

A.I.D. EVALUATION SUMMARY PART I

(BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

A. REPORTING A.I.D. UNIT (Mission or AID/W Office) (ES #: 86-4)

B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN? yes slipped ad hoc

C. EVALUATION TYPE: interim final ex post other

D. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program (s) evaluated; if not applicable, list title and date of the evaluation report)

Project #	Project/Program Title (or title & date of evaluation report)	Fiscal PROGRAM or equivalent (FY)	Most recent PACD Cost (m/y)	Planned LCP Cost ('000)	Amount Obligated to Date ('000)
383-0060	PVO Co-financing	79	8/89	6,539	6,539

E. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

Action(s) Required	Name of officer responsible for Action	Date Action to be Completed
1. That the assistance to PVOs be continued for another 5 years - a) Decision on how this will be done; b) Follow-up action on above decision.	R.D. McLaughlin:PRM	10/31/86
2. That the PACD of this project be extended by 6 to 12 months. (The need for this will be examined at the end of FY 87 and action taken).	N. Mahesan:PRM	9/30/87
3. That the project should take more active role in building capacities of PVOs to design and implement development proposals. (Arrange workshops on project preparation, implementation and promotion of micro-enterprise through PVOs).	N. Mahesan:PRM	10/31/87
4. That the project should fund an umbrella organization to provide micro-grants to community-based PVOs.	N. Mahesan:PRM	3/31/87
5. Prepare a brochure for distribution among indigenous PVOs.	N. Mahesan:PRM	1/31/87
6. Revise guidelines for PVOs incorporating the recommendations of the Evaluation Team such as the criteria used for approving sub-projects and a clear definition of sustainability.	N. Mahesan:PRM	12/31/86
7. Expand the number of PVOs receiving grants	N. Mahesan:PRM	2/28/87
8. Clarify cumulation of direct and indirect beneficiaries.	N. Mahesan:PRM	9/30/87
9. Formalize current practice of a staff member of the Controller's office visiting a new sub-grantee to help set up an acceptable accounting system within three months of approval of a sub-project.	N. Mahesan:PRM	10/31/86
	R. Albores:CONT	10/31/86

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: no 8 day 15 year 86 Report Date: no 7 DAY 7 YR 86

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

Signature of Project Director: N. Mahesan (10/2/86)

Signature of Representative of Borrower/Grantee: S.L. Kuruppu (10/9/86)

Signature of Evaluation Officer: R.D. McLaughlin (10/8/86)

Signature of Mission or AID/W Office Director: Robert C. Chase

IDENTIFICATION

CERIFICATION

SIGNATURE

The project aims to enhance the opportunity of local communities to participate in their own development by assisting indigenous and U.S. PVOs in undertaking collaborative activities which improve the lives of the poor. Through the project USAID provides partial funding to development sub-projects designed and implemented by the Private Voluntary Organizations. The review was conducted near the end of the seventh year of the ten year project. Information was gathered by review of USAID project files, interview with USAID officials involved with the project and visits to 43 sub-project field sites and PVO Offices.

The major findings and conclusions are:

- a) Management of the project has been sound and the project is meeting its purpose. Particularly notable characteristics were -
 - i. strong and fairly effective collaboration with local communities
 - ii. effective promotion of micro-enterprises in two sub-projects
 - iii. a good record of effectively involving and benefitting women and
 - iv. has had positive impacts related to each of the different objectives except promotion of appropriate technology.
- b) Approval of sub-projects has been well within the objectives of the project
- c) The project should be continued. Plans should be made soon either to extend the project further (five years extending the funding level by \$4.5 million) or to authorize a follow-on project (suggested eight years at a level of \$5.0 million). Start-up by early FY 88.
- d) The project should take a more active role in building the capacity of PVOs to implement development projects.
- e) The project should fund an experimental program of "micro-grants" to community-based PVOs through sub-project grants to one or more PVOs or umbrella organizations.

ABSTRACT

I. EVALUATION COSTS

1. Evaluation Team

Name	Affiliation	Contract Number OR 100% Person Days	Contract Cost OR 100% Cost (US\$)	Source of Funds
Dr. Jan Paul Emmert	USAID/Colombo (Direct Hire)	35		O/E funds
Ms. Deborah Brautigam	Int. Dev. Consultant	Contract	4,200	Project
Dr. S.P.F. Senaratne	Int. Dev. Consultant	Contract	3,000	Project
Mr. A. Hewage	Consultant	Contract	900	Project
Ms. J. Liyanage	GSL	-	-	-
Ms. N. Madanayake	GSL	-	-	-
Other expenses (Travel, per-diem, secretarial services, printing, etc)				
2. Mission Office Professional Staff Person Days (estimated)		75	2,875	Project
3. Evaluation Mission Professional Staff Person Days (estimated)				60

COSTS

A.I.D. EVALUATION SUMMARY PART II

SCOPE OF REPORT: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS (Do not exceed the 2 pages provided)
Address the following items:

Initiating Mission: USAID, Colombo, Sri Lanka

Title : "The Second Mid-Project Evaluation of the PVO Co-Financing Project (383-0060), USAID/Sri Lanka". July 1986.

Brief Project Description:

The project purpose is "to enhance the opportunity of local communities to participate in their own development by assisting indigenous and US PVOs in undertaking collaborative activities which improve the lives of the poor." Through the project, USAID provides partial funding to development "subprojects" designed and implemented by Private Voluntary Organizations (PVOs). The subprojects are "co-financed" in that USAID will not support the full cost of PVO subprojects; substantial non-USAID contributions must be demonstrated by the PVO, the Government of Sri Lanka (GSL), and/or local communities before a subproject grant is approved. The minimum non-USAID contribution is 25%, but in general a contribution closer to 50% is expected.

The project is intended to meet eight objectives which are the topical criteria for accepting subproject applications: (1) to enhance the opportunity of the rural poor to participate in their own development; (2) to develop the institutional capacity of indigenous PVOs to effectively collaborate with local communities on development activities; (3) to increase the participation of women and disadvantaged social groups in development activities addressing problems of their socio-economic status; (4) to create employment opportunities and raise incomes of the rural poor; (5) to promote private enterprise; (6) to enhance other aspects of levels of living in poor rural and urban communities such as health and nutrition; (7) to accelerate the application of appropriate technology at the local level; and (8) to promote community based, integrated rural development on a self-sustaining basis.

Purpose and Method of Evaluation:

The purpose was to examine the overall impact of PVO sponsored subprojects and the value of the project as a mechanism for involving PVOs in achieving Mission objectives. This included the effectiveness of PVOs in carrying out development activities and the impact on the intended beneficiaries. The evaluation reviewed the effectiveness and appropriateness of the subproject approval criteria and monitoring and evaluation roles. Recommendations related to the continuation of the project were expected.

The review was conducted near the end of the seventh year of the ten year (as amended) project. Information was gathered by review of USAID project files, particularly related to individual subprojects, interview of USAID officials involved with the project, and visits to 43 subproject field sites and PVO offices.

Major Findings and Conclusions:

(1) The project is meeting its purpose. It has had positive impacts related to each of the different objectives except one (promotion of appropriate technology, for which impacts were negligible). No negative impact was identified.

(2) Particularly notable characteristics were (a) strong and fairly effective collaboration with local communities for some subprojects; (b) effective promotion of micro-enterprises in two subprojects; and (c) a good record of effectively involving and benefiting women, with eight projects focused on women and eight others having a high percentage of women participants.

- (3) The purpose, objectives, and management structure of the project require no change for a follow-on project or a further extension of the present project. Suggestions which have been made could all be implemented within the present project design.
- (4) Most subprojects are for two or three years. Extensions of three months to one year have been required for many.
- (5) February 1987 is the critical date by which the bulk of outstanding grant commitments must be made. After that date, two-year subprojects have a high probability of not being completed before the overall project PACD.
- (6) The project is behind where it should be in the commitment of grants if all funds are to be used by the PACD. To be completed without an extension of the PACD, approximately \$2.2 million more must be committed by February 1987. Though this requires a much higher rate of commitments than in the past, there is a possibility that it can be done. By September 1986 (the latest time when a new subproject could be submitted and be approved by February 1987) it will be possible to get a fairly accurate reading of this.
- (7) The proven sustainable annual level of grant commitments is about \$900,000. It hovered around \$500,000 for the first six years and jumped to \$1.2 million for the seventh. When the project was extended and the funding increased, it was at an implied annual level somewhat higher than justified by experience to that date.
- (8) Management of the project has been sound. Good relationships exist with PVOs. Subprojects are well monitored; there is immediate follow-up whenever problems develop. There is a good balance of firmness and flexibility in dealing with changes requested by PVOs.
- (9) Approval of subprojects has been well within the objectives of the project. However, there are informal unwritten criteria which are important in Mission decisions, which are not all consistently applied, and which are not adequately communicated to PVO applicants. The most important and difficult criterion regards "sustainability" of subprojects.
- (10) Several aspects of the management of projects and grants are a problem for some PVOs and could be addressed more deliberately and in a sustained way by the project. They include project design, proposal preparation, reporting (both for donors and internal project management), accounting and evaluation. There also seems to be little discussion among PVOs about common development and implementation issues.
- (11) Though the purpose and objectives are being realized through the existing grants, the range of Sri Lankan PVOs which have been funded is narrow. Most funds have gone to a fairly small number of PVOs which have developed the capacity to manage relatively large projects. The team believes the project has not reached its potential for improving the capacity more broadly among national and regional PVOs to manage development activities and funds.
- (12) The project has not developed a mechanism to give very small grants to local, community based non-governmental organizations, of which Sri Lanka has many. These cannot be administered in the same way as the present larger grants.

Major Recommendations:

- (1) The PVO Co-financing Project should be continued. Plans should be made soon either to extend the project further (five years increasing the funding level by \$4.5 million) or to authorize a follow-on project (suggested eight years at a level of \$5.0 million). Start-up by early FY 88 is suggested.
- (2) In October 1986, the Mission should reassess whether the bulk of subproject grants can be committed by February 1987. If it appears not, an extension of 6 to 12 months will be sufficient to commit all funds, if that extension is done promptly.

- (3) The USAID Mission should define and write out the informal criteria used in considering PVO proposals. These should be included in the guidelines given to PVOs and should help guide PVO Committee deliberations.
- (4) Recommendations are made in the text for discussing and defining the sustainability issue for different types of PVO subprojects.
- (5) The project should take a more active role in building the capacities of PVOs to implement development projects and increase the level of discussion among PVOs about development. Suggested mechanisms are subproject grants for series of workshops, seminars, and training sessions conducted by PVOs, PVO umbrella organizations, or training institutions.
- (6) The cummulation of direct and indirect beneficiaries categories on the quarterly report format needs to be clarified for PVOs.
- (7) A USAID Controller's Office staff member should visit any new subproject grantee to help set up an acceptable accounting system before the project gets underway.
- (8) USAID should make a concerted, low key effort to expand the list of national and regional PVOs applying for co-financing grants.
- (9) USAID should produce a brochure for distribution through PVO channels simply describing the co-financing grants and specifying the criteria for considering subproject proposals.
- (10) The team suggests that the project fund an experimental program of "micro-grants" to community-based PVOs through subproject grants to one or more PVOs or umbrella organizations.

Best Available Document

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K. ATTACHMENTS (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier)

Full copy of the evaluation report is attached

L. COMMENTS BY MISSION, AID/W OFFICE AND BORROWER/GRANTEE

The Mission is generally pleased with the evaluation report which has been very positive and will implement its recommendations with minor changes, where necessary.

The report provides a brief analysis of the status of the individual sub-projects while providing an impression of the project as a whole. Mission considered this process essential and deliberately prepared the scope of work as it did. While commending the achievements of the project, it does not hesitate to point out the short-comings. The previous evaluation as well as this have pointed out the lack of adequate quantitative data that would allow the measurement of impact in various categories. In fact, this was an interesting topic of discussion at the Evaluation Workshop conducted by PACT in January 1986 when a number of leading PVOs led by the Director of the Sri Lanka Field Office of U.S. Save the Children Federation argued that there was no way of measuring qualitative achievements especially within a period of three years - the average life of a PVO Co-financing sub-project. Besides, after the first evaluation in 1983 a standard form was utilized by the PVOs to send in their quarterly reports. This was expected to provide the quantitative data, where possible. This was followed by the Evaluation Workshop mentioned earlier. It has to be mentioned here that very few indigenous PVOs have the competent staff to prepare reports. Most of them have volunteers to do the work and they change often and this rapid turnover affects the quality of the reports, as even the trained volunteer workers are replaced. In approving new proposals Mission will lay emphasis on institutional strengthening of PVOs.

The report recommends the extension of the PACD of the project by six months to one year. A decision will be made a year hence.

Mission is actively pursuing the possibility of resurrecting an earlier proposal submitted by an umbrella organization to provide necessary training to its fifty-two affiliates in project preparation, implementation etc., and to provide micro-grants (under \$5,000) to some of its smaller affiliates.

PROJECT OFFICER'S OBSERVATION ON -
THE SECOND INTERIM EVALUATION REPORT
ON THE PVO CO-FINANCING PROJECT - 383-0060

While I generally agree with and commend the recommendations of the Evaluation Team for acceptance by the Committee, as Project Officer, I wish to make the following observations:

A. Executive Summary:

Major Findings and conclusions -

1. Conclusion (1) states that impact of the promotion of the appropriate technology was negligible. I wish to place on record that the following activities were undertaken by the PVOs:
 - a) Bio-gas generation -
Marga Institute at Pannala and Yahapath Endera Farm at Hanwela.
 - b) Manufacture of roof tiles using indigenous components such as coconut fibre etc. -
Save The Children Federation.
 - c) Small Water Supply Schemes -
Sarvodaya.
 - d) Nitrogen fixation -
Marga Institute at Pannala.
 - e) Manufacture of White Fibre -
All Ceylon Buddhist Center at Mahawewa.
 - f) Bottling of food products -
Save The Children Federation at Meegoda.
 - 7) Reforestation with Indigenous plants -
Nation Builders Association at Minipe.
 - h) Water Management -
Nation Builders at Nagadeepa.
 - i) Nutrition through Home Gardening -
Sarvodaya, National Council of YMCA and Save the Children Federation.
 - j) Solar Energy for pumping water and to process fruit and dry fish -
Save the Children Federation at Meegoda.

- k) Lorena Stove -
Save The Children Federation at Meegoda.
 - l) Spinning Machines for coir rope -
Lanka Mahila Samithi at Matara
 - m) Production of garden tools by Sarvodaya.
2. Regarding Conclusion No. 10 and 12, it is conceded that much more has to be done in the field of Institutional Development of the indigenous PVOs. However, for record purposes I wish to state that after the First Interim Evaluation all the PVOs were circularized on the importance of evaluation and forms were distributed to serve as guidelines for project preparation, reports and evaluation. An Evaluation Workshop was held for the PVOs through a contract with PACT in January 1986.

A project proposal was developed with the Central Council of Social Services which provided for regular meetings of PVOs affiliated to that Organization, numbering 50, to publish a monthly journal, to train and assist small PVOs in project design, proposal preparation etc., and to provide Grants of less than \$5,000. Although this proposal was approved by the Mission in concept and recommended by the GSL, the Mission Review Committee did not approve it on the grounds of sustainability.

Mission then decided to meet representatives of the PVOs, annually, and this has been done in 1985 and 1986. Besides, UNDP and umbrella organizations like the All Ceylon Women's Conference, NGO Council and NGO Later Decade Service, have arranged several training programs for the NGOs.

Conclusion II -

Most of the indigenous PVOs are traditionally welfare oriented and do not have the institutional strength and the financial backing to switch over to development activities.

B. Major Recommendations : (Page IV of the Evaluation Report)

- 1. Recommendation I suggests two alternatives -
 - (a) the extension of the PACD by five years and increasing the funding level by \$4.5 million, or.

(b) Authorize a follow-on project, PVO Co-financing II, for a period of 8 years with start up in early FY 88 and overlapping on the current PVO Co-financing Project (383-0060) at a level of \$5 million.

In accordance with Section 13D 6C of Handbook 3

"The Administrator authorizes all extensions in the Life of Project that exceed the cumulative ten-year period".

On the other hand the development of a new project is time consuming and labor intensive.

Project Committee's recommendation has to be conveyed to the Director for a decision.

2. Recommendation 2 -

As it is possible to consider sub-projects of even less than two years duration, I do not consider an extension of the PACD which necessitates going up to the Administrator will become necessary. All efforts will be made to utilize all the obligated funds before August 29, 1989.

3. Recommendation 3 -

Criteria used for considering PVO proposals will be listed and clearly defined in the guidelines.

4. Recommendation 4

While certain types of activities could be sustainable, there are a number of activities which cannot be expected to become sustainable. Each proposal has to be considered on its own merits. Mission conception of sustainability will be elaborated in the revised guidelines.

5. Recommendation 5

I fully endorse this recommendation and would even suggest the reconsideration of the proposal submitted by the Central Council of Social Services.

6. Recommendation 6

I am surprised this should become the subject for a major recommendation. This was dealt with at the Evaluation Workshop held early this year and will be followed up by an explanatory note to the PVOs.

7. Recommendation 7

This is being done. Mr. Siraj Abeysekera of the Controller's Office visits the offices of the PVOs and advises them on the maintenance of books and submission of accounts just after the commencement of the project. This practice will be continued and formalized.

8. Recommendation 8

This is being done and will continue to be done. A number of U.S. as well as indigenous PVOs have had discussions with me. With dwindling resources forthcoming in the U.S. and reduced Government grants for centrally funded activities, a number of U.S. PVOs are unable to provide matching funds and really play the role of contractors. In fact an official of the GSL recently remarked that the U.S. PVOs are taking more out of the country than they bring in. As for the indigenous PVOs most of them do not have the institutional capacity or the capacity to raise funds locally for development projects.

9. Recommendation 9 -

A small brochure will be developed for general distribution to the PVOs. The existing Mission Guidelines will be revised and copies will be given on request to PVOs that are eligible for registration with USAID and intend to submit proposals.

10. Recommendation 10 -

I endorse this recommendation. As suggested earlier, we could even reconsider the proposal from the Central Council of Social Services.