cost.

Summary of Purposes and Methodology Purposes

AID and PACT expect this evaluation:

to provide an in-depth and objective examination about how the PACT consortium operates, what it accomplishes and with what degree of efficiency and effect.¹

AID and PACT emphasize different aspects of this statement of purpose and had some difficulty in agreeing on the terms of reference for the evaluation. AID particularly expects this evaluation to provide an assessment of PACT in its role as a funder of development projects.² Thus one emphasis is on the results of the PACT's funding efforts, both in terms of its impact on the performance of implementing agencies, and even more, of its impact on the projects' beneficiaries. Other considerations, such as the effectiveness and efficiency of the funding process and the projects also are important when assessing the PACT funding role.

PACT is especially interested in an assessment of its process of working with projects and with U.S. and LDC sponsoring agencies. In the view of PACT personnel and some

1. Contract with RRNA, p. 1.

2. Letter of Thomas Luche, Program Grant Manager, AID PVC to Theodore Wilde, RRNA, February 26, 1982.

members, this process consists of the whole involvement with project personnel and supporting agencies. The evaluation is then to consider the impact of this more broadly defined process, again both on agencies and on the projects.

Evaluation Methodology and Activities

Interviews and Data Collection

The methodology of the evaluation provided for the systematic development of quantitative and qualitative data. RRNA evaluators used an interview guide which allowed for cross-referencing information and viewpoints on given issues from a variety of sources (Appendix B). These interviews included the following:

- . 19 field projects' staff members; also visits to field sites of 16 projects and contacts with beneficiaries;
- . 13 member agencies' staff members, including 4 LDC members, usually both the executive director and program staff;
- . 2 Board members who are not representatives of member agencies;
- . The current and former chairpersons of the Project Review Committee;
- . 9 current and former PACT staff members;
- . AID PVC personnel;
- . AID staff members with PVO-related responsibilities in 6 AID missions.

The interviews included three current or former chairpersons of the PACT Board of Directors.

The interviews focused on the PACT activities and results in funding projects, as well as other aspects of PACT and its relationships. Field interviews included an assessment of projects' design and performance in terms of the PACT project criteria and also in terms of implementation of program activities for beneficiaries and of cost-effectiveness. Before the field visits, the evaluators developed sets of indicators to serve as guidelines in the assessment of projects in terms of PACT criteria (Instrument No. 2, Appendix B). Evaluators also developed indicators of effectiveness in implementation and of cost-effectiveness (Chapter IV).

From the PACT project files and field visits, the evaluators obtained and reviewed correspondence, proposal write-ups, annual reports, information on recipients, completed evaluations of the projects visited, and PACT organizational documentation.

Selection of Field Visit Sample

A key question of AID PVC, and to some extent of PACT staff, about the evaluation methodology concerned the field visit sample. The concerns were basically two: the scope of work for individual field visits and the number of field projects to be visited. AID was interested in an independent evaluation of a relatively small number of PACT-funded projects by the evaluators, including data collection from beneficiaries on project impacts. However, RRNA evaluators proposed that an independent assessment of impacts was neither possible nor appropriate given the purpose, scope, and level of effort of the evaluation. The evaluators traveled to project sites in the interiors of all countries visited. At least some intended beneficiaries were interviewed in 16 of 19 projects visited.

The selection of the projects visited during the evaluation reflected the need to hold down the costs of the evaluation and to secure a representative sample from the projects PACT has funded. RRNA evaluators proposed that at least 12 projects be visited from the 77 projects funded by PACT during the current grant period through December 31, 1981. The proposed number was then exceeded in the 19 projects visited in the field. Of these projects, 50 were new and 27 were refundings of projects which first received grants before March 1979.

A fully random selection of PACT-funded projects was impractical. Only projects in Latin America and the Caribbean and in Africa were considered for selection since PACT had funded relatively few projects in Asia and the Pacific. Additionally, travel in the Asian Pacific region would have added substantially to the time and cost for the evaluation. PACT staff and RRNA evaluators made the initial selection from countries with at least two projects funded by PACT which have reasonable proximity to other such countries. Consideration was given to including projects sponsored by a number of different PACT members and also to including some of the projects which had received the greatest amount of PACT funds over the years. There was some preference for projects with one or more years of experience since the first receipt of PACT funds.

The chance of bias in the sample was reduced by visiting almost every PACT-funded project in the selected countries.¹ A change of travel plans for Africa because of

1. In the case of Colombia, the project of Cartago was not included. The one PACT-funded project in the Gambia was not visited in the trip to Senegal. The two countries have recently approved an arrangement for union.

visa problems caused three previously selected to be omitted and three others not originally chosen to be added, thereby further reducing the opportunity for bias.

In all, 19 projects were selected and visited in six countries: the Dominican Republic, Colombia, Honduras, Kenya, Liberia, and Senegal. In addition, RRNA evaluators visited PACT member agencies in the Dominican Republic and in Colombia, as well as CONGAT, another PACT agency and the first recipient of a consortium grant in Togo, as a seventh country.

Organization of this Report

Each chapter presents findings of the evaluation followed by a section of conclusions. While the executive summary is organized in terms of the priority interests of AID and PACT, the main body of the text presents the results of the evaluation in terms of the logic of the organization's make-up and purpose; its project funding processes; the consultants' assessment of the specific projects funded, as represented in the field visit; other PACT activities; and finally AID-PACT relationships. An appendix provides supportive documentation on the terms of reference, the instruments for interviewing and for assessing projects, and the respondents who assisted in the evaluation.

II. PACT ORGANIZATION AND PURPOSES

The structure and purpose of PACT during its 11-year history and in the current AID grant period have been shaped by its character as a consortium of PVO members. This membership consists mainly of U.S. PVOs with some LDC PVOs. On the PACT Board of Directors, representatives of the member agencies are supplemented by 16 independent directors.

The PACT staff, especially represented in the continuity of one Executive Director during the entire history of PACT, has actively participated with the membership in determining the structure, purpose, and policies of PACT. Two other participants in the shaping of PACT policies are AID and the Project Selection Committee. The role of the former has been mentioned in the historical review of Chapter I and is presented in greater detail in Chapter VI. The work of the Project Selection Committee, which is taking increasing initiative, is considered in the discussion of the PACT process, Chapter III.

This chapter describes the roles of the PACT participants in determining the organizational structure and the purposes and activities of PACT. Various issues are raised in the presentation of findings. Those issues are then

reviewed in the conclusions and recommendations of this chapter:

- . the make up of membership;
- . the role of LDC members, both single agencies and consortia;
- . Board decision-making on policy questions;
- . the importance of the Project Fund in the total PACT effort and its distribution among member and non-member agencies; and
- . the importance of collaboration in projects and other cooperative efforts.

Membership

The Consortium of PVOs

PACT is "an international consortium of private development agencies."¹ PACT describes its members as "non-profit agencies working in developing countries to improve the lives of people with limited access to resources."²

The current membership of 20 agencies includes 15 U.S. PVOs and 5 from LDCs (Table II-1). Three of the LDC members are themselves consortia of agencies. The other two LDC

1. AID, Grant Agreement with PACT (General support), Grant No. AID/SOD/PDC-G-0213, May 15, 1979.

2. PACT brochure, 1980.

Table II-1. Characteristics of PACT Members
(Number of agencies)

	U.S. Agency	LDC Agency	Total
Total number of agencies	15	5	20
Main program emphasis			
Rural development, especially integrated	3	0	3
Small business, commercial	3	1	4
Non-formal education	2	0	2
Nutrition, health	2	0	2
Appropriate technology	1	0	1
Housing	0	1	1
Handicapped training	1	0	1
Services to other agencies	3	3	6
Proportion of agency revenues from USAID ^a			
None	2	4	6
Up to half	4	1	5
Half or more	9	0	9
Time of joining			
Charter member	7	0	7
Joined before March 1979	7	5	12
Joined since March 1979	1	0	1
Project approved from Project Fund			
Never	2 ^b		3
Before, but not since March 1979	2	1 ^c	4
Since March 1979	11	4 ^c	13

a. Estimated in some cases for which current information was not available.

b. United Church of Christ Social Committee and Trans-Century did not join in the expectation of receiving funds from the Project Fund.

c. Includes one consortia grant.

Source: RRNA, based on information from PACT handbook on agencies, agency brochures, annual reports, and interviews.

members are single-purpose agencies in Colombia that were early recipients of PACT funds. The members share a common purpose of involvement in international development, but represent a great variety of concerns and approaches. Some emphasize rural development and most are involved in some aspects of rural programs (Table II-1). The majority of U.S. member agencies receive over half of organizational and program revenues directly from AID.

The addition of Goodwill Industries International was the only change in the PACT membership during the current grant period. Eleven other agencies have applied formally for membership or have made serious inquiry, but no action is being taken pending the resolution of a number of policy issues relating to membership.

PACT has attempted during the grant period to define more precisely the status and future direction of membership policy. However, members and staff generally agree that membership policy has not achieved consensus or full implementation to date. The Board and Executive Committee repeatedly considered membership questions in 1979 and 1980. Board members John Rigby of IVS and Warren Wiggins of the TransCentury Corporation recommended to the Executive Committee and the Board of Directors a structure encouraging an expanded membership, and a policy of members having priority in Supportive Activity grants, but no special access to the Project Fund.¹ After considerable discussion by the Executive Committee and Board, the recommendations on access to funds were adopted. It appears from the interviews that some member representatives are not clear on just what is the policy recorded by the Board concerning access to the Project Fund.

1. "Governance Issues," memorandum to PACT Executive Committee, November 24, 1979.

In 1980, the Board of Directors requested and approved a 7-page, staff-drafted "Membership Policy," specifying the qualifications and responsibilities of membership and procedures for application of potential new members and for periodic review with old ones.¹ Membership was defined with an emphasis on participation by agencies with a commitment to collaboration. PACT committed itself to achieving "a truly international membership" without geographical preference. This implied an increase in LDC members and possibly members from developed countries in addition to the United States.

The statement proposed a two-way membership review between individual agencies and PACT on a triennial schedule. The proposed process defined a leading role for PACT staff in these reviews, with participation by other member agencies as well. The desired outcome was "a frank and open exchange of views between PACT staff and the member agencies to review their role in PACT and the appropriateness and desirability of continued participation in the consortium."² According to the resolution, following the review meeting both member agency and PACT (presumably the staff) are to prepare a report and recommendation to the Executive Committee. Informal reviews were conducted with most agencies in late 1980. The meetings did not address directly questions of a given agency's continued participation in the consortium. Few discernible changes in membership-staff relations have resulted from the earlier meetings. PACT staff and member agencies have since met to discuss agency plans for future proposal submissions to PACT or to discuss relationships apart from consideration of specific proposed

1. "Membership Policy," June 6, 1980.

2. Ibid.

projects. Two agency representatives described the membership reviews and subsequent general meetings with PACT as useful. Three others described them as not very helpful.

In February 1982, PACT contracted with John Rigby, former Executive Director of IVS, for a 6-month consultancy to study the PACT membership policy and make recommendations for Board and staff action.

Governance by the Membership

The PACT Board of Directors consists of representatives of the 20 member agencies, the Executive Director, and 16 non-member Directors chosen by the Board. The 15 U.S. member agencies constitute a minority of the Board. The Board elected its first non-member Chairperson in 1980. The Board has since decided that the Chairperson should continue to be a non-member. PACT pays for the travel and expenditures of all Board members, including the five LDC representatives, to the semiannual meetings of the Board. The Executive Committee of the Board meets five times a year and deals mainly with administrative matters.

The PACT Board has made some key decisions during the current grant period and has avoided others. The Board reviewed and revised the project selection criteria and added a new category of Consortia Grants. The Board adopted a statement of membership policy, but a number of Board and staff members believe this issue requires further discussion. As indicated above, in 1979 the Board considered a set of recommendations on governance and membership but did not take action on most parts. One governance proposal not acted on at the time was a reduction in the size of the

Board of Directors.¹ Under the proposed change, the full membership would then meet only once a year in a General Assembly that would serve mainly as a forum on development issues of interest to PVOs.

In December 1980, the retiring chairperson of the Project Selection Committee suggested the broad outlines of clarifications and policies related to PACT project decisions. Some of the recommendations have been adopted informally, but no Board action has been taken.

Pact Staff

PACT staff consists of 10 persons (two part-time) in development work and six support staff (two part-time). This staff is stationed in the New York office, except for the Africa regional representative and a part-time assistant in the Camereroon.

PACT staff play an active role, not only in operations, but also in shaping policy directions of the agency. The Executive Director has provided continuity of staff leadership from the inception of PACT and is a member of the Board of Directors. The rest of the staff also takes an initiating role in many areas. The staff members do not appear to view themselves as limited to carrying out directions of the Board of Directors, the Executive Committee, and the Project Selection Committee, for all of which they provide staff services. Member agency representatives generally accept an activist and initiating role by PACT staff. Most agency

1. "Governance Issues," November 25, 1979.

staffs play a similar role within their own organizations. Some respondents look for even more initiative by PACT staff in policy development.

Concerns and conflicts between member representatives and staff are focused on issues relating to the PACT process of questioning related to the funding and follow-up on projects. Many agency respondents and PACT staff believe the conflicts on project decisions are symptomatic of a more fundamental structural conflict: the same staff which is responsible for review and initial decisions on projects submitted by the membership is ultimately responsible to the Board. Member and staff comments on the perceived problem of the decision process have been presented earlier in this chapter; Chapter III discusses specific issues related to the application of the criteria in project decisions, and the good performance of staff in remaining in contact with previously funded projects.

Related to the staff-member disagreements is the thought of some member representatives that the PACT staff cannot and/or does not have the expertise of subject matter and country-specific experience to judge project proposals and to question the effectiveness of the agency in implementation.

The resumes of five current staff and three former staff involved in the work of the Project Fund indicate that staff members working on projects have considerable experience relevant to their assignments in PACT. Current staff members have lived an average of five years in LDCs, not including extensive travel in LDCs in current and previous responsibilities (Table II-2). All are proficient in at least one foreign language. Before joining PACT, persons

Table II-2. Experience and Qualifications of PACT Staff Working with Field Projects

	Five current staff members ^a		Three previous staff members ^b	
	Range	Average	Range	Average
	-----years-----			
Years working in LDCs ^c	3-9	5	5-7	6
Years in development-oriented work similar to that carried out by PACT members				
Before joining PACT	2-14	6	7-11	9
PACT	1-8	3	5-7	6
Years working for PVO or as volunteer before joining PACT ^d	2-14	9	10-13	11
	-----number-----			
Foreign languages per person at "good" proficiency ^e	1-5	2	1	1
Masters degrees per person in fields related to LDC development	1-2 ^f	2	0-1	1

a. Does not include staff assistants or the Executive Director.

b. Regional representatives who worked in current funding period for whom resumes were available.

c. Does not include one LDC native in each of current and previous groups.

d. Including Peace Corps and Inter-American Foundation.

e. Staff member's characterization of own language ability.

f. All five current staff members reviewed have master's degrees in related fields including one person with post-graduate degree outside United States that is not designated as a Master's degree.

Source: RRNA from resumes supplied by PACT staff.

currently on PACT staff averaged six years in the kind of development activities carried out by PACT members. The average of three years of work in PACT itself represents further such experience, for a total of nine years of work in development on the average.

Experience with PVOs before joining PACT is an average of nine years for current staff. Although RRNA evaluators did not do a similar systematic review of the experience of member agency staff, they have the impression that PACT and member agency staff persons have similar backgrounds. The exception would be found in the few members which have a number of staff persons from the private business sector. Generally, PACT staff members have had little experience in the private business sector.

PACT Purposes

The publicly defined purposes of PACT parallel the purposes of the AID grant (Chapter I):

- . to promote collaboration among development organizations worldwide;
- . to increase the ability of private agencies to plan, implement, and evaluate development projects; and
- . to support projects intended to improve the standard of living of people in developing countries who have limited access to resources.¹

These stated purposes are in accord with the previously cited purpose and activities of the AID grant agreement with PACT, which is intended to support PVO assistance to LDC

1. PACT brochure, 1980.

self-help programs for the socially and economically under-privileged population. The AID statement of activities gives greatest attention to the PACT funding of PVO projects, but also concerns PACT activities to help PVO member agencies respond more effectively to LDC needs. It expects that PACT will "promote excellence in project design, administration and exchange among members."¹

Funding of Projects

Early in the life of PACT, the purpose and activity of funding projects, mainly by disbursing funds from AID, became predominant. Virtually all respondents from the PACT Board, staff and AID/Washington understand this as the main purpose and function of PACT, although some wish that other functions would be relatively more important than they are now. One member respondent pointed out that in the early years, members expected a division of the Project Fund in approximately equal portions as their expected \$100,000 annual funding share from PACT. Most U.S. members received at least some funds from the PACT Project Fund in the grant period since March 1979 (Table II-3).

Currently, for the U.S. member agencies, however, PACT funding is seldom of financial significance in their total programs. Just two of the 12 agencies received as much as a half million dollars in fundings and refundings for projects first approved during the current three-year grant period (Table II-3). No U.S. member agency received as much as 10 percent of total annual revenues from the PACT Project Fund account, and the proportion is usually much less. For three

1. AID Grant (General Support) No. AID/OD/PDC/G-0213, May 15, 1979, cited in this report, Chapter I.

**Table II-3. PACT Funding of Selected U.S. Member Agency Projects,^a
as Proportion of Members' Revenue, March 1979-March 1981**

Agency	Year	Agency annual revenue		PACT funding in period ^b			
		Total ^c	Directly from U.S. government ^d	Total	Average per year ^e	Average per year as proportion	
						Of agency total revenues	Of agency revenues U.S. from government
-----dollars-----				-----percent-----			
International Voluntary Services (IVS)	1980	2,270,000	1,160,000	550,000	183,000	8.1	15.8
Meals for Millions Foundation/ Freedom from Hunger Campaign (MfM)	1980	1,540,000	380,000	170,000	57,000	3.7	15.0
Partnership for Productivity (PfP)	1980	1,150,000	410,000	200,000	67,000	5.8	16.3
Save the Children Foundation (SCF)	1981	19,900,000	6,000,000 ^f	600,000	200,000	1.0	3.3
Technoserve (TNS)	1980	2,120,000	1,230,000	320,000	107,000	5.0	8.7
Volunteers in Technical Assistance (VITA)	1980	2,120,000	1,610,000	70,000	23,000	1.1	1.4
World Education (WE)	1981	1,500,000	646,000 ^g	220,000	73,000	4.9	11.3

a. Member agencies included in RRNA field visits, except AITEC, which received only \$25,000 from projects first funded in the period.

(Continued) --

Table II-3. (Continued)

b. From projects first approved in the current grant period. The member agencies continued to receive funds in the period for projects first approved before March 1979. Also does not include Supportive Activities grants. Thus total funds received from PACT in the period will be understated.

c. Funds which have been handled through agency accounts. Generally, projects in collaboration with other agencies incorporated in LDCs will receive additional funds not reflected in the U.S. agency's financial reports, so the total resources of agency programs will be greater than the amounts reported.

d. Excluding PACT funds.

e. Period of three years.

f. Estimate.

g. Does not include U.S. Government funds received from another agency.

Source: PACT reports, agency annual reports for years listed, and additional information collected by RRNA.

agencies, receipts from PACT amounted to approximately 15-36 percent of annual funds received directly from other U.S. government sources, mainly AID.

As indicated in the Grant agreement, PACT involvement in PVO projects concerns not only the distribution of funds, as important as this may be, but also the promotion of excellence in project design. The main vehicle for this promotion of improved projects is the PACT process that accompanies its role as a funder of projects. This process is discussed in the following chapter.

Other aspects of PACT's work, including the promotion of collaboration of various kinds and a variety of other activities, are also to serve ultimately in improving effectiveness of PVO projects, either through direct impact or through improving the capabilities of the agencies that are sponsoring the projects.

Collaboration in Various Forms

Collaboration is still considered by some staff and members as a fairly important purpose of PACT, although less importance is attributed to it than in PACT's early years and it is interpreted more broadly. Supposedly, such collaboration is to allow for a sharing of expertise, the avoidance of duplication, and the building of stronger institutions and more integrated projects. Although substantial efforts continue, its realization is inconsistent, especially among members.

Although collaboration was retained as a prime purpose in the 1979 AID-PACT grant agreement, its inclusion reportedly represented more a carry-over from previous language than a reflection of PACT priority at the time. The new set of

criteria for projects developed by PACT in 1979-80 omitted the previously explicit interest in collaborative efforts as a criterion for consideration in project selection. Subsequently, in a 1980 study of PACT collaboration, consultant Beryl Levinger reported that collaboration on projects generally appeared to have a low success rate and to yield few concrete results for the intended beneficiaries.¹ Members also did not rate such project collaboration as important, either for themselves or in their view of PACT interests. The majority of agencies, both U.S. and LDC, preferred a local institution as partner, rather than a U.S. organization. Ms. Levinger recommended continued PACT emphasis on collaboration not related to specific project operations. She grouped most of the PACT services in this category. She emphasized especially the sharing of information.

In a related case study of the PACT funding of the multi-agency collaborative project of local agencies in Bogota, Colombia, consultant Vicky Colbert de Arboleda also emphasized that collaboration cannot be force-fed to agencies, but must develop as they see the need. This period of study on collaboration culminated in a meeting of a Board-appointed workshop/conference of members in late 1980. This group developed a set of guidelines for the promotion of collaboration in which many cautions predominate.²

1. Beryl Levinger, "Collaboration: A Report to PACT," August 1, 1980.

2. Vicky Colbert de Arboleda, "SERVIVIENDA-CIDES-CECIL Hogar Escuela, Collaborative Project Colombia: A Report on Collaboration," December 4, 1980. This report and the workshop/conference report were included in the 1980 PACT annual report to USAID.

Although collaboration is no longer a central focus of PACT, there still appears to be more effort given to collaboration by staff and some members than members in general realize. PACT continues to promote collaboration in a number of ways, many related to work with non-member agencies:

- . supporting occasional cooperation among members in project operations;
- . supporting cooperation in project operations between a member agency and one or more local agencies; and
- . providing PACT assistance in exchange of information and technical assistance among agencies;
- . promoting and supporting LDC consortia.

Collaboration Among Members

Cooperation among members in projects is rare in PACT-funded efforts and in any other projects of the U.S. member agencies. Only three of more than 50 new projects funded by PACT in the current grant period involved the formal collaboration of U.S. agencies: a Meals for Millions/Save the Children/World Education Nutrition Project in Latin America, a Save the Children/World Education project in Colombia, and a Partnership for Productivity/World Education training of rural extension agents in Liberia. Member agencies also appear to cooperate infrequently on the project level, although the evaluators did not look in detail at such possible activity outside the scope of PACT-funded efforts.

Member-LDC Agency Collaboration

Cooperation between the U.S. agency and an LDC agency or between two or more LDC agencies is common in projects funded by PACT, occurring in more than three-fourths of the new projects funded by PACT in the current grant period. However, at least in the projects visited, this collaboration appears to be the kind of cooperation expected in any good development project and not a special quality reflecting a greater than normal commitment of PACT and the agencies it supports.

Exchange of Information and of Technical Assistance

Members do not appear to exchange programmatic and technical information frequently, either in the United States or in LDC countries in which they are working. PACT has seldom used the Board meetings as the occasion for exchange of information on member activities; two LDC member respondents indicated an interest in such an agenda for Board meetings.

However, PACT has tried to promote collaboration through information exchange and sharing of technical expertise by distributing newsletters, supporting conferences, and arranging for technical assistance among PVOs. The Supportive Activities program, begun in 1977, functions in support of such efforts. The Supportive Activity grants for up to \$10,000 in matching funds with minimal submission requirements have become the main PACT tool in support of collaboration. The activities for exchange of information and technical assistance and the contribution of the Supportive Activities program are detailed in Chapter V.

Promotion of LDC Consortia

During the current AID grant period, PACT has augmented and formalized the support of LDC consortia. Initially, aid to consortia was a category of Supportive Activity grants. PACT, for example, gave Supportive Activity Grants to the three LDC consortia which are members: SOLIDARIOS in Colombia, CONGAT in Togo, and the Zambia Council for Social Development. SOLIDARIOS also received a project grant from 1977-79. Furthermore, Supportive Activity Grants have been given to 10 other LDC consortia which were initiating operations.

PACT staff and Board have now developed and approved guidelines for a special "window" for consortia. The new process has been formalized by a grant amendment with AID.¹ PACT continues to provide for up to \$10,000 to groups of LDC agencies engaged in forming a consortia. In effect, this is a continuation of the Supportive Activity grants to LDC consortia. The new provisions allow for larger scale funding to established LDC consortia for organizational and institutional purposes. These proposals are reviewed by a two-person committee consisting of the chairpersons of the Board of Directors and of the Project Selection Committee. CONGAT is the first recipient of a major consortia grant, \$83,750 for the first of an anticipated three years, which was approved in early 1982. This is also a collaborative project in that CONGAT has contracted for a resident technical assistant with Planning Assistance International, a U.S. PVO.

1. AID Grant Agreement with PACT (General Support), No. AID/SOD/PDC-G-0213, Amendment No. 4, June 8, 1981.

Conclusions

The resolution of outstanding issues related to PACT membership will have to await the outcome of the current six-month consultant study of membership questions. RRNA offers the following observations and conclusions concerning issues of PACT membership, organization, and purposes; the observations and conclusions are based on the findings presented in this chapter and also on suggestions from the broad range of respondents consulted in this evaluation.

Inclusiveness of Membership

For PACT as a whole, its inclusive membership from a broad range of private agencies is a resource and potential strength of the consortium. To be sure, this breadth and diversity of membership leads to difficulties in achieving consensus and to tensions in agreeing on standards for the Project Fund. Nevertheless, the breadth and size of membership increase PACT's possibilities and impact as a service and advocacy agency for its members. The diversity increases the potential learning from exchange of information and technical expertise.

Participation of LDC Agencies

The participation of LDC agencies in the Board and other activities has been useful for PACT. The participation of these agencies in the deliberations and meetings provides both an explicit and implicit reminder of the purpose of PACT to benefit LDC people. Nevertheless, the position of the LDC agencies within the PACT membership has a number of inconsistencies. The expectation of a few evaluation respondents that the LDC membership could continue

to grow until it formed a majority of PACT appears unrealistic given PACT's current relationship with and responsibilities to AID. Furthermore, the cost of Board meetings and regular committee work would be prohibitive.

The current PACT Board agenda with its frequent consideration of agency-U.S. Government relationships frustrates LDC agencies. There are many shared interests in the common purposes of work in LDCs, but the specific issues faced by U.S. and LDC PVOs are often different. Also, while the LDC member participants do fulfill a role as representatives of LDC viewpoints, their involvement is based on historic happenstances, and the current PACT LDC members are not particularly representative of LDC PVOs. One LDC member representative suggested that LDC agencies, especially consortia, form their own international organization in which PACT would also participate. Such an organization could exchange information and technical expertise without having administrative responsibilities for distributing funds. Thus, frequency of meetings and travel costs would be limited. PACT could help secure financing for such an organization. PACT could then consider maintaining an LDC voice on its own Board through the appointment of at-large members for three-year terms; such PACT LDC members could be nominated by the international consortia or could be selected on a rotating basis from the roster of agencies to which PACT relates in various regions.

Board Decisions

The difficulties of the PACT Board in reaching decisions reflect the diversity of its members and their different approaches to promoting development. Not making a decision reduces immediate conflict and is prudent for

issues in which the membership is sharply divided. However, the failure of the Board to resolve issues that have arisen avoids some conflicts and produces others. It has especially increased the tension between staff and members and between the Project Review Committee and the Board.

The 1979 Governance Committee proposal that PACT establish a smaller Board of Directors consisting of only a part of the membership certainly reflects the interest in establishing a more streamlined process for making policy decisions. The problem with this proposal is that it would reduce the legitimacy and acceptance of policy decisions by the entire membership. After a Board decision, there would still be the need to "sell" a new policy to the membership as a whole.

Although a detailed consideration of these governance issues is outside the scope of this evaluation, the conclusions of the evaluators on the basic direction of corrective action may be useful. The evaluators are impressed by the resilience that PACT has shown as a membership organization. No members have left during the current grant period in which the Board made some difficult decisions, such as the establishment or restatement of criteria and the establishment of consortia funding. There is a basic sense of accommodation of members in the PACT group decisions in such issues, even when a number of agency leaders may not be in agreement. The Board needs to make greater use of this sense of accommodation. It needs to address the question of the general proportions for allocating the Project Fund among U.S. and LDC members. It needs to reopen consideration of criteria for the Project Fund, as discussed in greater detail in the following chapter. It could try to establish more definite standards or at least expectations

for collaboration among members. A few members commented on the demanding preparation for Board meetings they require for their own organizations and indicated a readiness for such demands on the PACT Board as well. Proposals on these issues could be defined in the Executive Committee. A draft resolution with "pros," "cons," and alternatives summarized by different members could then be distributed before the Board meeting.

The Project Fund Within Pact Purposes

Although all respondents emphasize PACT's primary role as a funder of projects, the time and energy members contribute to the consortium cannot be understood simply in terms of their expected financial gain. There are both impressionistic and factual bases for this conclusion.

The U.S. and field interviews of this evaluation provide a sense of PACT participants' personal and professional concern for the effective promotion of development in LDCs and for the securing of increased incomes and quality of life for the people of these countries. Furthermore, the PACT participants not only have good intentions, but they also display a range of knowledge and expertise, based largely on trial and error, on the community-level implementation of development efforts.

A sense of responsibility beyond the immediate agency's financial interests is evident through the deliberations and tensions which have marked the administration of the Project Fund by the consortium. Revenues from PACT have been relatively small for its member agencies. Furthermore, the members have accepted a process of project review and decision that is increasingly independent of members' control.

as discussed in the following chapter. The members have allowed for fully half the Project Fund to be allocated to non-member LDC agencies. The members have agreed to a new window of consortia grants which further reduces their share of the Project Fund for U.S. agencies. They have agreed to PACT criteria which constrain their own actions at times.

Collaboration by Members

PACT can serve its members by continuing -- and even increasing -- promotion of collaboration among its members, either in PACT-sponsored efforts or in their general practices. Collaboration in traditional and new ways appears essential if PVOs are to contribute meaningfully to future development efforts supported by the U.S. Government and by U.S. voluntary donations. On first reflection, future collaboration of U.S. members on individual LDC projects seems less likely to succeed than it has in the past. U.S. agencies themselves are looking for LDC collaborators, not U.S. partners. Also, many LDC agencies already doubt the value of extensive U.S. agency involvement. Two or more U.S. agencies working together would be even less attractive.

Nevertheless, the new needs and opportunities of the immediate future are likely to be addressed most effectively by U.S. PVOs able to establish collaborative approaches, in operations and not only in the exchange of information and technology. Certainly the ability of U.S. PVOs to begin meaningful coordination of their own efforts in a given country will somewhat offset the current expectations of many AID mission personnel that the mission will have to provide coordination and direction whenever U.S. government funds are involved, even when PVOs are the project carriers.

Furthermore, collaboration has increasing importance as U.S. PVOs continue their current evolution away from long-term direct operations to the provision of specific kinds of technical assistance. Collaborative proposals in which different agencies offer a mix of technical expertise representing each agency's area of specialization will be far more credible than ones in which a single agency proposes to provide a broad range of services, including ones in which the agency has only limited experience. It is unfortunate that individual PVOs should sometimes be cited for dilettantism in trying to handle too broad a range of tasks in development programs; for the PVO community as a whole has areas of genuine expertise in virtually every field required in integrated rural and urban development efforts. Furthermore, PVO collaboration in technical assistance would increase the competitiveness of PVOs in comparison with private consulting firms and universities in securing of technical assistance contracts funded by USAID and international development agencies.

III. PACT AS FUNDER OF PROJECTS

The primary role of PACT, especially as an AID grantee, is as a funder of PVO development projects in developing countries to benefit people with limited access to resources. Most of PACT's activities revolve around the funding tasks of selecting projects, distributing funds, and monitoring the projects.

The following chapter incorporates the results of the field visits in an assessment of the effectiveness of the PACT-funded projects and in an assessment of the difference the PACT funds and the PACT process have made in increasing this effectiveness. This chapter describes the process by which PACT selects projects and interacts with U.S. and LDC sponsoring agencies, presents key issues raised by the process, summarizes the funding activities of PACT during the current grant period, describes the general characteristics of the projects funded, and reports on the members' own assessment of this process.

Although the PACT funding process is similar to that of other organizations, a number of characteristics and issues are important for an understanding of the current role of PACT in the process. Characteristics include the intense questioning of agencies concerning project design and implementation, the use of the PACT criteria for projects, and the involvement of the Project Selection Committee.

Certainly the PACT staff members view the PACT process as consisting of much more than the stages and steps of the funding process. These respondents consider the whole range of supportive activities, both grants and services, to be involved at each stage of the funding process, and possibly before a funding relationship begins and long after it ends. Nevertheless, the funding process and the relationship of questioning about project design and performance which is characteristic of the funding process, appear foremost in the perceptions of participants from member agencies and projects concerning the essential nature and activity of PACT.

The PACT Funding Process

The Funding Activities

The PACT funding process has three stages:

1. Project screening:

- . Discussion with U.S. and LDC agencies about prospective projects, intentions for submission of proposals to PACT, and suitability in terms of PACT guidelines;
- . Receipt of concept papers and PACT staff response;
- . Invitation to submit full proposal or advice against a full proposal because a project is unlikely to meet the PACT criteria;
- . Receipt of proposals;
- . Site visits;
- . Staff review of proposal and decision on recommendation to be made to the Project Selection Committee;

- . Staff write-up of projects and an analysis for Project Selection Committee.
- 2. Decisions of the Project Selection Committee:
 - . Committee deliberation and decision; and
 - . Instructions to staff and staff preparation of letters communicating Committee decisions and conditions.
- 3. Implementation:
 - . Drawing up grant agreements and disbursement of funds;
 - . Submission of project information to USAID;
 - . Receipt of quarterly financial and semi-annual programmatic reports;
 - . Possible response to report; and
 - . Possible site visit and beginning of review process for subsequent year funding.

The activities involved in the process serve PACT and the project agencies. For PACT, these activities provide the information and analysis necessary to select and monitor projects, as well as to build a relationship with the implementing PVO agency. From the perspective of the agency, these activities assist in project design and development, collaboration with other PVOs, evaluation, and other project implementation activities. The PACT staff and Project Selection Committee enter into these activities at different stages of the process.

In the last three years, PACT's Board, staff, and Project Review Committee have given considerable effort to systematizing the PACT proposal preparation and project review process. The PACT document "Information for Grant Applicants" of March 1980 reflected a year of discussion

on criteria, procedures, and definition of responsibilities and presents the requirements and guidelines for submitting grant applications to PACT. Especially in light of the increasing number of grant applications, the PACT staff has felt the need to handle more systematically the proposals submitted during the first stage of the PACT process. The whole process tends to revolve around the feverish preparations for the quarterly meetings of the Project Selection Committee.

The Questions Raised by PACT

PACT is intended by both its members and by USAID to be a responder to project activities initiated by other agencies. PACT does not design and operate projects itself. Nevertheless, PACT tries to improve projects through an ongoing dialogue on project design and operations. Most proposed projects are visited by a PACT staff member. The level of questioning often continues during the proposal preparation and the Project Selection Review, with many projects resubmitting proposals and providing additional information two or even three times. The questioning is repeated before second and third year refundings. The PACT questioning and review of projects is more detailed and persistent than that of most PVOs and large international donors. This dialogue is reported to have both its advantages and disadvantages. While many of the PVOs feel the process is helpful, others feel threatened; some feel both. This issue will be more fully examined in the discussion of member agency views and in the Chapter IV discussion of projects visited.

PACT Project Selection Criteria

A central part of the review process concerns the suitability of projects and their likelihood of being effective in terms of the PACT criteria. An issue, therefore, which has been central in the funding process is that of defining the criteria and objectives for selecting PACT projects. To select high-quality projects, PACT has to define the basic characteristics of such projects. This definition, intimately tied to PACT's overall development philosophy and policy concerns, has stirred much debate throughout the PACT membership, staff, and Project Selection Committee, especially during the review of the funding process in 1979-80.

In 1979, five selection criteria were approved by the Board:

- . The project should aim at improving the conditions of life of beneficiaries who have limited access to resources;
- . The project should address a locally determined need;
- . The project should contribute to the capacity of the beneficiaries to plan and manage the use of their own and/or outside resources;
- . The project should promote collective action among beneficiaries so that they respond not individually but together to their common needs; and
- . The project should include contributions by beneficiaries of ideas, time, and materials.

The discussion that ensued during and after this approval touched on several of these criteria. The targeting to beneficiaries with limited access had first been defined

in the staff recommendation as least access. The Board revised it to the less limiting definition. The criterion of collective action has at times been controversial. Some PACT projects, especially in sectors of housing and small business, had not included activities in community organization. Third, the emphasis on collaboration which had been a primary focus of PACT projects was no longer included as a PACT criterion.

The dialogue among staff, Project Selection Committee, and Board on the meaning and appropriateness of these criteria continues. The PACT staff has considered development of a list of indicators of the criteria, but reached no finished determination. In March 1982 the Project Selection Committee asked the staff for a review and summary of experiences or views related to the criteria for consideration at a special April meeting. Minutes of that subsequent meeting indicate that the Committee is still exploring the degree of vigor or of flexibility with which the Board and staff expect it to apply the project criteria in project decisions.

The appropriateness of a project in terms of the criteria is not the only factor reviewed in the project decision. A question of the level of risk that PACT should take in funding projects underlies other considerations. Two factors which determine the risk of funding a project are the institutional viability of the implementing organization and second, the experimental or unique aspects of the project. The ability of the organization to achieve expected results is difficult to assess. Strong organizational leadership and a successful track record are often good indicators of organizational strength. However, most organizations with these capacities already have the ability to

attract substantial international funds, and PACT's funds would have little distinctive impact on that PVO's development. PACT must compare the benefits of its funding (i.e., impact of the funds on organizational development) with the risks involved in funding an organization with neither strong leadership nor a proven record of accomplishments.

There are similar trade-offs in funding experimental or unique projects. USAID stated in a clarifying letter to RRNA, "We would look to PACT funding somewhat innovative activities." Although this interest was not explicit in the 1979 grant agreement, it is frequently mentioned in AID discussions of the special contribution expected of PVOs in the development effort. However, experimental or unique activities have a higher risk than already-proven, successful projects. Thus the PACT staff and Project Selection Committee must weigh the innovativeness of the project design against the project risks.

Like so many funding organizations, the level of trust that PACT has in the sponsoring organization becomes important in this funding process. Moreover, the relationship between the PVO participant and PACT is shaped by the process, as well as being a factor influencing the process. The risk PACT is willing to take in funding the project is tied to the level of trust PACT has in the sponsoring PVO.

The Project Selection Committee

The Project Selection Committee is central to PACT funding process. The Committee is appointed by the Board. The Committee is made up of seven persons, all of whom are independent of the PACT member agencies. The Committee members come from foundations and financial institutions

involved in international development, other private voluntary organizations, private consulting groups, and academic institutions.

The Committee functions with considerable independence from the rest of the PACT organization, including the PACT staff. While the Committee rejects only about one of seven projects submitted to it, it modifies budgets and establishes conditions for others. In general, the Committee questions tenaciously aspects of potential weakness in the projects it is reviewing. A number of PACT member agency representatives interviewed appear not to realize the extent to which the questioning process in which they are engaged with the PACT staff reflects, in part, the intense questioning that staff members undergo in making presentations to the Committee. One member respondent did attribute the level of detail on projects requested by PACT staff to the staff concern that it not be found lacking.

The Board's adoption of a more definitive set of project criteria in 1979 and 1980 came at a time when the need for more definitive guidance was expressed by the Project Selection Committee. As indicated above, the Committee continues to look for assistance in understanding the PACT expectations for its use of the criteria in its deliberations.

The Committee has functioned in considerable tension with the PACT membership. The previous Committee chairperson twice reported to the Board in 1979 his concern for better communication on policy, greater appreciation of the need for the Committee to function critically in the review of projects, and the need for firmer support by the Board

and members of the Committee decisions.¹ These reports also urged the institutionalization of an appeal process, which has been done in assigning the Executive Committee responsibility for handling appeals of Committee decisions. In one instance in which an agency wanted to appeal, it was discouraged by PACT staff from doing so, reportedly since it was felt that if this process were used frequently, it would undermine the whole independent review process. More than half the member agency respondents expressed concern that PACT staff members had to fulfill a dual role before the committee: on the one hand, the staff members defend the proposed project on behalf of the submitting agency and of the staff itself, which had approved its submission; on the other hand, the staff members are required to critique projects on behalf of the Project Selection Committee.

Representatives of member agencies, in turn, generally affirm support of the independence of the Committee, but raise a number of concerns. Frequently mentioned in the evaluation interviews was the Committee members' lack of country-specific knowledge of projects proposed and the recent policy against member agency representatives presenting their projects in person.

A number of member and Committee respondents suggested that the Committee might require its own staff to visit and assess projects independently and carry out the Committee's instructions for follow-up.

1. Douglas Hellinger, Committee Chairperson, letter to John Ribgy, Chairperson, PACT Board of Directors, May 17, 1979; and "Address to the Board of Directors of PACT," December 7, 1979.

PACT Funding of Projects
in This Grant Period

PACT Funding Decisions

The process of the project selection and funding described above places great demands on the PACT staff and the Project Selection Committee.¹

The new Project Fund guide (March 1980) called for concept papers as the first step in application. Since then, the number of concept papers received by PACT has increased substantially. In the last half of 1981, 64 concept papers with ideas for new projects were received (Table III-1). Screening the concept papers helps reduce the total number of full proposals which must be considered. Currently, the PACT staff invites a full proposal from one-third to one-fourth of the agencies submitting concept papers. Full proposals for new projects account for about half the funding requests submitted to the Project Selection Committee and refunding requests for current projects for the other half. In recent years, the PACT staff has submitted about 90 percent of proposals received to the Project Selection Committee. Only rarely does the staff reject a refunding proposal, although the questioning surrounding the resubmission may be similar to that at the time of the original decision. Along with the submission of proposals for consideration, the PACT staff gives the Project Selection Committee a list of the concept papers and proposals that were rejected.

1. This section does not discuss Supportive Activities Grants, which are considered in Chapter V.

Table III-1. Number of Concept Papers and Proposals Received, Presented to Project Selection Committee, and Funded, July 1979-December 1981

Item	July- Nov. '79	Dec. '79- June '80	July- Nov. '80	Dec. '80- June '81	July- Dec. '81
Concept papers received	26	39	30	47	64
Proposals received	48	21	31	27	29
Proposals presented to committee	21	21	28	25	26
Projects funded	16	19	22	23	23

Source: Memorandum to Board of Directors regarding Project Fund Report, November 16, 1981; and PACT staff.

The Project Selection Committee, in turn, has approved 85 percent of the proposals submitted by the staff during the current grant period. The effective acceptance rate is even higher because a few projects are returned with requests for resubmission and are then approved at a later meeting of the Committee.

Value of Grants

In all, PACT approved \$6.7 million in grants from the Project Funds from Fiscal Year 1979 through half of Fiscal Year 1982 (Table III-2). The approved grants represent the legal and financial obligations of PACT. However, for planning and programming, the projected refundings for approved projects are also important. The Project Selection Committee generally approves projects for a longer expected period of support from PACT than the usual one-year grant awards. During the current grant period, the sum of approved grants and projected refundings was generally greater than the authorized level of the Project Funds. Recently, \$1.9 million above authorized money in the Project Funds would have been required to meet the projected refunding request of current projects.¹

In contrast, by June 1981 the approved grants totaled \$600,000 less than available funds in the Project Fund. And generally through the grant period, the available funds were \$1 million or more than the cumulative grants approvals. It is this incomplete computation of available funds which both PACT staff and member agency representatives cite to substantiate the judgment, mentioned quite frequently, that the

1. This amount does not include grants by the Project Selection Committee, March 19, 1982.

Table III-2. PACT Project Fund, Availability
and Commitment of Funds, FY 1979-82^a
(millions of dollars)

Fiscal year	Commitments and projections						
	USAID authorized funds for Project Fund ^b		Approved new fundings and refundings		Projected refundings of approved projects ^c	Total	Excess over authorized Project Fund
	In period	Cumulative	In period	Cumulative			
1978 (carry over)	0.20	0.20					
1979	2.25	2.45	2.25	2.25	2.42	4.65	2.20
1980	2.88	5.33	1.89	4.14	1.60	5.74	0.41
1981	2.60	7.33	2.44	5.58	1.91	7.49	0.16
1982 ^a	--	7.33	1.14	6.73	2.50	9.23	1.90 ^d

a. PACT fiscal year is July 1 through June 30. Data for FY 1982 through December 31, 1981.

b. Actual or expected use of AID grant funds for the Project Fund. AID provides for flexibility between grant funds used for the Project Fund and for other purposes, especially for Supportive Activities Grants and PACT operations. Given the time required for submission and approval of refundings, the AID funds have generally become available in the latter part of PACT fiscal years, that is, in calendar year 1980 for FY 1979, and so on.

c. Projected refundings represent the best estimate of the PACT financial officer, based on full proposals approved by the Project Selection Committee. See discussion in text on refunding decisions.

d. June meeting of project selection.

Source: PACT audited annual financial statements, data provided by PACT financial officer, and RRNA adjustments.

approval of project grants has substantially lagged behind the availability of funds. One member stated, "PACT suffers from an embarrassment of riches."

PACT has granted an average of \$114,000 to 50 projects first funded in the current USAID grant period through December 1981 (Table III-3).¹ Some of these projects are in the earlier years of their expected period of funding from PACT, averaging about 2 years of funding to date. With the receipt by many of an additional year of PACT funding, the average grant per project will approach the average of the somewhat older group of projects represented by the field visit sites. The average grant for the field site projects is \$189,000; a quarter of these projects have received as much as \$300,000 from PACT. (The characteristics of the field visit projects are discussed in detail in Chapter IV.)

PACT Administrative Costs

The PACT \$3.2 million budget for FY 1981, almost all AID grant monies, was disbursed with 81 percent of funds for Project Fund and Supportive Activities grants and 19 percent for various programmatic and administrative expenditures (Table III-4). Expenditures for services allocated particularly to the Project Fund accounted for 12 percent of project fund grants in FY 1981, or approximately \$5,000 per annual project decision, including refundings. Thus the total PACT cost directly attributed to the Project Fund activity averages about \$10,000 for a two-year project; \$15,000 for a three-year project.

1. A few of these new grants were to LDC programs which had received a previous PACT grant as well.

Table III-3. PACT Grants Per Project, All Projects First Funded 1979-81^a and Visited Projects

Item	Projects Funded, 1979 - 81	Visited Projects
Number	50	19
Average PACT total grant/project (dollars) ^b	114,000	189,000
Average number of years of funding ^c	1.9	3.7
Average PACT grant/year (dollars) ^d	60,000	51,000
Distribution, size category, total grant/project	--- percent of total ---	
1 - 50,000	38	21
50,001 - 100,000	28	26
100,001 - 200,000	20	16
200,001 - 300,000	12	11
300,001 +	<u>2</u>	<u>26</u>
Total	100	100

a. Current USAID grant period beginning March 1979. Does not include projects selected March 1982. See text for discussion of likely final funding levels, given that a number of these projects are likely to receive additional funding.

b. Calculated by summing total grant amounts of projects and then dividing by the number of projects.

c. Calculated by summing the number of years of projects and then dividing by the number of projects.

d. Calculated by dividing total grant average by average number of years of PACT funding.

Source: Based on PACT project files and site visits.

Table III-4. PACT Grants and Expenses
FY 1979, 1980^a

Item	FY 1979	FY 1980	FY 1981
	-----number-----		
Project Funds grants, including refundings	37	45	55
	-----millions of dollars-----		
<u>Grants</u>			
Project Fund Grants	2.14	1.80	2.42
Supportive Activities grants and related programs	0.07	0.13	0.17
Subtotal grants	2.21	1.93	2.59
<u>Functional expenditures</u>			
Project Fund services	0.18	0.24	0.29
Service for Supportive Activity grants and other programs	0.07	0.10	0.15
Management and general	0.13	0.14	0.18
Subtotal functional expenditures	0.38	0.48	0.62
Total PACT expenditures^b	2.59	2.41	3.22
	-----percent-----		
<u>Proportions</u>			
Project Fund services expenditures/value of Project Fund grants	8.3	13.3	11.9
Functional expenditures/ value of grants	17.2	24.9	23.9
Functional expenses/ Total PACT expenses	14.7	19.9	19.3

(Continued)

Table III-4. (Continued)

Item	FY 1979	FY 1980	FY 1981
	-----dollars-----		
Average Project Fund grant	57,800	40,000	44,000
Average Project Fund services expenditures per Project Fund grant	4,900	5,300	5,300
Average total functional expenses per Project Fund grant	10,300	10,200	11,300

a. FY 1981 not available at time of preparation of draft report.

b. Subtotal grants plus program services.

Source: PACT audited financial statements, June 30, 1979; June 30, 1980; and June 30, 1981; this report, Table III-1.

In FY 1981, total expenditures for the functioning of PACT, including administration of the Project Fund, supportive activities, and general administration, amounted to 24 percent of the funds granted to LDC projects, mainly in Project Fund disbursements, but including Supportive Activity grants as well. The total of all these PACT functional expenditures, including the supportive activities, amount to about \$11,000 per project decision, that is, about \$11,000 annually per current project.

The functional expenses include a number of PACT-initiated program activities and services to members which would not be required just for the distribution of grants, but which fall within the mandate to assist the membership in improvement of their own services in developing countries. Thus PACT costs in setting up conferences, publishing a newsletter, assisting agency financial managers, and fall within the functional expenditures. (See description of other services, Chapter V.)

The proportion of functional expenditures in the PACT total budget rose substantially in FY 1980 compared with FY 1979 and held steady in FY 1981. Productivity related to project funding has increased slightly as the costs per grant of Project Fund services and all operations have not increased as much as the rate of inflation in the past two years.

Characteristics of Funded Projects

Basic Characteristics

While PACT has no policy of regional preference, well over half of the new projects funded during the current

grant period were in Latin America and the Caribbean (Table III-5). PACT staff leaders and the Project Selection Committee both express interest in a more even regional balance through an increased proportion for Africa and especially for Asia. The assignment of a resident representative for Africa and the work of a full-time regional representative for Asia are expected to assist PACT's response to this interest in new project selections. There appears to the evaluators to be an implicit preference of PACT for funding projects in "new" countries for PACT. Member agencies appear often to reflect a similar preference. The result is a wide dispersion of projects and almost no country concentrations. The 50 projects selected in the current grant period were in 30 different countries, with four multi-country projects. PACT staff interpret this dispersion as a reflection of responsiveness to proposals as they are submitted rather than an interest on the part of PACT.

Of the 50 new projects selected in the current grant period, member agencies accounted for 42 percent, non-members for 58 percent. This represents a substantially greater proportion of grants to non-members than earlier in PACT history. The distribution between members and non-members is reversed in terms of dollar value, however, although the non-member proportion has increased in recent years:¹

Fiscal Year	Distribution of dollar value of PACT grants	
	Members	Non-members
	-----in percent-----	
1979	81	19
1980	63	37
1981	60	40

1. Information provided by PACT.

Table III-5. Basic Characteristics of Projects Approved
by PACT, 1979-81, and Projects Visited
by RRNA

Item	Projects Approved 1979 - 81	Projects Visited ^a
Number	50	19
	--- number ---	
Geographical Area		--- percent ---
Asia and Pacific	14.0	-0-
Africa	30.0	36.8
Latin America	56.0	63.2
Total	100.0	100.0
Membership		
Member	42.0	63.2
Non-member	58.0	36.8
Total	100.0	100.0
Main sector(s)		
Agriculture	12.0	5.3
Cooperatives - production or consumer	12.0	5.3
Cooperatives - savings and loan	6.0	10.5
Small business (non-artisan)	6.0	21.1
Artisan	4.0	10.5
Health and nutrition	8.0	10.5
Community development	18.0	21.1
Training, education	16.0	10.5
Energy, appropriate technology	-0-	-0-
Housing	10.0	5.3
Other	8.0	-0-
Total	100.0	100.0
Type of activity ^b		
Community organization, organizational development	48.0	42.1
Training, education	58.0	68.4
Technical assistance	54.0	36.8
Credit	36.0	63.2
Other	4.0	10.5

Continued --

Table III-5. (Continued)

Item	Projects approved 1979 - 81	Projects Visited ^a
Ultimate beneficiaries		
Individuals/households	12.0	15.8
Small business	2.0	21.1
Community group	50.0	36.8
Community as a whole	38.0	26.3
Other	8.0	-0-
Total	<u>100.0</u>	<u>100.0</u>
Role of women		
No consideration	60.0	36.8
Some consideration of women's role	30.0	47.4
Focus on women in project or in one component	10.0	15.8
Total	<u>100.0</u>	<u>100.0</u>
Collaboration^b		
No collaboration	28.0	21.0
Institutional aspect		
with local non-member	24.0	31.6
with local member	6.0	21.0
with U.S. non-member	4.0	10.5
with U.S. member	18.0	47.4
with government	24.0	31.6
with other agency	16.0	-0-
Type^c		
Technical Assistance	40.0	21.0
Program Operations	30.0	47.4
Other	26.0	10.5

a. Some projects visited pre-date the current grant period and are not included in the group "projects approved 1979-81."

b. More than one category possible; total add to more than 100 percent.

c. More than one category possible; totals add to more than percentage of projects with some collaboration.

Source: Tabulations by PACT staff and RRNA based on PACT project files and site visits.

Agriculture, community development, and training and education were the sectors most frequently funded. In addition, many of the projects integrated activities in two or three sectors, such as agriculture, cooperative development, and community development.

Characteristics Related to Performance

For this evaluation, PACT projects not visited by the evaluators were categorized by the PACT staff according to the following aspects of performance: type of service, ultimate beneficiaries, role of women, and type of collaboration. RRNA evaluators provided a similar categorization for the field visit projects.

Most PACT projects involved at least two services or activities, including, in approximately half the cases, community organization, training and education, and technical assistance. Credit was of somewhat lesser importance.

The ultimate beneficiaries are the individuals, groups, or communities that have access to the project services. Beneficiaries are the recipients at the last link of the project activity chain, the "target population" whose improvement in standard of living is the purpose of PACT activity. For example, although PACT funds may pay for the training of agency staff (e.g., community extension workers), the staff is not considered the ultimate beneficiary; rather, such a beneficiary is the individual or community which receives the services from the extension worker. The distinction is often not clear-cut; however, the more indirect the linkage, the more difficult it is to define the ultimate beneficiary. The PACT staff and Project Selection Committee

have been in intense discussion with proposed and actual project agencies on this issue, especially for projects of staff training and of assistance to businesses. Community beneficiaries, either groups such as cooperatives or communities as a whole, account for the target group in 88 percent of the projects approved by PACT in the current grant period.

PACT does not have a policy-determined emphasis on projects for women although the Project Selection Committee has recently requested that such an interest be reflected in the criteria. The role of women in development efforts is raised frequently in the project write-ups prepared by the PACT staff and in the deliberations of the Project Selection Committee. PACT has recently hired a consultant to explore ways PACT and PVOs can build participation by women into project planning and implementation. Four of ten projects have some consideration of women's roles, but in just one out of the four has there been a focus on women or a project component working directly with women.

While collaboration is no longer a criterion of PACT in project selection, approximately three-fourths of the current projects have some collaborative arrangement and many projects have more than one. Collaboration is most common with local non-members and government agencies. Collaborative agreements range from the exchange of technical assistance (representing 40 percent of the current projects) to the integration of program operations (some 30 percent of the current projects). Other types of collaboration include representatives of one organization serving on the Executive Committee of another and information exchanges and coordinating meetings between organizations.

Member Views on the PACT Funding Process

Directors of the PACT Board are in general agreement about the nature of the PACT funding process and its most characteristic features.¹ These same respondents differ substantially in their assessments of the effectiveness and usefulness of the process. Even those who differ, however, have quite similar recommendations for improvement of the process.

Member agency representatives report almost unanimously that PACT handles efficiently and non-bureaucratically the administrative aspects of funding projects. Once a project is approved, PACT handles with dispatch the contractual requirements and the distribution of funds. Formal reporting requirements are reasonable. Some members mentioned a lack of response to reports or lack of clarity by the PACT in communicating what was wanted in programmatic reports, but this was not a general or serious issue.

Respondents reported more dissatisfaction and problems related to the decision-making aspects of the PACT funding process, especially to the questioning with which the PACT staff and Project Selection Committee respond to new proposals and refunding requests. Most respondents considered

1. Based on interviews with 13 Directors of the Board (or in some cases, executives of member agencies who were not serving as representatives on the PACT Board at the time of interview). This includes eight U.S. member agencies, three IDC member agencies, and two non-member Directors. Where there was more than one person interviewed from an agency, the agency as a whole was considered as a respondent; responses were categorized for the group as a whole. Differences of opinion within the same agency were categorized under "mixed" assessment. Excludes information from one U.S. member agency executive interviewed briefly by telephone and from one IDC member agency whose current staff was not involved in PACT organizational affairs.

PACT as quite unique among funding agencies in the extent and persistence of its questioning, which usually focused on suitability of projects in terms of the PACT criteria and in terms of other issues of organizational ability and indigenization of project staff in the LDCs.

Almost half of the agency respondent group (including non-member Directors of the Board) describes this process in predominantly positive terms, even though problems were mentioned in just about every interview (Table III-6). One member agency respondent states, "PACT questions were, in fact, helpful. They made us think in a focused manner." Reported another member agency respondent, "I could not say enough about PACT's involvement. They were not just a donor, but a collaborator in every aspect of the project."

Just over half the respondent group of member agency representatives and non-member Board directors, seven of 13 agencies, reported considerable disagreement and distress with the PACT project decision process and with the decisions taken. In the case of four of these agencies, respondents indicated a combination of some positive assessment along with disagreements mentioned, or different respondents in the same agencies expressed different assessments of the PACT process. For three of the agencies, the disagreements and distress with the PACT questioning process were predominant. Generally, expressions of dissatisfaction were related to experiences in having a proposal rejected, sent back for revision, or having a proposed budget reduced by the PACT staff or by the Project Selection Committee.

A number of issues were raised frequently in the expression of concern about the process, including the interviews with respondents whose assessment was predominantly positive.

**Table III-6. Views on PACT Funding Process,
PACT Board of Directors and Other
Member Agency Representatives**

Aspect of PACT Funding Process and Views	Number	Percent of total
Questioning process		
Predominately positive aspects	6	46
Some positive aspects, considerable negative aspects	4	31
Predominately negative aspects	3	23
Appropriateness of PACT criteria as principles for PVO development		
General agreement	7	54
Disagreement with one or more	6	46
PACT strictness in selecting projects		
Should be more strict	0	0
OK now	4	31
Should be less strict	9	69
Ease of securing funds from PACT than AID		
PACT easier to work with	6	46
AID easier to work with	4	31
Not discussed	3	23

Source: RRNA characterizations of respondent views, based on interviews with 13 members of the Board of Directors and other staff of member agencies.

Many persons interviewed spoke of perceived structural conflicts within PACT, particularly in the roles of staff in screening projects and in presenting projects to the Project Selection Committee. The staff was described as having to serve the membership on the one hand and judge and screen project proposals submitted by members on the other. Likewise, the PACT staff serves also as staff for the Project Selection Committee, but also has to serve as advocate of the sponsoring agencies of projects submitted to the Committee.

Despite the fact that the criteria were approved by the Board, there is some disagreement on the criteria. Often this disagreement is phrased in terms of the way the criteria are interpreted by staff of the Project Selection Committee, rather than with the criteria per se, although this distinction is difficult to apply in particular instances. Disagreement focuses on the first criterion, which defines the target group, and somewhat on various aspects of participation on the fourth concerning collective action.

A criticism made frequently in the interviews involved the level of detail of information on projects requested by PACT. The guidelines for project information were not criticized in this regard, but rather the subsequent process of questions. This criticism was directed at the Project Selection Committee as well as staff. A few respondents attributed the level of detail requested by PACT staff to the fact that staff did not know what questions the Committee members would ask and, therefore, tried to be ready for whatever questions might come up in the Committee discussions.

Most U.S. member representatives disagreed with the Committee's limiting member appearances. The feeling of the committee members that agency executives appearing at the meeting placed undue pressure on the independence of the committee's deliberations is reported as one reason for the limitation. The Committee also took into account the substantial time taken up by personal presentations of projects. A few respondents connected the lack of member appearances before the committee with the criticism relating to the level of detail which the PACT staff has to ask in preparation for submission of proposals to the Committee. The opinion was expressed that such preparation would not be necessary if the sponsoring agency representative who knew the proposed project and its in-country situation were able to respond directly to Committee concerns and questions.

A number of respondents from among the LDC members and the non-member Directors supported the current process of discouraging agency appearances at Project Selection Committee meetings. Some respondents expressed concern that PACT did not appear to "trust" the member agencies or recognize the member's own expertise and process for selecting and designing projects. The majority of respondents, including those most supportive of current criteria and procedures, were of the opinion that PACT could be less strict in the screening and review of projects (Table III-5).

Members generally did not address the question of how PACT was to allocate limited funds if PACT were less strict, in part because of the general perception that PACT generally commits considerably less funds than it has available (see previous section on PACT Project Fund).

A number of U.S. member representatives expressed the belief that PACT staff and Project Selection Committee were less exacting in their demands on proposals submitted by LDC

agencies. The LDC member representatives (as well as other LDC agencies interviewed in the field) believed that U.S. member agencies had a decided advantage in obtaining approval for proposed projects because of their nearness to PACT and their ability to put pressure on the PACT staff and Committee.

Conclusions

Conclusions concerning the PACT process of project funding are presented at the end of Chapter IV, after the consideration of the findings presented here in light of the field visits to specific PACT-funded projects.

IV. PERFORMANCE OF PACT-FUNDED PROJECTS

Overview of Projects' Effectiveness

How effective are the projects funded by PACT? How effective, that is, in achieving PACT and USAID goals for improving the standard of living of people in developing countries who have limited access to resources? To answer this question, the evaluation considers the 19 projects visited, which appear reasonably representative of the group of 50 new projects funded by PACT in the current grant period. The RRNA assessment is that most of these projects are performing in a satisfactory way. These assessments reflect judgments about particular project characteristics which indicate whether intended beneficiaries are likely to be better off (Table IV-1). The project characteristics assessed include:

- . fulfillment of PACT project criteria;
- . implementation of intended activities; and
- . cost effectiveness.

In the absence of in-depth evaluations based on comparisons of baseline and later data, these characteristics provide useful indicators of whether intended beneficiaries are likely to be better off as a result of a given project. Furthermore, each characteristic represents an aspect of

**Table IV-1. Summary of RRNA Assessment of
Performance of Visited Projects
Assisted by PACT**

	Fulfill criteria	Implement intended activities	Operate in a cost-effective way
Not assessed	0	1	1
Unsatisfactory	3	3	7
Satisfactory	11	10	7
Satisfactory with some problems	4		
Good	7		
Excellent	<u>5</u>	<u>4</u>	<u>4</u>
Total	19	19	19

Source: RRNA, Tables IV-2 and IV-6.

project development which is important in its own right. For example, the PACT criteria related to participation by beneficiaries are integrally related to the PACT and USAID interest that projects involve self-help approaches which are considered more "developmental" in their dynamic impacts beyond the immediate delivery of services.

This chapter details the performance of PACT-funded projects according to these criteria. This report does not report the ratings of individual projects in terms of these indicators. Agency respondents were generally open in discussing perceived strengths and weaknesses and confidentiality was promised.

Five of the 19 projects visited appear "excellent," that is, exemplary in terms of fulfilling PACT criteria. These projects are focused on different tasks, but have some common characteristics. Generally, these projects rate well also in terms of implementation of projects and cost-effectiveness. The ability of the project agency to provide a good design in terms of targeting and participation appears to be correlated positively with these other indicators of effective management. Certainly the various aspects of local participation considered in the PACT criteria contribute to implementation and cost-effectiveness. The characteristics of these excellent projects also contribute to another notable feature: each of these projects is currently expanding or being used as a model in other programs. Expansion is usually proceeding according to an internal momentum as other communities observe the project benefits and try to initiate similar approaches.

Generally, by most standards of effectiveness, over half the projects are judged "satisfactory." In terms of

the PACT criteria, more than a third of the projects are "good," that is, excellent in terms of some criteria, but not consistently high enough to be in the "excellent" category as a whole.

A few projects visited were assessed as "poor" in terms of PACT criteria and effectiveness in implementing proposed activities.

Thus, in terms of PACT criteria and implementation, most projects visited appear at least satisfactory and the majority appear good or excellent. Cost-effectiveness was generally a more problematic standard, with more than a third of the visited projects judged unsatisfactory by the RRNA evaluators. This chapter also presents the reasons for this more negative assessment of cost-effectiveness.

The Projects Visited

Characteristics of Visited Projects in Comparison with PACT Portfolio

Generally, the characteristics of the projects visited were quite similar to those of the PACT projects funded in the current grant period (see Table III-5). These similarities indicate in a preliminary way that the visited projects are reasonably representative of the total portfolio of projects first funded by PACT in the current grant period. (The visited projects include some which pre-date the current grant period; these older projects are not part of the group of projects newly funded in the current grant period.) The differences are notable for the interpretation of the field visit findings.

Total grants from PACT among the visited projects averaged \$189,000, about two-thirds percent higher than for the group of all projects first funded by PACT since March 1979. This difference reflects the greater number of years the visited projects had received funds from PACT, although the average PACT grant per year appears similar. The longer time of experience with PACT actually was useful for the evaluation since respondents from older projects were able to discuss more fully their views on the PACT assistance and process.

Given that the field visits excluded Asia, the regional balance between Latin America and Africa was just about the same for the projects visited and for all PACT projects.

The visited projects included proportionately more member agency efforts than the PACT portfolio as a whole. This again reflects in part the older history with PACT of visited projects and also the evaluators' intent to select a representative group of PACT member agency sponsors for the evaluation.

All the main sectors of PACT projects as a whole are represented in the visited group as well, even though the proportions differ considerably in some cases. The proportion of visited projects involved in agriculture is understated in the categorization by "main" sector, since the visited production cooperative and community development projects all involve agriculture.

The visited group has relatively more small business and artisan projects than the current PACT portfolio as a whole, and therefore more small businesses as ultimate

beneficiaries as well. The PACT portfolio in the earlier 1973-79 period had a much higher proportion of small business projects, 31 percent.

Among the characteristics related to project performance, there is a reasonably good match between the total PACT-funded projects and the visited projects, with a few notable exceptions. Both groups offer various types of service with similar frequency, although the visited projects are more likely to provide credit. Given the greater proportion of visited projects assisting small business, such organizations are more often defined as the ultimate beneficiary and community groups are less likely to be so defined than in the PACT-funded projects as a whole.

The Field Visits

RRNA evaluators visited all selected project sites. The RRNA two-person team included the project director in both the Latin America and Africa trips. A review of documentation preceded each visit and, in the case of projects sponsored by U.S. agencies, visits with U.S. agency representatives as well. In country, evaluators first met with the project leadership and then visited project activity sites. On-site the evaluators generally met with field staff and some project beneficiaries. Generally, the project staff chose the beneficiaries. In all, RRNA evaluators visited project sites for 17 of 19 projects and one of the other three LDC PACT members.

Latin American Projects

Of the 12 Latin American projects visited by the RRNA evaluators, eight are in Colombia, with two each in the Dominican Republic and Honduras (Table IV-2; more detailed descriptions of the projects visited are in Appendix D).

Table IV-2. Basic Information on Field Projects
Visited by RRNA^a

Project/number	Agency	Country	Main sector	Years of FACT funding	PACT grant total, dollars
Latin America					
Handcraft Development (#019)	FDD	Dominican Republic	Artisan business development	1976-81	310,050
Social Services and Small Loans (#036)	MUDE	Dominican Republic	Women community development	1977-79 1980-81	165,000
Housing, Urbanisation and Serranias (#05; #052, #104)(#021) ^b	Servivienda	Colombia	Housing	1977-79 1979-81 1981-82	242,951 ^c
Social Services ^b (#100)(#021) ^b	CIDES	Colombia	Savings and Loan cooperative	1977-80 1981-82	69,100 ^b
Integrated Development Program (#011) ^c	Hogar Escuela, CECIL	Colombia	Non-formal education/community development	1977-82	156,892 ^b
Integrated Rural Development (#097)	INCA	Colombia	Community development	1981-82	90,360
Training of Village Women (#063)	Save the Children	Colombia	Women/community development	1979-82	74,400
Appropriate Technology (#053)	FUNDAEC/ VITA	Colombia	Agriculture/ appropriate technology	1979-82	286,800
Micro-Enterprises Development (#033)	Carvajal Foundation/ AITEC	Colombia	Small business development	1977-79	79,400
Micro-Enterprises (#037)	FUNDES	Colombia	Small business development	1976-78	46,200
Radio School Curriculum (#057)	ACPA IED	Honduras	Radio education	1979 ^d	68,000
Water Resource Development (#063)	CEDEM IVS	Honduras	Health	1979-82	306,000

(Continued) --

Table IV-2. (Continued)

Project/number	Agency	Country	Main sector	Years of PACT funding	PACT grant total, dollars
Africa					
Maternal Training (0066)	RCM	Kenya	Health; Nutrition	1981-82	25,400
Small Business Development (0155)	FIT, Kenya FIT, USA	Kenya	Small business	1973, 1979-81	369,521
Small Business Development (0177)	Technoserve	Kenya	Cooperative-savings and loan, agriculture	1973-81, 1981	578,200
Small Business Development (0211)	FIT/Liberia LAWCO	Liberia	Small business	1974-80	340,400
Participatory Training (0276)	World Education, FIT/Liberia	Liberia	Agriculture and community development	1980-82	68,500
Integrated Rural Development (0235)	CFADDC	Senegal	Agriculture and Community Development	1977-80	174,200
Vocational Training (0065)	FNASS Goodwill Industries of America	Senegal	Small Business	1978-1981	49,400

a. Nineteen projects were visited by the ERNA team during the months of January - March, 1982. Summaries of these projects are presented in Appendix D of the report.

b. Integrated Development Program (0211) involved four agencies.

c. Serrivienda received additional funds from previous PACT grants.

d. Terminated in 6 months.

Source: Based on PACT documents, field and U.S. agency interviews, and specific site visits for the 19 projects.

Included in the site visits were a number of projects which have been in the PACT portfolio for a half decade or more and which appear representative of PACT involvements which began in that period. These projects include two which have received over \$300,000 each in PACT funds over the years: local craft development for commercial sale sponsored by the Dominican Development Foundation; and the low-income housing program using new technologies initiated in Colombia by PACT member SERVIVIENDA, which manufactures pre-fabricated units for about U.S. \$1,000. The most recent PACT grant to SERVIVIENDA supports community services and organizational efforts. Other older projects visited include two programs of technical assistance and credit to micro-businesses in Cali, Colombia, sponsored by the Carvajal Foundation and by FUNDES. Carvajal provides training in business subjects as a prerequisite for loans and had on staff a technical advisor supplied by PACT member AITEC. The FUNDES loan program has had high levels of delinquency and has arranged to join its programs with the Carvajal Foundation.

In funding MUDE in the Dominican Republic, PACT supported one of its first projects of community organization for rural women. The program had a difficult start in 1977 and received additional funding from PACT in the current grant period. The Save the Children's integrated rural development project in Colombia is a more extensive program of similar purpose in community organization and nutrition training for rural women, but with only modest amounts of PACT funds. The project involved extensive collaboration. PACT member World Education provided technical assistance for evaluating training programs. The Save-sponsored women's groups continue to be joined in a kind of regional federation with the women's programs of the National Coffee Association of Colombia.

Other projects reflect increased funding of community organization and development in the current grant period, including over \$300,000 in three years in Honduras for the local program of well drilling and latrination with high levels of contributed local resources, with a technical advisor supported by IVS; and a similar annual level recently for the approved PACT assistance integrated rural development programs in approximately 100 Colombian communities promoted by IMCA, a well-established local agency. Another program receiving substantial PACT funds is FUNDAEC in Colombia, a rural university training rural residents in new technologies and experimental method in agriculture. Recently, FUNDAEC has increased its emphasis on organizational development in the communities in which the program graduates are ultimately expected to support themselves.

One of PACT's major efforts to support collaboration began in Colombia in 1977 among four organizations: SERVIVIENDA, CIDES, Hogar Escuela, and CECIL. Although the effort to combine experience in housing, savings and credit, and non-formal education did not fully succeed in terms of formal collaboration, programs are still arranging new collaborative efforts with each other. The first three named organizations have received PACT grants for their individual programs during the current grant period.

The PACT-funded technical assistant from IED to the educational radio program of ACPH in Honduras was stopped after six months when the technical assistant and the local agency leadership could not resolve differences on job definition.

African Projects

Of the seven projects visited by the RRNA team in Africa (excluding the consortium CONGAT in Togo), the main sectors included small business, agriculture and community development. Other sectors represented in the visit included health/nutrition and cooperatives (savings and loan associations). The main activities of the small business projects involved technical assistance to beneficiaries (PFP/Liberia, PFP/Kenya, Technoserve), while the agricultural projects (OFADEC, WE/PFP/Liberia) have been more involved in community organization in addition to their technical assistance.

The oldest projects among those visited in Africa involved business development (PFP/Kenya, Technoserve, PFP/Liberia), and were started in PACT's first years. The most recent projects have involved community development (OFADEC), health/nutrition and agricultural community development (MIM/Kenya, WE/Liberia).

Among the PACT-funded projects visited there appears to be a greater relative emphasis on technical assistance projects in Africa than in Latin America. In fact, there were four technical assistance projects in Africa and only three in the Latin American group of countries visited by RRNA. Nonetheless, no single activity is noticeably under-represented among the African projects. The distribution of activities among the seven projects visited by RRNA is fairly uniform (Table IV-2).

Africa also contains excellent examples of projects with interwoven activities. OFADEC in Senegal is exemplary in its combination of community organization, training, and

technical assistance. FNASS, the vocational training program in Senegal, also does a good job of combining training, credit, and group awareness in one project. Other projects such as PFP/Kenya and PFP/Liberia have moved in the direction of connecting several activities in one project.

In the African projects, beneficiaries generally come from two categories: individuals/households and small business groups. In a few of the projects, beneficiaries come from communities, whether they be community groups or the community as a whole. This is in contrast to Latin America where there is more of a balance between these groups. Nevertheless, at least one organization in Africa (PFP/Kenya) has started to change direction, paying more attention to community groups such as the farmers in the village of Chekalini who have banded together to build an irrigation system.

Collaboration among organizations in Africa appears limited. The one current example of collaboration among PACT members is in Liberia (PFP/WE)g. None exists in Kenya where two organizations are performing related technical assistance activities. In 1973, PACT's first Kenya grant was for collaboration between the Kenya program of PFP and Technoserve, with VITA as a third agency. However, the joint effort did not succeed. More collaboration exists between PACT members and non-members, but this is also fairly limited. Cases of this type of collaboration appear in Senegal (Goodwill Industries/FNASS) and Kenya (MFM/Kenya Freedom from Hunger).

Assessment of Projects Funded by PACT

PACT Criteria and Indicators

PACT criteria are intended to provide an indicator of whether the intended beneficiaries are likely to be better off as a result of the project effort. It is useful for this evaluation to assess the degree to which projects PACT has funded meet these criteria. USAID has accepted the usefulness of the criteria and RRNA does as well, supplemented by additional indicators of project effectiveness.

To facilitate the assessment of the 19 visited projects according to the five PACT criteria, RRNA evaluators prepared a list of indicators for each of the criteria (Appendix B). These indicators serve as a guide, not as a rigorous measure; but they do provide a framework for judging the degree to which the criteria were met in widely varying situations.

The indicators define specific ways a project might demonstrate its effectiveness according to PACT criteria. The list is not exclusive; project representatives were first asked to give their own descriptions of how their projects met the criteria. Discussions between project representatives and RRNA evaluators -- as often between representatives and PACT staff -- concerned the degree to which either self-defined indicators or those suggested by the evaluators could be demonstrated convincingly.

Before the visit, RRNA specified a list of indicators to serve as guidelines in the assessment of whether each of the criterion were being met in a given project (Instrument No. 2, Appendix B). The indicators were not used as a check-

list of subcriteria which had to be met, but rather as a list of potential conditions, any one of which could be sufficient to confirm the suitability of a project. For example, the first criterion of targeting the project to beneficiaries who have limited access to resources could be met by any one of a number of statistical indicators or conditions of low income and isolation which could be explained by the project agency respondents or observed by the evaluators.

RRNA evaluators assessed each project visited according to each of the five criteria. A simple rating scale was used:

- . Don't know; not assessable
- . Unsatisfactory/borderline
- . Satisfactory/adequate
- . Excellent

Generally, the criteria were met at least adequately in about four-fifths of the assessments made for the 19 projects visited (Table IV-3). Each of the criteria was fulfilled in an excellent way by some projects. In terms of the fifth criterion concerning beneficiaries' contributions, most projects appeared adequate, but just a couple were judged as excellent; most were expecting long-term outside material support in excess of the probable value of time and materials provided by beneficiaries themselves. Most projects received some varying ratings according to the five criteria. More than half the projects received at least one "borderline/unsatisfactory" rating and more than half also received one or more "excellent" ratings. Nevertheless, high ratings for the five criteria tended to be concentrated in the same projects, as was the case also for low ratings.

Table IV-3. RRNA Assessment of the extent to which PACT Criteria are Met by the Visited Projects

Criteria	Assessment			
	Don't know/ not applicable	Unsatisfactory borderline	Satisfactory adequate	Excellent
1. Targeted to limited access population	1	3	8	7
2. Address locally determined need	0	6	7	6
3. Contribute to capacity of beneficiaries to plan and manage resources	1	3	6	7
4. Promote collective action	0	5	9	5
5. Include contribution by beneficiaries	0	3	14	2

Source: RRNA assessments, based on field visits and review of documentation.

This correlation would be expected, given the interrelatedness of the criteria and the ability of good leadership and strong community participation in a given project to perform consistently in many aspects of the project life.

Five of the 19 projects visited were assessed as predominantly "excellent" in terms of the PACT criteria (Table IV-4). Another seven projects were judged "satisfactory/adequate" in terms of most criteria and were rated "excellent" in one or more others as well. Four projects which had some shortfall in terms of PACT were assessed as "satisfactory/adequate." Only three projects were consistently unsatisfactory.

Comparison of PACT and RRNA Views on Projects According to PACT Criteria

In addition to assessing the group of projects according to the PACT criteria, RRNA compared its assessments with those made independently by PACT regional representatives.

The two sets of judgments show widespread agreement between the RRNA evaluators and PACT staff about the projects (Table IV-5). The proportion of "excellent," "good," "satisfactory," and "poor" projects in the PACT assessment of the visited projects matches very closely with the RRNA ratings.

The summary results do submerge some differing judgments between the RRNA evaluators and the PACT staff within the larger context of agreement. That is, while PACT and RRNA both agree on the relative proportions of good and bad projects, there were considerable differences on how to categorize particular projects, and even more difference

Table IV-4. RRNA Assessment of Visited Projects
According to PACT Criteria

Rating	Assessment results according to ratings for 5 criteria	Number of projects
Unsatisfactory	"Unsatisfactory/borderline" predominates	3
Satisfactory Satisfactory with same problems	"Satisfactory/adequate" predominates with one or two "unsatisfactory/ borderline"	4
Good	"Satisfactory/adequate" predominates with one or two "excellent"	7
Excellent	"Excellent" predominates	—
Total		19

a. Includes one project with 2 "unsatisfactory/borderline," 2 "satisfactory/adequate" and 1 "excellent."

b. Includes one project with all criteria "satisfactory/adequate;" one project with 1 "unsatisfactory/borderline;" 2 "satisfactory/adequate;" and 2 "excellent;" and one project with 1 "unsatisfactory/borderline," 3 "satisfactory/adequate" and 1 "excellent."

Source: RRNA assessments, based on field visits and review of documentation.

Table IV-5. RRNA and PACT Assessments of Visited Projects According to PACT Criteria

Rating ^a	RRNA	PACT	Same projects in rating category
Unsatisfactory	3	3	1
Satisfactory			
Satisfactory with some problems	4	4	1
Good	7	6	5
Excellent	<u>5</u>	<u>5</u>	<u>4</u>
Total	19	18 ^b	11

a. See definitions, Table IV-4.

b. PACT staff members providing assessments were not personally familiar with just one project which had terminated a few years ago and did not rate it.

Source: RRNA assessments, based on field visits and review of documentation and assessments of PACT regional representatives as reviewed by other staff members.

about particular criteria for a given project. Overall PACT and RRNA placed 11 of 18 projects in the same categories. Agreement between PACT and RRNA tended to be high in placing projects in the top two categories. This agreement indicates that for the projects which met the PACT criteria well, the RRNA evaluators and the field representatives were able to use the criteria consistently in identifying the better projects and even in distinguishing "excellent" projects from "good" ones.

When the results of the assessments of particular criteria are categorized in an overall rating for each project, RRNA evaluators and PACT staff agreed in just two of seven cases. However, this result tends to exaggerate the differences. A substantial share of the disagreement was for particular projects and criteria in which the RRNA evaluators themselves found categorizations difficult between "borderline" or "satisfactory," in the broad classification system used.

Differences in assessment of the same project appear to reflect more the differences in interpretation about the criteria themselves, rather than differences in views on the particular project. There was substantial agreement on Criteria 1 and 4, beneficiary access to resources and collective action. In applying these criteria, RRNA and PACT agreed in 14 of 18 projects. There was considerable disagreement, however, on Criteria 2, 3, and 5, respectively, identification of local need, increased management of resources, and beneficiary contribution.

Assessment of Effectiveness in Implementation
and of Cost-Effectiveness of Visited Projects

Effectiveness in meeting PACT criteria indicates a project's potential for improving the standard of living of poor people in developing countries. To a lesser extent, effectiveness in continuing to meet the criteria is an indicator of project performance as well. Two other aspects of project performance are also important for an evaluation of whether people have benefitted: the project's effectiveness in implementing its plan and its cost-effectiveness.

Effectiveness in Implementation

The RRNA evaluators questioned project representatives about a project's effectiveness in implementation mainly in terms of the project's ability to execute the program and activities set out in its proposal. However, evaluators also asked about a project's response to problems and about unexpected results, so that the assessment of effectiveness in implementation could be based on judgments about the whole program.

RRNA evaluators rated about three-quarters of the visited projects as being at least adequate in implementing the proposed program (Table IV-6). The four projects judged as unsatisfactory in implementation either failed to carry out a main activity or fell greatly short of one or more key performance targets. Even among the more satisfactory projects there were often serious delays in start-up of planned activities. One project was not evaluated because it was first funded by PACT in late 1981.

PACT regional representatives in Latin America and Africa provided an independent assessment of the projects' implementation of proposed programs. Generally, the PACT staff members placed in the "unsatisfactory" and in the "excellent" categories a few projects which RRNA evaluators had characterized as "satisfactory."

Generally, the PACT staff members were quite tough in assessing projects, categorizing more than a third as "unsatisfactory/borderline" (Table IV-6). These projects included a number which RRNA evaluators had judged as "satisfactory," but for which the PACT staff appear to have considered "unsatisfactory" due to critical delays and missed targets in earlier years which would not have been weighted as heavily in the work of the RRNA team.

Cost-Effectiveness

Cost-effectiveness of projects is a major concern of both PACT and AID. It is not one of the five PACT selection criteria, but concerns for cost-effectiveness are listed under desired "characteristics" of projects described in the Project Fund guide. PACT staff often raise issues of cost in relation to criteria; for example, project costs in relation to number of beneficiaries who clearly fall within the limited access criteria, costs in relation to expected increase in income, assets and other resources managed by beneficiaries, and costs in relation to the contributions of the beneficiaries themselves.

For most projects a central aspect for the assessment of cost-effectiveness would be the income gain of beneficiaries and communities as a whole compared with all the project costs. The RRNA evaluators did not have such

Table IV-6. RRNA and PACT Assessment of Implementation and Cost-Effectiveness of Visited Projects (Number of projects)

Item	Criteria			
	Don't know/ not applicable	Unsatisfactory/ borderline	Satisfactory/ adequate	Excellent
<u>Effectiveness in Implementation</u>				
RRNA Assessment	1	4	10	4
PACT Assessment	3	6	3	7
<u>Cost-Effectiveness^a</u>				
RRNA Assessment	0	8	6	5

a. Components of these assessments are discussed in the text.

Source: RRNA assessments, based on field visits and review of documentation and assessments of PACT regional representatives as reviewed by other staff members.

rigorous data for the projects visited, although many projects had ascertained whether specific activities were breaking even in terms of receipts from sale of products compared with direct project costs. Therefore to assess cost-effectiveness, RRNA evaluators considered various indicators, including the following:

- . evaluations provided by the project which demonstrated cost-effectiveness, at least in major components of the project;
- . increasing levels of self-support of a project from resources generated by the project itself;
- . establishment of profitable farms, coops, or businesses;
- . evidence of increased income or other improvement in standard of living of beneficiaries which are substantial in comparison with costs;
- . evidence of employment of previously unemployed or underemployed persons at levels of subsidy which appear low in terms of cost per job; and
- . ability to produce service at cost which is lower or at least comparable to that of other similar programs in the area.

According to these indicators, RRNA assessed 11 of the projects visited as adequately cost-effective, and five of these were considered excellent. Seven of the projects were judged as not cost-effective (Table IV-6).

The excellent projects in terms of cost-effectiveness indicate the potential for PVO efforts at their best:

- . A non-formal education and community development program using few paid staff, an extensive network of volunteers, and cassettes and tape recorders for education and outreach;

- . An agricultural cooperative program using high amounts of beneficiary labor and generating sufficient savings for the coop within a few years to replace all capital equipment; start up costs by technology used are low-cost enough that a number of other communities have been encouraged to establish similar cooperatives and production;
- . Manufacturing of pre-fabricated housing organized as a self-sustaining business even with prices being set at less than the market would bear;
- . Extension and training program for community organization and economic development now involving so many villages that costs of large professional staff at modest salaries with high supplement of volunteer time become low relative to extent of service and of economic impact in these villages.

Some of the satisfactory programs are also instructive in indicating PVO potential for cost-effective impacts:

- . One vocational training program for very disadvantaged persons, for which costs of approximately \$3,000 per trainee seemed relatively high, except in comparison with a vocational program of similar goals and duration but less disadvantaged participants, sponsored by another USAID-funded project in the same country, in which costs per trainee appear to be three to five times as high.
- . A community well drilling and water system program which required communities to provide 20 percent of direct costs in cash, repay loans for all other direct costs, and maintain the system. These requirements were difficult for communities to meet, but the program has persisted with increasing rates of loan repayment and the planned level of new annual starts expected in 1982.
- . A program of technical assistance which produces high levels of potential savings to credit cooperatives; in this case continuing relatively high and subsidized operating costs prevented an "excellent" rating;

- . A program of technical assistance and credit to small businesses which requires participation in training courses before credit is provided;
- . A savings and loan cooperative covering an increasing share of operational and training expenses and increasing savings and substantial interest payments of members; and
- . A program of credit for community groups where the policy committee representing the beneficiaries has set market-level interest rates under which the program is continuing to function with low default rates on loans.

Despite these instructive positive examples, more of the projects visited were judged unsatisfactory according to the cost-effectiveness standard than according to effectiveness in meeting PACT criteria and implementing the planned program. Seven of 18 projects assessed were rated unsatisfactory or borderline in terms of cost-effectiveness.

Some of the problems of these projects are as follows:

- . Some carried out well certain aspects of their program, but fell far short of the proposed level of activity so that the "unit costs" became very high given the staff and operational expenses;
- . Others achieved a certain impact, but continued services to businesses absorbing high levels of subsidy without evidence of sufficient economic gain for beneficiaries to enable them to cover a higher proportion of costs;
- . One had administrative costs about four times as high as another visited project which had a broader outreach and impact.

A few were providing one-to-one services to beneficiaries that produced high cost in terms of both project design and operations;

Some changed directions or were so delayed in start-up that the total cost-efficiency was low, even though the project may be operating more efficiently at present.

In a few instances, newer projects may still take corrective actions and become more cost-effective. However, the assessments do not reflect a bias of judging newer projects more negatively than older ones.

One general result stands out in both Latin America and Africa: projects which perform well on the PACT criteria also tend to perform well according to the measure of cost-effectiveness. In the 11 cases where projects were judged cost-effective by the evaluators, they were also judged to meet the PACT criteria in a good or excellent manner. The reverse also turns out to be true. Projects which the RRNA evaluators felt were not cost-effective, were judged, in all cases except one, as unsatisfactory or borderline according to the PACT criteria.

The Difference PACT Makes

This evaluation of PACT must include an assessment not only of the projects PACT has funded, but also of the difference, if any, which PACT has made in the performance of the projects. This impact of PACT can come through the effect of the funds distributed and through the process by which PACT relates to the LDC projects.

Importance of PACT Funds

The total fundings by PACT over the life of a project and the average annual grants constitute relatively small amounts. For all the projects visited, the average total

PACT grant to date was \$188,000. For a selected group of 10 older projects which has received funding for 2 or more years, the average reached \$274,000 (Table IV-7). The annual averages were in the \$50,000 range.

Given the size of the funds received from PACT, it is important to consider in light of the findings of the field visit whether the PACT funds had supplementary impacts beyond what is indicated by the absolute dollar amounts.

The funds from PACT have actually played an important role in most of the projects visited. Key features of PACT funding identified in the field visits are as follows:

Timeliness of Funding:

- . Funding during early years; and
- . Funding as substantial proportion of budget during these years.

Promotion of long-term viability:

- . Contribution to total project and agency budget needs, including administrative expenditures; and
- . Attraction of other outside funds.

Programmatic Impact:

- . Influence inclusion of community organization and development.

The RRNA assessment based on the field visits is that PACT funds have played a significant role. Some impact of the timeliness of the PACT funds received in the early years of the project can be ascertained for almost all the visited projects; in two-thirds of the projects, this impact was

**Table IV-7. PACT Grants Per Project, Total and Annual Averages
Visited Projects and Selected Group**

Item	Visited Projects	Selected Group ^a
Number	19	10
Average PACT total grant/project (dollars) ^b	188,321	274,028
Average number of years of funding ^c	3.7	4.9
Average PACT grant/year (dollars) ^d	50,898	55,924

a. Visited projects with 2 or more years PACT funding which include 5 Latin American projects.

b. Calculated by summing total grant amounts of the projects and dividing by the number of projects.

c. Calculated by summing the number of years of PACT funding of the projects and then dividing by the number of projects.

d. Calculated by dividing total grant average by average number of years of PACT funding.

Source: RRNA interviews with projects; "Project Budget" of Grant Agreement letters for each of the projects included in the sample.

important (Table IV-8). For most of the projects, a significant long-term impact is ascertained as well. The impact of the funds on project design is observed somewhat less frequently, as is to be expected given PACT's defined role as a "reactive agency." Both the interviews and opinions received of the field visits and the information described below support these assessments.

Timeliness of Funds

The timeliness of the PACT funds, a short-term impact, is the level of importance attached to the funds at the time of the initial project approval. In approximately half of the projects visited, the PACT funds were authorized during the first two years of the agency's operation. Even for older organizations, PACT tended to fund a relatively new project or new program direction. In all but four of the 19 projects visited, most organizations received PACT funds during the first two years of their projects. Though answers varied to the degree of importance, there was an almost unanimous positive response to the timeliness of PACT funds. Once funding has been approved and contractual requirements settled, PACT is generally reported to be prompt in distributing funds.

One indicator of the importance of PACT in the early years is PACT's funds as a percent of the total budget. For the projects visited, PACT funds accounted for roughly half of the total budget in the first year of PACT funding. Important other funds, including some USAID support, and local share, or in-country contributions, each provide approximately another quarter of the budget (Table IV-9). In Latin America the local source of funds was especially

**Table IV-8. RRNA Assessment of the Importance of
PACT Funding, Projects Visited
(number of projects)**

Indicator of Importance	----- Degree of Importance -----			
	Don't know/ Not applicable	Little or None	Some	Important
SHORT-TERM				
Timeliness of PACT funds	1	1	5	12
LONG-TERM:				
PACT funds promote organizational viability		3	6	10
PACT funds influence design of projects to emphasize community development		7	7	5

Source: RRNA assessment based on interviews with 19 projects and review of documents. See text for discussion of factors.

**Table IV-9. Average Project Budgets by Categories of Funding Sources
First Year of PACT Funding, Visted Projects and Selected Groups**

Budget/Source	Visited Projects		Selected Group ^a	
	Amount/dollars	Percent of Total	Amount/dollar	Percent of Total
Amounts				
Total Budget	100,294	100	104,570	100
PACT First Year Grant	50,160	50	50,490	48
AID	9,080 ^b	9 ^b	16,250 ^c	16 ^c
Other Foreign	19,390	19	18,650	18
Local Share	21,642	22	19,180	18

a. See Table IV-7 for definition and number of projects included in this group.

b. This average obscures the fact that only two of the 19 projects were receiving AID funds at time of PACT approval.

c. Only one of 10 projects was receiving AID funds at time of PACT approval.

Source: Information provided in "Project Budget" of Grant Agreement letters for each of the projects included in sample. Supplemental information provided in RRNA interviews with project.

important. USAID and other international funding agencies contributed significant, but considerably smaller amounts to the total budget.

Promotion of Long-Term Viability

One long-term impact of PACT funds is that of promoting organizational viability, which involves the capacity to maintain or increase project operations. To a large extent, this is tied to the ability of an organization to attract other sources of funding. The response of the projects to this issue was extremely positive. Most project managers felt that PACT funding helped to legitimize their project and sponsoring agencies in international lending circles. In addition, PACT funds supported the administrative structures needed to build a managerial capacity for the organization. The use of PACT funds in paying administrative and other institutional expenses was cited by half of the projects as being very important.

The importance of PACT funds over time is indicated by the PACT contribution as a percent of the project and agency budgets for the first and last years of the project (Table IV-10). The PACT share of project and especially agency budgets has tended to decline. PACT grant amounts increased by an average 28 percent between the first and last year of PACT funding, the project and agency budgets have increased 48 percent and 109 percent, respectively. These results suggest that the agencies and projects are attracting increased funding from other development organizations. Three of the seven African projects visited are currently receiving large OPG grants from USAID.

Table IV-10. Average Agency and Project Budgets, PACT Share, and First and Last Years of PACT Funding, Selected Group of Projects

	Year of PACT Funding First	Last ^a	Increase as proportion of first year
	---- dollars ----		---percent---
Total Budget			
Agency	292,920 ^a	613,600 ^b	109 ^b
Project	104,570	154,606	48
PACT Contribution	50,490	64,442	28
	---- percent ----		
PACT Share			
Agency	17	11	
Project	48	42	
	---- number ----		
Number of Outside Funding Sources			
Average	3.6	4.8	
Range	1-13	1-15	

a. An average 4.9 years after the first funding.

b. Since one project included in the group of 10 did not report its agency budget for the last year of PACT funding, the first year agency total budget did not include this project to calculate the percent change of agencies. The agency budget for the first year was adjusted to \$288,670 for the calculation of percent change.

Source: RRNA interviews with projects; "Project Budget" of Grant Agreement letters for each of the projects included in the sample.

The Latin American projects have not expanded at the same rapid rate. Generally, it appears that sponsoring agencies have tended to continue relying on PACT funds for over 40 percent for a given project budget as long as the PACT funds were forthcoming. Nevertheless, during the same period, agency total revenues increased rapidly, increasing the resources at the agencies' disposal for its activities, including the project funded by PACT. In almost all projects visited in which PACT funding had terminated, the sponsoring agency continued the same activity with restricted and discretionary funds.

The projects also reported an increase in the number of outside funding sources during this time (Table IV-9). On average, projects added one new funding source from the beginning to the last PACT funding. The number of donors per project for each varies significantly; two projects had more than 10 donors already at the beginning of PACT funding. Most projects appear to be much more successful in finding subsequent outside support than in moving toward substantial sustainability from local resources.

Programmatic Impact

Even though PACT defines itself as a responsive agency and even though it does not specify a preference for any particular sector, there has been a definite influence of PACT funds on the programmatic content of many projects visited. This impact is realized through the encouragement and funding of particular approaches to achieving development goals, especially through the use of community organizational methods which are expected to increase the participation of beneficiaries in planning and management of a project. PACT funded projects of community organization

within larger programs in two of the agencies visited and had an identifiable influence in encouraging community organization among participants in 10 other projects.

The PACT Funding Process
from the Perspective of
LDC Project Agencies

PACT Requirements

Agencies were asked to discuss their experiences with the main aspects of the PACT requirements during its funding cycle:

- . proposal submission;
- . proposal review and PACT staff visits; and
- . monitoring and follow-up.

Project managers visited viewed the PACT requirements in these three phases of the cycle to be reasonable in 80-90 percent of the cases. Two-thirds of the projects visited had received PACT Supportive Activity Grants and many praised this kind of flexible support.

The PACT Questioning
Relationship

One of the more sensitive issues discussed between project personnel and RRNA involved the PACT questioning process. At the time of proposal submissions, projects are screened by the PACT staff, usually by the Field Representative. In the selection review, both PACT staff and the Project Selection Committee examine and discuss the design, and targeting of projects, among other issues. As a matter of procedure, projects undergo similar questioning when they submit project re-funding proposals.

Project personnel raised a number of issues about the PACT process, many of which are listed as both strengths and concerns.

PACT's commitment to the projects which it funds has been a major strength, recognized by nearly all project managers. PACT does not simply provide financial assistance; it goes beyond this by getting involved with projects and by attempting to improve them through a continuing dialogue. This ongoing relationship has proven helpful to many projects. Project personnel have identified the following strengths:

- . The intense PACT questioning process stimulated reevaluation of project design -- and eventual changes.
- . Most funders do not intensively question projects; PACT's genuine concern is appreciated. PACT is more than a funding agency.
- . PACT's ability to make funding decisions fast is almost unique.
- . Openness of PACT staff in discussing its role.
- . Field representatives offer valuable insights to project personnel as a result of their extensive travels and visits to PACT-funded projects.
- . The relationship with PACT is based on mutual respect.
- . PACT assistance in project design, training, and evaluation was fundamental in the project development.

PACT's intense involvement was also a source of concern for some project managers. More than one manager said that the PACT staff raised so many questions with his project

that it was demoralizing trying to decide which issue to address first. Others feel that PACT staff goes too far in trying to direct and shape projects, beyond what is appropriate for an organization that funds PVOs. The following additional concerns were mentioned by at least one project respondent and most were mentioned by a few:

- . Bureaucratization of the PACT funding process (i.e., too much time, too many layers).
- . Collaborative aspects of PACT are not adequately pursued.
- . PACT field representatives may not have the expertise required to question certain aspects of technical projects.
- . Field representatives do not spend enough time with individual projects.
- . PACT personnel are overly concerned with philosophical issues rather than nuts and bolts problems.
- . PACT does not show enough trust in its dealings with projects -- questioning sometimes lacks sensitivity.

A summary of the usefulness of this process, especially its questioning aspects, is presented in Table IV-11. The results show that most project managers feel the process is constructive. Nevertheless, some managers have concerns regarding the process; about a quarter of them find it quite negative, somewhat more find the process highly useful. While both in Latin America and Africa there is a high level of PACT staff involvement, ERNA evaluators found that the Latin American project managers tended to be more enthusiastic about the PACT process than their counterparts in Africa, although of course, the sample of African managers was quite small. Generally, respondents from indigenous LDC agencies praised the process and relationship with PACT more than did those from PACT U.S. member agencies.

**Table IV-11. Assessments of the Usefulness of the
PACT Process, Projects Visited
(number of projects)**

Project	Don't know	Negative assessments, concerns predominate	Positive assess- ment with some sub- stantial concerns as well, or no notable impact	Process very useful
Assessment of PACT's process by project managers	1	5	6	7
Assessment of PACT's process by RRNA evaluators		1	6	12

Source: RRNA interviews with project personnel and PACT staff.

Based on interviews with project personnel and PACT staff, and a review of documentation, the RRNA appraisal weighs the comments of both sides. RRNA views the process more positively than the project personnel themselves. The process overall was assessed very positive for about two-thirds of the projects. Only in one case did the RRNA evaluators feel that the PACT process was not helpful, and this related to a lack of involvement when a particularly serious problem arose in the PACT component of a larger program.

Conclusions and Recommendations

The following conclusions reflect the consideration of RRNA of the findings in both Chapters III and IV.

The Effectiveness of Projects and Considerations for Project Selection¹

PACT is effective at locating and funding projects which satisfy PACT's criteria and which accomplish the projects' stated objectives. However, AID is not expecting PACT just to be a conduit of funds to good projects, but to make a difference in the life of the projects it supports.¹ As AID stated in early 1982, it expects that PACT funds would usually reach projects in the early years. PACT staff, in describing ways PACT has made a difference, often mention the role of PACT early in the life of a project.

While it is important that PACT continue to screen and get in contact with good projects which it funds, this is not the whole of its potential from the viewpoint of AID or of PACT. There are certainly enough good, established PVO

1. Letter of Thomas Luche, op. cit.

projects in the world to absorb PACT's current annual level of distributions from the Project Fund. However, to fund only such projects, similar for example to the excellent IMCA program recently funded by PACT in Colombia, probably would not represent PACT's greatest contribution, even though it would leave it with a portfolio of superb projects. PACT's special contribution in improving new PVO efforts would be lost. As one LDC respondent said: "There is no problem for good projects to get money." AID would cease reaching newly formed PVO development efforts and taking risks in funding innovative efforts through its support of PACT.

AID representatives have been quite explicit that they allow for -- even expect -- that PACT will not have a portfolio of complete successes if it fulfills its role nearer to the cutting edge of development work.¹ AID representatives themselves do not claim a high proportion of successes for AID's directly funded projects and do not expect more from PACT in this regard. To summarize the special contribution of PACT is seen in what it brings to the LDC project development effort initiated by PVOs, not in the attainment of an unbroken string of successes in its portfolio at evaluation time. The assessment of PACT's portfolio should more than satisfy AID expectations for level of quality realized.

The Questioning Process

The PACT-initiated process of questioning of agencies and project managers concerning the design and implementation of projects appears to RRNA evaluators to be useful in two important ways.

1. Ibid.

First, it is important that some organization implement such a process. PVOs do have special potential in developing countries for assisting poor people, for involving beneficiaries in development programs, for tapping private resources of funds and technical assistance, for being innovative, and for being cost-effective. However, the realization of this potential, namely, an improved standard of living for the intended beneficiaries, cannot be assumed, nor should the performance of PVOs be idealized or free from questioning. Based on the interviews of this evaluation, it appears that virtually no funding agency other than PACT is engaging PVOs in an extended and provocative discussion concerning purposes and approaches. Certainly, AID missions do not regularly initiate such discussion; the communication of PVOs with USAID mission offices tend to concern procedural issues.

Because PACT is taking on a role other funding agencies avoid, its potential impact goes beyond its particular grant action to affect a project and agency as a whole. PACT staff members believe they have been effective in this and cite a number of examples of the way they believe PACT has been useful in helping member agencies especially consider and make needed changes in their mode of operations and the content of the programs. Some member agencies representatives confirm the specialness of PACT's process. Some did not, mentioning that agency Board and staffs engage in their own process of assessing approaches and programs and making indicated changes.

Second, the particular concerns which PACT has raised about proposed and funded projects appear to the RRNA evaluators to be usually on target even in a number of instances when the project managers have felt quite negative about PACT's intense questioning.

Some conflict is inherent for an organization providing tough, independent review and decisions regarding funding of projects, especially when the organization's own membership is submitting the projects. Nevertheless, the process of questioning has quite frequently become so conflictive as to inhibit PACT's effectiveness and place undue strain on the organization as a whole. This counter-productive tension shows up in the form of strain, staff and staff turnover (although this has not been a common outcome for PACT); communication in which rightness of positions held is explained, but sometimes little mutual learning appears to go on; considerations of withdrawal of membership, or continuance in somewhat inactive membership status.

A response to concerns expressed by participants can reduce some aspects of conflict while allowing PACT to maintain the benefits of the rigorous examination of the main features of project design and implementation.

Some concerns of present managers reflect problems which have been identified also by PACT staff members and by agencies representatives who are very supportive of the process in general. One problem is the level of detail raised by the PACT staff and the Project Selection Committee. Long lists of questions with no particular focus tend to exasperate the project managers and to distract from the discussion of priority problems.

Another concern is the perception that PACT does not "trust" the sponsoring agency. This "trust" may refer to believing information provided, although such criticism does not appear legitimate when it implies that PACT should accept whatever answers it receives to questions it raises. It appears to RRNA evaluators that at times, however, PACT

staff and Project Selection Committee have pursued issues with insufficient recognition of the limited role of a funding agency in determining the direction of the projects it funds. Furthermore, a working relationship which emphasizes the mutuality of discussion on tough developmental issues and which encourages grantees to question and comment on PACT's actions and assumptions is more viable than a mainly uni-directional questioning from a U.S. grantor to either U.S. or LDC grantees.

Conclusions and recommendations concerning the length of the funding period and the revision of the criteria also relate to a reduction of counterproductive conflicts in the PACT-agency relationships.

Length of Grant Period

It is a strength of PACT that it continues to relate to and be concerned about projects over a period of years, not in terms of a one-grant funding action. PACT should try to separate the discussion on how projects can be improved from the discussion and decision whether a project should be refunded. Clearly, at the time of the first funding the discussion on the design of the project in light of PACT's criteria is appropriate and agencies expect it. PACT often uses the second and third year refundings of a three-year project as an opportunity for asking increasingly tough questions on the design and operation in light of the criteria. While PACT certainly gets the agency's attention at refunding time, this is also the period in which an agency is most defensive about the issues PACT is raising.

From the agency's viewpoint, to admit to problems and the need for correction in this period is to run the risk of

being penalized by the Project Selection Committee. Even if the project is refunded, as is almost always the case, the admission of problems could perhaps result in a reduction of funding or tighter conditions. It is not the process of questioning which PACT should change, but rather the timing in relation to refunding. One way to improve the situation would be to make the refunding of a three-year project virtually automatic (except for flagrant abuse of financial or programmatic agreements), but require the grantee to engage with PACT in a few days of review each year on the design of the project and its performance in light of the criteria and of its own goals. The Project Selection Committee has also recently asked the PACT staff to streamline the refunding decision process.

PACT Criteria

Much of the disagreement on criteria between PACT and project sponsors, frequently PACT member agencies, has concerned definitions. The response to the request of the Project Selection Committee for a specification of indicators and definitions should help. These indicators can be approved by the Executive Committee and are even appropriate for discussion at the Board level by the membership as a whole. It will be preferable to air any disagreements in this context rather than around the issue of funding or refunding a particular project. (See the RRNA list of indicators used for this evaluation, Appendix C.)

Some redefinition of the criteria themselves is now in order after two years of experience with the current guidelines. The second, third, and fourth criteria all relate to different aspects of beneficiary participation. The third

and fifth both deal with beneficiary use of resources. In the RRNA assessment of projects according to the criteria, the second and fourth criteria were generally rated the same for a given project. The fifth criterion received the same rating for most projects and was therefore of little use in distinguishing among projects since it is difficult to weigh and compare such different contributions as ideas, labor, and materials.

It will assist the discussion of projects in light of criteria to introduce two considerations which now appear infrequently in presentations to the Project Selection Committee and which apparently are often missing in the discussions of the Committee itself. PACT can assess each criterion not just in terms of a positive or negative determination, but rather of a graduated standard of compliance. The simple three-point rating scale used in this evaluation study is an example of such a graduated standard. Also, PACT can think of the strengths and weaknesses of projects in terms of trade-offs among the criteria, rather than using the criteria as a checklist of minimal standards. A project may be excellent if it fulfills three or four of the criteria in an exemplary way and is weak in one or two others. For example, a project may be attractive to PACT because it addresses the need of a very disadvantaged group within an LDC, but might be weak in terms of beneficiary contribution.

Using a graded scale will enable the PACT staff and project sponsor to discuss the degree to which a project meets a criterion, rather than to discuss how strictly a criterion should be interpreted. Currently, PACT staff members appear to have trouble with the board-approved definition of beneficiaries as those with "limited," rather than "least" access to resources, because the "limited"

definition really does not provide for a distinction among proposed projects. Just about everyone living in a developing country suffers from some degree of limited access. At the same time, given the competition among projects for limited funds, it is appropriate to discuss which ones address concern for targeting in a superior way. This being the case, it follows that the criteria can function not only as defined minimal standards, but also as standards for screening projects and out. It is then the project which meets the criteria and considerations of likely effectiveness and cost-effectiveness better than others which are most appropriate for PACT support.

Flow of Project Fund Obligations

Most first year approvals are for an understood period of two or three years. Even though actual grants may be for only one year and subsequent year refunding requests for the same projects will be reviewed anew by the staff and Project Selection Committee, almost all refunding applications are finally approved. A reporting format for the Project Fund which includes the projected obligation (such as that in Table III-2) would give a more complete picture of the status of the Fund and would show that total projected obligations have equalled or exceeded the available funds. Most people involved in PACT, both members and staff, have the impression that the flow of Project Fund obligations has lagged behind the availability of funds. This is one factor which appears to contribute to complaints that PACT is too hard or narrow in interpreting whether projects meet the PACT criteria. The feeling is that if there are funds available and projects submitted by members at least meet the criteria, then the projects should be funded. PACT's own reporting to the Project Selection Committee and to the

members reinforces the impression of available funds by listing only approved obligations.

Cost-effectiveness of Projects

Cost-effectiveness is a problem for a number of projects funded by PACT. And even for the majority of projects in which cost-effectiveness is rated as satisfactory or better by the RRNA evaluators, this assessment had to be based on a number of indirect indicators. While the projects visited keep account of the net profit of project-sponsored enterprises, there are no systematic attempts to gauge changes in beneficiaries' incomes, either individually or for a community as a whole. Neither can they compare income gain with the labor and materials agencies and beneficiaries have contributed. Some programs of business assistance and one cooperative visited perhaps came close to having such information. Lack of such information is itself a problem because most agencies have income gain of beneficiaries as a primary objective, yet have little ability to measure directly the extent to which they are meeting objectives -- or in some cases even whether they are at all.

The project officials themselves would probably be dubious about any efforts at more precise measurement. It would use resources they would rather place directly into programs. (And this is in itself an admirable concern.) Furthermore, the projects often define objectives of community institutional change as an even more important objective than income gain and they would likely resist an evaluatory framework which focused on incomes as the more measurable objective. In fact, in the one project visited in which baseline data were being established for communities, the focus was on a description of community institutions and

practices, not on a quantifiable data base on community production and incomes. At a time when such measurement of benefits is being attempted in other development programs sponsored by AID and the international finance institutions, it appears important for the PVO community to develop such a capability as well. PACT has already raised concerns about evaluating impacts on beneficiaries with a number of agencies for projects training community workers for which the intended benefits for communities are a later and more indirect result.

A number of the visited projects have both the program and the management capability to carry out a more precise evaluation of quantifiable benefits and costs in their programs; for example, IMCA, Save the Children, FUNDAEC, and Fundacion Carvajal in Colombia and OFADEC in Senegal. One of these organizations might well take the lead with PACT financial support in developing such a methodology for evaluation of cost-effectiveness and then could discuss and refine the proposed approach in discussion with other project sponsors. The results could also sharpen PACT's expectations for a built-in evaluation component in new projects which it funds.

PACT Current Contact with Projects

PACT staff is able to keep current and knowledgeable in its contacts with projects. PACT also maintains a substantial set of files on each project, which, while somewhat unwieldily organized, provide an informative record. Basically, however, the currency of PACT knowledge of projects results not from recordkeeping systems but from the travel of regional representatives and the high level of interest which all PACT staff members appear to have in the content and progress of

the projects which have been funded. The currency of PACT knowledge is demonstrated in part by the similar judgments concerning the performance of projects which PACT staff and the RRNA evaluators made independently.

The Workload of the Regional Representatives

A number of respondents, including some PACT staff members, expressed interest in PACT field staff providing more technical assistance. The current workload in screening and monitoring projects already stretches the limits of the current complement of staff. It should be possible for PACT to use Supportive Activity Grants more frequently to provide technical personnel from member agencies or from projects funded by PACT. Just within the limited number of projects visited in this evaluation there were more than 10 situations in which technical expertise from one project would have been highly useful in another. Another factor in helping to limit and rationalize the workloads of the regional representatives is the geographic dispersion of PACT-funded projects, discussed below.

Geographic Dispersion of PACT-Funded Projects

There is no apparent rationale to the almost complete dispersion of PACT-funded projects among the countries of the world. A few projects in a given country prepared for consideration of the Project Selection Committee at one time would not only allow for more efficient use of staff time in initial and follow-up visits, but also would increase the possibilities for PACT to promote various kinds of collaboration.

PACT staff, while recognizing the problems of dispersion of staff effort, even on a given trip, indicate that such a strategy would be inconsistent with the nature of PACT as a responsive organization. It appears to the RRNA evaluators that PACT regional representatives carry out, in fact, a considerable search for new projects in addition to responding to initiatives submitted to PACT. Some direction of this independent search in countries from which project applications are being received could help provide some concentration. So could some furthering of the planning effort to get member agencies to indicate their annual expectations for project submissions to PACT.

V. SUPPORTIVE ACTIVITIES GRANTS AND OTHER PACT SERVICES

Supportive Activities Grants

The above discussion has focused on the PACT activities within its funding responsibilities and process. In addition, PACT performs a number of other services for PVOs. Supportive Activity grants are an important tool in these additional services. In 1977, PACT began the Supportive Activity grants program to assist PVO agencies to undertake a wide range of activities. These grants encourage various types of collaboration, as well as improve the effectiveness of member agencies. Under the guidelines for this program, the grants distributed under the program can be no more than \$10,000, with a matching share required of recipients. Recipients of the grants are PACT members, agencies collaborating with or receiving assistance from PACT members, and agencies with which PACT has an already-existing relationship. PACT members have priority access to the Supportive Activities grants.

These grants support three types of activities: project assistance, training and information exchange, and PVO institutional development. Under project assistance, the

grants provide funds for planning and evaluating projects as well as technical assistance for ongoing projects. Grants for training and information exchange cover expenses for seminars, conferences, visits to similar projects, and publications. The types of PVO organizational development activities include training of agency staff, consortium arrangements, and fundraising activities.

From 1979 to 1981, PACT awarded 175 Supportive Activities Grants, with an average value of just over \$2,000 per grant and about \$120,000 total grants per year (Table V-1). Although the largest number of grants were for training and information exchange, more funds were for project assistance. The grants for project assistance represent 48 percent of the total monies distributed under the Supportive Activities program. Except for a grant to consortia, almost all these project assistance grants were awarded to PACT member organizations, including members of the SOLIDARIOS consortium in Latin America, many of whom used the money for project planning in specific countries.

The grants for training and information exchange accounted for approximately a third of total monies distributed. These grants paid primarily for seminars and conferences for PACT members and developing country PVOs. Grants for institutional activities largely paid for consortium activities, which are now included under the separate fund for consortia grants.

In establishing the Supportive Activities grants program, PACT provides PVOs with an extremely flexible and quick funding procedure. This program is very popular with member agencies for this reason. Many respondents stated

Table V-1. Number and Total Amounts of Supportive Activities Grants by Type and Membership Status, 1979-81^a

Type of Supportive Activities Grant	Total Supportive Activities Grants		
	Number	Dollar amount	Percent of total
Project assistance	59	173,950	48
Training and information exchange	87	127,430	34
Institutional development	<u>25</u>	<u>63, . 0</u>	<u>18</u>
Total	171	365,180	100

a. Grants #64 and #65 are not included since they were cancelled; grants #194 and #195 are included under new consortium listing.

Source: RRNA calculation based on PACT documents listing of Supportive Activities Grants 1979-81.

their appreciation of the minimal paperwork and the virtually immediate response. Agency program officers gain access to funds for activities not anticipated at the time budgets were developed. Since half the funds are available without cost to their agency, they are more likely to obtain approval within their agency for the unbudgeted activity.

For similar reasons, the program is also popular with PACT staff, in enabling them not only to recommend various kinds of collaboration, but also to help agencies implement the suggestions. A Supportive Activity grant application recommended by a PACT field representative is almost always approved. The PACT staff also commented on the good discipline shown by member agencies to submit projects eligible under the guidelines. The incentive for these agencies to comply with the guidelines is that they will continue to be able to apply for more grants if the system keeps working smoothly. Thus, the structure encourages a responsive and responsible grants program.

By the very nature of this flexible funding mechanism with its minimal requirements for documentation, PACT can not easily document the impact of these grant monies. Often these grants are interwoven with present or future PACT projects. The valuation of the costs and benefits of such grants, therefore, would be extremely difficult, and would have to consider secondary impacts on project and agency development. Administrative costs are kept low through the simplified procedure. Currently, PACT uses only about one-fifth person year to administer the program.

The Supportive Activities grants are the major means that PACT has to encourage collaborative arrangements. Yet within the Supportative Activities program there is no clear

direction from PACT (its staff, Board, and membership) on what type of collaboration is being encouraged by the Supportive Activities grants or why. To a large extent, this lack of direction is intentional as PACT maintains a posture of a reactive agency, responding to membership needs.

PACT's support of collaborations and of improvement of member agency effectiveness is not limited to Supportive Activities grants. To be sure, such grants are often part of the broader PACT effort to assist in promoting technical assistance, exchange of information, and development of LDC consortia.

Technical Assistance in Project Planning Evaluation, and Implementation

At times, various PACT field representatives have emphasized the provision of technical assistance as a key element in their work with project agencies. For example, a PACT staff member provided technical assistance in Latin America in 1976-81, giving on-site, on-the-job training in the use of a community-based evaluation process. Some current PACT staff members also expressed interest in their assignments having a greater emphasis on technical assistance. Some agency respondents also raised this interest, saying they would rather have PACT staff giving concrete technical assistance on how to improve a project than a more theoretical comment on projects which these respondents believe they now receive. Other member agency respondents specifically rejected this role for PACT staff and expressed the opinion that their own agency staff members had more expertise of relevance to given projects than the "generalists" of the

PACT staff. Some PACT staff also expressed doubts about a PACT technical assistance role in the field because of limitations of staff time and the need for staff to concentrate on activities more directly related to the tasks of selecting and monitoring projects for financial assistance.

In some instances, PACT has arranged for technical assistance to be provided by one member to other members or to a PACT-assisted project. An earlier contract with VITA was to provide other members with assistance on appropriate technology issues; however, the assistance was seldom used by members. The TransCentury Corporation was brought into membership to give members better access to the services it offered in management improvement.

PACT has promoted information exchange through distribution of printed information, support of conferences, and support of exchange visits. The PACT monthly newsletter lists project proposals and concept papers received by PACT. PACT first distributed a directory of members in 1980, providing a reference listing of each member's main activities and programs.

PACT Evaluation and Studies

As part of its total program, PACT has funded several independent evaluations and studies on PACT's role and policies and specific development and project topics. The findings of these reports have assisted PACT in its internal decision-making. Additionally, the participatory evaluations and their workshops have acted as mechanisms to increase collaboration between PVOs.

Assessment of PACT's Role and Policies

Since 1979 PACT has examined the issues of collaboration, process and project review, and consortium building by undertaking internal and outside consultant evaluations. The 1980 collaboration study performed by Beryl Levinger emphasized the need to redirect the type of collaboration encouraged by PACT.

In 1979, PACT conducted an internal evaluation of its process and project review. As part of this evaluation, PACT examined and quantified the tasks involved in project identification, selection, and implementation. The exercises included in the evaluation enabled PACT to process projects more systematically. PACT plans to publish this example of internal evaluation in the coming year.

Two independent consortium studies, one in Africa and the other in Latin America, recently have been performed. The African consortium study developed a typology of PVO consortia and provided recommendations on PACT's role in consortium development in Africa. The Latin American consortium report, yet not received, is to contain more detailed analyses than the African report. These studies are intended to assist PACT in implementing its new Consortium Grants program.

Specific Project and/or Development Topics

In an effort to increase collaboration between PVOs, PACT began participatory evaluations and workshops of specific development and project issues. As PACT states, "it sees

itself as the stimulator and funder, but not as the implementor" of such activities.¹ One example of such participatory activities is the Small Business Conference held in Bogotia, Colombia, in 1981. The conference was organized by PACT LDC and its members, FICITEC and SOLIDARIOS, and was attended by representatives of three U.S. agencies and of many PACT-funded projects in Latin America. The follow-up activities from this event are now underway, and include:

- . research on financial self-sufficiency and growth potential of small enterprise;
- . clarification of basic problems in funding small enterprise project;
- . additional technical assistance to small enterprise project; and
- . information exchange.

In early 1982, PACT contracted with consultants to consider a number of other topics, such as beneficiary participation in projects, women in development, and appropriate technology. The consultant for the participation study is a World Education PACT member. The findings of the consultants will be incorporated into a workshop, should there be the interest among PACT members to conduct such an event.

Other Services to Member Agencies

In addition to the Supportive Activities Grants, PACT assists PVOs in financial and administrative services, such as establishing PVO-support associations, conducting annual salary and benefits survey and a group benefits plan for

1. PACT staff notes on PACT Evaluations and Studies, provided to RRNA evaluation team, April 1982.

PVOs assisting PVOs in personnel placement and in information exchange and referring PVOs to possible donors.¹ Many of these activities are undertaken by four PVO associations: the PVO Financial Managers Association, the Personnel Co-Op, INFORMED, and the PVO Fundraisers' Group. PACT staff has been the secretariat for three of these organizations and has played a large role in the leadership and direction of the service programs offered by these organizations.

The salary and benefits survey is an annual evaluation of salary ranges and benefit packages among participating PVOs. This survey allows the PVOs to compare compensation policies.

The Group Benefits Plan is a PACT-administered Group Health Insurance Plan. The program services 21 agencies covering 467 employees. The plan has many features and reduces the administrative burden of participating PVOs.

Another activity of PACT in linking PVOs is that of information dissemination. PACT publishes a monthly newsletter, as well as serving as an information clearinghouse. PACT, in collaboration with New Transcentury Foundation, assists PVOs in personnel placement. Most recently, PACT has started a listing of possible donors for PVOs.

Representation of Member Interests

Many member respondents commented that PACT has performed well in representing member interests with various branches and agencies of the U.S. Government. However, this role has somewhat diminished in recent years as member

1. PACT supplied most of the information in this section.

agencies have established their own direct working relationships with various USAID departments and missions. Also Private Agencies in International Development (PAID), as a loosely joined consortium of over 100 private agencies, has taken on some of the functions of general-purpose forum and voice for PVO interests related to Government.

PACT staff members emphasize the importance of PACT's expanding role as a contact point among U.S. PVOs, PVOs in other developed countries, and LDC agencies. PACT also has served as a "broker" to bring project sponsors in contact with financing institutions such as the Inter-American Development Bank and the World Bank.

Conclusions

The PACT activities outside the funding of projects meet with broad approval among the membership. These activities provide some glue for holding the consortium together, despite some ongoing conflicts about the type of activities and approaches which are most appropriate for PVOs working in LDCs. Members describe these activities more as "useful" or even "very useful" rather than "essential."

Supportive Activity grants are popular with agencies apparently because they help pay for activities which are outside the essential functional requirements of the PVO recipient and which might therefore have trouble competing with the normal budgeted needs. Furthermore, the Supportive Activity grants make possible travel and conferences which

were not anticipated when agency budgets were drawn up. Despite this aspect of the popularity of the grants, PACT might still try to encourage and prioritize their use by having agencies submit an annual package of collaborative activities anticipated. PACT could approve or reject these proposals so that approved monies could be included in the budgets of the agencies.

VI. PACT AND AID

PACT Relationship with and Views of AID

Funds received by PACT-funded projects from other agencies account for more than the PACT funds, so that the total PACT program involved in its Project Fund operations is diversified in its support. Nevertheless, PACT as an organization has been dependent on AID for about 98 percent of its own revenues during this grant period. The remaining income in the past three years has been from membership dues, the IBM World Trade/Americas Far East Corporation, the Rockefeller Brothers Fund, and miscellaneous income. Efforts to reduce dependence on AID funds are prominent in annual plans, but have not been successful.

PACT staff members and member agency representatives generally regard the PACT relationship with AID, particularly with the PVC office, as positive and constructive. The PVC leadership is recognized as being familiar with PACT's work. Therefore, during the grant period, PACT staff and officers have not had to spend inordinate time explaining its program and purposes.

Nevertheless, three different program grant managers have worked with PACT during the current grant period. PACT staff mentioned the occasional lack of continuity and lack

of AID institutional memory in working with AID/PVC. RRNA also found this to be so. Despite the close cooperation received from the new program grant manager, virtually all documents relating to the AID-PACT relationship used in this evaluation had to be secured from PACT.

The relationship at times has been marked by substantial delays in preparation and processing of documents and grant agreement amendments. PACT and PVC have not worked out a mutually suitable format for annual reporting.

In the past, PACT regional representatives have generally communicated only infrequently with USAID mission personnel; however, there has been an increase in the number of visits to USAID missions by PACT representatives in the last year.

AID Relationship with and Views of PACT

Legislative and Institutional Basis

The legislation and legislative intent under which function the current grant agreement with PACT and similar USAID use of PVOs is summarized as follows in the Senate Foreign Relations Committee Report:

This Committee has, on numerous occasions in recent years, sought to give prominence to the partnership role with AID which U.S. private and voluntary organizations (PVOs) and cooperatives are to play in advancing the "New Directions" objectives of meeting the basic human needs of the poor majority through an equity-oriented development strategy.

In 1978, the Committee added a new Section 123 to the Foreign Assistance Act which recognized the PVOs 'as an important means of mobilizing private

American financial and human resources.' The Committee found it to be in the national interest for the PVOs and cooperatives to 'expand their overseas development efforts' using federal funds 'without compromising their private and independent nature.'

Current 1981 legislation reaffirms an amended Section 123 of the Foreign Assistance Act to set a target of at least 16 percent and a minimum of no less than 12 percent of foreign assistance funds to be channeled through the activities of PVOs. Also qualifying PVOs are to receive 20 percent of their funds from sources other than the U.S. Government.²

The AID Congressional Presentation for FY 1983 proposes extensive support for PVO programs and specifically

...supports collaborative project planning and implementation by PVO consortia to draw on the strengths of organizations which because of small size or specialized experience might not otherwise participate in overseas development work.³

At the same time the AID Administrator in Guidance for FY 1983 to Mission Directors emphasizes economic growth and "greatest feasible economic efficiency" as the means to achieving a meeting of basic human needs. Although emphasizing the private sector role in LDC development, the Guidance does not specifically mention PVOs as part of this private sector.⁴

1. Senate Foreign Relations Committee Report, Economic Aid Authorization Bill for FY 1980, May 1979, p. 6.

2. International Security and Development Cooperation Act of 1981, Sec. 304.

3. USAID, "Congressional Presentation for Fiscal Year 1983: Main Volume," p. 55.

4. Memo to Mission Directors and AID Representatives, from McPherson, "FY 1983 Program and Budget Guidance," [1981], Items 3 and 4.

PVC Views

Representatives of USAID PVC describe the experience of working with PACT as positive; the relationship is "collegial and professional." They view the funding of PACT as a way for AID to be funding relatively small projects and agencies in LDCs. Thus the quality of the projects and the impact on the intended beneficiaries is the first consideration in the assessment of PACT. An important, yet secondary consideration is the PACT impact on projects and organizations, including the way it handles its multiple roles with agencies of being friend, advocate, partner, and also funder.

AID rates other PACT tasks, such as administration of Supportive Activities grants and stimulation of private funds to PVOs, as less important.

The AID Congressional presentation for FY 1983 proposed an additional \$4 million to PACT which "will support approximately 30 new and 30 continuing projects that provide technical assistance to low-income farmers, small entrepreneurs and rural cooperatives."¹

USAID Mission Views

Six missions were visited by RRNA evaluators. This group is too small for the evaluators to make general conclusions about AID mission views. The reader should consider the following summary with this limitation in mind. The information and viewpoints provided by the USAID

1. USAID, "Congressional Presentation," loc. cit.

representatives in the six missions are characterized as follows:

- . All gave operating program grants to PVOs; for four of the missions, the use of PVOs was a major or at least important part of strategy and operations; most allocated approximately a person year of effort annually to working with PVOs;
- . Four had no contacts or communications of significance with PACT personnel;
- . Five were in contact with at least one project or agency also funded by PACT;
- . All expressed interest in PVO projects being coordinated more closely with mission strategies; three expressed this more in terms of interest in better communication; four expressed disagreement with process which permitted use of AID funds within their country without mission approval and administration; two of these missions described the better coordination of PVO projects more in terms of direct mission control and virtually full integration into mission strategies and administration.

An Initial Comparison of PACT and AID
Activities and Expenditures

PACT activities differ from AID PVC and USAID mission funding of PVO projects for a number of reasons: the much smaller average size of the PACT effort; the generally close involvement of PACT with projects at the community level; and in the broader range of services for PACT members and projects. It is of interest for the long-range planning of AID, to consider an initial comparison of AID administrative costs with those of PACT. Given the differences in the kinds of grant programs conducted and the preliminary nature of AID expenditure estimates available, these comparisons

must be viewed with all the qualifications as an integral part of the comparison. No definitive use should be made of these figures. Nevertheless, RRNA evaluators believe the basic findings reflects a valid (and predictable) difference: PACT total expenditures for administration and a range of services were greater per dollar granted than those of the AID programs used in the comparison; PACT expenditures per project grant were much less.

PACT expenditures have been presented in this report (Chapter III, Table III-5). Some illustrative AID administrative costs for grant programs involving PVOs are provided for the administration of the Operating Program Grant (OPG) program and the AID PVC office itself (Table VI-1). Indirect costs for contracting and accounting had to be estimated in a very preliminary way.

OPGs, averaging about eight times the size of PACT grants, cost AID missions an estimated two to three to six times as much per grant to administer, depending on the measure of PACT expenditures used. The immediate agency expenses per dollar granted were estimated as a third the proportion of that for PACT (Table VI-2). AID PVC with even larger average grants, 16 times the PACT size, appears relatively more efficient on the basis of these estimated expenditure figures. Its total cost per grant is almost three times that of PACT, but the large amount per grant leaves the proportion of agency expenditures at only about 3 percent of the value of grants. The conclusions regarding this section are to be read as an integral interpretation of these findings.

Table VI-1. Selected AID Grants and Expenditures

Item	USAID Missions	AID PVC Operations	
	Operating Program Grants FY 1980	FY 1980	FY 1981
	-----number-----		
Grants	144	45	52
	-----millions of dollars-----		
Value of grants	53.60	30.96	36.75
<u>Functional expenses</u>			
Estimated direct personnel expenses and overhead	4.00 ^a	0.83	0.92
Estimated contracting and accounting personnel expenses ^b	.12	0.07	0.08
Estimated overhead for facilities and services ^c	0.13	0.08	.09
Total	4.25	0.98	1.09
<u>Proportions</u>	-----percent-----		
Expenses/grants	7.9	3.2	3.0
	-----dollars-----		
<u>Average grant</u>	372,200	688,000	706,700
<u>Average AID cost per grant</u>	29,500	21,800	21,000

The accompanying text is an integral part of this table.

a. Estimate based on one person year of program officer time per mission, \$100,000 per officer for 40 mission; this time input estimated by AID PVC was confirmed by RRNA as a good estimate for the missions visited in the field work.

b. Estimates based on information gathered informally from AID financial sources.

c. Estimate based on General Services Administration budget as approximately 0.25 percent of other U.S. Government budget.

Source: AID Office of Private and Voluntary Cooperation, other information from AID financial personnel.

Table VI-2. Comparison of Grants and Expenditures, PACT, USAID Missions Operating Program Grants, and AID PVC, Recent Fiscal Years

	PACT, FY 1981	USAID Missions Operating Program FY 1980	AID PVC Operations, FY 1981
	-----dollars-----		
Average grant	44,000	372,200	706,700
Average agency expenditures per grant specifically allocated to grant program	5,300	n.a.	n.a.
Total	11,300	35,800	30,400
	-----percent-----		
Proportion Total agency expenditures/ amount granted	23.9	9.6	4.3

The accompanying text is an integral part of this table.
Source: Tables III-5, VI-1.

Conclusions

USAID Missions and PACT

USAID missions are now a third party in the previously bilateral relationship between PACT and PVC. The current interest of USAID missions in bringing all USAID-funded activities within the framework of the mission strategy and management is likely to conflict at times with PVOs' own tradition of independent action and with the apparent Congressional expectations that PVOs will bring different approaches and activities to LDC development than USAID offers itself. In such a situation, PACT personnel may want to try to maintain independence through avoiding contact with USAID missions where possible. Other approaches of resolving potential conflicts based on improved communication need to be tried instead. AID needs to bring to a resolution current internal discussion concerning roles of Selective Development Activities involving PVOs and missions. PVOs working in LDCs should not be left to resolve conflicting expectations with missions on a one-to-one basis.

Cost Comparisons

A first step for an assessment of PACT costs is to use AID costs and services as one basis for comparison. However, this is a useful and valid exercise only if the reader keeps in mind the difficulty and limitation of such comparison. The difficulty is that PACT and AID services offer different services as funding organizations.

One limitation is that AID PVC and USAID mission costs for supporting PVO projects cannot be estimated precisely enough within the limits of the scope of work of this study.

AID, and the U.S. Government as a whole, are so specialized with overhead scattered in so many agencies that it is difficult to estimate total costs of AID PVC or of a given mission. The costs estimates prepared by AID did not include expenditures for contracting, accounting, personnel administration rents utilities. The estimates for some of these overheads included in this chapter appear likely to be an understatement; however, more inclusive estimates were not possible within the scope of this study.

Another key factor is the small size of PACT grants. Other things being equal, the larger each individual grant, the lower will be the costs per dollar granted; the smaller the individual grant, the higher will be the cost per dollar granted. This relationship does not mean, however, that making larger grants will necessarily increase the efficiency of the developmental aid delivery system as a whole. For one example, at an early stage in the life of a project, small grants may be more appropriate; a large grant might be used inefficiently when the receiving agency is just getting its first experience.

Other differences in PACT vis a vis AID involvement are the services PACT offers to member agencies, and the level of ongoing PACT involvement with projects. A part of this involvement is the care of PACT staff and Project Selection Committee to allocate project funds prudently. The cost of the extensive review increases the proportion of expenditures to grants.

These differences appear to conform to AID's own expectations that PACT's relationship with PVOs be different from

AID's own involvement. The PACT total agency expenditures amount to approximately 24 percent of the value of grants. This ratio can be assessed as "high" or "low" in comparison to the AID costs (see Table VI-2).

RRNA considers that in comparison with AID, PACT expenditures on a per-grant basis indicate a reasonable cost-effectiveness, especially in light of PACT funding of small projects. This ratio as well as the costs per dollar granted are certainly indicators of cost effectiveness; and AID PVC and the PACT Executive Committee and Board certainly will want to monitor these cost relationships.

The PACT process and services to members add substantially to costs. PACT and AID participants in a further grant agreement must make their own assessment of whether some reduction of PACT relative costs through a reduction of services and some streamlining of relationships to funded projects would be desirable. In considering this question, AID PVC officials must examine the costs and importance of the project funding function of PACT in comparison to PACT's other activities when calculating cost ratios. At the least, the issues and cautions in interpretation of the various cost ratios presented in this conclusion are essential for AID PVC in its own assessments of the cost-effectiveness of reaching PVO-sponsored projects and their beneficiaries.

APPENDIX A

PURPOSES AND SCOPE OF WORK OF THIS EVALUATION

Portion of the work order, AID/SOD/PDC-C-0397,
January 4, 1982.

ScheduleBACKGROUND

In conjunction with the termination of the PACT consortium's current grant agreement with A.I.D. and the submission of a proposal for continued support, A.I.D. and PACT are undertaking an evaluation of PACT.

Since 1972, A.I.D. has provided funding a PACT in support of PACT's goal to "assist low-income persons in developing countries to improve their social and economic conditions through the collaborative efforts of PACT member and non-PACT member private development agencies." An evaluation conducted by American Technical Assistance Corporation in 1975 at the conclusion of the first grant provided the basis for renewed and expanded A.I.D. support under the current grant (1978-1982). The present evaluation, building upon the previous one, will thus concentrate on the period 1978-1982. The evaluation is viewed as providing the data base that will be an important component in A.I.D.'s decision regarding the level and nature of continued funding. It is also intended to provide information and analysis that will be of help to PACT and its agencies in their continuing process of development. The issues presented in the tentative evaluation instrument (Attachment A) include, therefore, the major questions on which A.I.D. desires information and certain questions pertaining to areas of current planning being undertaken by PACT.

ARTICLE I - TITLE

Evaluation of the General Support Grant to Private Agencies Collaborating Together (PACT)(Project No. 932-0100)

ARTICLE II - OBJECTIVE

To provide an in-depth and objective examination about how the PACT consortium operates, what it accomplishes and with what degree of efficiency and effect.

ARTICLE III - STATEMENT OF WORKA. General

The evaluation shall examine how PACT works and what it does. Recognizing the multiplicity of roles played by PACT, it shall examine the various processes and activities that have formed the work of the consortium including case studies of about 12 countries in two continents. Identification and scheduling of project site visits shall be as mutually agreed to by the Contractor, PACT, and A.I.D.

The emphasis of the evaluation shall be on PACT's role as a funder of development projects. Other roles will be examined in less detail.

In examining PACT's role as a funder, the evaluation shall focus on PACT's process and on its relationships with implementing agencies. Since PACT itself is not an implementor of projects, the emphasis shall be on what PACT does to assist implementing agencies through its project and supportive activities funds. The evaluation shall also include an examination of the end product: the projects and their actual or likely effect on beneficiaries. Whenever possible, the evaluation shall utilize existing data on project performance and results.

Data and impressions about PACT projects shall be collected from: A.I.D. staff; PACT staff, Board of Directors and Project Selection Committee members; PACT member agencies in the U.S. and other countries; agencies implementing PACT-funded projects, other participants in PACT-funded projects and beneficiaries of PACT-funded projects.

Interviews shall be conducted in the United States and at selected project sites in Africa and Latin America.

B. Specific

The following organization and phasing of the work shall be used as guidance with modifications thereof subject to mutual agreement between the Contractor, PACT, and A.I.D.:

1. Phase I - Evaluation Design

- a. Collection of basic documents from A.I.D. and PACT.
- b. Consultations with A.I.D. and PACT on the final design of evaluation, including discussions about basic themes and a refinement of questions (Attachment .) regarding those themes. These would include the selection of indications of efficiency and cost effectiveness.
- c. Final agreement by both PACT and A.I.D. on evaluation instrument and the strategy for data collection to be used for the evaluation.

2. Phase II - Collection of Information

Field visits will include a selection of projects in Colombia, Honduras, Dominican Republic, Kenya, Zambia, and Botswana with projects to be specified by mutual agreement between the Contractor, PACT and A.I.D.:

a. Stage I - U.S.

- Interviews with A.I.D. staff.
- Interviews about general PACT and about sample of projects to be seen in the field and all other PACT-

funded projects in countries to be visited with PACT staff, member agencies, non-member agencies, Board of Directors, and Project Selection Committee.

- Discussions with A.I.D. and PACT of initial summary findings.

b. Stage II - Field Trips to Latin America and Africa

- Interviews with PACT member agencies.
- Interviews with implementing agencies, other participating institutions, and intended beneficiaries in selected sample of PACT-funded projects (average two days per project).
- Discussions with A.I.D. and PACT of Phase II, Stage II findings.
- Interviews with A.I.D. mission staff.

3. Phase III - Evaluation Report

- a. Submission of first draft of report.
- b. PACT and A.I.D. review draft and submit comments.
- c. Submission of final draft of report.

ARTICLE IV - REPORTS

The final report shall be presented orally and in written form to both A.I.D. and PACT. The report shall address the purpose of the evaluation as defined above or as modified during the course of the evaluation.

The report shall consist of the following sections:

- A. Brief preface that includes:
 - 1. A description of the evaluation procedures.
 - 2. A historical sketch of PACT and of A.I.D.'s involvement with PACT.
- B. Findings
- C. Conclusions
- D. Detailed supporting information and documentation referenced in the body of the report.

APPENDIX B
INSTRUMENTS USED IN EVALUATION

Instrument No. 4	Interview Guide for PACT members
Instrument No. 5	Interview Guide for Field Interviews
Instrument No. 2	Indicators for assessing project conditions and performance in relation to PACT criteria

Other instruments used include the list of questions for USAID (Appendix A) and a list of basic information required on current projects for use by the PACT staff.

Instrument No. 4

PACT EVALUATION - INTERVIEW GUIDE

Subject: PACT performance and relationships

Use: Interview with PACT staff, members, Board, Project Review Committee; some questions with USAID country missions.

Interview with _____
(Name, title, organization)

- I. PACT as a funder of projects
 - A. Discuss PACT as a funder of development projects, that is, as a disperser of funds, particularly USAID funds.
 1. Expectations and definitions of PACT role:
 - a. Do you understand this funding role as PACT's highest priority function?
 - (1) No
 - (2) Yes
 - b. What do you expect or recommend as changes in the degree of priority of this function for PACT?
 2. PACT performance
 - a. Aspects of PACT performance of particular note. Strong points.
 - b. Problems.
 - c. Recommended solutions or changes.
 3. PACT process and criteria for selecting projects.
 - a. Strong points of PACT process.
 - b. Problems
 - c. Should PACT be more or less strict and choosy in its selection of projects, or is it just right now?

- (1) Less strict
- (2) Just about right
- (3) More strict

d. Are you familiar with the PACT criteria for selecting projects?

(review if necessary)

e. Do you think these criteria are the right ones for selection of good development projects?

- (1) No
- (2) Yes

- (1) Limited access of beneficiaries
- (2) Locally determined need
- (3) Increased control of resources
- (4) Collective approach
- (5) Local share contribution

f. Suggested changes, additions.

g. (For agencies)

Have you ever had a project submitted to PACT --

- (1) Turned down by staff
- (2) Turned down by the project review committee.

4. Assessment of PACT project portfolio.

a. How would you characterize in general the projects which PACT has funded in the last three years?

- (1) Don't know
- (2) Unsatisfactory, borderline
- (3) Satisfactory, adequate
- (4) Outstanding, excellent

5. Role of PACT funding in helping projects.

(We will discuss other kinds of PACT help in a few minutes)

a. How important do you think the funding of PACT gives is for the operation and success of the project it funds? (For agencies, discuss in terms of own specific projects funded by PACT).

- b. Do you believe most of these projects would exist in much the same way without PACT funding?
- (1) Would exist in much the same way without PACT funding.
 - (2) Would not.
- c. Do you think these projects are improved or made worse in the process of trying to get PACT funding? How?

II. PACT cost-effectiveness.

- A. What do you consider indicators of cost-effectiveness of an organization like PACT which funds projects in developing countries? How does PACT rate by these indicators?
- B. How would you rate the cost-effectiveness of PACT-funded projects with which you are familiar?
- (1) Don't know
 - (2) Unsatisfactory, borderline
 - (3) Adequate, satisfactory
 - (4) Outstanding, excellent.
- C. Give specific examples.
- D. Comparison with other funding organizations.

How would you rate PACT cost-effectiveness as a funder of good PVO projects in comparison with other funding organizations?

- (1) Don't know
 - (2) Not as good
 - (3) Typically same
 - (4) Better
-
- (1) With other US PVOs
 - (2) With USAID PVO
 - (3) With USAID country missions
 - (4) With U.S. and international foundations
 - (5) With IBC foundations, funding organizations
 - (6) Give specific examples.

III. Related PACT services

As you know, PACT's role as a funder of projects involves related activities in addition to selecting projects and distributing funds. Please indicate your

assessment of which of the following tasks (that have been mentioned in various PACT documents, especially in its relations with USAID) you believe are important and then, for the important ones, give your assessment of PACT's effectiveness.

	<u>Importance</u>	<u>Performance</u>	
	(1) not very	(1)	(2)
	(2) quite	(3)	(4)
a.	Assistance in project design and t.a. in project development		
b.	Monitoring and evaluating projects		
c.	Stimulating funds from private sector		
d.	Encouraging and arranging for collaboration among PVOs		
e.	Giving supportive activities grants		
f.	Information and technical assistance to members		
g.	Supporting development of consortia in developing countries		
i.	Providing PVO member agencies a mediating role (even acting as a buffer) in relation to USAID funding and regulations		
j.	Services to members (insurance, accounting, personnel)		
k.	How would describe your expectations for PACT in its and your relationships with USAID and with the U.S. Government?		

9. Agency budget and funding source information
- a. Does your organization relate directly to USAID and the U.S. Government?
- (1) USAID PVC
 - (2) USAID country missions (which countries?)
 - (3) Other USAID
 - (4) Other U.S. Government
- b. Total organization budget
- . From private sources
 - . From USAID PVC
 - . Other USAID country missions
 - . Other USAID
 - . Other Federal Government
- c. Total expenditures
- Administration
 - In U.S.
 - In LDCs
 - Funds for LDC programs
 - Funds for programs not in LDCs
10. Other comments
11. Interviewer summary of key items.

Instrument No. 5

PACT EVALUATION -- INTERVIEW GUIDE

Subject: Relationships of LDC Project with PACT and
Performance of PACT-Funded Projects

Use: Field Interviews with Staff, Members, Agencies and
Projects.

Project Characteristics

1. Name and number of project
2. Name of supporting agency(ies)
3. Geographical area
 - (1) Latin America and Caribbean
 - (2) Africa
 - (3) Asia and Pacific Region
4. Region
 - (1) Urban
 - (2) Rural
 - (3) Both
5. Activity
 - a. Describe main project activities (one or two sentences)
 - b. Sector
 - (1) Agriculture
 - (2) Cooperatives
 - (3) Small business
 - (4) Health and nutrition
 - (5) Community development
 - (6) Training education
 - (7) Energy, conservation, appropriate technology
 - (8) Housing
 - (9) Other
6. Beneficiaries
 - a. Type
 - (1) Individuals/Household
 - (2) Family enterprise
 - (3) Community group
 - (4) Community as a whole

- b. Special role of women
 (1) No
 (2) Yes
 (3) Non-discriminatory
7. Collaboration between members
- a. No collaboration
 (1) Member only
 (2) Non-member only
- b. Collaboration (provide names)
 (3) Member - Member(s) _____
 (4) Non-Member(s) - Member(s) _____
 (5) Non-Member(s) _____
8. Local Agency
 (1) No local agency
 (2) Yes, local only
 (3) Yes, local
9. Year of founding
 a. Agency (in country) 19____
 b. Project 19____
10. Tell about your experience with submitting the project to PACT for funding and having it accepted.
- a. Strong points
- b. Problems
- c. How did you first get in contact with PACT? Why?
- d. Tell about communications with PACT in the proposed submission.
- e. How reasonable and responsive do you consider PACT grant procedures for project applications? In the information required reasonable or too much?
- (1) Reasonable
 (2) Too much
- f. How much staff time (days) did you use in preparing the proposal and follow-up until you got the funding?
- g. Suggested changes, additions.

h. PACT funding conditions

1. In the letter of grant agreement or any other correspondence, did the PACT Selection Committee state specific conditions to be met or other concerns regarding your project?

No _____ Yes _____

If yes, explain:

2. Did your project respond to their conditions and/or concerns?

No _____ Yes _____

- i. Have you ever had a project submitted to PACT
- (1) Turned down by staff
 - (2) Turned down by the Project Review Committee.

11. PACT Selection Criteria

- a. Are you familiar with the PACT selection criteria for selecting projects?

1. "The project should aim at improving the conditions of life of beneficiaries who have limited access to resources."

(a) How does your project achieve this?

(b) How would you rate your project according to this criterion?

- (1) Don't know
- (2) Unsatisfactory/borderline
- (3) Satisfactory/adequate
- (4) Excellent

2. "The project should address a locally determined need."

(a) How does your project achieve this?

(b) How would you rate your project according to this criterion?

- (1) Don't know
- (2) Unsatisfactory/borderline
- (3) Satisfactory/adequate
- (4) Excellent

3. "The project should contribute to the capacity of the beneficiaries to plan and manage the use of their own and/or outside resources."
- (a) How does your project achieve this?
- (b) How would you rate your project according to this criterion?
- (1) Don't know
 (2) Unsatisfactory/borderline
 (3) Satisfactory/adequate
 (4) Excellent
4. "The project should promote collective action among beneficiaries so that they respond not individually but together to their common needs."
- (a) How does your project achieve this?
- (b) How would you rate your project according to this criterion?
- (1) Don't know
 (2) Unsatisfactory/borderline
 (3) Satisfactory/adequate
 (4) Excellent
5. "The project should include contributions by beneficiaries of ideas, time and materials."
- (a) How does your project do this?
- (b) How would you rate your project according to this criterion?
- (1) Don't know
 (2) Unsatisfactory/borderline
 (3) Satisfactory/adequate
 (4) Excellent

12. Narrative regarding technical design and performance

Design

- a. Aspects of design respondents identifies as key?
- b. Direct relationship of activity to need?
- c. Expected outcome?
- d. Ways outcomes have been assessed?

Performance

- a. Results and benefits related to these expectations?
 - b. Unanticipated benefits?
 - c. Problems and how they were dealt with?
 - d. Describe use of resources of project (more or less used than budgeted). Discuss perceived cost-effectiveness. Is there an apparently less expensive way to meet the same kind of need in the future?
13. Communications with PACT
- a. How reasonable do you consider the PACT reporting requirements?
Financial?
Program?
 - b. How much staff time (days) do you usually use in preparing the financial and program reports?
 - c. Have you prepared an evaluation (1) No (2) Yes
Have you shared it with PACT (1) No (2) Yes
 - d. Tell about follow-up visits with PACT, here or in New York.
14. Role of PACT funding in helping your project
- (We will discuss other kinds of PACT help in a few minutes)
- a. Has relationship with PACT influenced your project operations? Explain.
 - b. Do you believe your project would have developed in much the same way without PACT funding?
Explain.
 - c. Do you think your project was improved or made worse in the process of trying to get PACT funding?
How?
 - d. What other projects does your organization have (in this country)?

- e. How would you rank the project funded by PACT in importance compared with your other projects?
- (1) Don't know
 - (2) Not as important
 - (3) Same
 - (4) More important
- f. It will help us understand the role of PACT funding if we can know more about the other funds and funding assistance your organization receives. (We are just interested in information which is already part of your published reports and budgets.)

Your in-country agency or program	Your project assisted by PACT
--------------------------------------	----------------------------------

Annual budget at time of

PACT approval

Total budget

Local share

Outside funds

PACT

USAID

Other U.S. Govt. Supported

Other (specify - but only list and give aggregate total)

1981 or 1982 budget (most recent)

Total budget

Local share

Outside funds

PACT

USAID

Other U.S. Govt. Supported

Other

As you know, PACT's role as a funder of projects involves related activities in addition to selecting projects and distributing funds. Please indicate your assessment of which of the following tasks you believe are important; and for the important one give your assessment of PACT's helpfulness:

- | | <u>Importance</u> | <u>Performance</u> |
|-----|--|--------------------|
| a. | Assistance in project design and t.a. in project development | |
| b. | Stimulating funds from private sector | |
| c. | Monitoring and evaluating projects | |
| d. | Encouraging and arranging for collaboration among PVOs | |
| e. | Giving supportive activities grants | |
| f. | Information and technical assistance to members | |
| g. | Supporting development of consortia in developing countries | |
| h. | Serving as advocate of PVO members' interests in general and in relation to USAID | |
| i. | Providing PVO member agencies mediating role (even acting as a buffer) in relation to USAID funding and regulation | |
| 16. | Other comments | |
| | a. What is your relationship (or feeling) of confidence in working with PACT? | |
| | b. How do you see PACT having changed in its process of working with you? | |
| | c. How has your perception of PACT (then and now) changed? | |
| 17. | Interviewer Summary of Key Items | |

Instrument No. 2

PACT EVALUATION - GUIDELINE FOR INTERVIEW

Subject: Indicators for assessing project conditions and performance in relation to PACT criteria.

Use: Field interviews with agency and project personnel, and possibly beneficiaries; interviews with PACT and U.S. agency personnel; RRNA review of PACT project files of projects to be visited in field.

Project	No.	Name
---------	-----	------

1. Targeting to beneficiaries

"The project should aim at improving the conditions of life of beneficiaries who have limited access to resources." How does the project do this?

Criterion met if any of the "a. Low-income indicators" apply to main beneficiary group (approximately, in terms of best available estimates or information) or if any of the "b. Other indicators" apply in a direct and unambiguous way.

a. Low-income indicators

- (1) Hunger or widespread malnutrition.
- (2) In lowest half of country population in terms of household or per capita income.
- (3) In lowest quarter of urban population in terms of household or per capita income.
- (4) Within USAID low-income criteria for continent.
- (5) Unemployed or only employed less than three months per year.
- (6) In rural village situation, is part of majority peasant or subsistence farming group or part of a landless or tenant group (i.e., are not part of a rural social or economic privilege group).

b. Isolation Indicators

- (1) Social or cultural isolation (e.g., handicapped by language barriers, religious customs, social prejudices which isolate from national social and economic life to the group's detriment).
- (2) Geographical isolation (e.g., very limited physical infrastructure in community, no access to national transportation network by road).

c. Other indicators suggested by field respondents.

2. Local determination

"The project should address a locally determined need." How does the project do this?

- a. Beneficiaries determine project selection and/or design in clearly defined way.
- b. Sponsoring organization has a process for including beneficiaries' ideas and opinions in project design and in review of project proposed by the sponsoring organization (survey, series of community meetings specifically dealing with the proposed project, etc.).
- c. Beneficiaries have already participated extensively in control of and contribution to this project or a similar uncompleted project in the same location.
- d. Other indicators suggested by field respondents.

3. Increased beneficiary capacity

"The project should contribute to the capacity of the beneficiaries to plan and manage the use of their own and/or outside resource." How does the project do this?

- a. Specific plan integral to the project design and activity -- for beneficiaries to increase control of project operations and resources.
- b. Important use of previously unused community resources stimulated by project.
- c. Increase in human resources; training, education, or consciousness-raising integral to project.
- d. Substantial increase in community and/or individual incomes (cash and in-kind).
- e. Other indicators suggested by field respondents.

4. Collective Action

"The project should promote collective action among beneficiaries so that they respond not individually but together to their common needs." How does the project do this?

Criterion met if one of the following applies:

- a. The project promotes a community organization such as a cooperative.
- b. The project promotes an increasingly participatory decision-making structure through membership voting or use of a general body to meet and decide on action.
- c. The project output is a community facility or program open to all community members.
- d. Community members contribute voluntary time and shared self-help beyond household to implement the project.
- e. Other indicators suggested by field respondents.

5. Local share

"The project should include contributions by beneficiaries of ideas, time and materials." How does the project do this?

Criterion met if one of the following applies:

- a. Local contribution in cash amounts to 20 percent of project cash resources.
- b. Locally contributed materials or in-kind resources are essential resources of the project (especially land; contributed building is less impressive).
- c. Locally contributed time is greater than paid staff time.
- d. Activity can continue after project with decreased proportion of outside funds.
- e. Other indicators suggested by field respondents.

6. Project design and performance (not a PACT criteria directly)

Design

Design (at time of proposal) is adequate if the following applies: Project activity is directly related to defined need; and expected outcome as result of this activity can be defined and later assessed.

- a. Aspects of design field respondent identifies as key.
- b. Describe direct relationship of activity to need.
- c. Describe expected outcome.
- d. Describe way outcome can be assessed.
- e. Aspects of design suggested by field respondent

Performance

- a. Aspects of performance field respondent identified as key.
- b. Unanticipated problems and how they were dealt with.
- c. Describe the assessable outcomes in terms of expectations.
- d. Describe other outcome field respondent considers important.
- e. Describe use of resources of project (more or less used than budgeted). Discuss perceived cost-effectiveness. Is there an apparently less expensive way to meet the same kind of need in the future?

Appendix C

PERSONS INTERVIEWED, BY COUNTRY AND AGENCY

United StatesPACT Staff

Mr. Robert O'Brien, Executive Director
Mr. Carlos Castello, Regional Representative for Latin America
Mr. Tom Drahman, Regional Representative for Asia
Ms. Rita Gibbons, Assistant to the Project Fund Director
Mr. James F. O'Brien, Project Fund Director
Ms. Alison Smith, Associate Director (for finance)
Ms. Carolyn Stremiau, Associate Director, staff manager for evaluation
Mr. Thomas Franklin, Regional Representative for Africa (interviewed in Africa)

AID, Office of Private Voluntary Coordination

Mr. Thomas Fox, Director
Mr. Thomas Luche, Program Grant Manager for PACT
Mr. Ross Bigelow, former interim Program Grant Manager for PACT
Mr. Austin Heyman, Deputy Director

Other AID

Ms. Judy Gilmore, Office of Policy, Programs, and Evaluation

PACT Board of Directors

Mr. Roland H. Johnson, Chairperson (The William Penn Foundation)
Mr. Kenneth W. Cole (The Inter-American Development Bank)

The Project Review Committee

Mr. Arthur A. Theisen, Chairperson (SaLUT/Soil and Land Use Technology, Inc.)
Mr. Douglas Hellinger, former Chairperson (The Development GAP)

Accion International (AITEC)

Mr. Jeff Ashe, Deputy Director (phone)

Goodwill Industries of America, Inc.

Mr. Robert Ransom, Director for International Development
 Ms. Susan Roche, Director for Africa, International
 Operations

International Educational Development, Inc.

Ms. Caridad Indes, former contract consultant

International Voluntary Services (IVS)

Mr. John Rigby, former Executive Director
 Ms. Heather Clark, Program Officer

Meals For Millions/Freedom from Hunger Foundation

Mr. Peter Davies, President
 Mr. Richard Redder, Program Director (phone)
 Mr. Leslie Temanson, Regional Director, Africa (phone)

Partnership for Productivity Foundation/USA

Mr. Andrew Gerke, Executive Director
 Ms. Cheryl A. Lassen, Small Enterprise Program, Design
 and Evaluation

Save the Children Federation

Mr. David Goyer, President
 Ms. Barbara Bakas
 Mr. John Grant
 Ms. Pretima Kale

Technoserve, Inc.

Mr. Edward P. Bullard, President

VITA, Inc.

Mr. Henry Norman, Executive Director
 Mr. Richard J. Pera, Director, Regional Operations, Latin
 America/Caribbean, Asia/Pacific

World Education

Mr. George Baldino, President
Ms. Mary Rita Zeleke, Regional Representative for Africa
Mr. Russ Mahan

Dominican RepublicFederacion Dominicana de Desarrollo (FDD)

Staff:

Mr. Jaime R. Fernandez, Acting Executive Director
Mr. Francisco Oliva, Director, Artisan Project

Beneficiaries:

Participants of doll-making projects in Bani and Sombrero.

Mujeres en Desarrollo Dominicana (MUDE)

Staff:

Ms. Luz Abreu, Executive Director
Ms. Maria Jimenez, Administrative Director
Ms. Elsa Alcontara, Promotion and Development

Beneficiaries:

Participants in goat-raising projects in El Atoy and Carreton.

Solidarion

Staff:

Mr. Enrique A. Fernandez, Secretary General

USAID/Dominican Republic

Mr. Jack Francis, Program Officer
Ms. Robe M. Veith, Assistant Program Officer

ColombiaCIDES

Staff:

Mr. Alvaro Perilla, Director
 Ms. Fanny Garcia Gamboa, Social Promoter

FICITEC

Staff:

Mr. Oscar Duran Perdomo, Director
 Ms. Ojairo Rendon Cano, Sub-Director
 Ms. Katherin Frost de Rodriguez, Promotion and Development

FUNDAEC

Staff:

Dr. Farzam Arbab, Director
 Mr. Gustavo Correro
 Ms. Francia Valarcel, Anthropologist

Beneficiaries:

Training graduates and program participants in a number of villages.

FUNDES

Staff:

Ms. Cecilia Montalvo de Moreno, Executive Director
 Ms. Myriam Sacveda, Assistant Executive Director
 Mr. Henry Cardona, Director, Project Administration

Beneficiaries:

Mr. Fabio Grisales M., Director, Industria Gaby, Ltda.
 Coli (Proprietor of furniture repair shop)
 Proprietor of Cement Tile Business.

Fundacion Carjaval (DESAPI)

Staff:

Dr. Pedro Sardi U., Director
 Mr. Weimar Escobar, Chief of Projects Department

Beneficiaries:

Mr. and Mrs. Luis Enrique Ossa, Proprietor and family employee,
Camisas Leossac, Cali
Proprietor of Small Furniture Business, Cali

Hogar Escuela**Staff:**

Sister Maria Esperanza Briceno, Director
Sister Julia Fues Cordovez, Assistant Director

IMCA**Staff:**

Mr. Gustavo Ramirez, Director

Beneficiaries:

Participants in IMCA's community development program
in Cerro Verde.

Save/Colombia**Staff:**

Mr. Jaime Victoria, Director
Mr. Humberto Rivera, Program Advisor
Mr. Javier Martinez, Program Director
Mr. Bautista Jacanemejoy, Project Coordinator, Sibundoy
Ms. Ligia Marina Junjibioy, Promoter

Beneficiaries:

Ms. Socorro Castillo Ch., Coordinator, Social Development
Asociaciones de Lideres Rurales de Narino (Cafeteros)
Members of Women's clubs: Las Palmitas (Las Palmas,
Sibundoy area)
Jabotiyama (Tamabioy, Sibundoy area)
El Progreso (Los Cauchos, Cafeteros area)

Servivienda**Staff:**

Fr. Alberto Ramirez, Director
Fr. Jaime Martinez
Plant Manager, Servivienda Housing Factory

Beneficiaries:

Community members in the Comuneros and Vargas Villa community development project.

Honduras**ACPH****Staff:**

Mr. Pedro Pablo Ramirez, Director

CEDEN**Staff:**

Mr. Jacobo Nunez, Program Director
Mr. Chet Thomas, IVS Representative

Beneficiaries:

Participants in well projects in villages of El Marial, Los Llanitos, and Guanacastillo

USAID/Honduras

Mr. Raymond L. Baum, Program Officer
Mr. Jan D. Gibboney, Contractor responsible for PVO contacts.

Kenya**PPF/Kenya****Staff:**

Mr. Charles Khaminwa, General Manager
Mr. Andrew Peppeta, Regional Manager/Kisumu
Ms. Eda Ngaira, Project Supervisor for Western Region
Mr. Aggray Ombima, Extension Officer, Asst. Supervisor
Mrs. Christine Kvia, Extension Officer/Accounts Clerk
Mr. Benson Akala, Extension Officer/Technician
Mr. Johan Valle, Water Engineer
Mr. Odinga, Proprietor/rural bakery, Luanda
Mr. Henry Machinji, Mechanical Instructor, Kevaya Village, Polytechnic, Majengo
Mr. Mohammed Muhamud, Metal Works & Plumbing Instructor, Kevaya Village, Polytechnic, Majengo

Beneficiaries:

Mr. Odinga, Proprietor, bakery, Luanda
 Mr. Geoffrey Maderu Akala, Chairman, Chekalini Vegetable Growers
 Mr. Zebedayo Waryonyi, Member, Chekalini Vegetable Growers
 Mr. Charles Lipuku, Proprietor, Wheel Chair/Window Frame Assembly Shop

Technoserve/Kenya**Staff:**

Mr. Tom Giddings, General Manager
 Mr. Gregory Wiifala, Program Manager, Agriculture and Livestock
 Mr. Joseph Mingyuti, Assistant Manager and Shareholder, Farmers' Society, Ltd., Drumvale Cooperative
 Mr. Peter Mailu Maingi, Bookkeeper, Drumvale Cooperative

Beneficiary:

Mr. P. Maitha, General Manager, Neli Cooperative Savings and Credit Society, Ltd.

Freedom From Hunger/Kenya**Staff:**

Mr. Moses G. Mbugua, General Secretary
 Mr. James Aremo, Assistant General Secretary (Projects)

USAID/Kenya**Staff:**

Mr. William S. Lefes, Program Officer
 Mr. Ned Greely, Project Manager

Liberia**PPF/Liberia****Staff:**

Mr. George Butler, General Manager
 Mr. Frank Manley, Business Management Advisor
 Mrs. Anne Ritchie, Credit & Financial Advisor
 Mr. Tom Meyer, Extension Coordinator/Peace Corps

Mr. Trevor House, Training Advisor/World Education
 Mr. Marvin Wilson, Agricultural Advisor
 Mr. Preston Karr, Extension Coordinator
 Ms. Shari Bevenbach, Consultant, PFP International
 Mr. Lawrence Paye, Agricultural Extension Aide, Kpoolay Key
 Village
 Mr. Johnson Quaqua, Agricultural Extension Aide, Zualay Key
 Village
 Mr. G. William Kangor, Agricultural Extension Aide, Zorgowee
 Key Village
 Mr. Joseph Bonga, Agricultural Extension Aide, Senoan Key
 Village

Beneficiaries:

Mr. Savar Mahon, Personnel Officer, Nimba Corporation, Logging
 and Sawmilling/Spin-off of LAMCO
 Mr. Jura Kromah, General Manager, Mount Nimba Transportation
 Company/Spin-off of LAMCO
 Mr. James Paye, Business Manager, Wala-Laakeh Multipurpose
 Farmers' Coop
 Mr. and Mrs Paul Barchue, Recipients of PFP loan for a
 power saw, seeking a second loan for another saw
 Mr. Ama B. Kamara, Recipient of PFP loan for purchase of wood
 to make furniture
 Mr. James Woukah, Employee in Fallah Tamba's Furniture Shop,
 loan received by owner
 Mr. Alex Darwison, Principal of Glorglor Suah Memorial High
 School, recipient of loan to resurface classroom floor

Liberia/AID

Staff:

Mr. Jack M. Cornelius, Rural Development Officer

TOGO/CONGAT

Staff:

Mr. Akpalo Kouassivi, Executive Director, CONGAT Service,
 Former President of CONGAT

Board and Members:

Dr. R. Messan Ajih, President, National Caritas; President,
 CONGAT
 Mr. Wetti, Directeur du Centre Sociale et de l'Evangelization
 de l'Animation Rurale
 Mr. Eli Kofi Ajivi, Pasteur, Moderateur Mission Evangelique,
 1er Conseiller CONGAT

Mr. Sodji Quam, Coordinateur de l'Association Togolaise pour
 Bien-Etre Familiale; Executive Secretary of CONGAT
 Mr. Adzim Kossi, Agriculteur d'Animation Rurale
 Mr. Ayadam Tchegnon, Directeur du Centre de formation
 agricole - Nyale
 Mr. Bill Kibbler - United Church of Christ Volunteer

AID/Togo

Staff:

Dr. J.A. Lundgren, AID Representative
 Mr. Sid Bliss, Development Officer

OFADEC/Senegal

Staff:

Mr. Jean Carbonare, General Manager, OFADEC/Senegal
 Mr. Mamadou Ndiaye, Assistant Program Officer, OFADEC/Senegal

Beneficiaries:

Mr. Al Hadj Saloum Toure, Village Chief of Bantantinting/
 Senegal
 Mr. Mamadou Traora, Pharmacist-Nurse in Bantantinting
 Mr. Mamadou Sana, Grain Specialist
 Mr. Mamadou Toure, President of Farming Cooperative,
 Bantantinting/Senegal
 Mr. Boubakar Sow, Coop President in Adjaff/Senegal
 Mr. Seydou Yord Sow, Vegetable Specialist, Adjaff/Senegal
 Mr. Amadou Soudne, Coop Member, Surveyor, Adjaff

FNASS/Senegal

Staff:

Mr. Egeune N'diaye, Former Project Director
 M. Mamadou Diop, Handicapped Shoe Makers in Dakar/Senegal
 M. Moustapha Ndiaye, Handicapped Shoe Makers in Dakar/Senegal
 M. Denis Coly, Handicapped Shoe Makers in Dakar/Senegal
 M. Mamadou Gaye, Handicapped Shoe Makers in Dakar/Senegal
 M. Moussa Diouf, Handicapped Shoe Makers in Thies/Senegal
 M. Maleck Mboup, (Store name: Cordonnerie Moussante)

AID/Senegal

Staff:

Mr. Mamadou S. Diallow, Assistant Program Officer

APPENDIX D

BRIEF DESCRIPTIONS OF PACT-FUNDED PROJECTS
VISITED BY RRNA EVALUATORS

Of the nineteen projects visited by the RRNA evaluators, 14 of the projects were those of PACT members. RRNA interviewed both the field staff and the U.S. home-office support staff of these 14 projects. PACT funding as listed in these brief descriptions is based on the actual amounts received by the implementing agency. Financial information presented earlier in the report (Table IV-2) is based on PACT's authorized funding, as documented in the Grant Agreements. In some cases there is small discrepancies in the amounts.

PACT staff assisted the RRNA evaluators by identifying the type of PACT activities and contributions to each project. This information is noted in each description. Also, field staff of the projects identified and discussed PACT's contribution to their projects. From these sources, RRNA evaluators summarized PACT-Project relations.

The projects reviewed are as follows, including CONGAT, which received the first PACT "large" consortium support grant:

Latin America

Handcraft Development (#019) FDD	Dominican Republic
Social Services and Small Loans (#036) MUDE	Dominican Republic
Housing, Urbanization and Serranias (#051, #052, #104, #021) ServiVienda	Colombia
Social Services (#100, #021) CIDES	Colombia

Integrated Development Program (#021) Hogar Escuela, CECIL	Colombia
Integrated Rural Development (#097) IMCA	Colombia
Training of Village Women (#063) Save the Children	Colombia
Appropriate Technology (#053) FUNDAEC VITA	Colombia
Micro-Enterprises Development (#033) Carvajal Foundation/ AITEC	Colombia
Radio School Curriculum (#057) ACPH, IED	Honduras
Water Resource Development (#063) CEDEN, IVS	Honduras

Africa

Nutrition Training (#088) MFM	Kenya
Small Business Development (#055) PFP/Kenya , PFP/USA	Kenya
Small Business Development (#027) Technoserve	Kenya
Small Business Development PFP/Liberia LAMCO	Liberia
Participatory Training (#076) World Education, PFP/Liberia	Liberia
Integrated Rural Development (#035) OFADEC	Senegal
Vocational Training (#045) FNASS, Goodwill Industries of America CONGAT Service, CONGAT	Senegal Togo

Project Title
 and Number: Handcraft Development (#019)
 Sponsoring Agency: Fundacion Dominicana de Desarrollo (FDD)
 Country: Dominican Republic
 Date Funded: March 1976
 Authorized Funding: \$72,600 - 1976
 74,950 - 1977
 75,000 - 1978
 76,500 - 1979
 299,050 Total

To increase employment, the Handcraft Development program promotes artisan industrial development, essentially for sale to tourists. The project builds production and marketing capacities in four product areas: leather, toy-making, ceramics, and amber jewelry. Groups of workers are extended credit for the purchase of primary materials and selected marketing activities. As of February 1982, the project has completed its technical assistance in product development and skills training (except for the jewelry). FDD supplies most of the marketing, as wholesaler and operators of a retail outlet. In 1982, FDD plans to increase marketing activities, as well as integrate production and marketing processes. A PACT-sponsored evaluation in 1981 emphasized the need for such marketing activities stating that the Handcraft project requires a level of four to six times the level of 1981 sales in order for the project to be economically viable in covering administrative costs and generating adequate income to workers. This project is a relatively minor and new activity of FDD, which has a multi-million dollar credit and technical assistance program focused on agriculture.

FDD first approached PACT in the early 1970s in a search for funding in the United States and Europe. FDD contracted a feasibility study on the Handcraft project in 1975; this study formed the basis of FDD's proposal to PACT. The proposal was submitted and PACT approved funding three months later. No PACT official visited the project site before approval. Throughout the life of the project, its activities have been reviewed in visits by the regional representative and in the refunding process. In 1979 PACT expressed specific concerns regarding marketing, project management, etc. FDD claims to have responded to these specific concerns. However, the findings of the 1981 PACT

evaluation suggest otherwise. PACT staff identifies the following involvements with the project:

PACT's role in encouraging FDD to look at the assumptions and conceptual framework of their project, in introducing the FDD to outside technical assistance, and in providing funds for 1981 evaluation.

RRNA evaluators interviewed the Acting Director of FDD, Mr. Jaime Fernandez, and the manager of the Handcraft Development program, Mr. Francisco Oliva. This was followed by visits to a retail craft store and two toy-making centers, in the town of Bani and in the valley of Sombrero.

Project Title
 and Number: Social Services and Small Loans (#036)
 Sponsoring Agency: Mujeres en Desarrollo Dominicana (MUDE)
 Country: Dominican Republic
 Date Funded: January 1978
 Authorized Funding: \$36,000 - 1978
 41,745 - 1979
 41,745 - 1980
 35,568 - 1981
 155,058 Total

The MUDE loans and services project assists rural women in organizing community action groups to define community needs and to identify ways to resolve their problems. Through promoters, MUDE offers technical assistance and information, credit and financing opportunities, and additional support to women's agricultural and artisan projects. Group formation consists of the promoters working weekly with key community women. The women's group submit the proposal for credit to MUDE and are responsible as a group for repayment of their loans. Projects include goat and sheep production, fish processing, papaya production, and embroidery and dress-making. There have been 20 credit loans with 700 women involved in the program. Formal evaluation of the project paid by PACT is scheduled for 1982.

The relationship between PACT and MUDE largely reflects the organizational changes within MUDE. In 1977, the U.S. citizen founder of MUDE contacted PACT regarding the MUDE project and received funding that same year. At this point, there was both a Washington and Santo Domingo office of MUDE. In 1978-79, MUDE underwent a series of organizational changes, including the closing of their Washington office, and the departure of the U.S. leader. During these changes, MUDE's project administration suffered, as noted in PACT's Refunding Review of 1980. The Project Selection Committee stated a number of concerns, all of which were acted on immediately by the new director of MUDE. During 1980-81, MUDE increased their loan activity by 100 percent and re-structured their field and home-office personnel. MUDE praises the role of PACT, its patience and its critical analysis, as being key in the development of their projects.

PACT staff identifies the following involvement with the project: PACT was early funder of organization and has successfully encouraged the leveraging of local matched

funding; PACT analysis and feed-back has greatly influenced the project's redirection; and PACT has continued its flexible funding through difficult periods of the project.

RRNA evaluators interviewed the Executive Director of INUDE, Srt. Luz Abreu; the Administrative Director, Srta. Maria Jiminez; and the Chief of Promotion and Development, Srta. Elsa Alcantara. The following day the RRNA team visited two goat-raising projects in the villages of Carreton and Las Tablas, both of which have suffered from serious losses to disease.

Project Title and Number: Urbanization, Housing and Serranias Development (#051, #052, #104)
Sponsoring Agency: SERVIVIENDA
Country: Colombia
Date Funded: Urbanization and Housing - January 1979
 Serranias Development - January 1982
Authorized Funding: \$170,000 - 1979
 29,640 - 1982
 199,640 Total

The SERVIVIENDA housing project provides low-income housing through a strategy of self-help construction and collective action. The project assists community groups and private individuals in the financing and legalization of their pre-fabricated houses, which have been designed by SERVIVIENDA with construction of components in SERVIVIENDA-owned factory employing 50 workers. Cost of a house for low-income people is about U.S. \$1,000, not counting land.

The key to the success of the SERVIVIENDA project is the provision of housing finance to low-income individuals who would be denied access to such funds in the private market. Moreover, the SERVIVIENDA project has a self-financing component, that being the sale of the pre-fabricated homes to higher income (middle) individuals at the market rate. Although only 10 percent of the homes are sold at the market rate, this sale helps finance the subsidized operation. PACT funds have been used to establish a revolving loan fund under the urbanization and housing project of 1979, and are now contributing to the social services program for the housing development of Serranias. SERVIVIENDA has fabricated thousands of houses and similar programs are now being started in other Colombian cities. Serranias community alone is to have 800 new houses.

PACT's relationship with SERVIVIENDA can be traced back to 1973 when PACT granted funds to this project for the first revolving loan fund. Another project, the collaborative project (see Hogar Escuela), was funded in 1977. SERVIVIENDA is one of the early PACT-funded projects and has been a PACT member for many years; its Director currently serves on the PACT Executive Committee. And, as PACT has encouraged collective action, the SERVIVIENDA project has been undertaking a more integrated approach to housing community services. The recently approved Serranias project illustrates the movement of both PACT and SERVIVIENDA to

become more involved in community action projects within the housing sector. PACT staff also identifies the following involvements with this project: provision of funding to SERVIVIENDA in early stages, and Supportive Activities grant to allow SERVIVIENDA to meet with other housing groups in Latin America.

RRNA evaluators visited SERVIVIENDA headquarters in Bogota, Colombia, and its production facilities on the outskirts of the city. One evaluator also interviewed purchasers of SERVIVIENDA housing in the barrios of Comuneros and Vargas Villa in the south of the city.

Project Title
and Number: Training and Cooperative Education
(#100)

Sponsoring Agency: Cooperative Multiactiva de Desarrollo
Social (CIDES)

Country: Colombia

Date Funded: August 1981

Authorized Funding: \$23,789 1981

Under the Training and Cooperative Education grant to CIDES, PACT continues to support training activities initially started under an earlier grant, the Integrated Development Project, #021 (see Hogar Escuela). Since 1977 CIDES has provided training to its cooperative members on savings and loans activities, personal finance, housing finance, small business, health, and basic education. The purpose of the training program is to develop the financial and interpersonal skills, discipline, and responsibility of the credit members. The training program is a requirement of all cooperative members who borrow from the CIDES revolving credit fund, and who participate in the SERVIVIENDA housing project. The effectiveness of the training program is indicated by the loan default rate, which is below 5 percent. Moreover, the popularity of the credit program is evidenced in the membership growth rate, from 253 (1977) to 2,000 (1981).

SERVIVIENDA played an instrumental role in the CIDES-PACT relationship. In fact, SERVIVIENDA helped found CIDES in 1977. In the original project, the collaborative project, SERVIVIENDA was the administrating agency, and coordinated relations among the other three insitutions and PACT. In submitting the current proposal, PACT provided technical assistance to CIDES in the formatting and organization of the report. In addition, the PACT field representative visited the project and attended training sessions. PACT funds are approximately 50 percent of the CIDES budget.

The RRNA team met with the Director, Sr. Alvaro Perilla, and Assistant Director, Sra. Fanny Gamia Gamboa, of CIDES and visited the credit union and training classrooms.

Project Title
 and Number: Integrated Rural Development (#021)
 Sponsoring Agency: Diocese of Facatativa/Hogar Escuela
 Country: Colombia
 Date Funded: January 1977
 Authorized Funding: \$57,245 - 1977
 53,339 - 1978
 40,000 - 1979
 30,000 - 1980
 19,450 - 1981
 46,820 - 1982
 249,854 Total

The Integrated Rural Development project is an offshoot of an earlier inter-institutional collaborative project which funded four Colombian agencies -- SERVIVIENDA, Hogar Escuela, CECIL, and CIDES -- to integrate their respective programs in housing, adult education, community development, and cooperative services. This coordination project ended in 1980 (its fourth year); however, funding for the rural development program of Hogar Escuela was continued. The main activity of Hogar Escuela is its non-formal, adult correspondence courses in literacy, nutrition, preventative health, and community action at times through the use of recorded cassettes. Hogar Escuela promoters administer the field program and are assisted by local volunteers who lead the community groups. Hogar Escuela sponsors four other programs: children and adult education programs at the Funza headquarters; skills training classes in sewing, cooking, etc. at the headquarters; credit projects with an educational component; and an intern program in which community leaders attend a two-month session in Funza. The total program of Hogar Escuela services 2,800 people. Much of the field work is done under severe restrictions due to difficult circumstances in various sections of Cundinamarca. PACT, being the only major source of funding, supports all of these activities. In the 1982 budget, PACT is funding an evaluation of Hogar Escuela's program.

Hogar Escuela's first contact with PACT grew out of their mutual relationship with SERVIVIENDA, a Colombian member of PACT. During 1977-80, Hogar Escuela looked to SERVIVIENDA to complete the proposal and report requirements of the inter-institutional project. Since that time, Hogar Escuela has reported directly to PACT. With its reliance on PACT funding for so many years, Hogar Escuela now finds itself in a precarious position as the period of PACT funding may end. While PACT field officers are trying to assist

Hogar Escuela in locating other outside funds, Hogar Escuela is not experienced in locating funds, writing a proposal, and other steps critical in fund-raising. The outcome of the funding problem may determine the future of the Hogar Escuela project.

RRNA interviewed Sisters Maria Esperanza Briceno, the Director, and Julia Ines, an employee, and visited the Hogar Escuela headquarters in Funza, Cundinamarca.

Project Title
and Number: Training of Village Women (#054)

Sponsoring Agency: Save the Children Federation
Federacion Nacional de Cafeteros de
Colombia
World Education

Country: Colombia

Date Funded: 1979

Authorized Funding: \$ 67,479 1979
28,781 1980-81
\$ 96,260 Total

The objective of this women's project is to organize women's groups in four provinces of Colombia and assist them in income-producing projects. Through training the Women Homemaker's Clubs in group formation and technical skills, the project provides the base for the clubs to carry out agricultural, livestock, and sewing projects. The clubs decide on the type of project through a participatory decision process. Approximately one-half of the PACT grant funds supported a small revolving loan program to which the Women's Clubs applied for short-term loans for their respective projects. Loans have ranged from \$130 to \$550. The collaboration between the three sponsoring agencies has worked well. Save the Children/Colombia, the primary implementing agency, has worked with the Cafeteros project, sharing information and ideas through a series of workshops. World Education provided the technical assistance in participatory evaluation methods to the project.

Save the Children Federation and World Education are PACT members, and this collaborative project grew out of the relationship. In the project selection approval of the project, there was concern regarding the loan credit guidelines. During the first year of implementation, each club needed to approve the guidelines through a participatory process, an extremely time-consuming process. For that reason, the loan program was not started until the second year, and the disbursement of PACT funds was delayed. PACT also identifies its encouragement of the formal evaluation as important to the project.

The RRNA team visited Mr. Jaime Victoria and his staff at Save the Children/Colombia headquarters in Bogota. They then escorted a RRNA representative to four field sites near Pasto, Colombia (please look to listing of field visits). Also, the program officer at Save/Westport headquarters was interviewed.

Project Title and Number: Appropriate Technology (#053)
Sponsoring Agency: Fundacion para la Aplicacion y la Ensenanza de las Cientifica (FUNDAEC)
 Volunteers in Technical Assistance (VITA)
Country: Colombia
Date Funded: February 1979
Authorized Funding: \$89,265 - 1979
 97,491 - 1980
 90,000 - 1981
 276,756 - Total

The objective of the FUNDAEC/VITA project is to infuse traditional technical education and agricultural extension with concepts of community development, appropriate technology, and scientific method. In the last two years, the main activity of the FUNDAEC has been creating a short-term study program at its Rural University, a center previously providing a 5-year course in science and social studies. The first 15 graduates of the program, receiving the certificate as "engineers of rural well-being," have now returned to their native communities in which they encourage community action in agricultural and social development. They are to find their own entrepreneurial sources of self-support within two years. PACT has funded various activities within this program: salaries of three professionals from the multi-disciplinary staff of mainly former university professors. PACT also funds appropriate technology experimentation, and a small loan fund for communities to test new agricultural practices. VITA has provided consulting and information services to the project through PACT funds. VITA and FUNDAEC have sponsored internal evaluations of the project; however, no analysis has been undertaken on the cost-effectiveness of the program.

VITA, a PACT member agency, was the contact organization for FUNDAEC. In 1979, FUNDAEC and VITA representatives met with PACT in New York to discuss the FUNDAEC proposal. During this meeting, PACT encouraged a major role for FUNDAEC and a minor role for VITA, thus deemphasizing the information dissemination component of the project. Before approving the project, PACT sent a representative of FICITEC (Colombian member agency) to assess the project. Upon approval of the project, PACT immediately sent two

representatives to FUNDAEC headquarters in Cali. Since that time, a PACT representative has visited the project annually. PACT identifies the following involvements with the project: PACT's role in working out relationships between FUNDAEC and VITA and in shifting responsibility to FUNDAEC for project administration.

RRNA visited the FUNDAEC headquarters in Cali and the Rural University just one hour outside of Cali. In addition, RRNA was escorted to two villages near the Rural University and talked with two of the graduates of the FUNDAEC program.

Project Title
 and Number: Micro-Enterprise Development (#033)
 Sponsoring Agency: Fundacion Carvajal
 Accion International (AITEC)
 Country: Colombia
 Date of Funding: July 1977
 Authorized Funding: \$45,367 - 1977
 34,000 - 1978
 79,367 Total

The micro-enterprise development project focused on the development of management and financial skills of small businessmen and women in the Cali area. With the PACT funds, this experimental project received the two-year assignment of an AITEC consultant who assisted the project in the development of the training and credit programs, including curriculum and materials development, and the creation of the administrative and promotional structure of the project. While the project did initiate a small lending program, already in its early years, this aspect of the project was severely impaired by the local banks which participated only minimally in the program. Two lessons learned from this project were: (1) the most cost-effective promotional approach is the use of group meetings instead of door-to-door contacts; and (2) the self-financing of the training project is viable by participants paying for their management training. These lessons have now been adopted into this project, as well as similar projects in five other Colombian cities.

The program now has an arrangement with a PVO credit institution which provides credit to entrepreneurs selected by Carvajal, after they have completed the training course, which is a prerequisite.

Throughout this project, the contact organization was AITEC. Before 1977, the Fundacion Carvajal had worked in vocational and technical education. AITEC approached the Fundacion with the idea of small business development, then drafted and presented the proposal to PACT for funding. During both the proposal and implementation stages, the Fundacion relied on AITEC to complete the necessary PACT documentation. At the end of the project, AITEC and the Fundacion submitted a second proposal to continue the educational activities of the first project. Both the PACT staff and Selection Committee turned down this proposal.

Currently, AITEC and the Fundacion regard PACT as an excellent source of funding for experimental projects; however, given PACT's criteria of collective action, the traditional small business projects are no longer funded by PACT. PACT staff identifies the following involvements with the project: PACT funding as instrumental in leveraging funds from IDB, and PACT encouraging cooperation among small business agencies in Cali.

RRNA interviewed both the staff of the Fundacion Carvajal's small enterprise project (known as DESAPP) and a representative of Accion International (AITEC) in Cambridge. RRNA also visited two businesses which had received training and credit from the Fundacion project.

Project Title

and Number: Radio School Curriculum (#057)
 Sponsoring Agency: Accion Cultural Popular Hondurena (ACPH)
 International Educational Development (IED)
 Country: Honduras
 Date Funded: April 1979
 Authorized Funding: \$67,773 - 1979

The ACPH/IED project was a specific effort within a large ongoing program. The project was aimed at revising the formal radio school curriculum by incorporating non-formal education techniques into the traditional curriculum, thus increasing the interest and effectiveness of the radio school program among poor rural farmers in Honduras. The activities included the technical assistance of a curriculum development specialist selected by ACPH and IED. ACPH terminated the project 6 months after beginning its implementation. Reasons for the termination of the project differ between management and field staff: management claims that the field personnel, feeling threatened by the change, were resisting the curriculum revision, and field staff complained about the hierarchical and bureaucratic structure of home-office management. However, in the two years since this project, ACPH management has slowly adapted curriculum change; and as of the beginning of 1982, ACPH has almost completed the revision of its formal radio education curriculum.

ACPH contacts with PACT were made through IED, a PACT member. No PACT representative visited the project site before or after the funding approval. The decision to terminate the project was initiated by ACPH.

RRNA visited headquarters in Tegucigalpa, Honduras. Also, an RRNA evaluator discussed the project in the United States with the former consultant.

Project Title and Number: Water Resources Development (#063)
Sponsoring Agency: Comite Evangelico de Desarrollo y Emergencia Nacional (CEDEN)
 International Voluntary Service (IVS)
Country: Honduras
Date Funded: June 1979
Authorized Funding: \$101,700 - 1979
 137,132 - 1980
135,600 - 1981
 374,432 Total

The purpose of the CEDEN Water Resources Development project is to improve the health of the rural population through potable water and latrine projects. CEDEN assists communities install gravity or pump water systems and trains the community action groups in the operation and maintenance of the water system. Requests for the water projects must come from the community group to which CEDEN responds by conducting an engineering assessment of alternative water systems. As of December 1981, 32 communities in the northern region and in the Choluteca southern region have been assisted. CEDEN views the community water project as a first step in a community development program, and offers other types of health, education, and agricultural projects.

The CEDEN-FACT relations began through IVS, which is a member of FACT. The IVS Honduras representative had previously administered the CEDEN program. The proposal was a joint effort between IVS-CEDEN. All reports and correspondence from CEDEN are channeled through the IVS-Washington office. In 1980, FACT provided funds for an internal evaluation of the CEDEN water project by the participants. The findings highlighted management and programming bottlenecks, issues which have concerned all three organizations -- CEDEN, IVS, and FACT. In the past year, CEDEN has focused on resolving these problems by increasing the number of field staff and improving CEDEN's management and networking techniques. FACT staff also identifies the technical assistance by the regional representative in evaluation design and implementation.

RRHA visited the CEDEN headquarters in Tegucigalpa, interviewing IVS volunteer, Mr. Chet Thomas, and CEDEN project manager, Mr. Jacobo Hunez. The RRHA team was then escorted to three project sites in the Choluteca area, El Marial, Los Llanitos, and Guanacacillo.

**Project Title
and Number:** Community Food and Nutrition
Training (#088)

Sponsoring Agency: Meals for Millions/Freedom from
Hunger Foundation

Country: Kenya

Date Funded: February 1981

Authorized Funding: \$26,400-1981
refunding-March 1982

This program in Kenya, and a similar effort in Sierra Leone, provides training to community workers in planning small projects for nutrition improvement in the villages. The training course is for two weeks and has 25 participants, mainly government employees. The program is directed by a Meals for Millions employee who serves as head trainer and who is resident in Kenya as the head of the MFM Africa office.

The training program includes components of nutrition education and food production and field work in communities to prepare, propose, and implement a nutrition project. The program has a fund for grants of about \$100 to the projects developed. The MFM Africa office uses office space provided by the Kenya Freedom from Hunger Foundation. The Kenya Freedom from Hunger Foundation assists in recruitment of course participants, but is not involved much in the planning of the course and the related community projects.

Meals for Millions proposed a eight-country training program to FACT, which approved funding for four programs, including Kenya. FACT pays only for direct costs and Meals for Millions pays all developmental and indirect costs.

The Meals for Millions program staff was in the United States for meetings during the time of the field visit. A RHA evaluator discussed the program by phone for over two hours with the MFM program director and the director of the Africa program. In Kenya, evaluators met with the Kenya Freedom From Hunger Managers, but did not meet with participants in the training program and did not visit any of the field work communities.

Project Title and Number	Small Business Development (#055)	
Sponsoring Agency:	Partnership for Productivity (USA/Kenya)	
Country:	Kenya	
Date Funded:	1979	
Authorized Funding:	\$167,600	1973 through 1978
	72,820	1979
	102,948	1980
	25,737	1981
	<u>\$369,105</u>	Total

The two main activities of Pfp have been the Rural Enterprise Extension Service (REES) and the Rural Market Loan Scheme (RMLS), both of which were funded by PACT. These activities were designed to provide consulting services to small businesses to improve accounting practices and to provide loans to enterprises ineligible to other credit sources. The Pfp program has extended well beyond the limits of its original program under the direction of Mr. Khaminwa and now includes projects in Women in Development, and Improved Rural Technology. The most recent PACT funding stipulated that none of its monies were to be used for new projects. The REES project, which has been operating since 1973, is still not able to collect fees from its clients for services rendered.

The Partnership for Productivity program in Kenya was one of the earliest projects funded by PACT. Until 1978, the project holder was Pfp/USA; in 1979 the staff was fully Kenyanized and the project holder became Pfp/Kenya. In 1981 third-year funding of Pfp by PACT was interrupted as a result of communication problems between the organizations. Nonetheless, PACT provided two months of funding to Pfp in 1981 in order to give the organization an opportunity to maintain its activities and secure other funding.

PACT staff also identifies the following involvements with this project: providing technical assistance over the years and arranging to cover costs of other technical assistance (program planning, proposal preparation, staff development, evaluation), and encouraging the organization to Kenyanize its staff and shift the decision-making responsibilities to Kenya.

The RRNA team interviewed Mr. Charles Khaminwa, General Manager of PFP/Kenya, in Nairobi, discussing relations between his organization and PACT. The evaluators also traveled by train to Kisoumou where they were met by Miss Eda Ngaira, Project Supervisor for Western Kenya, and Mr. Andrew Peppeta, Regional Manager at Kisoumou. Miss Ngaira and Mr. Peppeta accompanied the RRNA team to a rural bakery in Luada, a polytechnic in Majengo, vegetable growers cooperative in Chekalini, and a wheelchair production enterprise in Kousoumou. These visits offered the evaluators an opportunity to talk with beneficiaries of the REES and RMLS projects.

Project Title and Number:	Small Business Development (#027)
Sponsoring Agency:	Technoserve
Country:	Kenya
Date Funded:	August, 1973
Authorized Funding:	\$353,200 1973-78
	\$125,000 1979-80
	<u>\$100,000</u> 1981
	\$578,200 Total

Technoserve provides professional management services to business enterprises. Principal goals of this organization are to increase economic activity among low-income people, rescue failing enterprises, and strengthen existing ones. Technoserve involves itself in a variety of activities such as livestock management, savings and credit societies, cooperative management, and cattle feed lots. A major achievement of Technoserve has been the design and implementation of simplified systems of accounting and financial controls, which have proven to be useful in Kenya. Some of the business enterprises to which Technoserve has provided technical assistance are not actually paying fees for TNS service.

PACT was one of the early funders of Technoserve (Kenya), and Technoserve has been one of the largest recipients of PACT funding. In the early 1970s PACT funded the broad range of TNA business development projects; in the latter years of funding, monies were limited to activities relating to savings and credit cooperatives. PACT funding was terminated in 1979; however, a phase-out grant award and an interim emergency funding grant have since been awarded to prevent a curtailment of TNS activities in Kenya at a time when other donor funding was problematic.

PACT staff also identifies the following involvements with this project: encouraging an evaluation and providing funds for it (as yet unspent), and acting as an intermediary in putting TNS in touch with CUSA/Zambia for a possible technical assistance role.

The RRNA team interviewed Mr. Thomas F. Giddings, Managing Director of Technoserve, and Mr. Gregg L. Wiifala, Program Manager for Agriculture and Livestock, at their offices in Nairobi. Mr. Wiifala accompanied the RRNA team in the morning to the Drumvale Cooperative Society, a mixed livestock project outside Nairobi, where the evaluators were able to talk to beneficiaries and salaried employees. In the afternoon Mr. Giddings accompanied the RRNA team to the Reli Savings and Credit Cooperative Society in Nairobi where the evaluators interviewed the President of the Society.

Project Title and Number:	Small Business Development (#011)	
Sponsoring Agencies:	Partnership for Productivity/Liberia Liberian American Mining Company (LAMCO)	
Country:	Liberia	
Date Funded:	July, 1974	
Authorized Funding:	\$ 50,000	1974
	50,000	1975
	60,000	1976
	60,000	1977
	60,000	1978
	20,000	1979
	20,436	1979
	<u>20,000</u>	1980
	\$340,436	Total

Partnership for Productivity/Liberia is part of an experiment to diversify a local economy highly dependent on a mineral concession. One of PFP's main efforts has involved strengthening spun-off activities from the multinational corporation, LAMCO, to local businessmen. By placing businesses in indigenous hands, it is hoped that the local economy will eventually become strong enough to sustain itself when the iron-ore concession closes down. PFP's role has been to provide assistance to these businesses in order to improve their chances for long-term viability. In addition to the spin-offs, PFP is involved with small business development in Camp Four, the part of town for non-LAMCO employees. Loans are provided to small businesses which are unable to secure loans from commercial sources.

PACT supported PFP/Liberia consistently from 1974, when the 'experiment' started, through 1978. In 1979 and 1980, PACT provided PFP with "bridge funds" to keep their operations going during difficult funding periods. PFP/Liberia is currently receiving no PACT funds for business development projects, but has received sizable monies from other donors.

PACT staff also identifies the following involvements with this project: assisting in initiating collaboration with World Education and in providing a Supportive Activities grant for project planning, encouraging move away from emphasis on spin-off businesses to working with other segments of the population, and providing "bridge" support when an A.I.D OPG was delayed.

The RRNA team interviewed Mr. George Butler, General Manager of PFP/Liberia, in his office in Yekepa, discussing PACT relations. Mr. Butler accompanied one member of the RRNA team on visits to various spun-off activities in Yekepa, including: a piggery, a sawmill, a woodworking shop, a transportation enterprise, and a restaurant. The RRNA evaluators also met with Mr. Frank Manly, PFP Small Business Specialist, who accompanied them on visits to recipients of PFP small Business loans.

The evaluators had a chance to talk with loan recipients in the following businesses: carpentry shops, education (school principal), tree cutting.

Project Title
and Number: Participatory Training (076)

Sponsoring Agency: World Education in collaboration
with U.S. Partnership for Productivity
and Pfp/Liberia

Country: Liberia

Date Funded: September 1980

Authorized Funding: \$68,523 1980
\$58,500 1981-82

Pfp/U.S. initiated contacts with World Education to include a new component of training extension workers in projects of agricultural and infrastructural development based on participation of the persons in the community.

A training specialist selected by Pfp/U.S. is now in the second year of resident work with Pfp/Liberia. Training is complete for the first group of five extension workers who are now living and working in rural communities with noticeable enthusiasm and dedication to stimulating community participation. However, no new classes have been begun because Pfp/Liberia has overspent its large OPG and believes it cannot support further extension workers at the present time. The goal at the time of initial funding by PACT was for 25 extension workers to be trained.

PACT identifies the following contributions: PACT assisted in initiating collaboration with World Education and provided Supportive Activities grant for project planning. PACT encouraged the move to Pfp/Liberia away from emphasis on spin-off business to working with other segments of the population.

The RRNA evaluator met extensively with the World Education trainer and other Pfp/Liberia staff members involved in the rural development. The evaluator travelled with a Pfp team to a day of meetings and visits in the rural area, especially a meeting of three rural extension workers to assist a Pfp/U.S.-hired consultant in the establishment of baseline information on community situations and institutions.

Project Title
and Number: Integrated Rural Development (#035)

Sponsoring Agency: Office Africain Pour le Developement
et la Cooperation (OFADEC)

Country: Senegal

Date Funded: October, 1977

Authorized Funding: \$ 54,862 1977
54,862 1978
64,500 1979
\$174,224 Total

OFADEC is a non-profit Senegalese organization which has started integrated rural development projects in the Tambacunda region of Senegal, 300 kilometers from the capitol. OFADEC believes that development must proceed simultaneously in many sectors, and, as a result, has established benchmarks for activities in four areas: production, management, education, and health. One impressive aspect of this project is the combination of modern technology (gasoline powered pumps), with labor-intensive activities (ditch digging with shovels), and local materials. Large scale production of food and cash crops has already started at several sites, through the use of irrigation, and local people have expanded their opportunities for gainful employment throughout the year. OFADEC efforts have expanded rapidly in the Tambacunda region in the last few years and its highly visible works (banana orchards, rice and millet fields, etc.) have attracted widespread interest in other villages. There are currently 9 villages involved in OFADEC cooperative structures and an additional 11 villages have applied for assistance. OFADEC's work has proven to be replicable in other villages, and collaborative efforts have developed among villages in sharing experiences and exchanging information on integrated development projects.

PACT was one of the early funders of OFADEC, providing roughly half of the project's budget in 1977. OFADEC has been able to attract funds from many agencies in recent years; PACT contributions to the organization stopped altogether in 1981. OFADEC's operating budget has more than tripled over the last four years, while PACT's financial assistance has fallen from 50 to 0 percent of the total budget over the same period. PACT seems to have successfully funded an adolescent PVO and to have cut off assistance at a time when it appeared to be successful and self-sustaining.

The RRNA team visited four village integrated rural development projects in the Tambacunda region: Dantantinting,

Adjaff, Sankagne I, Sankagne II. The RRNA evaluators were accompanied by Mr. Mamodou Ndiaye, Regional Director of OFADEC, who discussed the mechanics of each project and who provided translation services in conversations with beneficiaries. The RRNA evaluators also interviewed Mr. Jean Carbonare, Director of OFADEC, at his home in Dakar, who was able to discuss the relationship between his organization and PACT.

Project Title
and Number: Vocational Training (#045)

Sponsoring Agencies: Fondation Nationale d'Action Sociale
du Senegal (FNASS)
Goodwill Industries of America

Country: Senegal

Date Funded: September, 1978

Authorized Funding: \$23,000 1978
26,400 1979-81
\$49,400 Total

FNASS is an organization dedicated to improving the conditions of life for disadvantaged members of society including the mentally retarded, lepers, and handicapped beggars. PACT funding to FNASS has gone for training physically handicapped street people in shoemaking and shoe repair skills, and to the establishment of small cooperative workshops, each with three or four handicapped workers. This pilot project was designed to provide marketable skills to people who had none before, and to offer them the chance to demonstrate to the community-at-large that handicapped people can become productive members of society. The workers were expected to be earning approximately \$85 per month and to spend most of their time making shoes; at the moment average monthly incomes range from \$35 to \$45, and most of the shoemakers' efforts go into shoe repairs. FNASS originally hoped to establish a National Center for Handicapped Training. The expanded program is in abeyance and the training program for handicapped shoemakers is currently without funding.

PACT involvement with the FNASS shoemaking project came through Goodwill Industries International. An agreement was reached where PACT would provide money for the repair, transportation, and installation of equipment provided by Goodwill Industries to Dakar, in addition to providing funds for salaries, trainee stipends, and the establishment of workshops.

PACT staff also identifies the following involvements with this project: providing a Supportive Activities grant for FNASS staff to visit other handicapped programs in West Africa, initiating an extensive progress evaluation which included FNASS and Goodwill Industries and produced a set of recommendations (April 1980), and providing a 3-month interim grant to allow the continuation of training and the preparation of a second-year funding request.

The RRNA team visited three handicapped workshops, two of which were in Thies (the third largest city in Senegal), the other being in Grand Dakar. Mr. Eugene Ndione, former director of the Handicapped Shoemaking Project, accompanied the RRNA team to the various workshops and provided translation services so that the beneficiaries could discuss with the evaluators their experiences in the training project and follow-up activities. Madame Coly, the director of FNASS, was out of the country at the time of the RRNA visit.

Project Title: CONGAT Service

Sponsoring Agency: Conseil Des Organismes Non
Gouvernementaux en Activite au Togo
(CONGAT)

Country: Togo

Date Funded: 1981

Authorized Funding: \$ 8,260 1977 (Supportive Activities
Grant)
\$ 5,000 1978 (Supportive Activities
Grant)
\$63,750 1981 (Consortium Grant)

CONGAT is a consortium of non-government local agencies that plays a complementary role with the government in the economic and social development of the country.¹ The member agencies are involved in a variety of activities including: agricultural production, rural animation, water supply, health care, credit, and savings. CONGAT itself tries to coordinate the activities of its members through information exchanges, informal meetings, assessments of projects, and contacts with outside donor agencies. A technical assistance branch of the consortium, called CONGAT/SERVICE, was established in 1980 by a decision of the CONGAT General Assembly. Its goals include improving the capacity of member agencies to plan and manage their resources and to facilitate the process of obtaining outside funds for projects.

PACT provided small grants to CONGAT in 1977 for general consortia support and for travel to a PACT member housing project in Colombia. Another small grant was made in 1978 for the organization of a seminar on programs for the handicapped in Africa. PACT made its first large consortium Grant to CONGAT in 1981. The decision to set up CONGAT/Service in 1980 required additional funds and CONGAT has managed to attract contributions from several other international organizations including: ICCO (a Dutch Protestant Development Agency), Misereor of Germany and the Algemach Diakoral Bureau of the Reformed Church in the Netherlands. OXFAM has been a frequent contributor in the past, but is not supporting the activities of CONGAT/Service.

1. From Alan T. Miller's Report, "PVO Consortia in Africa," December 1981.

The RRNA team interviewed Mr. Akpalo Kouassivi, the director of CONGAT/SERVICE, at the organization's main office in Lome. Mr. Kouassivi accompanied the evaluators on visits to several rural animation centers, including the Center for Agricultural Training in Nyale. The evaluators also talked with officials of the CONGAT including: Mr. Ajivi Eli Kofi, Mr. Sodji Quam, Executive Secretary, and Dr. Messan R. Ajih, President.