

PROJECT ASSISTANCE COMPLETION REPORT
VOLUNTARY SECTOR DEVELOPMENT PROJECT

Project Title: Voluntary Sector Development -
CVSS/United Way of Jamaica
Project Number: 532-0085
Date of Authorization: 07/27/83
Date of Completion: 07/31/89
Project Amount: \$3,900,000 (Grant) LOP
Implementing Agencies: Council of Voluntary Social
Services/United Way of Jamaica (CVSS/UWJ)
Project Officer: Nola Mignott

The Voluntary Sector Development Project

Background

In the years between 1976 and 1980, the USAID provided funds to the Council of Voluntary Social Services in support of its efforts to move PVOs into the economic development arena. However, these funds were targeted primarily to the internal organizational development of CVSS. CVSS was the umbrella organization for all registered private voluntary organizations (PVOs) islandwide, and served as the official arm of the Government of Jamaica for providing assistance to PVOs.

In July, 1983 USAID authorized a \$3,000,000 grant over a five-year period, under the Voluntary Sector Development Project to assist the CVSS to gear up its program delivery system to address economic development. The grant would fund sub-projects in four development areas, namely: agriculture, day care and basic schools, vocational training and health. The GOJ was to provide J\$6.0 million or the equivalent of US\$2,222,222 (at the then exchange rate.)

Although this grant was signed with the CVSS in 1983 there was little activity for the first year. By July 1984, a new organization, the CVSS/United Way of Jamaica (CVSS/UWJ) was registered as a PVO with primary responsibility to administer the A.I.D. \$3.0 million grant. United Way is modelled on the U.S. United Way which is largely a fundraising organization.

With the existence of a VSD Office, administered by CVSS/United Way of Jamaica the Project aimed: (1) to strengthen the institutional capacity of PVOs, thereby enabling them to competently deliver development assistance; and (2) to provide technical and financial assistance to PVOs to improve their viability and ability to attract funds from other Jamaican and international sources. The main mechanism for achieving these objectives was to direct USAID funds through the joint administration of CVSS/United Way of Jamaica which in turn would make sub-grants to PVOs islandwide. The PVOs

were to implement sub-projects in a manner which provides quick, measurable benefits to the poor and needy. This project represents an AID strategy to help the private voluntary sector in Jamaica address severe problems of economic hardships for the poor of Jamaica.

Major end-of-project conditions to be achieved were:

- CVSS/United Way will be "financially self-sufficient" and able to provide on-going assistance to Jamaican PVOs;
- 20 Jamaican PVOs will be functioning and able to attract funds from world-wide donor agencies; and
- 10 to 15 PVO activities will be self-supporting and operating at the grass-roots level in benefit of the poor.

The major outputs to be achieved were:

- 40 development officers of PVOs to be trained in project selection, design, implementation and evaluation;
- Four workshops per year for PVO personnel in technical and managerial topics;
- 10 conferences and 5 workshops on institutional planning and fundraising;
- the utilization of the equivalent of \$2.449 million for sub-projects of between \$10,000 and \$500,000 to be distributed among four sectors (24% in agriculture, 24% in health, 42% in skills training and 10% in other types of activities); and
- the existence of the VSD Office consisting of a Director (to be a non-Jamaican for the first two years and a Jamaican thereafter), two Program Associates to administer the financial and non-financial assistance to PVOs, and other support staff.

In June, 1986 a mid-term evaluation of the project was performed by external consultants contracted by A.I.D. The main conclusions of their report were:

- (a) 20 PVOs had been helped, but:
- agriculture was not receiving as much attention as it should;
 - there was a need for assistance in marketing;
 - there was a need to broaden the funding base of individual PVOs; and
 - there should be more activities aimed at self-help and income generation.

(b) CVSS/United Way was trying to be a full-service organization by giving attention to fund raising, the distribution of sub-grants, research and development, the provision of technical assistance, the training of volunteers and maintaining relations with the GOJ and international organizations; and this was both impeding the priority which needed to be given to fund-raising and leaving CVSS with little to do.

(c) CVSS/United Way needed to:

- prepare a long range plan;
- integrate its management and budget controls;
- adopt a program budget;
- organize more frequent meetings of its Board of Directors and its Executive Committee;
- place more attention on its local regional offices;
- adopt a multi-year strategy for the fund raising campaigns; and
- reduce its administrative costs.

(d) The on-the-job training of the staff of CVSS/United Way by the external advisors had not been effective.

(e) CVSS was losing credibility with the PVO community as a result of the actions and greater resources of CVSS/United Way; and the project should assure support to CVSS so that it will be able to:

- help PVOs understand the United Way concept and prepare proposals for funding by CVSS/United Way;
- represent the PVO community to the GOJ;
- define PVO needs, and influence CVSS/United Way's priorities to meet those needs;
- foster networking and coordination among the PVOs; and
- meet its serious financial problem in the future.

Partly as a result of the evaluation, a supplementary Project Paper was prepared and an amendment to the project authorization and the project agreement was executed in March 1987. The amendment extended the project for another two years until July 31, 1989; added \$900,000 for an authorized total of \$3.9 million; and revised the project's purposes to include:

- o the establishment of an Emergency Relief Fund;

- o the creation of CVSS/United Way as a self-sustaining, fund-raising institution able to raise approximately \$3.0 million Jamaican dollars (equivalent to US \$566,000 at the then rate of exchange) annually from corporate and individual donors;
- o the strengthening of CVSS as an organization to provide services and training to PVOs and to represent them to the United Way system; and
- o the funding of 37 additional sub-projects which were approved and waiting funding.

The following table sets forth a comparison of the original project budget for the use of the A.I.D. Grant funds and the final budget.

	(<u>\$ U.S. (000)</u>)	
	Original Five Years	Final (Six Years)
VSD Office	206	-
CVSS Support	-	105
CVSS/United Way Support	-	929
PVO Workshops	245	147
Technical and Management Assistance to PVOs	150	120
Emergency Relief Fund	-	120
Sub-projects	2,399	2,449
Administrative Costs	<u> </u>	<u> 30</u>
Total	3,000	3,900

These funds were properly allocated for planned project activities and disbursed before the end of the PACD (i.e., July 31, 1989).

So impressive was the performance of CVSS/United Way in terms of its ability to identify and work with community-based self-help projects that USAID/Jamaica provided it with an additional grant of US \$980,000.00 under the Emergency Rehabilitation Project for hurricane emergency relief assistance. (On September 12, 1988 Jamaica was struck by the most destructive hurricane in a century.) This first grant was for the period September 28, 1988 to February 28, 1989.

In April 1989 another USAID/J grant agreement with CVSS/United Way obligated \$2.0 million under its Hurricane Reconstruction Project assistance. Both HRP grants were to be used according to the following budget:

	<u>U.S. \$</u>	
	<u>Rehabilitation</u>	<u>Reconstruction</u>
for use by the:		
Red Cross	250,000	330,000
Salvation Army	250,000	420,000
ACCORD	-	340,000
for activities presented by:		
PVOs thru' CVSS/UWJ	225,000	330,000
PVOs thru' CVSS	200,000	305,000
Administrative Costs	45,000	275,000
CVSS	\$15,000	
CVSS/UWJ	\$35,000	
Monitoring and Tracking	<u>10,000</u>	<u>-</u>
Total	980,000	2,000,000

The CVSS/United Way applied similar operating procedures as approved by USAID/Jamaica for the VSD Project in its implementation of the two HRP grants.

Public Recognition of A.I.D. Support

Although the staff and the key members of the Board of CVSS/United Way are aware of the role which A.I.D. has played in the development of CVSS/UWJ, and although some recognition was given in newspaper articles and inaugural ceremonies to that role and to the support which A.I.D. funds provide to PVOs, it does not seem that there is much awareness of the extent of A.I.D.'s support either among the PVOs or the beneficiaries of those activities.

In September 1988, a contract review team from Checchi and Company arrived in Jamaica one day before Jamaica was struck by the hurricane mentioned above, consequently the evaluation was postponed. Ten months later, in July 1989, the field work and interviews for the review were conducted by Mr. John R. Oleson (a member of the team which had performed the 1988 contract for LAC/DP).

The findings and conclusions presented by Mr. Oleson in his final evaluation document (Attachment 1 to this report) are the result of the review of project documentation and files in USAID/J and CVSS/United Way, of visits made to the central offices and the two regional offices of CVSS/United Way, of 27 interviews with persons involved or knowledgeable about the project's activities and of visits to 15 sites of project-funded activities which were being implemented by local PVOs.

This external evaluation formed a part of the umbrella evaluation of PVOs in the LAC region, (i.e., USAID Missions with PVO Umbrella Groups in Costa Rica, Guatemala, Honduras, Haiti and Jamaica.) The evaluation focussed on: (a) whether CVSS/United Way had achieved full management capacity; and (b) whether or not the Jamaican experience could serve as a case study to other West Indian islands.

Major Findings and Conclusions (by the Evaluator)

(1) Strengths and Accomplishments: CVSS/United Way has shown strengths and achieved many targets and projected results during the course of A.I.D.'s support for its creation and operation. The more important of these are:

- o It has developed an extensive network of volunteers who provide most of the professional and fund-raising work required by the program.
- o It has a Board composed of both prestigious and active members.
- o It has maintained harmonious relations among the Board, the volunteers and the staff.
- o It has created a generally favourable view of the United Way system among the public of Jamaica.
- o It has consistently fulfilled its fund-raising targets.
- o It has placed substantial funds in sub-grants to PVOs in benefit of the poor and conducts extensive monitoring of the operations of those sub-grants.

- o It has made substantial progress on reaching sustainability as an organization.
- o It is paying active attention to improving its strategic planning and to holding down administrative costs.
- o It has demonstrated that it can offer A.I.D. an effective mechanism for channeling funds to PVOs and small activities.

(2) Shortfalls and Weaknesses

Nevertheless, there have been shortfalls and weaknesses in the performance which had been expected of CVSS/United Way and its programs. The more important of these are:

- o Its fundraising and programs are still heavily concentrated in metropolitan Kingston. Almost no attention is being paid to the eastern parishes, and the central and western regional programs evidence important weaknesses.
- o Fundraising is still heavily dependent on giving by businesses and especially by the larger corporations. Fundraising from employees and from overseas sources is still very weak.
- o The use of "donor options" presents difficulties for achieving higher levels of support from both the subgrant program and for the CVSS/United Way's administrative expenses.
- o Many of the administrative improvements suggested by the 1986 external evaluation have not yet been implemented (up to the time of the evaluation.)
- o The attention to holding down costs has led to a reduction of staff to a size not sufficient to accomplish all the tasks facing the organization.
- o The effort of evaluation is still mainly one of monitoring the sub-projects, and steps to judge the impact of the activities being supported have not yet been taken effectively.
- o The PVO activities being supported are not likely to be financially self-sustaining and many may not be fully sustainable after the completion of that support.
- o The program is not likely to produce PVOs able to raise funds from external sources; and because of the policies governing the allocations program, it is not likely to lead to much institutional strengthening of the participating PVOs.
- o The relationship between CVSS and CVSS/United Way has not been smooth nor is it yet settled.

(3) Issues and Problems

The main issues and problems which face CVSS/United Way are:

- o How to manage its relationship with CVSS and settle the division of their responsibilities to the PVO community.
- o The extent to which the sub-grants program should be modified to address better the institutional development needs of the PVOs themselves.
- o The extent to which the sub-grants program should be modified to foster entrepreneurial activities and to introduce the use of credit programs.
- o How to expand CVSS/United Way's fundraising without depriving the PVOs themselves of the opportunity to obtain donations for their operating expenses.
- o How to tap financial support from overseas sources including Jamaican residents abroad and private and government donor agencies.
- o How to fund the increased staff, the analytic work and the operational improvements required for the expansion of both its fundraising efforts and its programs in the next few years.
- o How to organize and focus a more effective technical assistance and training program for PVOs and their beneficiaries.
- o What should be the nature of any additional support from USAID/Jamaica.

Major Achievements

The CVSS/United Way forged ahead with its fund-raising campaign for 1988 notwithstanding the Hurricane and created a new record enlisting J\$8.2 million instead of the targetted J\$4.5 million. Local fund-raising grew impressively in terms of number of givers and average unit contributions.

Collections are recorded at J\$7.2 million or 87% of pledges; and it is expected that collections will close at a minimum of 90%.

The target for the "1989 Campaign" was set at J\$7.5 million. Pledges as at December 31, 1989 had reached 101% of target.

The target for the "1990 Campaign" is set at J\$10.0 million.

Donor Option has been the main condition for campaign fundraising, imposed by the givers. For the 1989 Campaign, approximately 75% of total campaign funds has been designated to 88 agencies/organizations.

Other Achievements

CVSS/United Way was very successful in its handling of the Emergency Rehabilitation grant of US\$890,000 which it received shortly after the Hurricane. This project was completed within the five-month schedule. So effective was the CVSS/UWJ in the implementation of the Rehabilitation grant that it received a further US\$2.0 million grant from U.S.A.I.D. under the Hurricane Reconstruction assistance to Jamaica. This second grant is being implemented and is scheduled for completion on August 14, 1990.

The USAID-contracted auditor, Price Waterhouse, commenting on the Accounting and Administrative Systems of CVSS/UWJ in its March 1989 report stated: "Under the Emergency Rehabilitation Program, UWJ established systems and procedures which were adequate for the control of the grant received. Our review of the activities and transactions of that program revealed that the funds were properly managed. Based on our review of the administrative and accounting procedures as summarised above and the findings under the Emergency Rehabilitation Program the systems and procedures of the UWJ are adequate for the satisfactory implementation of the Hurricane Reconstruction Project."

SUMMARY

External Evaluator's Comment

In large, USAID/J has met its objectives through CVSS/United Way. CVSS/UWJ has handled the funds from both the project itself and from the hurricane related grants; it has exceeded the targets for fundraising; and it has a good chance of becoming self-sustaining through continued support from the GOJ and the fees charged for the handling of subgrants made from the proceeds of its fundraising campaigns.

The two main failures of the project are that: (i) few, if any, of the PVO activities will be self-sustaining, and many not even sustainable at the end of A.I.D. support; and (ii) none of the PVOs which have been assisted will have developed a capacity to obtain funding from abroad on their own. However, the later situation may represent more a change in strategy than a failure since, with the formation of CVSS/United Way in 1985, the purpose of creating such capability in individual PVOs for all intents and purposes was abandoned.

On balance, it would seem that the project should be considered a success. However, that success could be undermined if the major issues identified in the evaluation report are not addressed.

Mission Comment

The VSD project has been very successful. Its success has been demonstrated particularly in two areas: (i) how it handled relief assistance for the poor under the Emergency Rehabilitation Project, as well as from other international sources; and (ii) its local fund-raising campaigns. By its effectiveness in these two areas it has proven that it has developed the managerial capability to handle assistance for the poor as well as to influence and to solicit financial assistance from the Jamaican public for the private voluntary sector.

LESSONS LEARNED

1. It may be unwise to attempt to superimpose a U.S. institutional model, no matter how effective in the U.S., upon a local institutional framework which is an outgrowth of a different social and cultural framework, e.g., placing the United Way model into the local CVSS model.
2. It should be recognized that focusing on one agency (e.g., CVSS/United Way) may be at the expense of developing more cooperative relations with already existing local PVOs. In Jamaica some larger PVOs are almost competing with CVSS/United Way. Perhaps this issue deserved greater attention during the design phase.
3. Over the long run, a central agency as CVSS/UWJ should probably provide more technical assistance to fledgling PVOs and should in some ways act as a broker with an appropriate informational system being put in place.
4. As a central PVO support agency grows (takes on more clients and broadens its base of support) it will need to develop a more sophisticated technology for handling its affairs, that is, a Management Information System (MIS).
5. PVOs need to address the development and use of overhead rates in order to assure that a "core" facility remains in place which can expand and contract on a needs basis.

6. PVOs need to think about how to market their product. That is they must advertise and, from time to time, show donors what their contributions were used for and how individuals benefitted. PVOs should also be investigating ways that will make it easier for individuals and companies to provide funds and such ways should be conveyed to donors, e.g., tax incentives, contributions in kind, etc.
7. PVOs need to think about how to link local efforts to off-shore resource bases, e.g., communities, firms, foundations, etc.