

**EVALUATION OF PVO
CO-FINANCING PROJECTS
I & II (1974-1990)**

USAID/INDONESIA

February 1991

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EXECUTIVE SUMMARY

A dynamic and developmentally oriented non-profit sector has emerged fairly recently in Indonesia. Only a decade ago relatively few such agencies existed and were, for the most part, foreign and located in the capital, Jakarta. Now an estimated 4,000 agencies, overwhelmingly Indonesian, are active throughout the country and perform a variety of roles including: strengthening local-level development groups; delivering sector-specific services; experimenting with technology applications; and advocating legal rights.

USAID was an early actor in support of NGO operations in Indonesia and through a series of co-financing projects the Mission has continued as a major donor to NGOs during the past sixteen years. USAID's pioneering and experimental Volag Co-Financing Project of 1974-76 was the first of its kind by A.I.D. In Indonesia, this project was followed by the Co-Financing I (1976-1981) and II (1981-1990) projects. In total these efforts have provided nearly \$38 million in grants to NGOs to support over 190 sub-projects.

The objectives of USAID's co-financing activities were to expand and strengthen NGOs in ways that spurred community action at the local level and contributed to a strengthened Indonesian independent sector. Each new phase of the project somewhat modified its procedures for achieving this objective. Initially, USAID supported only U.S. agencies but in the 1980s shifted its priorities to increase the funding provided to Indonesian PVOs (IPVOs). Over time the Mission more specifically identified geographic and sectoral emphases and developed stricter criteria tying its PVO support more directly to areas of Mission priority. In recent years, in an effort to expand the number of agencies supported without increasing its workload, the Mission began using intermediaries to implement major blocks of its co-financing program; in the last five years almost 40 percent of grant funds have been Multiple Project Support (MPS) grants. Although the project originally operated with a degree of informality this has since been supplanted by more organized management procedures.

The last five years of the Co-Financing II Project were the main focus of this evaluation which was commissioned by USAID's Office of Voluntary and Humanitarian Programs (VHP). A five-person team from Management Systems International (MSI) carried out the study over a six-week period. The methodology included archival research, interviews, focus group meetings, and site visits to six areas of Indonesia.

The variety and number of agencies supported by USAID--25 USPVOs and 21 IPVOs--has been remarkable because it occurred while many of the IPVOs were in their first phase of institutional development. Although IPVO's will to contribute was strong it was not initially matched by their capacities to do so. Particularly over the past five years, USAID has provided considerable assistance aimed at strengthening NGO's management capabilities. However, this study shows that NGO training needs are still considerable in the areas of project design, monitoring and evaluation, and financial management.

Despite the fact that further assistance is needed, the results of USAID's funds, technical assistance and training, and its consistent demands for disciplined procedures, have been impressive. And this study confirms that U.S. and IPVOs supported by USAID have contributed to Indonesian development in a wide range of ways. NGOs have strengthened community action by facilitating popular participation and decision making, provided an important supplement and counterweight to government, served as effective advocates for the interests of constituents and the broader public, and

coordinated the activities of independent organizations having common approaches or sectoral interests.

Discussions with NGO leaders and field staff supported by USAID confirmed that an increasing number of Indonesian NGOs, having proven their bona fides, are entering a new phase of sophistication and, given the country's present stable situation, are in a position to make a steadily increasing contribution to Indonesia's development. The study also indicates that USAID, having invested considerable funds, time and effort in NGOs, is uniquely positioned to use this experience to continue to play a key role in their support.

The study also shows, of course, that USAID might have done some things differently and better. For example, USAID's monitoring of co-financing sub-projects could have been more systematic. Also, as is not unusual in these types of projects, USAID/VHP has had difficulty achieving a balance between technical assistance for the purpose of strengthening NGOs, and that which was performed to assure that client NGOs met the many A.I.D. requirements and adhered to USAID's procedures and regulations. NGO staff frequently cited the latter as USAID's main preoccupation, although clearly both have been done.

MSI's study of USAID/Indonesia's Co-Financing Project suggests the need for several changes in the project's design and management. In recent years USAID's staff have begun to make many of these changes; some of which were incorporated into the new Strengthening Institutional Development/PVO Co-Financing III project's design during the span of this evaluation.

THE STUDY CONCLUDES:

- USAID's Co-Fi activities are a long-standing and widely diverse effort encouraging a distinct and important channel of development thinking and action in Indonesia.
- USAID has played a key role in the development of Indonesia's NGO sector through its substantial funding--the most of any single donor--and by providing technical assistance and training.
- Since 1985 USAID has dramatically increased its support for Indonesian NGOs. Over the past five years 39 percent of grant allocations have gone directly to such agencies and, through multiple project support grants to selected larger PVOs, considerable additional funds have reached other local-level Indonesian agencies.
- USAID was able to achieve the majority of its objectives spelled out in a 1985 Project Paper Amendment including: substantially increasing the flow of resources programmed through multiple project support grants; registering additional Indonesian agencies to make them eligible for direct financing, and; substantially increasing the amount of funding for sub-projects in Eastern Indonesia.
- Over the past three years, USAID has been successful in shifting one fifth of its Co-Fi financing funds to activities promoting democratic pluralism initiatives which, in many cases, have constructively influenced Government of Indonesia policies.
- NGO activities sponsored by USAID have made important contributions toward improving the lives of Indonesia's poorer citizens.

- There is a continuing need for USAID, together with NGOs, to continue to streamline its PVO Co-Financing Project's procedures and thereby improve the quality of its relations with NGOs.

THE STUDY RECOMMENDS:

- USAID continue its efforts to improve the management skills of NGOs.
- That, as a corollary to the above, USAID continue and expand the practice of including in its grants salaries for key NGO technical or financial staff, and resources for outside training or technical assistance.
- USAID continue to perfect its present system of project monitoring but also consider means to delve more deeply into the substance and intellectual content of NGO sectoral or subject areas in a collegial manner.
- That USAID staff most directly associated with financial management simplify financial reporting requirements and consider changing the frequency of reporting back to quarterly.
- USAID continue to support democratic pluralism and, in particular, continue to select and fund NGOs having a single-sector focus and the ability to influence government policy on the national level.
- USAID press ahead with its innovative initiative already underway to study ways to assist Indonesian NGOs to diversify funding sources and strengthen their financial stability.
- That USAID's Co-Financing Project Committee staff convene a study group to discuss solutions to the challenges associated with Multiple Project Support grants. This process might include the participation of other donors and certainly should include NGOs already managing such grants for USAID.

LIST OF ACRONYMS

AAFLI	Asian-American Free Labor Institute
AID/W	Agency for International Development/Washington
CRS	Catholic Relief Services
DPI	Democratic Pluralism Initiative
GOI	Government of Indonesia
IPVO	Indonesian Private Voluntary Organization
LBH	An Indonesian Legal Aid Society
LPSM	Community Self Reliance Promoter Organization (IPVO)
LSM	Community Self Reliance Organizations (IPVO)
MPS	Multiple Project Support Grants
NGO	Non-Governmental Organization
PVC	AID/W's Office of Private and Voluntary Cooperation
PVO	Private Voluntary Organization
SID	Strengthening Institutional Development (PVO Co-Fi III)
TAF	The Asia Foundation (a USPVO)
USAID	U.S. Agency for International Development/Indonesia
VHP	USAID's Office of Voluntary and Humanitarian Programs
WALHI	Indonesian Environmental Forum - an IPVO
WRC	World Relief Corporation - a USPVO
YKB	Yayasan Keyesan Bethesda - an IPVO

CHAPTER I

THE STUDY

Chapter I

THE STUDY

This final evaluation of USAID/Indonesia's PVO Co-Financing Project was initiated by the Mission's Office of Voluntary and Humanitarian Programs (VHP). Specifically, Management Systems International's team was asked to:

- assess the impact of the PVO Co-Financing II Project on the development and evolution of Indonesian and U.S. PVOs' modes of operation in Indonesia, including program emphases;
- ascertain to what extent the co-financing approach has served to strengthen Indonesian PVOs and to what extent it has contributed to the growth and strength of the PVO movement as a whole;
- chart the development of the PVO community in Indonesia, examine the corresponding programmatic and strategic changes within the Project's objectives, and record the possible cause/effect relationship; and
- identify lessons learned from the project and describe their application to USAID's follow-on PVO project, Strengthening Institutional Development (SID)/PVO Co-Financing III.

The entire Statement of Work, including seven additional tasks, appears as Annex A of this report.

The evaluation was conducted over a six week period from September 19 through October 31, 1990 by a five-person team from Management Systems International--M.M. Billah, Henny Buftheim, David Callihan, Rodolphe Ellert-Beck and Edward Glaeser. During the course of the evaluation over 100 individuals were interviewed on six different islands--Sumatra, Java, Bali, Timor, Lombok, and Irian Jaya--and the evaluation team hiked and traveled by off-road vehicles; motorcycles; outrigger canoes; single engine, cargo, and jet aircraft to visit 32 NGO field sites and interview key NGO personnel.

The evaluation team's methodology included:

- an initial "focus group" meeting with representatives of ten Jakarta-based PVOs to get early input and impressions regarding their relationships with USAID;
- extensive archival research; a series of interviews with 14 USAID staff key to the Co-Financing project (questionnaire, Annex B);
- a file review of all activities the team was to visit in field;
- NGO Headquarters interviews with eleven agencies (questionnaire Annex C);
- visits to thirty-two field project sites in Sumatra, Java and Eastern Indonesia (questionnaire, Annex D);
- presentation of initial conclusions to USAID, and follow-up interviews in Jakarta; and,

-a final "focus group" with twelve NGO personnel, representing six NGOs, to discuss the evaluation team's conclusions and recommendations and to solicit NGO reactions to incorporate into the final version of this report.

The Logical Framework which describes the team's objectives is included as Annex E.

A list of all persons and agencies consulted appears as Annex F. The team would like to thank all who gave so generously of their time. We were glad and grateful to have met so many people dedicated to the task of making a different and better future for Indonesia.

Note on Nomenclature:

We have used the well known terms PVO, Private Voluntary Organization, and NGO, Non-Governmental Organization, interchangeably throughout this report, sometimes in the same sentence. However, the term NGO is not the preferred term in Indonesia because of sensitivities that it somehow implies "anti-governmental." Therefore, a separate set of terms have come into use in Indonesia, and these too appear throughout the report. Indonesian agencies refer to themselves as Lembaga Pengebangan Swadaya Masyarakat or LPSM (Community Self Reliance Promoter Organization) for agencies primarily taking the role of intermediaries, or as Lembaga Swadaya Masyarakat or LSM (Community Self Reliance Organizations) if they concentrate principally on local-level project implementation.

CHAPTER II

INDONESIAN NGO CONTEXT AND USAID APPROACH

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INDONESIAN NGO CONTEXT AND USAID APPROACH

A. The General Setting

Beset by inflation and crucial shortages, and economically in shambles in 1965, Indonesia has since emerged through a series of five-year plans with considerably improved social services and living standards. Thousands of schools have been built, the infrastructure--roads, markets, bridges, and communications--has improved dramatically; as of 1984 the country feeds itself; and the historically strong "gotong-royong" volunteer ethic of helping one another has meant that the worst excesses of poverty are not as visible as in some other Asian countries. The nation's people have a strong communal tendency reinforced by the 1945 constitution which provides (Article 33), "The economy shall be organized as a common endeavor based on the principle of the family system. Branches of production which are important for the State and which affect the life of most people shall be controlled by the State."

Oil export earnings, a richly diverse resource base, and a loosening of controls along with the long era of political stability have led to a steadily expanding and prospering economy. The boom, however, is not across-the-board and is not reaching all of the country's areas or groups. In the urban areas twenty-five percent of the population lives below the poverty line; and in rural Indonesia, where over two thirds of the population lives, over forty percent remain below the line.

One Indonesian PVO director interviewed put it this way: "You can see physical improvements everywhere. But the wealth is becoming more concentrated among the middle-class and those who are increasingly owning more and more of the resource base." Another added, "Don't be fooled. What you have in Indonesia is rapid economic growth, rapid population growth, rapid growth of poverty, rapid growth of NGOs, everything is ballooning. But to counter this more and more people are aware of things, obvious things, and want to do something about them--and that is the reason for the many NGOs that have been started, people get ideas and look for ways to channel their energies."

The Indonesian archipelago has an extremely dynamic and rapidly proliferating NGO community. As recently as 10 years ago only a dozen or so independent sector agencies active in the field of development existed, most in the capital, Jakarta. Now such agencies, by some estimates as many as 4000, are operating throughout the country and perform a variety of roles. These roles include promoting awareness among community groups, delivering sector-specific services, experimenting with innovative approaches in technology applications, advocating for legal rights, and interacting with government officials to influence local and national policies. NGOs are also linking the country with networks of concerned groups.

Most NGO leaders interviewed, both in and out of Jakarta, were of the opinion that such NGO activities are having a good and large effect on Indonesian development. Most claim that an appropriate path of policy and action is beginning to emerge between the public and non-government sector, and that this has a good chance of helping avoid or stem the worst excesses of concentrated accumulations of capital, an uncontrolled private sector and environmental degradation while encouraging equitable development. Although they have divergent views about the exact role USAID should take, USAID officers interviewed for this study shared this point of view. Thirteen of fifteen said they perceived NGOs to be important to the development of Indonesia, and added in

eleven instances that NGOs had a significant contribution to make toward the Mission's overall goals.

B. USAID's Changing Intentions and Policy Framework.

The chronology that follows juxtaposes aspects of the development of USAID's thinking and action among related Indonesian events.

Chronology of Selected Events Related to NGOs

1945 Indonesian Independence

1961 U.S. Foreign Assistance Act mandates "involvement of the poor in development by expanding their access to the economy."

1965 U.S. assistance to Indonesia discontinued at request of GOI; re-established three years later.

1966 Sukarno era student activists, formerly aligned with political parties, react to "New Order" by seeking new outlets for channeling energies and play formative roles in emergence of "modern" LPSM/LSM movement.

1968 CARE and CRS begin operating in Indonesia.

1970 LBH begins operating in the field of legal rights.

1971 LP3ES, a NGO supported by FNS/Germany, was founded by individuals with social science backgrounds to promote the advancement of economic and social research.

-The Asia Foundation renews its Indonesia program.

1972 Dian Desa founded in Yogyakarta by engineering students and faculty to promote appropriate technologies applications.

1973 U.S. Congress' first legislative mandate to channel more public development assistance through NGOs.

-Bina Swadaya organized with European donor support.

1974 Bina Desa originates as result of actions of 14 workshop participants who decide to set up a foundation for the development of human resources in rural areas.

-USAID/Indonesia inaugurates three-year Volag Co-Financing Project to test potential for USPVOs to redirect programs from basic needs delivery towards programs placing greater emphasis on community development.

-YIS started as a family planning/population organization from a government to government program. Later, The Asia Foundation, with USAID funding, provided core support to allow YIS to pursue its own development objectives.

1975 AAFLI (Asian-American Free Labor Institute) begins its first Indonesian program.

1976 First USAID Co-Financing involvement with support to an Indonesian PVO (IPVO), YIS, through The Asia Foundation.

1977 USAID develops PVO Co-Financing I Project with purpose "to multiply and improve local-level development efforts within USAID priority sectors by contributing to projects of U.S. and IPVOs." Only USPVOs were initially funded; Among others, these included World Education, Inc., Catholic Relief Services and CARE.

1980 WALHI, or Indonesian Environmental Forum, organized.

1982 Co-Fi I completed having provided over \$5.5 million to 18 USPVOs through 75 sub-projects.

-Co-Fi II begins and includes four new initiatives: 1) the introduction of Multiple Project Support Grants (MPS) which channel funds through larger NGOs to support the projects of smaller IPVOs, 2) the registration of qualified IPVOs and the direct support of their programs, 3) a focus on activities which affect GOI policies, mainly in technical implementation, and 4) the provision by USAID of more technical assistance to NGOs in design, institutional capacity, training and enterprise development.

-GOI formally recognizes and sanctions PVO involvement in environmental activities.

1984 NGOs complement the Intergovernmental Group of Indonesia (IGGI) meeting in Amsterdam with a simultaneous session representing the NGO point of view. This parallel group meeting is called the International NGO forum of Indonesia (INGI) and continues to meet prior to each IGGI session.

1985 Eight IPVOs registered by USAID by year's end.

-USAID amends Co-Fi II Project, which had provided over \$15 million to 46 projects of fifteen USPVOs, four of which were MPS grants which had in turn funded 68 sub-projects implemented by IPVOs. The amendment sets forth a policy framework with the "ultimate objective" of strengthening the role and capacity of PVOs to provide technologies, services and organizational support to the poor; a programmatic emphasis on basic health, increasing employment/economic status and human rights; and a geographic emphasis on urban areas and off-Java locations.

-GOI initiates Ormas law which could be used to compromise political independence and pluralism of LPSMs and LSMs.

1987 USAID commissions first full-scale evaluation of Co-Fi activity which concludes Co-Fi achieving considerable success, recommends continuation but criticizes projects' lack of strategic focus.

directly to Indonesian PVOs, and through block grants to U.S. and IPVOs several million more reached many other small local Indonesian organizations.

As USAID operated over the 16 year period of Co-Fi, it consistently changed its style of operations and the focus of its PVO support program: informality gave way to formality as processes became more organized; new roles developed for USPVOs; the program increasingly involved Indonesian PVOs; sectoral and geographic emphases changed and; USAID sought more program clarity and composition by developing stricter criteria for PVO support tied more directly to areas of Mission priority.

It is apparent that both Co-Fi I and II had an underlying assumption that institutional pluralism--an expanded and strengthened independent sector--was of particular value in Indonesia's modernizing and growing economy. This idea, present throughout, took an additional form in the later years of Co-Fi with a focus on advocacy and rights under the rubric of USAID's Democratic Pluralism Initiative (DPI).

C. The Evolution of U.S. and Indonesian PVOs

The rapid development of the PVO sector in Indonesia has already been cited and the chronology has placed some of these developments in context. A longer piece on the history of PVOs in Indonesia, included as Annex G, provides fuller detail on the Indonesian movement.

This history explains, among other things, the close connections in the pre-independence era of non-governmental actions and the drive for independence, as well as the degree to which NGOs were tied to political and religious organizations before the tumultuous changes in Indonesia in 1965. These are characteristics of NGOs that have long affected the attitude of government toward such agencies. The emergence, post 1965, of a new generation of developmentally oriented PVOs in Indonesia is also highlighted. This, in some measure, predated USAID's co-fi initiatives but a particular surge of new Indonesian NGOs in the mid-to late 1970s did parallel USAID's program; and, as will be seen in more detail in Chapter III, USAID's involvement with IPVOs began in earnest in the 1980s.

The study of documents and interviews with a range of PVO staff in Jakarta and the field showed that, despite their diversity, IPVOs shared a number of characteristics: an orientation towards strengthening community action, providing a counterweight to government, facilitating popular participation in decision making, and working assiduously on networking among agencies with common approaches or sectoral interests.

This evaluation found, as had a 1987 evaluation, that NGOs are contributing to Indonesian development in a wide range of ways, including the following examples drawn from field studies:

-as instruments of service delivery as in the case of the LP3ES activity in Klaten in Central Java which provides credit to small scale industries, and CARE's project in Lombok which has installed over 600 rural water systems.

-as promoters of community awareness as exemplified by the work of KSPPM in Siborong-Borong in Northern Sumatra which is having a positive effect in encouraging people to demand their legal land ownership rights.

-as providers of services which strengthen GOI programs as in the case of HKI working to bring eye care and surgery to villagers in Sumatra and STAKIN's mini-hydroelectric project in Irian Jaya which has received contracts from the government to install electrical systems in remote villages.

-as instruments for institutional development as fostered by the assistance of The Asia Foundation to WIM which, in turn, assisted 15 embryonic LSMs in Sumatra which resulted in the design and implementation of eleven specific projects by these agencies but funded by other donors.

-as instruments for innovation as exemplified by YKB's project in Irian Jaya to train 500 highland villagers as auxiliary nurses capable of providing primary health care services to rural populations, and Bina Desa's support for Yayasan Pekerti's^{1/} handicraft project which included the development of new processes for making belts from the skins of chicken legs, wallets covered with sting-ray skins and shark skin shoes, along with more traditional crafts development in a disadvantaged area of Jakarta.

Over the last 16 years, U.S. and Indonesian NGOs have proven that they can reach disadvantaged areas and populations with important services, can offer alternatives to the government's centrally planned development programs, and can serve as effective advocates for the interests of constituents and often the broader public.

To answer USAID's query about its cause and effect relationship with the emerging movement, we can say in a general way that the movement, more than anything, "crystallized" and did not follow a traceable pattern. The birth and rising influence of Indonesia's NGO sector seemed to happen of its own accord and cannot be explained solely by the support provided by any single donor organization, including USAID. However, many years of consistent donor support have allowed the movement to expand and flourish beyond what would have otherwise been possible, and USAID was a leader in providing that support. To some degree, the movement's modern genesis was spurred by reactions to political and social conditions in the late 1960s and early 1970s, including the student dissension and the rising influence of the country's middle class. In fact, many of the country's current NGO leaders were involved in the student activist movements of the 1960s and 1970s.

^{1/} Pekerti is Indonesia's leading handicraft training, marketing and promotion PVO.

CHAPTER III

EVALUATION FINDINGS

Chapter III

EVALUATION FINDINGS

A. Project Performance

1. Trends of Co-Fi Activity

In 1974 USAID initiated the first of a series of PVO Co-Financing Projects. Between FY 1974-90, approximately \$38 million was spent on over 190 distinct grants to support the projects of 25 USPVOs and 21 IPVOs. Table One on the following pages, "Summary of VHP Activities," details the wide variety of PVO activities USAID has supported and the amount of funding it provided to each.

By the end of FY 1990 USAID had directly provided 61 grants to IPVOs and over 130 to USPVOs. The following table is an overview of the entire portfolio. It is important to remember that many PVO grants were further divided among numerous smaller IPVOs through a mechanism known as a block grant or multi-project support grant.

Portfolio Overview			
Project	Years	# of Grants	Total Funding
Volag & Co-Fi I -	1974 - 1981	76	\$ 5,507,441
Co-Fi II-	1982 - 1984	46	\$ 15,680,154
Co-Fi II-pa	1985 - 1990	74	\$ 16,627,980
<hr/>			
Total	1974 - 1990	197	\$37,930,575

In addition to grants, other funds managed by the Mission's VHP Office under co-fi projects have included \$1,204,438 allocated between 1982-90 for technical assistance, evaluations, workshops and other miscellaneous expenses, and \$3,457,955 in Operational Program Grants (eleven) from AID/W between FYs 1974-90.

TABLE 1
SUMMARY OF VHP PVO SUB-PROJECTS

#	GRANT	NGO	USPVO/ IPVO	SECTOR	REGION	USAID FUNDING	START DATE CO-FI
1	GA73-14	CRS	USPVO	AGRICULTURE	SUMATRA	15,000	74 - I
2	GA73-15	CRS	USPVO	AGRICULTURE	NTT/NTB/IR	22,000	74 - I
3	GA74-1	CARE	USPVO	NUTRITION	JAVA	50,000	74 - I
4	GA74-4	CWS	USPVO	CD	SULAWESI	8,793	74 - I
5	GA75-1	CRS	USPVO	AGRICULTURE	BALI	3,125	75 - I
6	GA75-10	CWS	USPVO	AGRICULTURE	JAVA	15,566	75 - I
7	GA75-11	YMCA	USPVO	HRD	JAVA	8,089	75 - I
8	GA75-12	YMCA	USPVO	AGRICULTURE	SUMATRA	12,892	75 - I
9	GA75-13	CRS	USPVO	AGRICULTURE	NTT/NTB/IR	2,921	75 - I
10	GA75-14	CRS	USPVO	ENTERPRISE	JAVA	2,413	75 - I
11	GA75-15	CRS	USPVO	ENTERPRISE	SULAWESI	4,819	75 - I
12	GA75-16	CRS	USPVO	NUTRITION	JAVA	19,810	75 - I
13	GA75-17	CWS	USPVO	INFRA.	JAVA	9,217	75 - I
14	GA75-18	CRS	USPVO	HRD	SULAWESI	36,054	75 - I
15	GA75-19	CRS	USPVO	NUTRITION	JAVA	11,180	75 - I
16	GA75-2	CRS	USPVO	AGRICULTURE	SUMATRA	16,560	75 - I
17	GA75-3	CRS	USPVO	ENTERPRISE	SUMATRA	7,858	75 - I
18 *M	GA75-4	CRS	USPVO	ENT/CREDIT	JAVA	9,565	75 - I
19	GA75-5	CRS	USPVO	NUTRITION	JAVA	16,573	75 - I
20	GA75-6	CRS	USPVO	AGRICULTURE	KALIMANTAN	10,670	75 - I
21	GA75-7	CRS	USPVO	NUTRITION	NTT/NTB/IR	13,985	75 - I
22	GA75-8	CRS	USPVO	AGRICULTURE	JAVA	3,761	75 - I
23	GA75-9	SAWSO	USPVO	HEALTH	KALIMANTAN	43,077	75 - I
24	GA76-1	CRS	USPVO	AGRICULTURE	SUMATRA	10,230	76 - I
25	GA76-2	CWS	USPVO	APPRO. TECH.	JAVA	12,390	76 - I
26	GA76-3	CWS	USPVO	APPRO. TECH.	JAVA	11,875	76 - I
27	GA76-5	CWS	USPVO	NUTRITION	JAVA	17,300	76 - I
28	GA76-6	CWS	USPVO	INFRA.	SUMATRA	10,646	76 - I
29	OPG-1180	CLUSA	USPVO	ENTERPRISE	JAVA	816,234	76 OPG
30 *M	OPG-1191	TAF	USPVO	HEALTH	JAVA	220,350	76 OPG
31	GA77-1	SCF	USPVO	CD	SUMATRA	242,376	77 OPG
32	GA77-10	CRS	USPVO	AGRICULTURE	JAVA	67,735	77 - I
33	GA77-11	CWS	USPVO	INFRA.	SUMATRA	18,372	77 - I
34	GA77-12	IIDI	USPVO	ENTERPRISE	SUMATRA	20,128	77 - I
35	GA77-13	IIDI	USPVO	HRD	REGIONAL	52,627	77 - I
36	GA77-2	CWS	USPVO	WATER	JAVA	9,860	77 - I
37	GA77-3	CWS	USPVO	WATER	JAVA	5,235	77 - I
38	GA77-4	CRS	USPVO	NUTRITION	JAVA	15,725	77 - I
39	GA77-5	CWS	USPVO	WATER	SULAWESI	9,639	77 - I
40	GA77-6	CWS	USPVO	INFRA.	BALI	18,125	77 - I
41	GA77-7	CRS	USPVO	NUTRITION	JAVA	29,592	77 - I
42	GA77-8	CRS	USPVO	NUTRITION	JAVA	29,243	77 - I
43 *S	GA77-9	CRS	USPVO	HEALTH	NTT	98,565	77 - I
44	G-1269	WEI	USPVO	HRD	JAVA	282,180	77 - I
45	OPG-1232	CARE	USPVO	INFRA.	BALI	210,220	77 OPG

TABLE 1
SUMMARY OF VHP PVO SUB-PROJECTS

#	GRANT	NGO	USPVO/ IPVO	SECTOR	REGION	USAID FUNDING	START DATE CO-FI
46	GA77-1	SCF	USPVO	CD	SUMATRA	240,000	77 - I
47	GA77-1	SCF	USPVO	CD	SUMATRA	49,118	77 - II
48	GA78-1	ICA	USPVO	AGRICULTURE	JAVA	132,140	78 - I
49	GA78-10	CRS	USPVO	HEALTH	JAVA	2,200	78 - I
50 *M	GA78-11	TAF	USPVO	PUBLICATIONS	REGIONAL	295,000	78 - I,
51	GA78-12	CRS	USPVO	ENTERPRISE	JAVA	2,500	78 - I
52	GA78-13	CRS	USPVO	AGRICULTURE	SUMATRA	66,763	78 - I
53	GA78-2	TAF	USPVO	HRD	JAVA	39,762	78 - I
54	GA78-3	CARE	USPVO	INFRA.	NTT/NTB/IR	157,308	78 - I
55	GA78-4	CARE	USPVO	INFRA.	BALI	42,289	78 - I
56	GA78-5	TAF	USPVO	HRD	SUMATRA	97,560	78 - I
57	GA78-6	TAF	USPVO	HRD	NTT/NTB/IR	158,575	78 - II
58	GA78-8	ADRA	USPVO	HEALTH	JAVA	150,000	78 - I
59	GA78-9	PLAN	USPVO	AGRICULTURE	BALI	44,880	78 - I
60	GA79-3	DAS	USPVO	HRD	REGIONAL	23,477	78 - I
61	OPG-1299	HKI	USPVO	HEALTH	REGIONAL	247,600	78 OPG
62	OPG-1299	HKI	USPVO	HEALTH	REGIONAL	485,141	78 OPG
63	GA78-11	TAF	USPVO	PUBLICATIONS	REGIONAL	85,676	78 OPG
64 *M	GA78-5	TAF	USPVO	HRD	SUMATRA	347,127	78 OPG
65 *M	GA78-6	TAF	USPVO	HRD	NTT/NTB/IR	300,000	78 - I
66	GA78-6	TAF	USPVO	HRD	NTT/NTB/IR	42,870	78 OPG
67	GA78-8	ADRA	USPVO	HEALTH	JAVA	186,400	78 - II
68	GA79-1	CARE	USPVO	AGRICULTURE	BALI	125,272	79 - I
69	GA79-10	CARE	USPVO	INFRA.	NTT/NTB/IR	147,996	79 - I
70	GA79-11	CARE	USPVO	WATER	BALI	265,081	79 - I
71	GA79-12	CARE	USPVO	WATER	JAVA	342,359	79 - I
72	GA79-13	CARE	USPVO	WATER	NTT/NTB/IR	131,848	79 - I
73	GA79-14	IIDI	USPVO	ENTERPRISE	JAVA	62,123	79 - I
74 *M	GA79-15	TAF	USPVO	HRD	REGIONAL	699,279	79 OPG
75	GA79-2	CARE	USPVO	HEALTH	JAVA	132,952	79 - I
76	GA79-4	ICA	USPVO	AGRICULTURE	SUMATRA	118,380	79 - I
77	GA79-5	ICA	USPVO	AGRICULTURE	SULAWESI	89,592	79 - I
78	GA79-6	CWS	USPVO	HRD	JAVA	2,930	79 - I
79	GA79-7	CLUSA	USPVO	ENTERPRISE	NTT (ARU)	50,430	79 - I
80	GA79-8	OBOR	IPVO	PUBLICATIONS	JAVA	165,650	79 - I
81	GA79-9	CRS	USPVO	HRD	JAVA	20,611	79 - I
82	GA79-11	CARE	USPVO	WATER	BALI	52,642	79 - II
83	GA79-12	CARE	USPVO	WATER	JAVA	116,058	79 - II
84	GA79-13	CARE	USPVO	WATER	NTT/NTB/IR	288,954	79 - II
85 *M	AMEND 5	TAF	USPVO	HEALTH	JAVA	61,082	80 OPG
86	GA80-1	WRC	USPVO	ENTERPRISE	JAVA	54,210	80 - I
87	GA80-2	HKI	USPVO	HEALTH	REGIONAL	293,000	80 - I
88	GA80-3	SWASO	USPVO	HEALTH	SULAWESI	101,600	80 - I
89	GA80-4	WRC	USPVO	HEALTH	KALIMANTAN	42,000	80 - I
90	GA80-5	ADC	USPVO	HRD	JAVA	500,000	80 - I

TABLE 1
SUMMARY OF VHP PVO SUB-PROJECTS

#	GRANT	NGO	USPVO/ IPVO	SECTOR	REGION	USAID FUNDING	START DATE CO-FI
91	AMEND 5	TAF	USPVO	HEALTH	JAVA	184,778	80 - II
92	GA80-2	HKI	USPVO	HEALTH	REGIONAL	36,000	80 - II
93	GA80-3	SWASO	USPVO	HEALTH	SULAWESI	355,923	80 - II
94	GA80-4	WRC	USPVO	HEALTH	KALIMANTAN	18,000	80 - II
95	1014	WEI	USPVO	HRD	REGIONAL	103,624	81 - I
96 *M	GA1054	TAF	USPVO	PUBLICATIONS	JAVA	50,835	81 - I
97	GA1055	TAF	USPVO	HRD	JAVA	49,674	81 - I
98 *S	GA1064	CRS/ETADEP	USPVO	AGRICULTURE	E. TIMOR	6,000,000	81 - II
99	1014	WEI	USPVO	HRD	REGIONAL	200,536	81 - II
100	GA1054	TAF	USPVO	PUBLICATIONS	JAVA	60,467	81 - II
101	GA1055	TAF	USPVO	HRD	JAVA	241,736	81 - II
102	GA82-1	CWS	USPVO	INFRA.	JAVA	14,780	82 - II
103	GA82-2	WRC	USPVO	INFRA.	REGIONAL	34,963	82 - II
104	GA82-3	CLUSA	USPVO	ENTERPRISE	JAVA	876,958	82 - II
105	GA82-4	SCF	USPVO	CD	JAVA	299,231	82 - II
106 *M	GA83-15	DIAN DESA	IPVO	WATER	JAVA	46,056	82 - II
107	No #.	BINA DESA	IPVO	HRD	REGIONAL	7,890	82 - II
108	GA83-1	CARE	USPVO	WATER	REGIONAL	1,278,547	83 - II
109	GA83-10	CRS	USPVO	HEALTH	JAVA	124,924	83 - II
110 *M	GA83-11	BINA DESA	IPVO	HRD	REGIONAL	40,714	83 - II
111 *M	GA83-12	TAF	USPVO	HRD	REGIONAL	1,242,941	83 - II
112	GA83-13	CARE	USPVO	AGRICULTURE	NTT/NTB/IR	124,917	83 - II
113	GA83-14	HKI	USPVO	HEALTH	REGIONAL	627,600	83 - II
114	GA83-16	PLAN	USPVO	WATER	BALI	64,800	83 - II
115	GA83-2	WRC	USPVO	INFRA.	NTT/NTB/IR	19,000	83 - II
116	GA83-3	WRC	USPVO	WATER	NTT/NTB/IR	111,429	83 - II
117 *S	GA83-4	BINA SWAD.	IPVO	ENTERPRISE	JAVA	42,464	83 - II
118	GA83-6	BINA DESA	IPVO	HRD	REGIONAL	50,093	83 - II
119	GA83-7	DIAN DESA	IPVO	PUBLICATIONS	JAVA	34,658	83 - II
120 *S	GA83-8	LP3ES	IPVO	ENTERPRISE	JAVA	256,075	83 - II
121	GA83-9	LP3ES	IPVO	ENTERPRISE	JAVA	64,736	83 - II
122	GA84-4	PCI	IPVO	HEALTH	SULAWESI	274,746	83 - II
124	GA84-1	PLAN	USPVO	AGRICULTURE	BALI	28,894	84 - II
125	GA84-10	DIAN DESA	IPVO	ENTERPRISE	JAVA	114,628	84 - II
126 *M	GA84-12	LSP	IPVO	ENTERPRISE	JAVA	57,000	84 - II
127	GA84-13	WALHI	IPVO	ENVIRONMENT	IRIAN	51,358	84 - II
128	GA84-2	WINROCK	USPVO	AGRICULTURE	REGIONAL	396,500	84 - II
129 *M	GA84-3	WRC	USPVO	CD	REGIONAL	225,020	84 - II
130	GA84-5	BINA SWAD.	IPVO	AGRICULTURE	JAVA	371,725	84 - II
131 *S	GA84-6	LSP	IPVO	ENTERPRISE	JAVA	325,000	84 - II
132	GA84-7	OBOR	IPVO	PUBLICATIONS	REGIONAL	130,000	84 - II
133 *M	GA84-8	YIS	IPVO	HRD	REGIONAL	278,320	84 - II
134 *M	GA84-9	BINA DESA	IPVO	ENTERPRISE	REGIONAL	115,000	84 - II
135 *M	GA85-1	CRS	USPVO	CD	REGIONAL	100,000	85 -II-PA
136	GA85-2	PPA	IPVO	ENTERPRISE	SUMATRA	77,789	85 -II-PA

TABLE 1
SUMMARY OF VHP PVO SUB-PROJECTS

#	GRANT	NGO	USPVO/ IPVO	SECTOR	REGION	USAID FUNDING	START DATE CO-FI
137	GA85-3	CRS	USPVO	CD	REGIONAL	1,600,000	85 -II-PA
138 *M	GA85-4	YAKKUM	IPVO	AGRICULTURE	JAVA	47,011	85 -II-PA
139	GA85-5	WRC	USPVO	INFRA.	KALIMANTAN	125,000	85 -II-PA
140 *M	GA85-6	WALHI	IPVO	HRD	REGIONAL	32,590	85 -II-PA
141 *S	GA85-7	YKB	IPVO	HRD	REGIONAL	70,000	85 -II-PA
142 *M	GA85-8	BINA DESA	IPVO	ENTERPRISE	REGIONAL	131,650	85 -II-PA
143 *S	GA85-9	WALHI	IPVO	HRD	REGIONAL	51,500	85 -II-PA
144	GA86-1	CARE	USPVO	WATER	REGIONAL	944,674	86 -II-PA
145	GA86-2	SCF	USPVO	CD	JAVA	387,682	86 -II-PA
146 *M	GA86-3	LP3ES	IPVO	HRD	JAVA	497,846	86 -II-PA
147	GA86-4	DIAN DESA	IPVO	WATER	REGIONAL	418,025	86 -II-PA
148	GA86-5	ADRA	USPVO	HEALTH	NTT/NTB/IR	189,111	86 -II-PA
149 *M	GA86-6	BINA DESA	IPVO	CD	KALIMANTAN	126,982	86 -II-PA
150 *M	GA86-7	BINA DESA	IPVO	HRD	REGIONAL	87,355	86 -II-PA
151 *S	GA7086	CWS	USPVO	HEALTH	NTT/NTB/IR	314,423	87 -II-PA
152 *S	GA7087	WRC	USPVO	INFRA.	NTT/NTB/IR	193,414	87 -II-PA
153 *M	GA7090	TAF	USPVO	HRD	NTT/NTB/IR	655,556	87 -II-PA
154	GA7092	HKI	USPVO	HEALTH	REGIONAL	131,716	87 -II-PA
155 *S	GA7102	WALHI	IPVO	ENVIRONMENT	JAVA	75,000	87 -II-PA
156	GA7103	OBOR	IPVO	PUBLICATIONS	REGIONAL	57,000	87 -II-PA
157 *M	GA7110	WALHI	IPVO	HRD	REGIONAL	91,862	87 -II-PA
158	GA7118	TAF	USPVO	ADVOCACY/DPI	JAVA	39,660	87 -II-PA
159	GA7120	MBM	IPVO	ENTCREDIT	BALI	445,111	87 -II-PA
160	GA7123	IESC	USPVO	ENTERPRISE	JAVA	55,000	87 -II-PA
161	GA7129	YIS	IPVO	APPRO. TECH	SUMATRA	47,000	87 -II-PA
162	GA7141	PUSKO-WAN.	IPVO	ENTERPRISE	JAVA	305,933	87 -II-PA
163	GA7149	WALHI	IPVO	ENVIRONMENT	REGIONAL	15,000	87 -II-PA
164	GA7150	WALHI	IPVO	HEALTH	JAVA	15,962	87 -II-PA
165	GA7151	LP3ES	IPVO	HRD	JAVA	12,500	87 -II-PA
166	GA7152	YIS	IPVO	ENTERPRISE	SUMATRA	47,000	87 -II-PA
167 *M	GA8099	WALHI	IPVO	ENVIRONMENT	JAVA/KALI.	566,077	88 -II-PA
168	GA8105	ADRA	USPVO	HEALTH	NTT	164,630	88 -II-PA
169 *M	GA8113	YPMD	IPVO	CD	IRIAN JAYA	577,099	88 -II-PA
170 *M	GA8115	BINA DESA	IPVO	ENTERPRISE	JAVA/BALI	206,193	88 -II-PA
171 *M	GA8120	LP3ES	IPVO	CD	SUMATRA	59,968	88 -II-PA
172 *S	GA8135	TAF	USPVO	HRD/ID	JAVA/SUM.	547,488	88 -II-PA
173	GA8141	BINA DESA	IPVO	HRD/ID	SUMATRA	191,222	88 -II-PA
174	GA8160	ETADEP	IPVO	HRD/ID	E. TIMOR	723,614	88 -II-PA
175 *M	GA9083	WRC	USPVO	HEALTH	KALIMANTAN	57,150	89 -II-PA
176	GA9084	ADRA	USPVO	HEALTH	IRIAN JAYA	103,514	89 -II-PA
177	GA9107	PATH	USPVO	HEALTH	JAVA/NTB	144,662	89 -II-PA
178 *M	GA9109	YIS	IPVO	HRD/ID	JAVA/SULA.	112,460	89 -II-PA
179	GA9112	HOPE	USPVO	HEALTH	JAVA	100,685	89 -II-PA
180	GA9117	BINA SWAD.	IPVO	ENTERPRISE	JAVA	207,786	89 -II-PA
181	GA9118	BINA DESA	IPVO	ENTERPRISE	JAVA/SUM.	21,915	89 -II-PA

TABLE 1
SUMMARY OF VHP PVO SUB-PROJECTS

#	GRANT	NGO	USPVO/ IPVO	SECTOR	REGION	USAID FUNDING	START DATE CO-FI
182	GA9119	OBOR	IPVO	ENVIRON/PUB	JAVA	76,885	89 -II-PA
183	GA9123	LP3ES	IPVO	ENTERPRISE	JAVA	177,437	89 -II-PA
184 *M	GA9124	YLK	IPVO	ADVOCACY/DPI	REGIONAL	96,628	89 -II-PA
185	GA9125	YAKKUM	IPVO	HEALTH	JAVA	33,903	89 -II-PA
186	GA9128	SALESIAN	USPVO	AGRICULTURE	E. TIMOR	218,268	89 -II-PA
187	GA9137	MANDIRI	IPVO	ENTERPRISE	JAVA	41,288	89 -II-PA
188 *S	GA9141	YIS/LSPW	IPVO	APPRO. TECH.	SUMATRA	192,491	89 -II-PA
189 *M	GA9145	PACT	USPVO	HRD/ID	SUM./SULA.	684,657	89 -II-PA
190 *M	GA9153	LP3ES/SAM.	IPVO	ENTERPRISE	JAVA	144,044	89 -II-PA
191	GA9160	SALESIAN	USPVO	HEALTH	E. TIMOR	773,282	89 -II-PA
192	GA9162	AGRIBISNIS	IPVO	ENTERPRISE	JAVA	160,752	89 -II-PA
193 *M	GA0041	TAF	USPVO	ADVOCACY/DPI	JAVA	1,200,000	90 -II-PA
194 *M	GA0051	PATH	USPVO	HRD/ID	REGIONAL	479,518	90 -II-PA
195 *M	GA0070	AAFLI	USPVO	ADVOCACY/DPI	JAVA	100,000	90 -II-PA
196 *M	GA0078	WEI	USPVO	ENVIRONMENT	REGIONAL	216,816	90 -II-PA
197	GA0085	PCI	IPVO	ADVOCACY/DPI	SULAWESI	130,417	90 -II-PA
198	GA0092	LP3ES	IPVO	ENTERPRISE	REGIONAL	117,699	90 -II-PA
199	GA0099	MBM	IPVO	ENTERPRISE	NTT	59,668	90 -II-PA
200	GA0110	YSM	IPVO	AGRICULTURE	NTT	51,061	90 -II-PA
201	GA0112	YLBHI	IPVO	ADVOCACY/DPI	JAVA	103,451	90 -II-PA
202	GA0114	AAFLI	USPVO	ADVOCACY/DPI	JAVA	84,412	90 -II-PA
203	GA0116	WALHI	IPVO	ENVIRONMENT	REGIONAL	35,362	90 -II-PA
204	GA0120	HKI	USPVO	HEALTH	JAVA	51,768	90 -II-PA
205 *M	GA8173	TAF	USPVO	ADVOCACY/DPI	JAVA	114,700	90 -II-PA
206	GA9113	AAFLI	USPVO	ADVOCACY/DPI	JAVA	37,726	90 -II-PA
207 *M	GA9114	TAF	USPVO	ADVOCACY/DPI	JAVA	31,124	90 -II-PA
208 *M	GA9122	TAF	USPVO	ADVOCACY/DPI	JAVA	41,408	90 -II-PA

TOTAL =	41,273,530
11 = OPGs =	3,457,955
TOTAL OF SUB-PROJECTS MINUS OPGs =	37,815,575

KEY:

- *M = Organizations administering and dispersing grants to multiple NGO sub-grantees (MPS).
- *S = Organizations administering and dispersing grants to a single NGO (pass-throughs).
- CD = Community Development
- HRD/ID = Human Resource Development/Institutional Development
- INFA = Infrastructure
- DPI = Democratic Pluralism Initiatives

Sources of information include:

- DAI Mid-Term Project Evaluation of 1987;
- USAID/Indonesia's PVO Recap Document of September 24, 1990, and;
- USAID/Indonesia's Completed PVO OPG & Co-Financing Projects FY74 - 89 of March 2, 1990.

Overall, the following funding trends were evident over the life of the Co-Fi II Project:

- since 1985, direct grants to IPVOs have increased dramatically from \$2.2 million, or 14 percent of project funds, to \$6.7 million, or 41 percent of total project funds;
- the amount of funding for agricultural sub-projects has steadily decreased. Over the past five years only \$316,340, or 2 percent of the budget, was spent in this sector;
- funding for enterprise development programs has grown steadily and has comprised 13 percent of the project's grant allocations since 1985, and 98 percent of those projects have been implemented by IPVOs, up from 53 percent between 1982-84;
- Democratic Pluralism Initiatives became a project objective and over the past five years received funding of nearly \$2 million to comprise 12 percent of the portfolio; and
- since 1985, six environmental PVO projects were funded as compared to only one in the project's first phase. Five of these six projects are being implemented by IPVOs.

These and other trends are illustrated by the four tables on the following pages which disaggregate USAID's PVO portfolio by: 1) geographic dispersion and 2) sector of activity. These tables were constructed in order to answer specific questions posed in the Statement of Work. Tables two and three deal with the entire portfolio and compare the number of grants and funding allocations for the first two Co-Fi projects. Volag Co-Fi of 1974-76 and Co-fi I of 1977-81 have been combined; Co-Fi II's first phase (1982-84) and; its second phase (1985-90), are shown separately because a 1985 project amendment changed the project's course and added a number of new performance indicators about which the Mission requested analysis. Tables four and five provide the same information but only for IPVOs which directly received USAID funding.

TABLE 2

By Sector: Comparative Analysis of CO-FI, I, II, and II-Post Amendment (PA) PVO-CO-Financing Projects

SECTOR	NUMBER OF GRANTS			AMOUNT OF TOTAL FUNDING			PERCENTAGE OF TOTAL FUNDING		
	I	II	II-PA	I	II	II-PA	I	II	II-PA
Advocacy/DPI	0	0	11	0	0	1,979,526	0.0%	0.0%	11.9%
Agriculture	17	5	3	757,487	6,922,036	316,340	13.8%	44.1%	1.9%
Community Dev.	2	3	6	248,793	573,369	2,851,731	4.5%	3.7%	17.2%
Enterprise	9	8	15	214,046	1,851,861	2,199,265	3.9%	11.8%	13.2%
Environment	0	1	6	0	51,358	985,140	0.0%	0.0%	5.9%
Health	8	8	12	863,394	1,808,371	2,080,806	15.7%	11.5%	12.5%
HRD/ID	13	8	14	1,516,588	2,220,805	4,237,568	27.5%	14.2%	25.5 %
Infrastructure	7	3	2	403,953	68,743	318,414	7.3%	0.4%	1.9%
Nutrition	9	0	0	203,408	0	0	3.7%	0.0%	0.0%
Publications	3	3	1	511,485	225,125	57,000	9.3%	1.4%	0.3%
Technology	2	0	2	24,265	0	239,491	0.4%	0.0%	1.4%
Water	6	7	2	764,022	1958,486	1362,699	13.9%	12.5%	8.2%
TOTALS	76	46	74	5,507,441	15,680,154	16,627,980			
AVERAGE				72,466	340,873	224,702			
TOTAL PORTFOLIO =						37,815,575			

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TABLE 3

By Region: Comparative Analysis of CO-FI, I, II, and II-Post Amendment PVO-CO-Financing Projects

REGION	NUMBER OF GRANTS			AMOUNT OF TOTAL FUNDING			PERCENTAGE OF TOTAL FUNDING		
	I	II	II-PA	I	II	II-PA	I	II	II-PA
Bali	6	3	1	498,772	146,336	445,111	9.1%	0.9%	2.7%
E. Timor	0	1	3	0	6,000,000	1,715,164	0.0^	38.3%	10.3%
Java	35	18	26	2,335,255	3,417,674	4,143,963	42.4%	21.8%	24.9%
Kalimantan	3	1	2	95,747	18,000	309,132	1.7%	0.1%	1.9%
NTT/NTB/IR	9	6	9	925,053	754,233	2,308,476	16.8%	4.8%	13.9%
Regional	5	14	24	767,728	4,664,124	6,276,190	13.9%	29.7%	37.7%
Sulawesi	6	2	1	250,497	630,669	130,417	4.5%	4.0%	0.8%
Sumatra	12	1	8	634,389	49,118	1,299,527	11.5%	0.3%	7.8%
TOTALS	76	46	74	5,507,441	15,680,154	16,627,980			
AVERAGE				72,466	340,873	224,702			
				TOTAL PORTFOLIO =			37,815,575		

TABLE 4

By Sector to IPVOs: Comparative Analysis of CO-FI, I, II, and II-Post Amendment (PA) PVO-CO-Financing Projects

REGION	NUMBER OF GRANTS TO IPVOS			AMOUNT OF TOTAL FUNDING TO IPVOS			PERCENTAGE OF TOTAL FUNDING TO IPVOS		
	I	II	II-PA	I	II	II-PA	I	II	II-PA
Advocacy/DPI	0	0	3	0	0	330,496	0.0%	0.0%	16.7%
Agriculture	0	1	2	0	371,725	98,072	0.0%	5.4%	31.0%
Community Dev.	0	0	3	0	0	764,049	0.0%	0.0%	26.8%
Enterprise	0	7	14	0	974,903	2,144,265	0.0%	52.6%	97.5%
Environment	0	1	5	0	51,358	768,324	0.0%	0.0%	78.0%
Health	0	1	2	0	274,746	49,865	0.0%	0.0%	2.4%
HRD/ID	0	4	10	0	377,017	1,870,949	0.0%	17.0%	44.2%
Infrastructure	0	0	0	0	0	0	0.0%	0.0%	0.0%
Nutrition	0	0	0	0	0	0	0.0%	0.0%	0.0%
Publications	1	2	1	165,650	164,658	57,000	32.4%	73.1%	100.0%
Technology	0	0	2	0	0	239,491	0.0%	0.0%	100.0%
Water	0	1	1	0	46,056	418,025	0.0%	2.4%	30.7%
TOTALS	1	17	43	165,650	2,260,463	6,740,536	3.0%	14.4%	40.5%
AVERAGE				165,650	132,968	156,757			
TOTAL IPVOS FUNDING =						9,166,649			

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TABLE 5

By Region to IPVOs: Comparative Analysis of CO-FI, I, II, and II-Post Amendment PVO-CO-Financing Projects

REGION	NUMBER OF GRANTS TO IPVOS			AMOUNT OF TOTAL FUNDING TO IPVOS			PERCENTAGE OF TOTAL FUNDING TO IPVOS		
	I	II	II-PA	I	II	II-PA	I	II	II-PA
Bali	0	0	1	0	0	445,111	0.0%	0.0%	100.0%
E. Timor	0	0	1	0	0	723,614	0.0%	0.0%	42.2%
Java	1	9	14	165,650	1,312,342	1,899,798	7.1%	38.4%	45.8%
Kalimantan	0	0	1	0	0	126,982	0.0%	0.0%	41.1%
NTT/NTB/IR	0	1	3	0	51,358	687,828	0.0%	0.0%	29.8%
Regional	0	6	16	0	622,017	2,111,316	0.0%	13.3%	33.6%
Sulawesi	0	1	1	0	274,746	130,417	0.0%	0.0%	100.0%
Sumatra	0	0	6	0	0	615,470	0.0%	0.0%	47.4%
TOTALS	1	17	43	165,650	2,260,463	6,740,536	3.0%	14.4%	40.5%
AVERAGE				165,650	132,968	156,757			
				TOTAL IPVOS FUNDING =		9,166,649			

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2. Achievement of USAID's "Indicators of Success,"
1985-1990

The evaluation Statement of Work requested a determination of the degree to which the indicators of success included in the 1985 PVO Co-Financing Project Paper Amendment were achieved. Many of those indicators require a comparison between project achievements as of 1985 and achievements since 1985 (after the 1985 Project Paper Amendment).

In order to capture the historical dynamic of the project, the data documenting the accomplishments of the earlier Co-Fi projects have also been included; thus, all data has been disaggregated between Co-Fi I (which includes the Volag project), Co-Fi II, and II-post amendment (Co-Fi II-pa) phases.

The following is a discussion of the six indicators of success identified in the 1985 amendment. Each indicator is stated below, followed by a brief analysis of the degree to which it has been achieved.

Findings:

- Indicator 1. "By FY 88 the number of MPS [Multi-Project Support] grants supported with co-financing funds should increase from four to seven. At least three of those grants should be managed by IPVOs."^{2/}**

USAID's first MPS grant was in 1975 to CRS to support the development of several cooperatives in Java. Including this grant, USAID has now funded a total of 36 MPS grants. The breakdown is as follows:

Total MPS Grants			
	#	Amount	Percent of Portfolio
Volag & Co-Fi I	4	\$ 655,400	12%
Co-Fi II	7	\$ 2,005,051	13%
Co-Fi II-pa	25	\$ 6,458,094	39%
<hr/>			
Total	36	\$ 9,018,545	

^{2/} USAID funds two types of block grants. The first is a pass-through grant which is then sub-granted to a single organization. For example, the grant to World Relief Corporation (WRC) in Irian Jaya of which the total amount, minus administrative charges, was then passed on to STAKIN to manage a mini-hydroelectric project. The other type of block grant is a multiple project support (MPS) grant which is given to a large PVO to fund two or more different IPVOs, for example, the grant to the Asia Foundation (TAF) for its program in Eastern Indonesia which dispersed funding to over a dozen different LPSMs/LSMs. USAID/VHP has used the terms "block grant" and "multiple project support" grant interchangeably.

MPS Grants Managed by IPVOs

	#	Amount	Percent of Portfolio
Volag & Co-Fi I	0	0	0%
Co-Fi II	5	\$ 537,090	3%
Co-Fi II-pa	14	\$ 2,777,765	17%
<hr/>			
Total	19	\$ 3,314,855	

In addition to MPS grants, USAID/Indonesia has also funded twelve "pass-through" grants totalling \$8,166,420 (see Table one for identification of all pass-through and MPS grants).

By 1990 the number of MPS grants funded under Co-Fi II-pa was up to 25. However, the evaluation team had a discrepancy with the baseline data. According to the team's tabulations, by 1985 USAID had already funded seven MPS grants under Co-Fi II. By 1988 this number increased to 13 (thus exceeding the stated target of seven which had already been achieved at the time the indicator was written). IPVOs currently managing MPS funds from USAID are Bina Desa, LP3ES, YAKKUM, Walhi, YIS, YLK, YPMD.

Indicator 2. "By FY 89, the proportion of the Co-Fi budget channeled through the MPS format should increase from 25% to 60%."

Total MPS Grants

	#	Amount	Percent of Portfolio
Volag & Co-Fi I	4	\$ 655,400	12%
Co-Fi II	7	\$ 2,005,051	13%
Co-Fi II-pa	25	\$ 6,458,094	39%
<hr/>			
Total	36	\$ 9,018,545	

As the table shows, there has been a 26 percent increase in the amount of the total budget being dispersed through MPS grants since 1985. However, the total percentage - 39 percent - is short of the 60 percent target. The 21 percent shortfall of MPS allocations in Co-Fi II-pa's budget equals a

dollar shortfall of \$3,491,875. [If "pass-through" grants are included as MPS grants, then the total percentage of funding programmed through MPS grants between 1985-90 would be 50 percent, still 10 percent short of the target.]

However, again there is a discrepancy between the evaluation data and the baseline data stated in the indicator. According to MSI's calculations, when the indicator was written the percentage of the portfolio being channeled through MPS grants was 13 percent, not 25 percent.

Indicator 3. "By FY 90, the number of active co-financing grants should be reduced from 34 to 20."

Total Number of Co-Fi Grants

Co-Fi I	76
Co-Fi II	46
Co-Fi II-pa	74

Total number of active grants (as of 6-30-90) = 47

During the evaluation team's visit, the number of active grants was 47 and thus more than doubled the target of 20. In part, the number of grants under Co-Fi II increased in recent years due to the unexpected availability of additional funds. These included funds for human rights activities, the Democratic Pluralism Initiative (DPI) and other funds earmarked for special programs by AID/W. These extra resources most logically and conveniently were obligated under the Co-Fi II Project. It should be noted that although this was a conscious decision of Mission management, which made additional funding available to support PVO activities, it still created over twice the amount of grant process work called for under the project's 1985 redesign.

Indicator 4. "Support to urban and off-Java programs should increase from the present level of 20%, possibly to 50% of the Co-Fi budget."

This indicator's first component was not possible to measure because of lack of data, and lack of a clear definition, concerning urban programs. USAID has funded numerous projects to urban-based NGOs but their beneficiaries often included both urban and rural populations. In addition, the indicator has a weakness in that it combines two dissimilar categorizations: urban and off-Java. The indicator could have been better stated as funds for off-Java programs should increase by X percent and funds for urban programs should increase by Y percent. Also the word possibly, as in should possibly increase to 50 percent, is inappropriate as a measurable indicator. No conclusive data could be found to support any trend in funding of urban programs.

Concerning funding trends for off-Java programs, the data has been tabulated below with close consultation with VHP staff. It is divided into three distinct categories: Java, off-Java, and Java plus another area. In this table, "Java plus another area" are grants which fund activities in Java and at least one other area of Indonesia. For example, the most recent grant to YIS is to implement training

and institutional development programs in both Java and Sulawesi and has been categorized under Java plus another area.

Geographic Dispersion of Grants
(number of grants/total funding)

	Java	Off-Java	Java plus Other Areas
Volag & Co-Fi I	35/ \$ 2,335,255	36/\$ 2,404,458	5/\$ 771,041
Co-Fi II	18/ \$ 3,417,674	14/\$ 7,598,356	14/\$ 4,704,046
Co-Fi II-pa	26/ \$ 4,143,963	24/\$ 6,207,827	24/\$ 6,152,352

Percentage of Total Funding

	Java	Off-Java	Java Plus Other Areas
Volag & Co-Fi I	42%	44%	14%
Co-Fi II	22%	48%	30%
Co-Fi II-pa	25%	37%	37%

It appears that approximately 50 percent of all funding allocated for regional programs (Java plus one other area) is being spent outside of Java (based on file reviews and discussions with VHP). This has led to the following distribution calculations:

	Java	Off-Java
Volag & Co-Fi I	49%	51%
Co-Fi II	37%	63%
Co-Fi II-pa	44%	56%

The total percentage of funding for off-Java programs seems to have decreased slightly since 1985, from 63 percent to 56 percent. The exact figure is difficult to ascertain due to the high percentage of sub-projects implementing activities in Java and other islands. However, the benchmark figure was that only 20 percent of Co-Fi II's funding by 1985 had been approved for off-Java programs - a

figure the evaluation team could not corroborate because our estimate was that, at the time the indicator was written, the percentage being spent off-Java was already 63 percent. The calculations were further complicated by the additional funding which became available for DPI, human rights, and other special activities (mentioned under discussion of indicator three). The majority of this additional funding was for programs on Java. (For more specific information concerning geographic funding trends see Table 3.)

Indicator 5. "By FY 89, USAID should provide grants to four newly registered IPVOs selected for their demonstrated capabilities to implement programs in line with stated priorities of this amendment."

Since 1985, when the indicator was written, USAID has registered and funded six IPVOs who directly received USAID funding for the first time. These six were Mandiri, ETADEP, PUSKOWANJITA, YSM, YLKI, and YPMD.

Indicator 6. The current level of only one sectoral policy-oriented PVO will be enlarged to allow up to three selected PVOs with national policy impact potential.

In 1984 USAID registered the national environmental advocacy group WALHI, and by the following year the IPVO was receiving funding directly from USAID. This was the first time USAID began supporting a single-sector policy-oriented PVO that had the potential to influence policy at the national level. Since then, USAID has registered and funded two other groups having the same potential: YLKI, a consumer-rights advocacy group, and; LBH, a human rights advocacy group.

3. Measurable Indicators Summation

Conclusion: Of the six indicators, four were fully achieved, one partially achieved, and only one was not achieved. A summary for each performance indicator follows:

1. By FY 88 increase MPS grants from four to seven and have IPVOs manage at least three. Objective Achieved. Since 1985, 25 MPS grants have been funded; 14 were granted to IPVOs.^{3/}
2. By FY 89, increase Co-Fi funding channeled through the MPS format from 25 percent to 60 percent. Objective Partially Achieved. Since 1985, 39 percent of co-fi's grant allocations have been channeled through MPS grants; up from a prior level of 13 percent.
3. By FY 90, reduce the number of active grants from 34 to 20. Objective Not Achieved. During the evaluation team's visit (September 1990) the number of active grants was 47.
4. Increase support to urban and off-Java programs from 20 percent, possibly to 50 percent of the budget. Objective Achieved. Since 1985, the percentage of the budget channeled to off-Java programs seems to have been about 56 percent; data was inconclusive concerning urban funding trends.
5. By FY 89, provide grants to four newly registered IPVOs demonstrating implementation capabilities in line with USAID priorities. Objective Achieved. Since 1985, six new IPVOs have been registered with USAID and have received direct grants.
6. Add three selected PVOs with national policy impact potential. Objective Achieved. USAID currently funds three IPVOs having such potential: Walhi, Indonesia's Environmental Forum; YLKI, a consumer rights group and; LBH, a human rights group.

^{3/} In three of six of USAID's performance indicators the evaluation team found significant discrepancies with the baseline data used to write the project's performance indicators. These were as follows: indicator number one, by 1988 MPS grants should increase from four to seven - in 1985 the number of MPS grants was already seven; indicator number two - the percentage of the budget channeled through MPS grants should increase from 25% to 60%, in 1985 this percentage was only 13% and; indicator number five, off-Java funding was to increase from 20% but the evaluation team found that off-Java funding under Co-Fi II, at the time the indicator was written, may have already been near 40%.

B. USAID Management

1. The Grant Approval Process

USAID/Indonesia's VHP Office is the focal point in the Mission for managing the PVO Co-Financing Program. VHP's small staff, supplemented from time to time by consultants and Personal Services Contractors, has over the years managed over 190 NGO grants directly financed under the series of Co-Financing projects as well as having overseen a wide range of other activities including administering the Food for Peace Program (PL 480 Title I and II), and Disaster Relief Assistance funds.

Findings: In the initial phases of co-financing, the process of USAID consideration and approval of grants was relatively straightforward and less formal than has been the case in recent years. NGOs submitted their proposals at any time during the year and these were reviewed as time permitted and, if acceptable, approved if funds were available.

As the program evolved, the process was more formally organized to be able to handle a considerable increase in the number of proposals received by the Mission. In 1987, for example, USAID received 60 proposals; in 1988, the figure jumped to 75. In 1989, VHP received 85 proposals requesting funding of over \$11 million against an available \$3 million.

Over the years, VHP took steps to order its system of grant evaluation and processing and in 1988 inaugurated a thoroughly overhauled system. Each NGO was asked to first submit a concept paper describing their project's purpose, the problems it addressed, the technical aspects of the activity and the duration of the proposed grant. An illustrative budget was to be included. USAID requested such concept papers be limited to five to ten pages.

The Mission evaluated these papers according to criteria concerning its current development strategies and priority sectors. The criteria included the degree to which the activity appeared to be sustainable and its prospect for replication. The Mission also tried to consider the geographic distribution of its projects; in recent years the tendency has been to try to promote activities in Eastern Indonesia. Also, over time, the Mission has become more adamant that the sectoral focus of the project be reduced to be within fewer selected areas of Mission priority. Currently, four sectors are emphasized: 1) Environment; 2) Child Survival; 3) the Informal Economic Sector, and 4) Democratic Pluralism Initiatives.

The new system runs on a schedule in which NGOs must submit a concept paper in November. After review by VHP and technical divisions, those NGOs submitting concept papers meeting Mission criteria are requested to develop a full proposal by March. If approved--three votes are required for approval; one each from VHP, the Program Office, and the relevant technical division--then funding will begin by September. The NGO is required to submit progress reports semi-annually and financial reports monthly. (See Annex H for a detailed 14 step grant approval process.)

The evaluation found that USAID's requirements have been misunderstood by some NGOs. For example, several NGO staff told the team that the concept paper requirements were almost as stringent as those for the final proposal. While the concept paper system brought order to the previously ad-hoc proposal submission system, it appears that the requirements have been interpreted as cumbersome in detail and awkward in terms of timing, particularly as concept papers should be

submitted during October-November for an activity which may not begin until as much as a year later.

Although VHP requests only a five to ten page concept paper with an illustrative budget many NGOs have submitted substantially lengthier papers which have more closely resembled fully developed proposals. USAID staff told us that some of the misunderstanding occurred when the new system was first begun. Some PVO's had already completed longer papers which, once the changeover to the new system was completed, were then accepted as a concept paper. Other NGOs have submitted longer and more detailed proposals thinking these might fare better in the competitive process. During the time the new system was being put in place it appears that USAID, in a effort to be fair and flexible, read all concept papers received regardless of length. This may have confused the issue somewhat, for a time at least, and since the changeover took place in 1988 may explain the confused reaction to the new system that various NGOs gave to the evaluation team. Through its quarterly newsletter, workshops and face to face meetings with NGOs, VHP staff continually address and clarify this and other related issues.

As currently practiced, some NGOs receive only single year financing and must resubmit a full new proposal in the next funding cycle. This, not surprisingly, has caused consternation among some of USAID's NGO partners. VHP has had at least three reasons for sometimes only granting single year financing. First, the applicant NGO may be a first-time recipient and USAID quite rightly wants to test how well it is able to manage a project before processing a longer term grant. Second, USAID is never sure of its budget for succeeding years and, in order to allocate all funds available to eligible agencies, follows the process of one-time funding for the multitude. Third, as USAID approaches the termination of its overall grant (as was the case with the Co-Fi II grant being evaluated) it is unable to approve multi-year grants that would extend beyond the project's completion date (PACD). None of these reasons, however justifiable, seemed to have been clearly understood by the NGOs.

NGOs stated that one-time approvals and single-year financing, besides causing USAID to be seen as a donor complicated to deal with, have caused planning difficulties as they are not assured of adequate financing necessary to complete multi-year projects.

Conclusions: The current grant approval process is a great improvement over USAID's earlier less structured system. However, interviews with NGOs, both in Jakarta and in the field, showed that the system is still not completely understood by USAID's partners. Virtually all NGO staff who commented said they found the process confusing or awkward. There remains discontent with USAID's practice of single-year financing of multi-year projects and some NGOs find it awkward to be able to only submit concept papers once a year.

That the transition to a formalized system has created ripples of discontent among NGOs is not surprising since it has brought an end to the prior conveniences of informality. VHP has made a strong effort to explain the new procedures and their rationale with the result of growing acceptance and understanding from the NGOs. Although positive changes in the grant approval process have occurred, there remains opportunities for further improvements, particularly concerning the practice of granting single year funding.

2. The Mission's PVO Workload Concern

Findings: When asked about the three main challenges facing the Mission in terms in its management of the Co-Fi Project a majority of USAID respondents pointed to the workload

management issue, claiming that the program, though small in size in comparison to other Mission programs, has consumed an inordinate amount of staff time. Many staff stated that there were too many small grants, and that NGO activities sponsored by the Mission have been "too scattered."

As discussed under achievement of performance indicators, VHP had set a target of reducing the number of grants to 20, but as of November 1990, had an active portfolio of 47. A number of these grants were additions to the project made possible by extra funds that unexpectedly became available. Also, in recent years a substantial number of smaller grants were those "passed through" NGOs registered with USAID for the use of Indonesian NGOs not registered. These single-purpose "block grants," were approved by the Mission to support what it thought were worthy agencies which could not have met AID's ever tightening PVO registration restrictions. Nevertheless, the number of grants has contributed to the increasing workload generated by the project.

A review of sub-projects shows there were many relatively small grants between 1985-90, over 20 were under \$60,000. Co-financing activities began in 1974, when four grants were approved, followed by 19 in 1975; these grants ranged from \$2,413 to \$50,000. By 1977, the largest grant had increased to \$282,180. It was not until 1981 that a grant of over a million dollars was approved. In 1990, 16 grants were issued, ranging in size from \$35,362 to 773,282 with the average grant being \$178,445.

In addition to funding many small grants, VHP was unable to fully meet its goal of increasing the percentage of the co-fi portfolio channeled through MPS grants to 60 percent by 1990. However, a good effort was made and the percentage did increase from 13 percent to 39 percent.

The annual re-justification of previously approved projects, along with the overall approval process, have also been seen as burdensome to USAID staff, as evidenced from interviews. Many felt that the Co-Fi project workload has been disproportionately high as compared to the amount of funding involved. Eight of ten respondents stated they believed USAID should not increase the number of PVO projects funded (although two of those said they thought the amount of expenditures should increase) and five of ten staff stated that their largest concern in this evaluation was how to reduce the Mission's management workload of the Co-Fi project.

Conclusion: The number of grants have included a significant number of relatively small grants and, overall, this has been perceived by many USAID Officers as creating an unacceptably high management burden on the Mission. Mission efforts to limit the number of active grants to twenty have been unsuccessful for a number of valid reasons: extra money became available and "pass through" grants served to get new and good IPVOs involved in the project. Nevertheless, it is also true that some of VHP's procedures, for example requiring resubmission of proposals and often granting single-year funding for multi-year projects, has caused the extra work to which many of USAID's staff referred.

This workload problem, together with the reality of shrinking AID resources, has led within the last few years to a tension within the Mission concerning both strategic and tactical decisions about the management of the Co-Fi program. The inauguration of the Mission's new PVO project (Strengthening Institutional Development - SID) offers an opportunity for the Mission's staff to agree on the significance and capability of the NGO sector, and then to collaboratively decide how to effectively and consistently maintain flexibility in the project's management and administration.

MPS grants passed to two or more sub-grantees can be an effective way of reducing the Mission's management burden through supporting more NGO projects with fewer grant actions. This has

happened to a large extent but, for many reasons, not as much as had been hoped for. (See the discussion of MPS grants in a subsequent section.)

3. VHP Assistance to Improve NGO Management

Our survey forms, used as we visited LPSM/LSM field sites in Sumatra, Java and Eastern Indonesia, and our interview form used in conducting headquarters interviews in Jakarta, each included questions concerning the affect USAID has had on the management practices of NGOs.

Findings: USAID has provided a considerable amount of assistance to NGOs. Design issues, proposal writing skills, feed-back on monitoring reports and other advice has regularly been provided to NGOs receiving Co-Fi funding. Particularly since 1985, such assistance has been available from USAID's direct-hire staff as well as from a number of highly qualified consultants; six such individuals, all with specialized knowledge of NGOs and Indonesia, have worked with USAID's grant recipients on a day-to-day basis. Without the assistance they provided to NGOs it seems that many fewer grants could have been made by VHP, or at least the quality of grants made would have been much lower.

Over half of the 27 NGOs receiving field visits from the evaluation team reported having received technical assistance from USAID directly or through a USAID financed intermediary. This was reported as management assistance in nine cases, financial in eight, and "other" in three cases (such as assistance in cataract surgery or bench terrace agriculture). Although the LPSM or LSM may not have received any direct technical assistance from USAID or its intermediary, many reported that USAID's grant or sub-grant provided for training in technical areas such as advocacy or organizing cooperatives.

Thirteen of the 27 agencies dealt directly with USAID, rather than through an intermediary. It was largely this set of agencies, for the most part LPSMs, that reported USAID's process of grant submission and reporting requirements had been useful in bolstering their abilities to design projects or improve accounting practices (even though many simultaneously said USAID's process was burdensome and made demands beyond what was useful).

We canvassed all 27 agencies to arrive at a summary rating of the degree that NGO management had been improved as a result of USAID funding, direct or through an intermediary. The findings:

	score	responses
not at all	1 =	7
	2 =	3
	3 =	13
	4 =	3
greatly improved	5 =	1

Average 2.56

USAID's funds and actions, as well as those of its intermediaries, did seem to have a moderate to high affect on NGO management capabilities in 17 of the 27 cases. However, in seven cases we found little or no effect. These were mostly small agencies operating in Eastern Indonesia with modest support from TAF. Often USAID's obvious effect had principally to do with the use of its

funds to pay key staff salaries, which was the case in 14 of the 27 agencies. The NGOs often expressed gratitude for this, as it seems USAID is the only major donor that will provide such funding.

In our headquarters and focus-group discussions with NGO staff (combined covering 28 agencies), few mentioned USAID as having much impact on management. In response to a more specific question about technical assistance provided by USAID, financial help was the main category mentioned. This acknowledges the fact that VHP has contracted local CPA firms to provide NGOs accounting and financial advice, and on occasion USAID's financial staff have provided on-site technical assistance.

It is not surprising, however, that to a great extent the advice and technical assistance supplied by VHP and its consultants has largely not been acknowledged by the NGOs as having been beneficial. Perhaps the biggest reason why the evaluation team heard almost no appreciation for the assistance provided is that it was usually connected to NGO efforts to solicit or maintain funding. This assistance was seen by NGO staff and leadership as having more to do with enabling them to adhere to USAID's administrative procedures rather than addressing their actual organizational development needs or providing assistance to improve their field projects. However, it was clear to the evaluation team that USAID is concerned with both administrative as well as development performance objectives, despite the fact this has not always been understood by the NGOs.

The same phenomenon has occurred regarding the workshops, one in each of the last three years, that VHP has sponsored for NGOs. VHP personnel were clear that the purpose of the workshops was to explain to NGOs how USAID operates while at the same time allowing USAID staff to familiarize themselves with NGO operations. Still, NGOs with which the evaluation team spoke thought that USAID concentrated too much on its own regulations and bureaucratic constraints to the neglect of discussing the NGO's concerns. To some extent this has happened because VHP has increasingly been caught in the bind of trying to be responsive to a large sector of independent agencies wary of government strictures while, at the same time, being requested by its own Controller and Legal Officers, and from the Inspector General, to enforce increasingly rigid accountability standards.

VHP has however taken many steps to improve its own management of the Co-Fi program and many of these have had beneficial affects on NGOs. For example, in the last three years VHP has revamped and simplified its NGO reporting format, sharpened its project selection criteria, and inaugurated a new concept paper process. These, and other improvements, however, were not acknowledged by NGOs with which the team spoke.

We found that whatever the effect USAID has had on NGO management, and regardless of how these efforts have been acknowledged by NGOs, the need for technical assistance and training in the individual agencies, and the movement as a whole, seems quite large. We asked the question, "What are your most pressing technical assistance and training needs?" of all agencies interviewed. The 27 field agencies responded as follows:

Project management	=	16
Accounting/Bookkeeping	=	8
Advocacy skills	=	5
Social analysis	=	4
Environmental analysis	=	1

Of eleven headquarter staff interviewed, six mentioned project management/evaluation or financial management needs; other needs mentioned were generally technical in nature such as skills in social marketing, setting up small businesses or hydraulic engineering.

It is noteworthy that USAID has included in its General Participant Training Project funds earmarked for training of "not-for-profit" sector staff. Since the amendment of this training project in 1988--before that time for a variety of reasons little NGO training was accomplished--the record shows that seven Master's candidates and as many as fifty-two trainees in short-term programs have been supported. To accomplish this VHP staff have worked closely with an NGO steering committee to select eligible candidates. The training plan of the present grant allows for ten Master's candidates and 87 short-term trainees. Over time VHP is hopeful that sponsoring trainees in a variety of courses in the U.S. and third countries will translate into improvements in the design, monitoring, evaluation and technical content of Indonesian NGO programs.

Conclusion: Overall USAID has accomplished a great deal toward improving the management capabilities of NGOs and facilitating the improvement of local-level development efforts, a key objective under the Co-Fi Project. This has been done by a number of means including USAID workshops, offshore training, formal and informal dialogues and feedback concerning design and evaluation issues and NGO reports, and by demanding certain standards be met in proposals as well as requiring adherence to financial reporting requirements.

Perhaps inevitably, given the nature of grantee-grantor relationships, the overall effect of USAID was not widely acknowledged by the independently minded NGO staff with which the evaluation team spoke. And given the wide variance in abilities of NGOs receiving USAID support the results of its management interventions have also varied considerably. USAID gets its best marks in assisting NGOs to improve their financial accountability, a crucial step in fortifying management capabilities. It also has contributed, with varied success, to enabling NGOs to design better projects and express themselves more professionally.

Finally, it is clear that NGOs would prefer more assistance from USAID to strengthen project management and implementation skills. Over the past several years, NGOs have perceived the assistance provided by USAID as having been primarily for the purpose of enabling compliance with USAID's administrative requirements. Both types of assistance have been provided by USAID but largely the latter has been perceived by NGOs.

4. Project Monitoring

Project monitoring is carried out through field visits and through the semi-annual progress reports. In the case of MPS grants, primary responsibility for these functions are with the intermediate organizations.

4a. Field Visits

Findings: VHP Project Officers try to visit each of their projects on a regular basis; however, limited travel funds, the sheer number of projects, and their wide geographical dispersion make this difficult. In interviews with VHP staff we learned that an effort is made to visit each project located outside of Jakarta once a year and those in Jakarta once every six months.

VHP's three Indonesian staff with major Co-Fi oversight responsibilities reported they travel about one week every two months and, depending on logistical constraints, can visit one to two projects

during each trip. Consequently, between eight and ten projects per year are visited. One officer is responsible for 12 projects, while the others are each directly managing 15 or 16. Thus about half the sub-projects are visited each year. However, while most NGO projects have been regularly visited over the last several years, a few projects in the difficult and expensive to reach areas of Alor and Irian Jaya in Eastern Indonesia have yet to be visited.

We could not canvass all USAID officers about their monitoring actions but it was apparent to the team that VHP's other direct-hire and contract employees, as well as USAID staff from other divisions, have also made field visits. Thus many of the NGO field activities visited by Indonesian staff have also received visits from other USAID personnel.

The above information correlates with data collected from field visits. Although 13 of the 27 NGO field activities visited said that they had never been visited by a USAID employee, many of these agencies were sub-grantees of USAID intermediaries. Therefore it would have been the intermediaries' responsibility, not USAID's, to monitor the projects. We were unable to ascertain the extent to which intermediaries had met these responsibilities, except for our experience with sub-grantees of The Asia Foundation in East Indonesia, which had not been regularly visited or adequately monitored its sub-projects. USAID's direct grant recipients, we found, had nearly all been visited by a USAID employee during the previous year.

During the last three year period, VHP's system of monitoring has been revised and made more systematic than was previously the case. Project Officers are now required to prepare trip schedules and a standardized format has been developed for trip reports to make certain that all relevant data is available.

4b. Semi-Annual Progress Reports

Findings: A comment often heard during the team's field visits was that there has been no feedback on the grantees' semi-annual progress reports. This was confirmed in interviews with VHP staff. One member reported that sometimes the reports are filed away without being properly reviewed and another reported writing to NGOs only when there was a problem, or when the report was late.

However, USAID has recently initiated a control system under which each semi-annual progress report is logged in, and a reply due-date stamped on the document, then given to the officer responsible. VHP has also recently provided all grantees with an outline of what each narrative report should contain in an effort to ensure that these reports are not too lengthy, kept to the point, and are thereby easier to analyze and respond to.

In order to improve its monitoring practices, VHP recently contracted a consultant to design a monitoring and evaluation database for the project. When operational this will add a further improvement to current practices.

Conclusion: USAID is now well organized to ensure that its wide range of geographically dispersed grantees are regularly visited and the results made a matter of record. Although NGOs have not habitually received feedback from USAID on their progress reports, USAID/VHP has recently taken steps to ensure this situation does not persist, including initiating a semi-annual progress report control system. These efforts, which have been implemented over the past three years, are an improvement over the office's previous monitoring practices. The current system seems adequate

and, together with the recently designed project monitoring data base, represents an important step toward collecting information to be able to assess sub-projects' impacts at their purpose levels.

5. Financial Reporting Requirements

The most frequent complaint voiced by the PVOs, both U.S. and Indonesian, large and small, concerned USAID's financial reporting requirements. Recently, USAID shifted its requirements from quarterly to monthly. PVOs say this has caused considerable additional work, and has been particularly difficult for the smaller LSMs in remote areas, many of which do not have modern office equipment.

This change in procedure was precipitated by a GAO audit which found that the Mission's overall portfolio had too many outstanding fund disbursements in the form of advances. The Mission's solution was to order an across-the-board change from quarterly to monthly disbursements, without consideration for the special needs of any given project such as Co-Fi (which comprises only a small percentage of the Mission's total portfolio).

The shift from quarterly to monthly reporting also created an increased workload for USAID staff. Particularly for the VHP Project Officer responsible for reviewing, analyzing and preparing payment vouchers for each. This individual must now process 47 vouchers a month instead of every three months, in addition to monitoring 16 sub-projects.

Several LSMs also stated that the financial requirements are too difficult for their limited staffs. The requirements for the sub-grantees are the same as those applied by USAID to the LPSMs. One example of why NGOs perceive USAID's financial procedures to be unduly cumbersome was a USAID-financed financial management guideline prepared for YPMD, an IPVO in Irian Jaya: It was 122 pages long. Even long-established USPVOs, such as AAFLI, find it difficult to satisfactorily meet USAID's latest financial reporting requirements. This is illustrated by the fact that AAFLI had, until recently, always prepared their financial reports in Jakarta. However, after having had several reports returned as inadequate, they now have the reports prepared at, and filed from, their headquarters (located in Washington, D.C.): an option not available not many of the IPVOs who lack large and sophisticated headquarter operations.

Numerous NGOs told the evaluation team that they incurred financial difficulties because replenishment of revolving funds has often been late. Since disbursements from USAID arrive late, sometimes as much as two or three months late, LPSM/LSMs in the field are forced to suspend their activities because they run out of money. Also, as the activities lag and fall behind schedule so too does NGO reporting.

Conclusion: USAID, through enforcing rigid requirements for financial accountability among NGOs, has had the effect of compelling NGOs to practice, in many cases learn and then practice, high professional accounting practices. (See discussion in prior section on VHP technical assistance.)

However, it is apparent that there is widespread dissatisfaction with the way USAID deals financially with the NGOs. USAID requirements and bureaucratic procedures overwhelm the smaller LSMs, who by their very nature often have few professional staff. Although USAID itself, a relatively large organization comprised of many well-trained professionals, is stringent in requiring timely receipt of monthly financial reports it has been unable to replenish NGO funds in a timely manner. This seems an unrealistic contradiction of expectations and has been perceived as such by NGOs.

6. NGO Perceptions of USAID

Findings: In response to questions about challenges to USAID, several officers spoke about the need to improve NGO's perceptions of USAID. One said USAID was too much "acting like a policeman rather than a partner"; another that "USAID must learn to tolerate the independence of the NGOs" and that USAID gives the impression that "we are not behind them." USAID officers' perceptions that a negative image is projected to NGOs was partially confirmed in interviews with leaders of large NGOs in Jakarta, and during field visits.

A frequent perception of USAID was that it was too rigid and bureaucratic, that the Mission emphasized administration and accountability more than program impact. In the field, we were told that there was too little substantive feedback from USAID concerning NGO progress reports. But when a report was late a letter from USAID was promptly received to remind the grantee.

One large LPSM in Jakarta suggested that the USAID procedures should be relaxed. "They appear to be based on suspicion." The NGOs also criticized USAID's manner of communication as being too rigid. One agency head put it this way: "Projects in rural areas are different in nature, and the approach must be more flexible. USAID should have a greater appreciation for the process of development. Community Development takes time, and USAID funding is too limited in time."

Another example of USAID's inflexibility was given by a LPSM director in Central Java which worked with pre-cooperative groups. They had to drop one client group from their program because the group had purchased a second-hand truck. Apparently, this was contrary to AID regulations, but the cost of a new truck would have forced the group to expend funds that it needed to implement its project. This is an example of the world-wide AID system which gives local NGOs the impression that VHP's primary concerns have to do with other than accomplishing development objectives.

The attitudinal criticism was voiced by several NGOs in Jakarta. Some mirrored the views from NGO field staff concerning the lack of feedback and the apparent lack of interest in the substance of their work. One large NGO in Jakarta put it succinctly: "We are concerned with public housing, food, water, sanitation, and know something about such subjects. It would be nice to think USAID would real'y want to know too."

Conclusion: USAID is viewed by NGOs as a development agency upholding high standards--especially fiduciary management standards--but, for a variety of reasons, is not viewed by NGOs as a supporting development partner. USAID is often viewed as an organization principally preoccupied with its own administrative regulations and procedures.

During the past few years VHP has undertaken initiatives to increase contact and communication with NGOs. These efforts have included printing a quarterly newsletter - which has proven a good mechanism to keep NGOs abreast of USAID's changing intentions and procedures; and sponsoring NGO annual workshops. However, as yet, these efforts have not been sufficient to change the negative impressions that many NGOs have of USAID.

C. NGO Management and Effectiveness

An aspect of the evaluation involved using a sample of NGO activities and interview information to determine the ability of NGOs to contribute to USAID's Democratic Pluralism Initiative and to assess their management capabilities. To attain information the team visited 32 LPSMs or LSMs in Sumatra, Java and Eastern Indonesia, as well as contacting through focus groups or in individual interviews another 28 PVOs, mainly in Jakarta. (Our field questionnaire and NGO headquarters interview guidelines were used to frame our conversations and appear as Annexes C & D.) Information in this section was drawn from those sources.

Number of NGOs Visited:	27
LPSMS:	11
LSMs:	16
Project Status:	
ongoing:	15
completed:	12
Number of Staff Interviewed:	64
Average per NGO:	2.37
USAID Funding Levels:	
<\$25,000:	16
\$10,001-\$24,000:	3
>\$10,000:	8

Field study data is from a sample 27 of 32 agencies visited. Data collected from two cooperatives visited are not included, even though both were well organized and effective women's groups, because they were both government organized and financed.^{4/} And in the other three cases the field team was not able to gather sufficient information to make any evaluative judgments, usually because key staff were unavailable to respond to our questions.^{5/}

^{4/} The two cooperatives were Koperasi Serba Annisa in Mataram and Koperasi Wanita Cendana in Kupang. Both began as part of the Dharma Wanita movement but later received some TAF assistance.

^{5/} LBH and a small pre-cooperative group in Mataram, and a women's group in Kupang connected with the Governor's wife, who was out of the country at the time of our visit. All three groups had received modest funding from TAF.

1. The Rising Voice of Indonesian NGOs

1a. NGO's Role in USAID's Democratic Pluralism Initiatives

Findings: The Mission had identified the PVO Co-Fi Project as being a primary conduit for achieving Democratic Pluralism Initiative (DPI) objectives. As defined by the USAID, the two main components of DPI are Institutional Pluralism and Democratic Institutions. USAID's definitions for these terms are as follows:

"Institutional Pluralism refers to the desire for a larger and stronger independent sector in Indonesia. Specifically, it addresses the emergence of effective, independent, participatory and advocacy organizations that represent a broad spectrum of interests and viewpoints and provide opportunity for broadened access to and participation in the development process by well-informed citizens. Activities aimed at encouraging the growth of institutional pluralism are not limited to a few projects or areas of program emphasis. Institutional pluralism is a theme which cuts across the Mission's entire portfolio and is a fundamental premise which underlies the SID/PVO Project. As such, institutional pluralism is not appropriate as a funding priority, criterion, or category. Rather it is a purpose level affirmation for the project to be addressed by the application of more specific guidelines, funding categories, and implementation arrangements.

"The Democratic Institutions development problem area calls attention to the need for institution building in four major program areas: judicial system development; legislative development; media professionalization; and the strengthening of advocacy organizations. The Mission views these four areas as central to efforts to improve broad-based, popular participation in Indonesia's development. The SID/PVO Project will contribute to addressing constraints in this DPA by supporting public and constituency advocacy activities in these four areas. Of special interest are organizations in labor, the environment, informal sector entrepreneurship, and consumer advocacy. Typical activities which might be supported by the project in support of advocacy include staff development, technical assistance, apprenticeships, policy studies, fund-raising capacity development, and support for informational and networking seminars and conferences."^{6/}

Regarding institutional pluralism, it could be argued that the entire Co-Fi Project is contributing to the aim of encouraging "a larger and stronger independent sector in Indonesia." This because all of Co-Fi's sub-projects are being implemented by independent sector organizations. Although this definition has no implications concerning supporting one PVO project over another, it does argue for continuing Mission support to PVOs if DPI continues to be a Mission objective.

In its support for DPI's Democratic Institutions component, the Co-Fi II Project has addressed all four of its major program areas. The first three areas--judicial system development, legislative development, and media professionalization--are being addressed by sub-projects recently implemented by The Asia Foundation. In the other major program area--advocacy--USAID has funded numerous PVO projects which have contributed to this objective. These have included:

^{6/} These definitions come from the section of USAID/Indonesia's SID/PVO (Co-Fi III Project Paper concerning democratic pluralism and institutional pluralism. This Project Paper was being finalized during the evaluation team's visit.

1. labor - grants to AAFLI to enforce individual rights as guaranteed under existing labor laws.
2. the environment - grants to WALHI and World Education, Inc. to undertake environmental planning and raise awareness of environmental issues. And sub-grants through Walhi to Skephi to advocate for sustainable forest usage and to implement related projects.
3. informal sector entrepreneurship - numerous grants to support enterprise development including support for the projects of Bina Swadaya, WRC, LP3ES, CRS, Bina Desa, LSP and PPA.
4. consumer advocacy - support to, YLKI, the Indonesian Consumer Affairs organization.

VHP has also supported numerous other sub-projects to defend the rights of individuals under existing laws. Examples of these types of USAID-funded projects include human rights advocacy (LBH), defending the legal rights of land ownership (LBH/Lombok and KSPPM in Northern Sumatra), and defending the rights of divorced/abused women (LKBHuWK, Padang, West Sumatra).

1b. NGOs' Ability to Influence Government of Indonesia Policy

Findings: It was of particular concern to USAID that they fund NGO programs which have the ability to influence government policy. In response to 10 interviews with USAID officers, seven respondents stated that they thought NGOs have a high ability to influence government policy and five of ten responded that environmental advocacy is the sector where NGOs have the highest potential to influence government policy.

In our field interviews with 27 NGOs the evaluation team asked a series of questions to determine the degree to which NGOs have achieved success in this area. The results were as follows:

NGOs Ability to Influence GOI Policy

	Rating Scale	Overall	Number of Responses per Rating:	
			LPSMs	LSMs
low	1	7	1	6
	2	3	1	2
	3	10	6	4
	4	2	1	1
high	5	5	2	3
Average Score		2.81	3.18	1.93

The results of our field work indicated that LPSMs, on average, had greater ability to influence government policy than do LSMs. From our study, examples of NGOs visited which have had a significant impact on government policy included:

- Walhi, the Indonesian Environmental Forum - a Jakarta-based LPSM which focusses on environmental policy, networking and government advocacy. Walhi has facilitated several parliamentary hearings for NGOs concerned with environmental issues and has been able to achieve first-time formal acquiescence by the GOI for the right of NGOs to participate in the formulation of the government's National Basic Law for the Protection of the Environment (Law #8/1982). It has also lobbied successfully to enable environmentally active NGOs (including Skephi, a USAID-supported social-forestry NGO) to formally contribute their input into the GOI's National State Guidelines and Five Year Plan for 1988-93.
- YPMD - a LPSM in Irian Jaya, is concerned with a number of diverse development issues including environmental resource management, integrated community development, cooperative development, and coastal area development. Their strength in influencing government policy has been in the area of natural resource management, an issue of profound importance in resource-rich Irian Jaya. YPMD, together with a local university, has undertaken comprehensive environmental resource management planning in Irian Jaya and has become one of the area's premier experts on this matter. The government's local planning authority, BAPPEDA, has recognized YPMD's expertise and routinely and formally requests assistance from the NGO in formulating local planning strategies. Specific examples of YPMD's ability to curb environmentally destructive development in Irian Jaya have included: successfully prevented a mangrove-forest exploitation project in Merauke; prompted formal reconsideration of the Sunti Dam Development Plan, and; prevented the construction of the Yoteta Bay dockyard project in an environmentally sensitive area.
- Yayasan Keyesan Bethesda - a LSM in Irian Jaya that focusses its program on primary health care. Due to lack of infrastructure in Irian Jaya's interior, the government has had great difficulty in providing health services to the majority of residents. YKB's approach has been to train local residents, identified through the Missionary networks, as auxiliary nurses capable of collecting health indices and giving immunizations. They have already trained 200 out of a planned 500 auxiliary nurses and have been able to convince the government to provide salaries to all who successfully complete their training program. The government has, for the most part, adopted YKB's program as the viable health delivery strategy for Irian Jaya's interior and has given the program substantial financial and coordination strategic planning support.

Conclusion: NGOs have made valuable contributions toward promoting democratic pluralism in Indonesia; and the GOI has been increasingly influenced by their strengthening abilities. The PVO community offers the Mission an exceptional opportunity to promote institutional pluralism in Indonesia: Overwhelmingly the Mission-supported PVO projects contribute to this objective. NGO strength in addressing DPI objectives has been in the program area of advocacy. To date, a good deal of this advocacy success has been in the environmental arena but it seemed clear that several non-profit groups are poised to make important contributions in the areas of human rights and labor issues. These groups include LBH and AAFLI.

2. The Quality of NGO Management

Another facet of the evaluation was to judge the degree to which USAID was accomplishing the Project Purpose "to multiply and improve local level development efforts in Indonesia..." The underlined phrase is discussed in this section.

Findings: At least one staff member from each agency visited was asked a series of questions about their organization's planning and design process, objectives, and monitoring and evaluation practices. These resulted in a planning process rating in each of three categories: project planning, setting clear objectives, and monitoring and evaluation capabilities. As can be seen in the following chart concerning NGOs planning capabilities, only two NGOs - YKB and NCBA - seemed to have demonstrated outstanding skills. Fifteen of 27 agencies included in our field study got only average or below average marks for their project planning processes. The first table rates NGO's project planning capabilities - these ratings resulted following analysis of a series of questions asked of PVO management by the evaluation team. The other two tables concern related managerial components; setting clear objectives and being able to install and use adequate monitoring and evaluation systems.

Planning process rating (1-poor, 5 excellent)

Overall	LSMs	LPSMs
low 1 = 1	1	0
2 = 7	3	4
3 = 7	4	3
4 = 10	6	4
high 5 = 2	2	0
Average 3.19	3.31	3.00

Clarity of Objectives

1 = 0	0	0
2 = 6	3	3
3 = 12	5	7
4 = 5	4	1
5 = 4	4	0
Average 3.26	3.56	2.82

Monitoring and Evaluation Systems

1 = 1	1	2
2 = 4	3	1
3 = 12	6	6
4 = 2	1	1
5 = 6	5	1
Average 3.30	3.38	2.82

After discussions and visits to view actual field activities (the case with 15 of the 27 agencies), the above results were used to form a judgement concerning the likelihood, based on what was heard and seen, that the agency would achieve its objectives. These ratings follow:

Overall	LSMs	LPSMs
1 = 0	0	0
2 = 4	3	1
3 = 15	6	9
4 = 2	1	1
5 = 6	6	0
Average	3.44	3.00

LSMs scored better than LPSMs in each of the above categories. This could have to do with the clarity that can be had when, like most LSMs, one is close to a field situation, and likely has a more contained, specific and easier to monitor program portfolio. LPSM's often have broader and more scattered portfolios, sometimes overseeing projects implemented by numerous LSMs. It may also be that USAID's occasional practice of approving single year funding acts inadvertently as a disincentive to long-term planning and reinforces already weak planning capabilities.

It also seems the case that the answers concerning concrete effects of NGOs, including those supported by USAID, must wait until the monitoring and evaluation skills of Indonesian agencies improve, and will require a longer more comprehensive study than the present effort. Most of the NGOs visited did not have well developed monitoring and evaluation systems and had not established useful performance indicators against which to measure the accomplishments of their efforts.

The managerial capabilities of the organizations managing MPS grants seemed to be a critical weakness in the chain of events which leads to the implementation of local level development. To have value added as grants are passed from an LPSM to a LSM, the LPSMs have to be more highly skilled managers than are the organizations that they serve, something we did not generally observe to be the case. (For further discussion on this issue see section D on MPS considerations.)

The ratings were generally higher for the thirteen agencies in Java and Sumatra than for the 14 visited in the Eastern Indonesian islands of Timor and Lombok. In particular the IPVOs in Lombok scored low, perhaps because they suffered from inter-agency competition, and a lively debate about approaches. This debate concerned the relative priority of changing attitudes among the rural population versus undertaking tangible activities having to do with economic growth or the blend between the two. It was our impression that the debate left the IPVOs in Lombok with programs of limited utility.

Using information collected from interviews, each agency visited in the field was given a rating concerning whether it seemed to have a clear vision of its organization's future. As can be seen below, only three (YKB, YIS, and LKBHuWK) of 27 NGOs visited appeared to have a clear strategic vision of their organization's future.

Clear Strategic Vision

	Rating Score	number of responses:		
		Overall	LPSMs	LSMs
low	1	0	0	0
	2	7	2	5
	3	12	5	7
	4	5	3	2
high	5	3	1	2
	average:	3.19	3.27	3.06

Interviews and research showed that the main weaknesses of NGOs are their managerial capabilities, and their limited abilities to create opportunities for staff development to enhance skills at organizational and project levels. Such deficiencies, we were also told, create funding problems and inhibit access to accurate and relevant information. Since, for LPSMs, the process of their work is as important as their sub-projects' impacts, there is a need to continually improve their management capabilities in the areas of project design, strategic planning, impact assessment, and training methodologies.

Conclusion: The LPSMs/LSMs visited by the evaluation team represented a "mixed-bag" of management capabilities. Nearly all of the agencies studied could benefit from strengthened project design skills. Few had established performance indicators, and the LPSMs themselves were not in possession of such skills and therefore could not assist local-level development organizations in this regard.

The Indonesian NGO movement suffers from praxis problems--how to effectively mingle action and theory--and also from significant shortfalls in planning and management. Much of the movement is new, especially agencies operating in the countryside, and has yet to mature. USAID management is aware of this challenge and has, within the past several years, begun to address the situation by providing training to its NGO partners, both through direct actions and by encouraging U.S. and IPVOs to do the same.

3. Significance of USAID Funding for Recipient NGOs

Findings: Throughout our study questions were asked about the main affects of USAID support on Indonesian NGOs. Our first focus session group with NGOs yielded the following responses:

- positive impact through the provision of additional resources;
- favorable impact on financial management;
- useful assistance with organizational development by paying some core staff costs and helping some smaller PVOs grow and become more professional;
- commitment to NGO sector has had multiplier effects and has begun to assist in the field of institutional pluralism; and
- provides resources for expanding NGO activities and supports pioneering or pilot activities.

Headquarters interviews yielded similar results, but in more detail. Again, funding figured prominently. For example, LP3ES answered "USAID provides additional resources, and enables the Institute to work in new areas and develop new ideas. Projects funded by the U.S. also are approved more easily by the GOI and USAID financing provides an opportunity to improve relations with smaller NGOs at the regional and local levels."

CARE described the impact of USAID as that of "...a good, solid friend and consistent supporting partner." Others, who shall go unnamed, were more cryptic. A large U.S. agency described USAID's impact as significant only to the extent that it was able to expand its services as a result of the additional funding. A mid-sized Indonesian NGO described USAID's impact as "essentially the money and the money alone."

The 27 agencies visited in the field were also asked a more specific series of questions about funding. The questions and results follow:

Does the NGO receive funding from other donors?

None	=	11
One other	=	4
2 or more	=	12

If yes:

Prior to USAID funding	=	11
Subsequent to USAID	=	5

Could NGO continue services without USAID funding?

Yes	=	14
No	=	13

A similar picture emerged as we asked funding questions in our interviews with NGO's headquarter staff. Most big IPVOs have multiple donors, some as many as six. Most USPVOs receive funding from donor agencies other than USAID, but to a lesser extent than the IPVOs with which we spoke. IPVOs reported less "USAID dependency" than USPVOs. In the former case, 20 percent to 30 percent, in the latter 60 percent to 95 percent. Finally, most IPVO headquarters reported that funding from USAID post-dated initial support from other donors.

In the case of our limited field sample of LPSM/LSM's, the results are hard to judge. Eleven of the agencies had USAID as their only donor--these were mostly LSMs. Of the 16 others, donors were already in the picture, eleven prior and six subsequent to USAID. Yet only 14 indicated they could continue providing their principal services without USAID funds. In another context, the team was often told that many of the smaller field agencies that now exist are likely to fold in the coming years. However, 12 of the 27 USAID-funded field projects visited had already been completed but all of those agencies continued to operate. Most of those were in Java and Sumatra.

Notwithstanding the above findings, it was clear that USAID had affected NGO management in ways that NGO staff were often reluctant to mention. For example, several NGO staff responded that receiving USAID funding gave their agency "legitimacy" with other donors because securing a competitive USAID grant marks an agency as competent and professional.

It is also important to mention that, since 1987, USAID has become increasingly concerned about the financial sustainability of NGOs. The Mission has undertaken several studies to examine the issue with the intent of enabling NGOs to further diversify their funding sources and become more financially stable.

Conclusion: Our information indicates that USAID was not present as a supporter at the creation or in the initial years of the large IPVOs (data from the 1987 evaluation showed this to be true in 12 of 13 cases). However, it is clear that USAID's substantial support has allowed the large IPVOs to expand their operations and has provided support to many smaller IPVOs (LSMs) whom are not receiving significant funding from other donors. Thus USAID has been key to providing initial support to several local-level LSMs in their nascent stages of development.

The most long-term positive effect of receiving USAID funding is that it seems to enhance the credibility of NGOs and contributes to their success in attracting funds from other sources. To some degree, this is recognition by the donor community of the high financial standards which must be upheld by those receiving USAID funds. On the other hand, these NGOs are receiving funds from other donors for the same reasons they are receiving USAID funds - because of their skills and track records; not exclusively or directly as a result of their support from USAID.

D. Multiple Project Support (MPS) Grants

Since 1985, 39 percent of USAID's Co-Fi funds have been channeled through MPS grants. Such grants, which permit NGOs to sub-grant USAID funds to finance the projects of smaller NGOs, are the main way VHP can increase the number of NGO projects it supports, including those to NGOs not registered with USAID, and do so in a way that reduces USAID's management burden and maintains accountability. USAID asked us to examine issues surrounding its MPS mechanism.

Findings: MPS grants offer many advantages to USAID but are also problem prone. Within the IPVO community there is much debate as to the device's affects, good and bad, on the participating NGOs. VHP staff is fully acquainted with these issues which revolve around whether USPVOs or IPVOs are better qualified to handle such grants; whether, in the case of IPVOs, such grants divert them from their main mission due to the heavy administrative workload of processing sub-grants; and whether LSMs which receive MPS "pass through" funds view the IPVO intermediaries involvement in MPS activities as contributing to LPSM "imperialism."

Some IPVOs told us that they are not particularly pleased to manage MPS grants for LSMs on behalf of USAID because of the tensions they create between themselves and LSMs, and the difficulties in monitoring and managing such activities. USPVOs, for their part, appeared to also be having some second-thoughts due to administrative difficulties and the fact that they are required to become the enforcers of USAID's rules and regulations rather than operating as intermediaries trusted to follow an independent track, assure accountability, and implement substantive development projects. Some reported that each of their proposed sub-project grants had to be approved by VHP and USAID's technical offices.

The evaluation team also heard other concerns about other USAID procedures that have made managing MPS grants less than easy. These mainly had to do with USAID's financial practices which have inhibited the smooth implementation of MPS activities. Some MPS holders claimed that USAID did not provide sufficient funds to cover the indirect costs of administering the program. Others were troubled by the requirement that they put up 25 percent of the programs total cost, which in some cases forced them to collect a management fee from sub-grantees, a practice that has led to further misunderstandings between the grant holder and its constituency.

As the MSI team visited many field sites, it became clear that the MPS program is on delicate ground. In some cases we visited agencies who were four levels away from USAID. Such a multi-tiered system has left plenty of room for misunderstandings and has allowed a diffusion of effectiveness. Nevertheless, as stated previously, the team was impressed with many of the field activities it saw, a great portion of which were being done using funds passed through the MPS channel. These included the LP3ES operation in Central Java and the projects of STAKIN and YKB in Irian Jaya.

A good deal of the success of MPS sub-grantees depends on the ability of the organizations administering the grants to do so efficiently and to "add value" to the activities of sub-grantees. In many of the sub-projects visited by the team, we did not observe this to be occurring. Many of the NGOs administering the grants seemed themselves to lack adequate management skills.

One such operation we did have the opportunity to judge was that of The Asia Foundation (TAF). Over 50 percent of the activities visited in our field work had been done via the MPS channel by TAF. The grants managed by TAF for LPSM and LSM strengthening seemed worthwhile but were badly designed, had multiple objectives that defied ordering the rationale for supporting one agency over another, and had few meaningful performance indicators. These deficiencies were cited as well in an earlier evaluation, but had yet to be corrected.

The evaluation team did hear of MPS grants that were working as intended but did not have an opportunity to sufficiently follow-up on this information. Examples of MPS activities that need to be further explored, and could serve as possible structural models, would include PATH and PACT.

Conclusion: The MPS method of funneling funds to worthy sub-grantees is conceptually sound and can work effectively, as in the cases of USAID's MPS grants to PATH and LP3ES. Too often, however, the device has not been fully effective. Management, as well as technical skills, have not always filtered down to local-level NGOs (LSMs). In some cases, intermediary groups lack key skills themselves. As USAID continues to use the MPS mechanism--which we think it should and must--major efforts have to be made to clear up many of the real or imagined problems connected with such grants. Additionally, the NGOs administering MPS grants should be given greater flexibility to approve and disburse sub-grants but this should be conditioned on well-developed selection criteria.

USAID's MPS grantees have themselves had an inconsistent effect on the management practices of their sub-grant recipients. Those with which the evaluation team became familiar, particularly The Asia Foundation, for the most part themselves seemed to have significant management weaknesses. This impression should serve as a caution in regards to VHP's expanding programming of funding through numerous MPS grantees. In order for the MPS concept to be successful, the administrators of such funds should themselves have superior management skills, and this was often found not to be the case.

CHAPTER IV

**AN OVERVIEW OF CO-FI
ACCOMPLISHMENTS**

Chapter IV

AN OVERVIEW OF PVO CO-FI ACCOMPLISHMENTS

Since much of the preceding text can be classified as findings, we choose at this point to give an overview of a few general conclusions about the highlights of USAID's PVO Co-Financing Projects.

- The Co-Fi projects represent a long standing, widely diverse effort definitely tapping into and encouraging (with other donors) a distinct and important channel of development thinking and action in Indonesia. The NGO movement has intellectual as well as practical content.
- USAID has played a key role in the development of Indonesia's NGO sector. Through providing funding, technical assistance and training, USAID has made important contributions towards helping NGOs set agendas, conceptualize projects, and improve management.
- VHP has, in the past few years, improved the management of its Co-Fi Project. This has been accomplished by: formalizing its grant approval process; reorganizing its own monitoring and evaluation procedures and; increasing the training and technical assistance provided to NGOs.
- VHP, and some of USAID's other divisions, have made a conscious effort to routinely keep in touch with a broad range of Indonesian PVOs to solicit views which have been useful in formulating development strategies. NGO contacts, even through the pretext of "official" business, have offered a unique opportunity to chart the pulse of Indonesia's rapidly changing development environment.
- Over the past few years USAID has dramatically increased its support to IPVOs. Since 1985, 41 percent of all grant allocations have gone to IPVOs for a total a \$6.7 million. During this period IPVOs have implemented 98 percent of all enterprise projects and 78 percent of all environmental projects supported with co-financing funds.
- Of the six indicators identified in the 1985 Project Paper Amendment, VHP fully achieved or exceeded four of those indicators and partially achieved a fifth. These accomplishments have included: a significant increase in the percentage of project funds being channeled through MPS grants; registering more IPVOs; and substantially increasing the amount of funding for projects in Eastern Indonesia.
- NGOs supported by USAID have met with impressive success in promoting democratic pluralism in Indonesia; both in terms of influencing government policies and in the DPI program area of advocacy. USAID's first DPI advocacy project was granted to The Asia Foundation in 1987, since then ten additional projects have been sponsored and the percentage of Co-Fi's allocations in this sector has reached 17 percent over the past three years.

- The PVO projects supported by USAID have made large contributions toward improving the lives of substantial numbers of Indonesia's poorest citizens; many of whom are not served by the government and financially unable to turn to the private sector.^{7/}

The following chapter presents the more specific conclusions and recommendations concerning the issues examined by the evaluation team.

^{7/} Although the evaluation team was not asked to assess sub-project impacts it nevertheless observed many PVO projects which were achieving considerable success. One example--and many could be cited--was CARE's water systems and sanitation project in Lombok, the island having Indonesia's highest child mortality rate. CARE had, with a high level of community participation, constructed over 600 water systems. Both USAID and the GOI were contributing funding to the project which had been shown to be more cost-effective than parallel public sector programs.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

Chapter V

CONCLUSIONS AND RECOMMENDATIONS

This final section discusses USAID's management performance in selected critical areas and suggests recommendations to improve future performance. The findings to support these conclusions and recommendations can be found in Chapter III.

USAID MANAGEMENT

The Grant Approval Process

Conclusion: The current grant approval process is a great improvement over USAID's earlier less structured system. VHP has made a strong effort to explain the new procedures and their rationale with the result of growing acceptance and understanding from the NGOs. There remain opportunities for further improvements. In particular, USAID staff and NGOs have expressed discontent with the practice of single-year financing of multi-year projects and some NGOs have also found USAID's practice of accepting NGO concept papers only once a year to be awkward.

Recommendation: If a NGO project meets USAID criteria, VHP should commit to life-of-project funding, particularly for NGOs having a history of managing USAID funding. This of course, could be conditioned on the attainment of certain minimum performance standards. Also, USAID should consider bi-annual project funding cycles.

The Mission's PVO Workload Concern

Conclusion: The number of Co-Fi II grants have included a significant number of relatively small grants and, overall, this has been perceived by many USAID Officers as creating an unacceptably high workload level. Mission efforts to limit the number of active grants to twenty have been unsuccessful. In part, requiring resubmission of proposals and often granting single-year funding for multi-year projects have caused the extra work to which many of USAID's staff referred. Specifically, the practice of pass-through "block" grants has been viewed by the financial and legal staffs as circumventing the purpose of MPS grants; namely, that they should be a mechanism to reduce the annual number of the Co-Fi Project's grant actions.

Recommendation: The Mission should establish a minimum funding level below which no grant would be approved in order to limit the number of sub-project grants. (We understand that the new PVO Co-Fi III/SID project will have a \$150,000 floor). MPS grants passed through an intermediary to two or more sub-grantees can be an effective way of dealing with a range of worthy agencies even if unregistered with USAID - the effort to increase the percentage of project funds channeled through MPS grants should be continued. (See discussion of MPS grants in a subsequent section.) However, the practice of using "block grants" to pass funds through a registered PVO to a single IPVO should be curtailed.

VHP Assistance to Improve NGO Management

Conclusion: Overall, USAID has accomplished a great deal toward improving the management capabilities of NGOs and facilitating the improvement of local-level development efforts, a key objective under the Co-Fi Project. VHP gets its best marks in assisting NGOs to improve their financial accountability. Still, most IPVOs are in need of further assistance.

However, it was clear that USAID has been unable to provide assistance in a way that distinguishes between its own needs and those of NGOs. USAID assistance has often been perceived as being provided primarily for the purpose of enabling NGOs to meet USAID's own administrative requirements.

Recommendation: VHP continue and expand its efforts to improve NGO management skills. Provision of on-site financial assistance by USAID's own staff has been particularly successful and, as possible, should be continued. Additionally, VHP should find a way to offer management assistance, such as project design skills, that will serve the needs of NGOs above its own needs. Funds for such training could be incorporated into NGO grants and contracted by the NGOs themselves from Indonesian management and training organizations. Another option would be to establish an indefinite quantity contract with an Indonesian management training firm which could repeatedly be tapped by USAID to provide training to NGO personnel meeting specified criteria.

Project Monitoring

Conclusion: USAID is now well organized to ensure that its wide range of geographically dispersed grantees are regularly visited and the results made a matter of record. Although NGOs have not habitually received feedback from USAID on their progress reports, USAID/VHP has recently taken steps, including initiating a semi-annual progress report control system, to ensure this situation does not persist. These efforts, which have been implemented over the past three years, are an improvement over the office's previous monitoring practices. The current system seems adequate and, together with the recently designed project monitoring data base, represents an important step towards enabling VHP to collect information to assess project impacts at their purpose levels.

Recommendation: VHP should continue to maintain a regular schedule of field visits, and ensure that its MPS intermediaries do likewise. Some of these visits might include VHP staff traveling with other USAID or intermediary representatives. These could be considered "study trips" and delve more into the development content of the activities than is usually the case in the more prosaic single-officer monitoring visits. Mission management should continue to encourage officers from other technical divisions to visit PVO activities whenever feasible as they travel to see their own projects.

Analyses and correspondence concerning NGO progress reports should be linked to annual performance reviews for each VHP officer responsible for NGO sub-project oversight to ensure that regular and well-thought-out responses are getting to NGOs on a timely basis. Doing so is a useful adjunct to USAID's efforts to encourage better NGO management.

Financial Reporting Requirements

Conclusion: USAID, through enforcing rigid requirements for financial accountability, has had the effect of compelling NGOs to practice--in some cases learn and then practice--high professional accounting practices.

However, it is apparent that there is widespread dissatisfaction with the way USAID deals financially with the NGOs. USAID requirements and bureaucratic procedures overwhelm the smaller LSMs, who by their very nature often have few professional staff. Although USAID itself, a relatively large organization comprised of many well-trained professionals, is stringent in requiring timely receipt of monthly financial reports it has been unable to replenish NGO funds in a timely manner. (It often has taken USAID two to three months to process and replenish NGO expense vouchers.) This seems an unrealistic contradiction of expectations and has been perceived as such by NGOs.

Recommendation: Unless not permitted by Treasury regulations, or audit response agreements, USAID should re-institute the quarterly financial reporting system. MSI is confident that this can be done because in an earlier PVO Co-Fi evaluation performed in Sri Lanka in 1990, that Mission had shifted its requirements for PVO financial reporting from monthly to quarterly and the evaluation was able to confirm the soundness of that decision.

Also, USAID should consider authorizing sufficient advances to enable LSMs to operate their field activities without interruption while USAID processes the reimbursement from the preceding period.

NGO Perceptions of USAID

Conclusion: USAID is viewed by NGOs as a development agency upholding high standards--especially financial management standards--but, for a variety of reasons, is often not viewed as a supporting development partner. During the past few years VHP has made efforts, including NGO workshops and quarterly newsletters, to increase contact and improve the quality of communication with NGOs. However, as yet, these efforts have not been entirely successful in changing the negative impressions that many NGOs have of USAID. These efforts should be encouraged and continued and NGO solutions to improve the relationship should be solicited.

Recommendation: USAID Officers should discuss and come to a course of action to reverse, to the extent permissible under existing regulations, the trend toward NGOs seeing USAID as unsympathetic and overly bureaucratic. A subcommittee of USAID staff on the Project Review Committee, together with key NGO representatives, might address this matter. "Focus group" methodology could be used to enter into a dialogue with groups from the NGO community to assess the problem and attempt to get each side in the controversy expressed, and some changes considered.

NGO MANAGEMENT and ISSUES

The Rising Voice of Indonesian NGOs

Conclusion: NGOs have made valuable contributions toward promoting democratic pluralism in Indonesia; and the government has become increasingly responsive to their strengthening abilities. The PVO community offers the Mission an exceptional opportunity to promote institutional pluralism

in Indonesia: Nearly all of the Mission-supported PVO projects contribute to this objective. NGO strength in addressing DPI objectives has been in the program area of advocacy. To date, a good deal of this advocacy success has been in the environmental arena but it seemed clear that several non-profit groups are poised to make important contributions in the areas of human rights and labor issues.

Recommendation: The evaluation team recommends continued support be given to groups showing a potential to influence government policies and defend individual liberties. Particular support should be directed towards NGOs pursuing a single sector focus and having the potential to influence national-level policy.

The Quality of NGO Management

Conclusion: The LPSMs/LSMs visited by the evaluation team represented a "mixed-bag" of management capabilities. Nearly all of the agencies studied could benefit from strengthened project design skills and improved project monitoring systems. Few NGOs had established performance indicators which could be used to gauge their success. The LPSMs themselves were not in possession of such skills and were therefore unable to assist local-level development organizations in this regard.

Recommendation: VHP should continue its efforts to upgrade the management skills of the NGOs it supports. This may require that some grants provide salaries to key technical or administrative staff, or extra resources to provide outside training or technical assistance. Concerning the latter point, USAID should be cautious not to provide management assistance that is redundant with that being provided by other donors. (See previous recommendation on VHP Assistance to Improve NGO Management.)

Significance of USAID Funding for Recipient NGOs

Conclusion: For the majority of the large IPVOs, USAID was not present as a supporter at their creation or during their initial years of development. However, it is clear that USAID has provided substantial support to enable the large IPVOs to expand their operations and has supported many smaller IPVOs (LSMs) in their nascent stage of development. Also, in recent years, USAID has been diligent in developing strategies to improve the prospects of financial sustainability within Indonesia's NGO community.

Recommendation: USAID continue its efforts to improve the financial stability of Indonesia's NGO sector.

Multi-Project Support (MPS) Grants

Conclusion: The MPS method of funneling funds to worthy sub-grantees is conceptually sound and can work effectively, as in the cases of USAID's MPS grants to PATH and LP3ES. Too often, however, the device has not been fully effective. Management skills, as well as technical, have not always filtered down to LSMs. In some cases, intermediary groups lack key skills themselves. As USAID continues to use the MPS mechanism major efforts have to be made to clear up many of the real or imagined problems connected with such grants.

USAID's MPS grantees have themselves had an inconsistent effect on the management practices of their sub-grant recipients. Those with which the evaluation team became familiar seemed themselves to have significant management weaknesses. This impression should serve as a caution in regards to VHP's expansion of MPS grantees. In order for the MPS concept to be successful, the administrators of such funds should themselves have superior management skills, and this was not often found to be the case. It was also clear that several IPVOs have had cash-flow problems in replenishing grant disbursements.

Recommendations:

1. To identify key issues USAID should, perhaps along with other donors but certainly with MPS grantees, convene a study group or task force to discuss solutions to the problems associated with the MPS mechanism.
2. LPSM's must be carefully chosen according to their managerial and technical competencies. Where proposed grantees lack crucial skills in either respect, USAID should consider, during the first year of the grant, arranging to provide any assistance the agency may require to rectify the deficiencies. Additionally, the NGOs administering MPS grants should be given greater flexibility to approve and disburse sub-grants, and this should be conditioned on well-developed selection criteria.
3. USAID should do all it can to ensure a steady flow of funds to MPS grantees since some MPS recipients, particularly IPVOs, do not have extra resources to provide interim financing as they await USAID reimbursement. Also, the Mission might consider waiving the 25 percent contribution rule when NGOs manage MPS grants because these agencies are assisting USAID by managing and monitoring numerous local-level development projects.

ANNEX A

STATEMENT OF WORK

STATEMENT OF WORK

Background:

The original PVO Co-Financing I Project was the first of its kind attempted by A.I.D. It was widely acclaimed and used as a model for comparable efforts undertaken by other Missions, especially in Asia. Inaugurated in 1974 as a three-year pilot project to provide support to U.S. PVOs in their efforts to provide development assistance activities in Indonesia, it was subsequently amended with an addition of time and funds allowing for the extension of the project until 1982. By the time of its conclusion, Co-Fi I had provided over \$6 million to 18 U.S. PVOs for 79 sub-projects with an approximate total value of \$15.8 million. Its successor, Co-Fi II, was inaugurated immediately upon the expiration of Co-Fi I.

Originally approved as a four-year undertaking designed to provide \$11.25 million in grant assistance to U.S. and Indonesian PVOs, it also was subsequently extended until 1991 and supplemented with an additional \$15 million in grant funds. As of the present, the PVO Co-Financing II Project has supported 113 separate sub-projects involving 19 U.S. PVOs, 18 Indonesian PVOs directly, and indirectly through "block grants" administered by U.S. and Indonesian PVOs, several hundred small Indonesian organizations. By September 1990 a total of over \$28,000,000 will have been obligated under the project, complimenting another \$60,000,000 provided by PVOs, client organizations and target groups.

The scope of the PVO Co-Financing II Project has been exceptionally wide. Sub-projects have been funded across the entire geographical sweep of Indonesia, operating under the entire range of development theories and operational perspectives. A multiplicity of problems have been addressed under the various sub-projects. An analysis of the project portfolio shows an emphasis on individual beneficiary-oriented, impact-driven, rural development projects during the early years of project implementation. Later on, there is evidence that VHP and its PVO partners began to focus on technical assistance and human resources development. Today, the programmatic emphasis is on public interest issues, institutional pluralism and advocacy group development.

ARTICLE I - TITLE

Project: The PVO Co-Financing II Project, Number: 497-0336

ARTICLE II - OBJECTIVE

To provide five members of a team which will evaluate the PVO Co-Financing II Project and present findings and conclusions regarding project impact, as well as, conduct an analysis of the program policy framework in order to provide guidance for the new SID project with respect to the growth and development of PVOs and NGOs in Indonesia.

ARTICLE III - STATEMENT OF WORK

The Contractor will conduct an evaluation which addresses the areas as described below. This evaluation will serve as the final examination of the PVO Co-Financing II Project. The evaluation team will assess the effectiveness of the PVO Co-Financing approach and the process of PVO institutional growth fostered during the life of the project, beginning in 1982 through September 1990. Although the team should focus on the project as a whole, the Mission believes that the years between the mid-term evaluation in October 1987 through September 1990 should be examined more closely. Specifically, the team shall:

- a. assess the impact of USAID/Jakarta's PVO Co-Financing II Project on the development and evolution of Indigenous PVOs and U.S. PVO modes of operation, including program emphases in Indonesia.
- b. ascertain to what extent the co-financing approach has served to strengthen indigenous PVOs and to what extent it has contributed to the growth and strength of the PVO movement as a whole.
- c. chart the development of the PVO community in Indonesia, examine the corresponding programmatic and strategic changes within the PVO Co-Financing Project's objectives, and record the possible cause/effect relationship.
- d. identify lessons learned from the PVO Co-Financing II Project and describe how these lessons can be applied in the implementation of the Strengthening Institutional Development (SID) Project (the follow-on to the Co-Fi II Project).

Task Categories/Indicators of Achievement

1. Assess the soundness of the PVO Co-Financing approach and the ability of PVOs to advocate for sound development planning and equitable distribution of the benefits of development.
2. Chart the evolution of the policy operational framework of the PVO Co-Financing II Project from the beginning to the end of the project. Assess to what extent Mission policy and bureaucratic procedures has affected project implementation.
3. Analyze the factors that contributed to the attainment or inability to attain the levels as targeted in the "indicators of success" (as appears on page 10 of the PVO Co-Financing II Project Paper Amendment 1). Did the attainment or lack of attainment of these targets adversely affect achievement of the project's goals or objectives?
4. Demonstrate to what extent Mission-provided technical assistance, or lack thereof, enhanced the growth and development of the PVO community?

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5. Since the PVO Co-Financing II Project is different from the proposed follow-on project entitled, "Strengthening Institutional Development" (SID); describe how PVO Co-Fi I & II were dissimilar, describe how Co-Fi II before the PP amendment, dated September 12, 1985, was programmatically different than the pre-amendment period; then, based on a thorough analysis, make recommendations on how the new SID project can positively affect the development of the PVO community in Indonesia.

6. The original purpose of this project was to, "multiply and improve local level development efforts in Indonesia in priority sectors of A.I.D. assistance with USG financial support for projects planned and implemented by U.S. and Indonesia PVOs." From an examination of the project portfolio; interviews with PVO staff, VHP staff and other Mission staff; field assessments conducted at sub-project sites; and an examination of the project documentation; present the findings, conclusions, and recommendations regarding each of the task categories and other critical questions that may emerge during the assessment period.

7. A seminar presentation will be conducted to present the preliminary results of the evaluation to the PVO community. Fifty participants will be invited to hear the preliminary findings, conclusions and recommendations regarding this final examination of the PVO Co-Financing II Project. Discussions generated during the presentation should be acknowledged and included in the final report.

ARTICLE IV - REPORTS

A presentation will be made to USAID/Jakarta staff during the fourth week of the engagement which will serve as a focal point for discussions and to assure that the Contractor is on track. The contractor will then provide a preliminary report on services describe in Article III above no later than the thirty eighth day of the field engagement. A final report is required, addressing all of the issues raised during discussions with concerned parties, not later than one week after the field engagement. Each report will be presented to Mr. William M. Carter, Chief, Office of Voluntary and Humanitarian Programs, USAID/Jakarta, no later than the dates specified above. The contractor will provide six copies of the preliminary report and twenty five copies of the final report to USAID upon the specified dates. The reports should be written in English. Mr. Carter will be responsible for the review and approval of the both reports.

ARTICLE V - RELATIONSHIPS AND RESPONSIBILITIES

The Senior Development Specialist will be the Contractor's team leader in coordinating the evaluation in Indonesia. The team will work under the technical direction of Mr. William M. Carter, Chief, Office of Voluntary and Humanitarian Programs, USAID/Jakarta. All coordination with GOI, PVOs and outside entities will be coordinated through the Mission's Technical Office.

ARTICLE VI - PERFORMANCE PERIOD

Work will commence on/about September 17, 1990, for approximately 42 days of labor, through on/about November 9, 1990 inclusive of travel time.

ARTICLE VII - WORK DAYS ORDERED

<u>Position</u>	<u>Work Days</u>
Senior Development Specialist	49 days
Senior Program Specialist	42 days
Evaluation Specialist	42 days
Research Assistant (1)	42 days
Research Assistant (1)	42 days

ARTICLE VIII - AID ILLUSTRATIVE BUDGET

See Exhibit 1

ARTICLE IX - SPECIAL PROVISIONS

A. Duty Post - Jakarta, Indonesia and outlying provinces as designated by the USAID Technical Office. An illustrative list of the short-term travel requirements is provided in the Illustrative Budget (Exhibit 1)

B. Language Requirements and other Required Qualifications - Experience in Indonesia, knowledge of the Indonesian language (Bahasa Indonesia, S-3, R-3, C-3) would be advantageous for all members of the team. However, at least one of the expatriate consultants provided by the Contractor should have demonstrable fluency in Bahasa Indonesia and considerable experience in Indonesia.

C. Access to Classified Information - Contractor shall not have access to any Government classified material.

D. Logistic Support - Mission will not provided any logistical services, other than: making reservations at hotel upon arrival, recommending hotels during sub-project field assessments, arranging for all meetings/interviews and field assessments with the participant organizations and individuals. All tickets, transportation, office space, data-base and/or secretarial support must be arranged by the Contractor.

E. Work Week - A six-day work week is authorized for this engagement.

J

ANNEX B

USAID QUESTIONNAIRE

ANNEX B
USAID QUESTIONNAIRE

Who, Title:

1) How do you perceive the importance of NGOs in general (whether funded by AID or not) to the development of Indonesia?

1. Very Important_____
2. Somewhat Important_____
3. Minimally Important_____

2) Whatever the above rating, what do you think are the three most important things, in descending order, PVOs can contribute to Indonesian development?

List:

- 1.
- 2.
- 3.

3) How does respondent characterize his or her "development philosophy" that is assumedly behind answers to the above two questions. Enter some notes about their answer:

4) Note: Point out that we are now talking about USAID more specifically. The question: Do you feel PVOs have a significant contribution to make toward the Missions overall goals, "Development Problem Areas" (DPAs) and present areas of program emphases? How would you characterize this on a 1 to 3 scale?

1. Very significant____
2. Somewhat significant____
3. Of Minimum significance____

5a) Whatever the above answer, ask in what two or three sectors the respondent feels it is likely that PVOs have the most the most significance and impact. List:

- 1.
- 2.
- 3.

5b) In what fields of activity or approaches are PVOs most able and effective? Read the list and ask for responses in terms of high, medium or low:

hi / medium / lo

- a) Demonstration project
- b) Policy analysis
- c) Policy advocacy
- d) Direct provision of services
- e) Introduction of new technology
- f) Improved physical infrastructure
- g) Credit system development
- h) Enterprise development

6) How would you characterize your direct experience with the full breadth of PVO operations? Note: This doesn't mean only here in Indonesia. Following brief discussion make a judgement and check one of following:

- 1. Regular and intimate___
- 2. The average, knows a few_____
- 3. Only peripheral and bureaucratically_____

7) In the last two years, have you visited PVO projects in the field? How many times?

Number:

8) In the future, in your opinion, do you think AID should finance more PVO activities?
Less?

More___

Less___

9) To what degree do you think AID has impacted on the development or evolution of PVOs in Indonesia?

1. High___

2. Medium___

3. Low___

AIDQs-Page 3

10) Given the fact of diminishing AID resources, do you consider the use of your time on PVO matters worthwhile or practical?

- 1. Yes___**
- 2. Difficult to say, but overall probably___**
- 3. No___**

11) What would you say are the three largest challenges facing the Mission in terms its relationship with NGOs and effectively running its NGO program:

List:

- 1.**
- 2.**
- 3.**

12) Is there anything in particular about the Mission's Co-Fi activities that you don't know that you particularly hope the evaluation team will explore, or that we can shed light on for better informed future management decisions?

SUMMARY CHARACTERIZATION:

- 1. Troubled about or unfavorably disposed to NGOs___**
- 2. Interested but neutral___**
- 3. Interested and favorably disposed___**

ANNEX C

**NGO HEADQUARTERS
QUESTIONNAIRE**

ANNEX C

NGO HEADQUARTER QUESTIONNAIRE

NGO HEADQUARTER VISIT QUESTIONNAIRE

- 1. Brief description of agency objectives and operating style:**
- 2. How long have you been in existence?**
- 3. Since when have you been receiving USAID funding?**
- 4. Do you receive funds from other donors? Which?**
- 5. Has this been subsequent to, or prior to, receiving funds from USAID?**
- 6. What have been the impacts of USAID funding on your organization?**
- 7. What percentage of your operating budget comes from each of the following:**
 - USAID?**
 - Other foreign donors?**
 - Multi-national companies?**
 - Other private sources?**
- 8. What percentage of your organization's staff time is dedicated to managing USAID grants?**
- 9. Can you suggest any ways to improve the procedures/requirements for securing USAID funding?**
- 10. If IPVO, do you work with USPVOs?
If USPVO, do you work with IPVOs?
What is the effect on MPS grants on:**
 - LINGOs?**
 - BINGOs?**

Has this been satisfactory/useful?

11. Does your organization have the technical skills necessary to implement your programs?

Headquarters Qs-Page 2

12. What technical assistance has your organization received from USAID?

13. Does your organization have outstanding training needs that USAID could help to address?

14. Do you know USAID's primary strategic objectives?

15. Do you know anything about the USAID's follow-on SID project?

If yes, comment?

16. What is the overall impact on Indonesian development by the NGO sector?

**17. What is the overall impact on Indonesian development by the NGO sector?
To what degree do you think the NGO community can influence government policies?**

Please give examples?

18. Does your organization have the ability to influence government policies?

Please give examples?

ANNEX D

FIELD QUESTIONNAIRE

ANNEX D

FIELD QUESTIONNAIRE

MANAGEMENT AND IMPACT

A. Organizational Information:

1. Interview with:
2. Implementing NGO:
3. No. of staff: professional _____, other _____
4. Overall annual budget:
5. Categorize as follows - LSM or LPSM - do they deal directly with donors? Y or N

B. Project Identification:

1. Project Name:
2. Location:
3. Agreement No.:
4. Start Date:
5. How long in existence - project:
6. (PACD)
7. Level of Funding:
 - a. USAID - amount authorized
 - b. Non-USAID

Source(s) of non-USAID funds?

8. Kind of Agency:
9. Program Focus:
10. Organization's operating style (and the flow of funds):

C. NGO Project Management

1. What is your planning process? How do you identify projects?

Field Qs-Page 2

2. What are the project's objectives? Purpose, Outputs, Inputs

3. What are your accomplishments to date?

4. Absorptive capacity?:

_____ percent of time elapsed in project
_____ percent of project funds expended

5. How likely is it that the project will achieve its designed objectives? (As determined by evaluation team)

_____ Very likely to achieve or exceed designed objectives (5)

_____ Good possibility of achieving at least the majority of its objectives
(3)

_____ Not at all likely to perform as intended (1)

6. How acceptable is the project's monitoring system for documenting actual project accomplishments? (as determined by evaluation team)

_____ Gives an excellent overview of project accomplishments (5)

_____ Gives a vague/general overview of project
accomplishments (3)

_____ Not an adequate monitoring system/does not give an indication of
progress (1)

7. Have either project monitoring or evaluation reports resulted in modification of project design/implementation?

Y or N

8. Was this project's field activities visited by the evaluation team?

Y or N

Field Qs-Page 3

D. USAID or Intermediary Management Impact

- 1. Has the NGO received TA from the intermediary or USAID? If yes, type
managerial
accounting
other**
- 2. Has the NGO undertaken similar activities prior to USAID or intermediary funding?**
- 3. Have there been any particular problems with the paperwork or financial reporting as a result of your relations with your grantor (USAID or intermediary)?**

In obtaining original grant:

In on going implementation:
- 4. Have you ever been visited by a USAID employee?**

Y or N
- 5. Has the project ever been evaluated?**

Y or N
- 6. Why do you think USAID itself (or through intermediary) supports programs such as yours?**
- 7. Does USAID funding pay for staff salaries, if so what positions?**
- 8. What are your most pressing technical assistance or training needs?**
- 9. Is the NGO receiving funding from other donors?
If yes, prior to or subsequent to USAID funding?**
- 10. Could the NGO continue to deliver its principal services without USAID funding?**

Y or N
- 11. Have there been constraints caused by relations with the intermediary organization or USAID funding sources or local government? If so what**

Field Qs-Page 4

- 12. Evaluative Judgement: To what degree has NGO management been improved as a result of assistance, direct or otherwise, from USAID?**

_____ Assistance has resulted in significant management improvements in the capabilities of the NGO (5)

_____ USAID assistance has somewhat contributed to an improvement in the NGO's management capabilities (3)

_____ USAID involvement with the NGO has not had significant impact on improving the management capabilities of the NGO (1)

E. MPS or "Block" Grants (For NGOs receiving funding through MPSs):

- 1. Are you aware that you're receiving AID funding?**

Y or N

- 2. Receive MPSs: Y or N**

- 3. From: US or IPVO**

- 4. Have you ever applied for a MPS and been rejected? Y or N**

If yes, do you know why?

- 5. What are the benefits, other than funding, from receiving a MPS sub-grant?**

F. Organization's Wider Influence

- 1. What have been your organization's impacts/interaction on/with other organizations? Government?**
- 2. How do you communicate your organization's successes beyond your own organization?**
- 3. What role do your organization's members/participants play in creating your own organization's strategies/policies? (participation)**
- 4. The organization's ability (future) to influence policy?**

Field Qs-Page 5

5. Evaluative judgement:

_____ the NGO has great potential to (or already has) influence government policies
(5)

_____ the NGO has potential limited ability, might be able to influence policy (3)

_____ the NGO has little probability of influencing government policy (1)

G. Future

Where do you see yourself in five years? or, How do you see your organization functioning in the future?

ANNEX E

**EVALUATION SCHEMATIC LOGICAL
FRAMEWORK**

ANNEX E

EVALUATION SCHEMATIC LOGICAL FRAMEWORK

GOAL: (Socio-economic impact)

Organizations and systems of PVO development strengthened as a result of USAID support.

PURPOSE: (USAID Indonesia Behavior)

Impact USAID decisions concerning planning, implementing, monitoring and evaluation of PVO projects and programs.

OUTPUTS: (MSI report and presentations)

- Analysis of experience and trends of Co-Fi II
- Information gaps filled
- Findings, conclusions and recommendations presented
- Climate of receptivity for utilization established

INPUTS: (MSI team activities)

- Summarize and analyze documents
- Interview key informants-USAID, PVO, Government and other donors
- visit selected representative PVOs
- focus groups and feedback
- analysis and review of strategic options

ANNEX F

LIST OF INTERVIEWS

ANNEX F

LIST OF INTERVIEWS

USAID/Indonesia

William Carter, Chief, VHP
Andra Corrothers, PSC, VHP,
Victor Pandjaitan, Project Officer, VHP
Jan Woworuntu, Project Officer, VHP
Tendy Mainardi, Project Officer, VHP
Alex Sumarauw, Technical Officer, VHP
Abas Rozali, PL-480 Title II Officer, VHP

Joseph M. Carroll, Deputy Chief, Office of Private Sector Development
Ned Greeley, Deputy Program Officer
John Hepp, Deputy Controller
Nancy Langworthy, Evaluation Officer
George Lewis, Program Officer
Norman Rifkin, Education and Human Resources
John Rogosch, Chief, Office of Population and Health
Lee Ann Ross, Office of Economic Policy Support
Marcus Stevenson, Contract Management Officer
Lee Twentyman, Acting Director, USAID
Marcus Winter, Agriculture and Rural Development Officer

Asian-American Free Labor Institute

Mr. Jeffery Ballinger, Director

The Asia Foundation

Gordon R. Hein, Country Representative, Jakarta
Craig Thorburn, Kupang, Timor

Bitra Indonesia (Bina Ketrampilan Pedesaan - Rural Skills Training),

Ir. Soekirman, Executive Director, Medan, North Sumatra.

CARE

Maury Miloff, NTB Field Office
Iskandar, Country Director
Peter C.A. Middlemiss

CRS - Catholic Relief Services

Kriskanto
Bambang

CWS - Church World Services

Rebecca Young

The Ford Foundation

**Bianti S. Djiwandono
Assistant Program Officer**

Foster Parents Plan/Yogyajarta

James Gibson, Asst. Program Director

Fulbright Scholar

James V. Riker

GKI, Jayapura, Irian Jaya

**Frits M. Kirihio
Karel Erari**

Helen Keller International

Mr. Suharman, Senior Nurse, in BKMM Nanggalo. (Community Eye Care Center), Padang, West Sumatra.

Dr. Rasyida Rasyid, Director for the Eye Care Program at the Health Department (DEPKES).

Dr. Nazaruddin Tamin, Deputy Director.

Ms. Elli Dani, Eye Care Nurse at the Lubuk Alung Puskesmas (Community Health Center).

Steve Wilbur, Country Director

JANGGI Group, Jayapura, Irian Jaya

Benny Samori, Director

Koperasi Wanita Cendana, Kupang, Timor

Ms. Purahana

KSPPM

Kelompok Studi Pengembangan Prakarsa Masyarakat, Siborong-Borong, N. Sumatra. (Study Group for Development of Community Initiatives).

Mr. Jannes Utahayan, Agriculture Chief,

Ms. Saur Tumiur Situmorang, Legal Adviser,

Ms. Agustina Panjaitan, Women and Children Affairs.

Ms. Tuti Lumban Toruan, Women and Children Affairs.

LELI Program, (Learning and Linkages)

Mr. Ned Riachman Purba, Regional Coordinator. Pemantang Siantar, North Sumatra.

**Lembaga Koordinasi Bantuan Hukum untuk Wanita dan Keluarga:
(Coordinating Institute for Legal Aid for Women and Family)
Padang, West Sumatra.**

**Mrs. Asma Naim, First Deputy Director
Mrs. Eda Burma, Second Deputy Director
Mrs. Hasnawi Karim, Religion Expert
Mrs. Aldian Arifin, Administration and Financial Chairperson
Miss Rustiawati, and Miss Elly Jusli Marlin, Secretaries.**

Lembaga Penelitian, Pendidikan Dan Penerangan Ekonomi Dan Social - Institute for Social and Economic Research, Education and Information (LP3ES), Jakarta.

**Dr. Aswab Mahasin, Director,
Mr. Rustam Ibrahim, Deputy Director**

LPTP - Lembaga Pengembangan Teknologi Pedesaan (Rural Technology Development Institute)

Mr. Hari Mulyadi, Director of Solo, Central Java.

**LP3ES/KLATEN (Institute for Social and Economic Research, Education and Information), Klaten,
Central Java.**

**Mr. M. Zainuddin, Director, Klaten Office
Mr. Alim Muhammad, Deputy Director
Mr. Sya'roni, Coordinator for administration and finance.**

LP3ES/Jakarta

**Mr. Aswab Mahasin
Mr. Rustam Ibrahim**

LSPW - Lembaga Studi dan Pengembangan Wilayah (Study Institute for Area Development)

**Mr. Aribowo Prijosaksono, General Manager/Jakarta
Mr. Saudara Sihombing, Branch Manager, Parapat, North Sumatra.**

NCBA - National Cooperative Business Association, Klaten, Central Java.

**Mr. Samuel D. Filiaci, Director, Indonesia Program
Mr. Mark D. Clark, Enterprise Development Advisor**

OXFAM

Richard Manning, Country Representative

PACT

Victor Bottini, Director

PATH

Leona Ann D'Agnes, Country Representative

Pusat Pengembangan Masyarakat Agrikarya (Centre for Agro-Action Community Development).

Mr. Dawam Rahardjo, Chairman of the Board of Directors,
Save the Children

Michael K. Novell, Country Representative

Skephi

Hira Jhamtani

Stakin (WRC Sub-grantee)

Michael E. Johnson, Design and Engineering Consultant

WIM - Wahana Informasi Masyarakat (Community Information Secretariat)

Mr. Wahyudi, Executive Secretary, Medan, North Sumatra.

World Neighbors, Denpasar, Bali

Larry Fisher, Country Representative

Yayasan Alfa Omega, Kupang, Timor

Itja Frans, Director

Yayasan Bina Insani - Foundation for Human Development

Ms. Johanna Purba Patiasina, Executive Secretary, Pematang Siantar, North Sumatra.

YBS - Yayasan Bina Sejahtera

Father Bruno Spina, Director, Padang, West Sumatra (Prosperity Development Foundation).

Yayasan Bina Swadaya - (Self-Reliant Development Foundation)

Jogjakarta, Central Java.

St. Notobudhiharjo

Bambang Ismawan

Mr. Alex Panut, Coordinator of field workers.

Mr. H.S. Budi. Field Worker

Mr. Purwoto, Field Worker

Yayasan Insan 17, (Foundation for Mankind 17)

Mr. Zukri Saad, Executive Director, Padang, West Sumatra, Mr. Ikhwan, Participant of Yayasan Insan 17.

YIS/Solo (Yayasan Indonesia Sejahtera- Foundation for a Prosperous Indonesia), Solo, Central Java.

Mr. Ambar Yoewana, Director of PPSDM Dept.(Dev. of Field Program and Human Resources Development Department)

Mrs. Sunarti Santosa, Deputy Director

Mr. Frans Tujimin, Staff Assistant, Co-Financing Manager.

Mr. Richard Daniel, USAID Program Coordinator

Mr. Yuwono, Staff member.

Sutrisno

YKB, Yayasan Keyesan Bethesda, Jayapura, Irian Jaya

Dr. Roy Chiung

Mr. Max, Director

YLKI - Consumer Organization

Ms. Zumrotin

Mr. Saidi

YLKMP, Mataram, Lombok

Djodi Waryantoro, Director

Iwan Mucipto

YPMD, Jayapura, Irian Jaya

Cliff RC. Marlessy, Deputy Director

Tony Rahawaring

UNICEF

Daniel Dravet, Project Officer

USAID Rural Roads Maintenance Systems Project

Michael Bishop, Institutional Specialist

Walhi - Indonesian Environmental Forum
Ned Purba, President, Sumatra
Mr. Zulkarnaen

World Education, Inc.

Paul Mosante

WRC - World Relief Corporation

Steve Copple

ANNEX G

HISTORY OF PVOS IN INDONESIA

ANNEX G

HISTORY OF PVOs IN INDONESIA^{8/}

The present NGO movement in Indonesia has a very recent history, having evolved over the past twenty-five years or so. That is not to say that there were no voluntary organizations before, but the real development impetus was given after 1965 with the New Order.

The early beginnings of voluntary action trace their origins to Dutch-educated Javanese in the last decade of the 19th Century, who established organizations aimed at helping communities in their social, political and economic affairs. Early in the 20th Century, organizations were formed around religion, labor, or student activities. One of the earliest organizations formed in 1908 by Dr. Sutomo was Budi Utomo, which can be regarded as the origin of national Indonesian consciousness. Budi Utomo was aimed at promoting culture and education among the priyayi, the indigenous civil servants in the colonial administration.

Budi Utomo, however, was an exclusive organization, and the needs and aspirations of the other social classes in society, such as the "modern urban businessmen and traders", and the "traditional rural farmers" were not taken into account. The SDI (Sarikat Dagang Islam - Moslem Traders Association) was formed in 1912 by the "modern urban traders" in order to unify the Moslem traders so that they could compete with the Chinese who were accused of obtaining special facilities from the colonial government. Partly motivated by the establishment of Budi Utomo, Muhammadiyah was founded in 1914 by the Moslem urban class to focus its activities on purifying Islam from the influence of the indigenous culture and to modernize the Moslem educational system. As the political activities of SDI grew, it was transformed into an embryonic political party known as SI (Sarekat Islam - Moslem Association), which then became the PSII, (Partai Sarekat Islam Indonesia).

To promote "modernization" in the Indonesian Moslem community, Muhammadiyah, which called itself a "modernist movement" in the Moslem society, got into a fight with the traditional Kyai who ran the Pesantren, or traditional religious schools. To counter Muhammadiyah, the Kyai established Nahdlatul Ulama (NU), the Resurgence of Ulama or Moslem Scholars, in 1926. In the 1950s, Muhammadiyah associated itself with Masyumi (modern Moslem political party) and NU developed into an independent political party separate from the Masyumi.

In the 1920's, various organizations, including labor unions, and associations of entrepreneurs, youth, women, or religious, educational and cultural organizations evolved toward various political movements, or gravitated toward certain ideologies. For instance, in 1927, nationalist leaders established PNI, Partai Nasional Indonesia, and the labor movement created the PKI, Partai Komunis Indonesia.

In the 1930s, the voluntary movement was strengthened with the arrival of intellectuals, recent graduates of universities in the Netherlands and Indonesia. They formed study clubs and political organizations, and radicalized the movement. When mass gatherings in 1933-1934 threatened the stability of the colonial government, the top leadership of this movement, including Soekarno and Hatta were arrested.

^{8/} Much of the information in this section was derived from DAI's 1987 PVO Co-Financing Mid-Term Evaluation report.

As a result of the Great Depression, the Dutch government allowed the development of small industries and handicraft groupings, spread widely in the rural areas and small towns of Java. Since political movements were restricted by the Government, these groupings transformed themselves into social and cultural movements. In 1931, Dr. Sutomo, the founder of Budi Utomo, started a new group called "Persatuan Kebangsaan Indonesia" (Indonesian National Unity), whose members were mostly students and professionals. This group is a prototype of the current LPSMs, in that it focussed its activities on the promotion of handicraft and small industries, as well as on trade and agricultural development through cooperatives. By 1933, this group had been able to organize 158 branches of farmer cooperatives.

After Independence in 1945, and especially in the 1950s, social organizations sprang up under the "liberal democracy" politics. Although their objectives were said to fulfill the interests of their members, they engaged in fact in activities which were more political, than economic, social or cultural in nature. They were also fragmented along ideological lines, according to their religion or politics. In this political context a different type of organization was founded in 1957, the PKBI, *Perkumpulan Keluarga Berencana Indonesia* - the Indonesian Planned Parenthood Association. PKBI is mostly regarded as the first organization which functioned independently from political parties and government, which came to be known as NGOs. PKBI started to promote family planning in Indonesia in the latter half of the fifties, when the late President Sukarno was advocating the need to increase the number of the Indonesian people so as to create a "big State".

In the early 1960s, most mass organizations sought political protection from the large parties, whereas the large political parties tried to obtain grass root support from these mass organizations. As a result, almost all these organizations became instruments for political struggle for power seeking activities and mass mobilization. However, a number of organizations came into being, particularly those related to churches. The Catholic Church began to develop self-help organizations, largely as a consequence of Vatican II proclamations that directed Catholics to become more involved in the social and economic problems of the modern world. As a result, local church-based NGOs were established in 1963, such as the *Yayasan Social Sugiyopranoto*, the *Sugiyopranoto Social Foundation*, and *Yayasan Purba Danarta* in Semarang, Central Java. The Protestant churches also started such charity organizations, such as *YAKKUM* (*Yayasan Kristen Untuk Kesejahteraan Indonesia* - Christian Foundation for Community Welfare), which was established in 1964. These organizations provided food and shelter to becak drivers in urban areas, or gave goats to be raised by poor farmers in the rural areas.

Under the New Order in 1966, all mass organizations which had been affiliated with the Communist party were banned. The remaining groups were divided into those belonging institution-ally to political parties, and those which allied themselves with the Secretariat of Functional Groups (*Sekretariat Golongan Karya*), which was the forerunner of the current Government Party *GOLKAR*.

In 1967, Indonesia entered a new era of development in which liberal policies were adopted to open the country to the world economy. However, the centrally planned development policies favored large scale industrialization, and the small scale or cottage industries were left to survive under severe competitive market conditions against the big industries which enjoyed favorable treatment from the Government. The Government, with the military providing political leadership, placed itself in the role of change agent or "agent of modernization" in which a group of technocrats and social engineers controlled the direction of economic development. The economic policy and strategy for economic development were formulated to achieve a high rate of economic growth, emphasizing the rate of savings and investment, capital intensity and modern technology.

To achieve these objectives, the political stability had to be maintained at all cost. For example, the government controlled very tightly the elections of the village head under Law No.5/1979; imposed regulations on the "floating mass" up to the district level; assigned military men to take civilian duties to complement the existing sub-district and village level military units; established government-authorized farmers' associations (HKTI), and fishermen's associations (HNSI); formed KUD (Koperasi Unit Desa - Village Unit Cooperative) as the only allowed cooperative operating in sub-districts under Presidential Decree 4/1978. To avoid political unrest caused by student activists, such as happened in 1974, when the students protested against the Japanese Prime Minister -- unrest known as Malari--, the students were to be "pushed back to campus" under a regulation governing new students' organizations.

Within this technocracy, however, some were convinced that the bureaucracy could be an obstacle to innovative development strategies, and that therefore there had to be groups outside the bureaucracy which could play a critical role as modernizing agents in areas or sectors where the government was less able to be effective.

It is during this period that the majority of the current NGOs sprang up. Most of the so-called BINGOs were established in the early 1970s. LP3ES (Lembaga Penelitian, Pendidikan dan Penerangan Ekonomi dan Social - Institute for Social and Economic Research, Education and Information) and LBH (Lembaga Bantuan Hukum - Legal Aid Institute) were established in 1971. Yayasan Dian Desa (Appropriate Technology Foundation) was founded in 1972, and Yayasan Bina Swadaya (Development of Self-Reliance Foundation) was formed in 1973; YIS, Yayasan Indonesia Sejahtera (Indonesia Welfare Foundation) was founded in 1974, while LSP, Lembaga Studi Pembangunan (Institute for Development Studies), Bina Desa, YLK (Consumers' Association Foundation), and P3M (Perhimpunan Pengembangan Pesantren dan Masyarakat - Union for the Development of Pesantren and the Community) were founded in the late 1970s. WALHI (Wahana Lingkungan Hidup Indonesia - Indonesian Forum for the Environment), later known as one of the BINGOs, was founded in 1980 by the "Group of 10" scientists, individuals who came from Jakarta-based BINGOs.

By the early 1980s, the term "NGO" translated into Bahasa Indonesia, had an "anti-governmental" connotation, and the terms of LPSM and LSM were substituted. "Lembaga Pembina Swadaya Masyarakat" or Promoter Organization of Community Self-Reliance was a term applied to the larger Indonesian NGOs, or BINGOs, and the Lembaga Swadaya Masyarakat, or Community Self-Reliance Organization was applied to the smaller NGOs, or LINGOs.

In 1982, the Government of Indonesia issued Act No. 4/1982 concerning the Management of Living Environment, which covers the rights, responsibilities and roles of the community vis-a-vis the government. This Act legitimized the existence of NGOs dealing with environmental affairs. As a result, the number of NGOs increased rapidly to probably more than 3,000. These are actively working on a broad spectrum of issues, and are located in urban as well as in remote areas. The increasing number of NGOs during this time span parallels the increasing amount of donor funds expended to support the establishment and consolidation of the majority of the Indonesian NGOs.

One of the most important developments in the community of Indonesian NGOs which occurred in the last five years is the networking among Indonesian NGOs and between the Indonesian NGOs and foreign PVOs. There are LPSMs which particularly take on networking as their main function and program, such as WALHI for the NGOs dealing with environmental affairs. WIM (Wahana Informasi Masyarakat) does networking among NGOs in Sumatra, and the recent LELI Program (Learning and Linkage) sponsored by PACT through WALHI and Bina Swadaya. In addition, there

are a number of forums which deal with networking between Indonesian and foreign NGOs, such as INGI, (International NGO Forum on Indonesia) which was initiated by LBH and NOVIB (Netherlands) in 1985; ICW (Indonesian Canadian NGO Working Group), and the Indonesian-Australian NGOs Working Group. These Networking groups were formed to promote solidarity in the NGO community as well as to share their experiences gained from implementing development programs.

The solidarity is especially important for Indonesian NGOs due to the Mass Organization Law passed by the Government in 1987. Under the law, the Government has the authority to take over, and if necessary, close down any organization which threatens domestic security. In one recent case, networking was used to reverse a policy which was considered to be against the rights of the people. In this particular case of the KSPPM in Siborong-Borong in Northern Sumatra, networking was very effective. The activities of KSPPM had been curtailed by order of the military district commander because the NGO was accused of encouraging the people to go to the Parliament in Jakarta in order to obtain justice for their rights. Due to the pressure exerted by the NGO community in North Sumatra, backed by the BINGOs in Jakarta, the military commander issued a revocation of the order shutting down the KSPPM.

The NGOs have shown their capability to influence Government policy innovation and change, particularly in areas where the GOI has not chosen to take full responsibility. LPSM/LSM initiatives have either directly or indirectly affected GOI policy formulation or revision over a broad area of subjects. The following is an illustrative list of the diversity and significance of the role of NGOs in Indonesia:

- a. Participatory approaches in community development;
- b. Community-based social delivery systems;
- c. Handicraft and SSI production and marketing promotion;
- d. Small credit programs for those lacking access to primary or secondary banking systems;
- e. Development of regional planning boards at provincial and district level, and multi-level planning processes;
- f. Pre-cooperative groups as the basis of cooperatives development;
- g. Utilization of traditional media for dissemination of development information and consciousness raising;
- h. Community participation in the Kampung Improvement Program;
- i. Farmers' participation in water management of tertiary and quaternary irrigation systems, including using traditional associations of water users;
- j. Small entrepreneurial development;
- k. Invention, development and dissemination of location-specific appropriate technologies;
- l. Participation of Pesantren schools in rural development;
- m. Environmental protection and social awareness;
- n. Functional and structural legal aid to the under-privileged;
- o. Consumer protection and social awareness;
- p. Protection and further development of informal sector in formal and informal development;
- q. Development of new training methods in participatory approach;
- r. Development of participatory action research;
- s. Development of development printing media (Prisma, Tarik, Trubus, Potensi, Galang, Alternatif, Pesantren, etc.

- t. Text-book writing based on Indonesian and Third World development experience;
- u. Women's participation in development;
- v. Informal leaders' participation in development;
- w. Development of agribusiness systems in the Indonesian context, with the participation of small and middle farmers in agribusiness;
- x. Safe drinking water programs for low income people;
- y. Preservation of cultural rights of minority and tribal ethnic groups.

ANNEX H

**DETAIL OF GRANT APPROVAL
PROCESS**

ANNEX H

GRANT APPROVAL PROCESS

- | | | |
|----------|-----|--|
| October | 1. | VHP invites all registered PVOs (41 at present; 21 IPVOs and 20 USPVOs) to submit a concept paper for their intended proposal. |
| November | 2. | PVOs submit concept papers to USAID. |
| | 3. | VHP conducts first screening according to established criteria. |
| December | 4. | VHP sends acceptable concept papers to the technical divisions for review. |
| | 5. | After the technical review, VHP and the Technical Division issue a joint recommendation in a Memorandum to the Director. The documents are then reviewed by the Executive Project Review Committee, chaired by the Director, and including the Program Office, technical divisions, Financial Management, and Contract Management. During the review by the technical sector, the Committee passes on the concept papers meeting AID requirements. |
| January | 6. | For the concept papers selected, VHP sends a letter requesting the NGO to develop a complete proposal. |
| March | 7. | Comprehensive proposals are reviewed by VHP. If approved, VHP drafts an Action Memorandum to the Director recommending his approval. The Action Memorandum is first cleared by the Program Office, the relevant technical division, Financial Management, the September Regional Legal Adviser, and the Grant Officer. |
| | 8. | If the proposal is not satisfactory, VHP works with the NGO to improve the proposal, and guides the NGO in revising the proposal in accordance with USAID requirements. |
| | 9. | After the Director's approval, Contract Management prepares the Grant Agreement. |
| | 10. | After signature by the Mission Director, four copies of the Grant Agreement are mailed to the NGO. The NGO retains one copy and returns three signed copies to USAID. |
| | 11. | Upon receipt of the Agreement, the NGO requests an advance of funds and proceeds with implementation. |
| | 12. | The NGO must submit monthly financial reports, liquidating their advances and requesting additional funds for the following monthly requirements. |
| | 13. | The NGO must also submit semi-annual narrative progress reports. |

14. If the project requires multi-year funding, USAID often approves the project only for one year, and the NGO is requested to submit a new justification for each following year.

ANNEX I

FIELD DATA SUMMARY

ANNEX H

RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE

OCTOBER 22, 1990

Data Tabulations from 27 NGOs Visited

Question.		total/ average
1 # of NGO Staff Interviewed:	total=	64
	average per organization=	2.37
2 # of staff:	professional=	523
	others=	130
	average # of professional staff=	19.37
	others=	4.81
3 overall annual budget:	total=	5,349,260
	average=	198,121
4 Type:	LPSM=	11
	LSM=	16
5 Deal directly with USAID:	Yes=	13
	No=	14
6 Location:	Java=	5
	Sumatra=	8
	Other=	14
7 Project status:	ongoing=	15
	complete=	12
8 USAID funding level:	<\$25,000=	16
	\$10,000-24,999=	3
	>\$10,000=	8
9 Primary Sectors:	CD/General=	14
	Health=	3
	Environment=	2
	SSE=	4
	HRD=	4
	Legal Advocacy=	1
	Appro. Tech.=	2
	Coop. Dev.=	3
mode of operation:		
	communications/networking/training=	19
	advocacy/rights=	7
	direct service delivery=	19

10 Organ. Planning Process Rating

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RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE

OCTOBER 22, 1990

Data Tabulations from 27 NGOs Visited

Question		total/ average
(1= poor, 5= excellent):		
	1=	1
	2=	7
	3=	7
	4=	10
	5=	2
	Average=	3.19
11 Clarity of Objectives Rating:		
	1=	0
	2=	6
	3=	12
	4=	5
	5=	4
	Average=	3.26
12 Likelihood of Achieving Objs.		
	1=	0
	2=	4
	3=	15
	4=	2
	5=	6
	Average=	3.37
13 Acceptability of M&E System		
	1=	3
	2=	4
	3=	12
	4=	2
	5=	6
	Average=	3.30
14 # of Field Activities Visited = 15		
15 Received TA from USAID/Intermediary:		
	Financial=	8
	Managerial=	9
	Other=	7
16 Similar Activities prior to USAID \$		
	Yes=	17
	No=	10
17 NGO Experienced Difficulty with:		
	Obtaining Grant=	5
	Ongoing Implementation=	15

RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE

OCTOBER 22, 1990

Data Tabulations from 27 NGOs Visited

Question	total/ average
18 Visited by USAID Employee:	
Yes=	14
No=	13
19 Has project been evaluated:	
Yes=	17
No=	10
20 Does USAID \$ pay staff salaries	
Yes=	14
21 Most pressing organizational needs:	
Accounting/Bookkeeping=	8
Strategic/Project Management=	16
Advocacy Skills=	5
Social Analysis=	3
Environmental Analysis=	1
22 Does NGO receive \$ from other donors	
none=	11
1 other donor=	4
2 or more=	12
If yes:	
Prior to USAID \$=	11
Subsequent to USAID \$=	5
23 Could NGO continue services without USAID funding	
Yes=	14
No=	13
24 To what degree has NGO management been improved as a result of assistance from USAID (1= not at all, 5= greatly improved):	
1=	7
2=	3
3=	13
4=	3
5=	1
Average=	2.56

Qs 25 & 26 FOR BLOCK GRANT RECIPIENTS

23-Oct-90 ; LOTUS\FILES\INDO\FIELD.WK1

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RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE

OCTOBER 22, 1990

Data Tabulations from 27 NGOs Visited

Question		total/ average
25 # of "studied" NGOs receiving \$ thru block grants -	#=	18
	From USFVO=	15
	From IFVO=	3
26 Is NGO aware they are/were receiving USAID funding?		
	Yes=	16
	No=	2
27 NGO's Ability to Influence Government of Indonesia Policy (5= excellent potential, 1= no prospect):		
	1=	7
	2=	3
	3=	10
	4=	2
	5=	5
	Average=	2.81
28 Clear strategic vision of organizational future (1=no clear idea, 5= clear strategic vision)		
	1=	0
	2=	7
	3=	12
	4=	5
	5=	3
	Average=	3.15

RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE
-FOR LPSMs ONLY

OCTOBER 22, 1990

Data Tabulations from 11 LPSMs Visited

Question		total/ average
1 # of NGO Staff Interviewed:	total=	25
	average per organization=	2.27
2 # of staff:	professional=	294
	others=	50
	average # of professional staff=	26.73
	others=	4.55
3 overall annual budget:	total=	2,684,839
	average=	244,076
4 Type:	LPSM=	11
5 Deal directly with USAID:	Yes=	9
	No=	2
6 Location:	Java=	3
	Sumatra=	2
	Other=	6
7 Project status:	ongoing=	7
	complete=	4
8 USAID funding level:	<\$25,000=	8
	\$10,000-24,999=	1
	>\$10,000=	2
9 Primary Sectors:	CD/General=	8
	Health=	0
	Environment=	1
	SSE=	3
	HRD=	2
	Legal Advocacy=	0
	Appro. Tech.=	.0
	Coop. Dev.=	1
mode of operation:		
	communications/networking/training=	10
	advocacy/rights=	4
	direct service delivery=	6
10 Organ. Planning Process Rating (1= poor, 5= excellent):		

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RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE
 -FOR LPSMs ONLY

OCTOBER 22, 1990

Data Tabulations from 11 LPSMs Visited

Question		total/ average
	1=	0
	2=	4
	3=	3
	4=	4
	5=	0
	Average=	3.00
11 Clarity of Objectives Rating:		
	1=	0
	2=	3
	3=	7
	4=	1
	5=	0
	Average=	2.82
12 Likelihood of Achieving Objs.		
	1=	0
	2=	1
	3=	9
	4=	1
	5=	0
	Average=	3.00
13 Acceptability of M&E System		
	1=	2
	2=	1
	3=	6
	4=	1
	5=	1
	Average=	2.82
14 # of Field Activities Visited	=	6
15 Received TA from USAID/Intermediary:		
	Financial=	4
	Managerial=	5
	Other=	2
16 Similar Activities prior to USAID #		
	Yes=	8
	No=	3
17 NGO Experienced Difficulty with:		
	Obtaining Grant=	3
	Ongoing Implementation=	7

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RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE
-FOR LPSMs ONLY

OCTOBER 22, 1990

Data Tabulations from 11 LPSMs Visited

Question	total/ average
18 Visited by USAID Employee:	
Yes=	7
No=	4
19 Has project been evaluated:	
Yes=	9
No=	2
20 Does USAID \$ pay staff salaries	
Yes=	8
21 Most pressing organizational needs:	
Accounting/Bookkeeping=	3
Strategic/Project Management=	8
Advocacy Skills=	4
Social Analysis=	1
Environmental Analysis=	1
22 Does NGO receive \$ from other donors	
none=	4
1 other donor=	3
2 or more=	4
If yes:	
Prior to USAID \$=	4
Subsequent to USAID \$=	3
23 Could NGO continue services without USAID funding	
Yes=	6
No=	5
24 To what degree has NGO management been improved as a result of assistance from USAID (1= not at all, 5= greatly improved):	
1=	4
2=	0
3=	6
4=	1
5=	0
Average=	2.36

Qs 25 & 26 FOR BLOCK GRANT RECIPIENTS

25 # of "studied" NGOs receiving

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RESULTS OF MSI FIELD SURVEY QUESTIONNAIRE
 -FOR LPSMs ONLY

OCTOBER 22, 1990

Data Tabulations from 11 LPSMs Visited

Question		total/ average
\$ thru block grants -	#=	6
	From USFVO=	5
	From IPVO=	1
26 Is NGO aware they are/were receiving USAID funding?		
	Yes=	6
	No=	0
27 NGO's Ability to Influence Government of Indonesia Policy (5= excellent potential, 1= no prospect):		
	1=	1
	2=	1
	3=	6
	4=	1
	5=	2
	Average=	3.18
28 Clear strategic vision of organizational future (1=no clear idea, 5= clear strategic vision)		
	1=	0
	2=	2
	3=	5
	4=	3
	5=	1
	Average=	3.27