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# Mid-Term Evaluation of PVO Co-Financing Project

**USAID/Kenya**

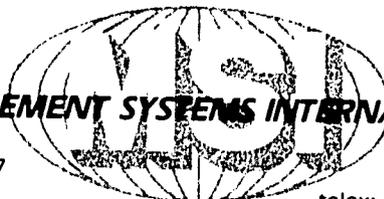
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## **ACRONYMS**

<b>AWF</b>	-	<b>African Wildlife Foundation</b>
<b>Co-Fi</b>	-	<b>USAID/Kenya's PVO Co-Financing Project</b>
<b>CITCs</b>	-	<b>Christian Industrial Training Centers (a Kenyan NGO)</b>
<b>CRS</b>	-	<b>Catholic Relief Services (U.S. NGO)</b>
<b>FHI</b>	-	<b>Food for the Hungry International (U.S. NGO)</b>
<b>FSK</b>	-	<b>Farming Systems Kenya (Kenyan NGO)</b>
<b>GOK</b>	-	<b>Government of Kenya</b>
<b>HRD</b>	-	<b>Human Resources Development Office, USAID/Kenya</b>
<b>IQC</b>	-	<b>Indefinite Quantity Contract</b>
<b>KFFH</b>	-	<b>Kenya Freedom from Hunger (a Kenyan NGO)</b>
<b>NGO</b>	-	<b>Non-governmental organization</b>
<b>PACD</b>	-	<b>Project Assistance Completion Date</b>
<b>PLAN</b>	-	<b>Foster Parents Plan International (U.S. NGO)</b>
<b>PP</b>	-	<b>Project Paper</b>
<b>PSC</b>	-	<b>Personal Services Contractor</b>
<b>PVO</b>	-	<b>Private Voluntary Organization</b>
<b>SAWSO</b>	-	<b>Salvation Army World Service Organization</b>
<b>USAID</b>	-	<b>U.S. Agency for International Development/Kenya</b>
<b>VADA</b>	-	<b>Voluntary Agencies Development Assistance</b>
<b>VITA</b>	-	<b>Volunteers in Technical Assistance (U.S. NGO)</b>

## **EXECUTIVE SUMMARY**

This mid-term appraisal of USAID/Kenya's PVO Co-Financing Project took place in the first quarter of 1991. A Management Systems International (MSI) team of three studied performance and results to date, effects of the activity on participating NGOs, issues concerning project management, and suggestions concerning the project's future. Methodology included archival research, interviews, surveys, site visits and presentations to and feedback from USAID staff.

Historically, NGOs have contributed significantly to the welfare and development of Kenya; over 300 Kenyan and 100 foreign agencies now operate in the country. Since Kenya's independence in 1963, the Government has generally welcomed and supported the growth of the NGO sector. In the 1980s, however, the Government showed increasing concern about the proliferation of NGO activities, the increasing flow of donor funds through NGOs, and, more generally, about national stability and criticism, some of which emanated from NGOs.

In 1990, the Kenyan Parliament passed, and the President quickly signed, an act creating a single body to regulate and coordinate NGOs in Kenya. The effect this new legislation will have on the NGO sector was under lively discussion between NGOs and Government during the time this evaluation was done.

USAID's PVO Co-Financing Project began in 1985 as a seven-year effort to bolster Kenya's NGO community by supporting a Kenyan NGO to act as an intermediary to screen, select and fund worthy NGO activities, and to provide technical assistance, training and opportunities to network within the NGO community. This initiative proved too extensive and difficult for the NGO involved. In late 1987, USAID was forced to terminate its cooperative agreement with its intermediary, and redesign its Co-financing activity.

In 1988, revised plans were approved and USAID itself began to manage the Project directly out of its Human Resources Development Office, using Personal Services Contractors to staff a new Co-Financing Project Unit. This shift in management left the Project's objectives virtually unchanged, and all components except for networking intact.

In its revised "in-house" form, the new project management also began absorbing more of the time of Mission staff, both informally and through the Project Review Committee. The process of screening and selecting NGO activities regularly involved staff from USAID's technical, program, project support, legal and accounting offices.

Many of these staff were unclear about what exactly the Co-Financing Project was to accomplish. USAID/Kenya was already heavily involved in supporting NGOs in its sector-specific programs in health, family planning and income generating activities, and had plans to support NGOs in the natural resources and wildlife sectors as well. How the Co-Financing Project differed from these other NGO activities was not spelled out.

At the time of the evaluation, ten grants to NGOs had been approved under the Co-Financing Project: seven in FY 89, two in FY 90 and one in March 1991. Another seven proposals were under consideration. Total sub-project funding as of February 1991 was nearly \$2.5 million. This was fewer grants and less funding intensive than originally envisaged in the 1988 project plan. Most of the grants had an institutional strengthening focus. The PVO Co-Financing Project supported NGOs operating in the following sectors: small-scale agriculture, health care, vocational training, small-scale enterprise development, water systems, and wildlife conservation.

The pace of implementation was slow for a number of reasons, among them: the start up of activities under the new "in house" arrangement required time to recruit personnel, to develop and refine internal management procedures, to deal with the staff turnover that took place in the summer of 1990, and to recruit an outside firm to provide technical assistance under an Indefinite Quantity Contract. And the lengthy sub-project approval process which emerged emphasized the completion of detailed and high quality plans by NGOs and consensus among USAID staff about any given proposal.

The evaluation team interviewed the staff of all ten NGOs with Co-Financing grants and visited the field operations of seven. Almost without exception, the USAID-funded activities were of high quality, well designed and progressing well. The effects of the Co-Financing Project's selection and screening process, training, workshop and technical assistance components on grantees were also clear, including:

- strengthening NGO abilities to conceptualize and design projects;
- improving organizational development skills;
- installing new or improved financial systems to enable NGOs to better manage financial resources;
- initiating procurement and personnel policies which facilitate smoother NGO operations;
- enhancing systems for measuring, analyzing and reporting progress toward objectives; and
- using USAID resources to diversify funding.

## **Conclusions**

1. That the Co-Financing Unit, now in its third year, is a "going concern," with carefully devised systems and competent and experienced staff already having positive effects on institutionally strengthening its partner NGOs; and

2. That the Co-Financing Project, despite its early implementation turmoil and the relatively conservative pace of implementation since 1988, has sponsored a range of high quality projects and developed a solid base for use in many basic or innovative ways to the advantage of USAID and an important constituency of NGOs beyond those USAID normally reaches in its sector-specific programs.

### **Recommendations**

The main recommendation of this evaluation is that USAID take full advantage of its Co-Financing Project as presently positioned to move forward with increasing direction and force, until at least the 1995 termination of the present project and perhaps in the form of a new project thereafter. MSI's study of the strengths and weaknesses of the Co-Financing Project suggest that to do this there is the need for the following conceptual and managerial changes:

1. USAID should develop and articulate a new strategy for the project in the form of an altered logical framework and/or a policy statement concerning what the project is designed to accomplish and why. We suggest this highlight the institutional strengthening of mainly Kenyan NGOs with funding for USPVOs limited to those projects which include a substantial partnership with a Kenyan agency or involve operations in particularly under-served regions of Kenya.
2. USAID's present management process should be further refined, the Co-Financing Unit (perhaps renamed as the USAID-NGO Partners in Development Unit) should be maintained in its current structure but be thought of and treated more as an outside and independent entity (though physically within USAID) and allowed to operate more autonomously. This Unit should put information before the Project Review Committee and other decision makers crisply and incisively, and react to and interact with NGOs with increased efficiency.
3. The Co-Financing Unit's already high quality monitoring system should be further refined and concentrate mainly on institutional strengthening indicators. It should track the degree to which USAID improves an NGO's ability to serve its constituents over the longer term by both improving and possibly expanding its service delivery capacities, and enabling the organization to identify and meet financial requirements.
4. A more complete and consistent package of technical assistance should be arranged through one or more Indefinite Quantity Contracts to support the Co-Financing staff in fulfilling its many tasks.

5. USAID should devise a new two-phased workplan for the Co-Financing Project. Phase I, 1991 to 1993, should concentrate primarily on actions to increase productivity and efficiency and, secondarily, on research and experimentation concerning issues that will have to be resolved in the next and last phase of the present project. Phase II, 1993 through 1995, involves decisions about whether to terminate the project as scheduled or to continue the activity beyond 1995 (writing a new Project Paper). At this point, USAID will have to decide whether to experiment with placing the Co-Financing Unit out among the NGO community.

## **CHAPTER I: THE EVALUATION**

This evaluation took place as scheduled in the Project's original work plan. It covers progress to date, the effectiveness and efficiency of USAID's management and the effects of the project on participating NGOs, and provides recommendations concerning the project's future. The complete Scope of Work is included as Annex A.

A Management Systems International team -- David Callihan, Edward Glaeser, and Daudi Waithaka -- completed field work in Kenya during February and March 1991. The team completed basic research and planning in Washington and traveled to Kenya, where it reviewed basic operational documentation, met and interviewed a range of USAID, NGO and Government of Kenya officials, and presented its tentative conclusions. Questionnaires developed for organizing key information from USAID and NGO staff are included as Annex B.

Throughout the study, USAID staff were extraordinarily helpful. Close and continual consultations with the USAID Co-Fi project staff assisted the team to meet and interview (see Annex C for list of individuals interviewed and their organizational affiliations):

- 32 NGO leaders and other key staff representing ten agencies which had received USAID grants and five that applied for grants but were turned down, as well as two agencies that have long worked with USAID but had never applied for Co-Fi funding;
- 23 USAID staff, 18 in great detail and a fair number several times;
- 14 NGO field staff representing seven of the ten present Co-Fi grantees;
- 7 of 24 participants who had received training under the Co-Fi project;
- the key official of the Government of Kenya (GOK) overseeing the Co-Fi project; and
- key staff from the firm which manages a management assistance IQC for the PVO Co-Fi Unit.

Field work also included interviews with Kenyan citizens who participated in and benefitted from Co-Fi sponsored NGO activities. To them, along with the many others detailed above, the MSI team expresses its gratitude for their time and candor.

## **CHAPTER II: PROJECT CONTEXT-KENYA'S DEVELOPMENT and NGOs**

### **A. NGOs and Kenya's Development**

Historically, NGOs have been major contributors to the welfare and development of Kenya (see Annex D for a historical perspective of NGOs in Kenya). At present, NGOs registered with the GOK include about three hundred locally based organizations and perhaps one hundred of foreign origin. These organizations play a prominent role in delivering basic social services throughout Kenya and are active in a wide range of sectors, most particularly in the provision of health services where it is estimated they provide up to 40% of the nation's rural health services. NGOs also play a large role in the education sector, as well as to a lesser extent in micro- and small-scale enterprise development, family planning, agriculture, community water supply, and wildlife and natural resource management conservation.

As most NGOs rely heavily on donor funding, billions of shillings worth of foreign exchange have accrued to the country. This volume of funding would most probably be unavailable to the country could it not be funneled through the NGO sector. A 1989 study estimated the flow of resources by international donors through NGOs had reached something on the order of \$30 million plus per year in the late 1980s.<sup>1</sup> Perhaps an additional \$150 million per year is channeled to NGOs through international religious organizations. These substantial funding levels make the NGO sector a major social and economic force in Kenya's development.

Many foreign donors have, in recent years, decided to channel a significant portion of their aid to Kenya through NGOs. This is in part because NGOs are able to more directly reach the under-privileged with services, but also because they give Kenya's citizens a greater voice in the control of development resources and therefore contribute to a more equitable and pluralistic society. Whatever the financial contribution of NGOs to Kenya, many observers contend that their most significant contribution probably lies in the realm of this difficult to quantify, non-monetary contribution towards empowering citizens to more fully participate in the decisions which will shape their own and the country's future.

### **B. NGOs, the Kenyan Government, and The NGO Coordination Act of 1990**

Following independence in 1963, the Kenyan Government welcomed and supported NGOs. Small grants and easy-to-get customs and tax exemptions facilitated NGO

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<sup>1</sup> Fowler, Alan. The Role of NGOs in Changing State-Society Relations: Perspectives from Eastern and Southern Africa, July 1990.

operations. In the same period, NGOs often took up social and legal issues without government objection.

In the 1970s, many foreign NGOs became active in Kenya. While the climate of mutual cooperation between NGOs and the Government continued, the foreign NGOs often brought expatriate leadership, and some government officials began to express discomfort at NGO activism and criticism. Concurrently, economic growth slowed and the Government curtailed some of its grants to NGOs and insisted on greater involvement in NGO projects. The decade ended with Kenya having the largest volume of NGO activity of any country in Africa.

Following the death of Kenya's first president in 1979, the country's leadership changed and in the 1980s the Government began to show increasing concern about stability and developed a concomitant sensitivity to criticism; at the same time donors also began to channel more funds through NGOs. Concern also increased about the proliferation of activities in the NGO sector as Government demanded to know who was doing what where, and to which agencies exemptions of one sort or another were being offered.

As a result, in 1990 the Parliament required NGOs to re-register with the government. This Legislative Act created a body to be composed primarily of Government appointees to regulate, coordinate and legalize the existence of NGOs.

NGO leaders have reacted towards the Act with mixed feelings. On the one hand, they welcomed the creation of a central body to facilitate registration, tax exemptions and processing of expatriate work permits. Hitherto, many diverse channels were available for those purposes and many NGOs were not fully or quickly served. On the other hand, they felt apprehensive that "too much government" was being introduced into the non-governmental sector. Ironically, this was occurring at a time when the Government was publicly proclaiming the virtues of privatization and decentralization as official policy.

A few feel that the Act itself, while having numerous legal and technical problems, could still work to the benefit of NGOs. Its affect on NGOs' operations in Kenya will be dependent upon the spirit of its implementation. If appointees to the Board are convinced of the general benefits to society that result from NGO activities then the Act may be leniently interpreted to ensure that it is applied helpfully. However, it is also feared that the Act could be used to constrict and over regulate the activities of Kenya's NGO sector.

At the time of this evaluation, NGOs were engaged in a dialogue with the Government to try and persuade the authorities to amend various sections of the Act before it is implemented in order to make it easier for NGOs to operate securely and independently. The outcome of this dialogue will have a large effect in years to come on the role of NGOs in Kenya's development.

### **C. USAID/Kenya and NGOs**

USAID relies relatively heavily on NGOs to implement many of its activities and, occasionally, to test new ideas in development approaches. As a result, USAID is a major funder of NGO activities in Kenya. Its current portfolio allocates significant funds to NGOs through both its technical offices as well as through its PL-480 Food for Peace Program and the PVO Co-Financing Project; up until recently about one-third of USAID/Kenya's budget was channeled through NGOs (about \$20 million in 1989).

USAID sector-specific programs in health, family planning, income-generating activities, agriculture, natural resource management and wildlife preservation either already, or plan to, involve close-knit collaboration between NGOs and USAID. In the first three sectors in particular -- over 50% of the Mission's assistance in population and approximately 30% of USAID's private sector program is implemented through NGOs -- such pioneering partnerships have yielded excellent results.

### **D. The PVO Co-Financing Project**

As its heavy involvement would indicate, USAID views PVOs as contributing greatly to Kenya's development. Until 1985, however, most of its support to PVOs was provided in the context of sector-specific arrangements. Thought was given to just what USAID might do with PVOs outside of such sector-specific interests to help reinforce the vitality of the sector as such, and the result was the creation of the PVO Co-Financing Project. This "umbrella" project was based on the idea that "PVOs operating in Kenya were ... a valuable institutional resource, particularly well adapted to reaching the grassroots and the poorest levels of Kenyan society [and] that working through these organizations, a unique contribution could be made to Kenya's development. This potential was viewed as especially important by USAID/Kenya during the initial design of the project, given the financial and administrative constraints faced by the Kenyan public sector in meeting the economic and social needs of Kenya's rapidly growing population."<sup>2</sup>

As the project was shaped, there was considerable debate concerning the best management structure for project implementation. The principal options were having USAID itself manage the series of discrete PVO sub-projects, implementing the project through a USPVO, or managing the project through a Kenyan PVO or a consortia of Kenyan PVOs. The final decision was to contract the project's management to a relatively new Kenyan PVO - Voluntary Agencies Development Assistance (VADA). VADA, an organization set up to provide training, information and advisory services to the Kenyan PVO community, had been established in 1984 primarily through support from the Ford Foundation.

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<sup>2</sup> PVO Co-Financing Revised Project Paper, USAID/Kenya, July 1988, page 10.

### D.1. VADA Experience

VADA became the project's primary implementing mechanism through a cooperative agreement signed with USAID in June 1985. The agreement called on VADA to judge NGO project proposals and then manage the disbursement of funds, as well as to provide managerial and other specialized technical assistance to Kenya's NGO community. Since VADA itself was a relatively new organization, and was expected under its USAID agreement to provide a new set of services, initial efforts concentrated on restructuring and institutionally strengthening VADA. This effort included the establishment of internal financial management procedures and personnel and procurement policies; the development of criteria and processes for approving NGO sub-grants; and the bolstering of capabilities to offer technical assistance to the NGO community in the form of specialized workshops dealing with such topics as project design, evaluation and grantsmanship. In short, VADA was to become a USAID-funded one-stop center to service Kenya's flourishing NGO community.

The Project Paper of 1985 estimated six months would be needed for VADA to develop the required systems and capabilities to be able to function on its own in handling over \$500,000 in USAID funds annually. The process took considerably longer than that for a variety of reasons. After 18 months, and the expenditure of over \$900,000 without a single sub-grant to any NGO by VADA, in December 1987 USAID terminated its Cooperative Agreement with VADA.

USAID itself explained the reasons as follows:

"...the design of the PVO Co-Financing Project called for a very broad range of activities which would have been highly management intensive under the best of circumstances. The Development Fund alone (funds for individual PVO sub-projects) required the mobilization of a substantial body of expertise to review initial concepts, evaluate the management structure of the individual PVOs, and analyze the final proposals in an atmosphere of intense competition by the PVOs for the available resources. The technical, managerial and political skills necessary to handle this one activity were great. The additional requirements to provide training, advisory services, and information and networking services, created a very complex undertaking, regardless of whether it was handled by several organizations or only one.

"[These tasks were given] to a relatively new organization which was charged with building itself up to undertake this effort while moving forward simultaneously to produce the project's many outputs. Too much was asked of an entity which was ultimately overwhelmed by the task. The VADA management was often uncooperative and resistant to A.I.D. suggestions or requirements. A portion of this resistance was generated by a desire to maintain the organization's independence while, at the same time, being financed almost entirely by A.I.D. and thus having almost all of its operations governed by the terms of the A.I.D. Cooperative Agreement. Those terms were highly specific and prescriptive since

they were designed to promote the development and strengthening of a new entity with a very limited implementation track record."

"The resulting conflict between USAID/Kenya and VADA over the letter and spirit of the terms of the agreement created a lack of trust between the two agencies which made progress extremely difficult and slow. The slow pace of implementation produced even greater tension, which was further exacerbated by allegations of mismanagement and the demonstrated, continued institutional weakness of VADA. It was also apparent that the Kenyan PVO community was itself dissatisfied with both the administrative arrangements of the project and the slow pace at which it was operating. The mutual lack of trust and the lack of progress eventually led to the decision to terminate the cooperative agreement and redesign the project."

In addition to USAID's own dissatisfactions and disappointments with VADA's performance, the decision that the effort should be terminated was given further impetus when it surfaced as the primary recommendation which emerged from an Inspector General's audit of VADA in May 1987.

#### **D.2. The Redesigned PVO Co-Financing Project**

Following the termination of the Cooperative Agreement with VADA, USAID was still intent on trying to assist the NGO sector, and immediately began to consider how to redesign the project. The central issue concerning the redesign involved identifying an appropriate project management structure to replace VADA.

To explore and assess options, USAID conducted a survey among 35 PVOs and four donor agencies active in Kenya. The results indicated that there was not any single Kenyan PVO capable of managing a VADA-like full-service approach. Although there were sectorial oriented NGOs that could disburse grants and provide technical assistance in their respective sectors of expertise, this was not in keeping with the original umbrella concept; it would also duplicate USAID's other sector-specific work with NGOs. The survey also showed that replacing VADA with a US-led NGO or consortium would not sit well with Kenyan NGOs once one of their own had been ruled out. Finally, the survey indicated that most NGOs would prefer dealing directly with USAID, and not with an intermediary.

Given the results of this survey, and considering the unfulfilled expectations that had somewhat soured relations between USAID and the NGO community as a result of the VADA episode, USAID felt it had no option but to manage the project directly. The revised Project Paper of July 1988 called for the establishment of a PVO Co-Financing Unit within USAID's Human Resource Development Office, with a staff of three professionals (PSCs) and a secretary paid for out of project funds, to oversee project implementation.

Unit staff, coordinating closely with other USAID technical and support staff, were to be responsible for managing the three major components of the project: 1) a grants fund of \$8.125 million to fund PVO activities; 2) a training component of \$600,000 to fund U.S. and third country short-term training for PVO staff; and 3) a management assistance component of \$980,000 to hire a single institutional contractor, through an Indefinite Quantity Contract.

## **CHAPTER III: EVALUATION FINDINGS**

### **A. Project Performance and Results to Date**

Focusing primarily on actions taken since the July 1988 Project Paper revision, the following section offers a brief comparison of planned and revised targets against accomplishments for this period. (This section does not discuss the quality of the activities undertaken but simply documents expenditures and activities against projected targets.) It begins with a matrix providing an overview of USAID/Kenya's PVO Co-Financing Project's projected and accomplished targets derived from the project's revised Project Paper of 1988 (post VADA), and a Memorandum of Understanding from the HRD Office Chief and signed by the Mission Director in May of 1990. Following this matrix is a discussion of the activities completed to date within each of the project's main components: the grants fund, U.S. and third country training, the institutional strengthening IQC, and workshops.

A later section of the evaluation, "USAID's Effects on NGOs," analyzes the degree to which these activities have been effective in institutionally strengthening USAID's partner NGOs.

**A.1. Overview of Planned, Revised and Accomplished Targets<sup>3</sup>**

	<b>1988 Revised Project Paper Amendment (5/88)</b>	<b>Revised Logframe of 5/15/90</b>	<b>Accomplished as of 2-91</b>
<b>Direct grants to selected NGOs:</b>	five per year; (FY89-93); LOP = 25 or, \$1.625 million per year w/an average grant of \$325,000	as needed and possible according to quality of proposals	FY89-7 grants; FY90-2 grants  FY89 = 1,841,253 FY90 = 656,929 TOT = 2,498,182
<b>Number of trainees (US/3rd country):</b>	5 - 10 per year; (15-30 person months) at \$100,000	minimum of five per year.	FY89 = 13 FY90 = 11 TOTAL = 24  FY89 = \$105,458 FY90 = \$109,898 TOT = \$215,356
<b>Number of USAID/NGO Workshops &amp; Donor Coordination Workshops:</b>	\$25,000 over five years	Minimum of 1 per year for 5 years.	FY89 - one; FY90 - one FY91 - 1 planned
<b>Use of institutional contractor:</b>	Average of \$196,000/yr. for FY89-93	Minimum of 3 work orders/year	FY89 - 1 (\$11,809) FY90 - 1 (\$11,182) TOT = 2 (\$22,991)
<b>NGOs with evaluation systems in place:</b>	--	20 over LOP	7
<b>Evaluations</b>	--	30 over LOP	2
<b>NGOs with [AID acceptable] financial mgmt. systems in place</b>	--	28 over LOP	11 (9 grants + 2 IQC)

<sup>3</sup> See Annex E for complete project Logical Frameworks for 1988 and 1990.

## **A.2. The Grants Fund: A Retrospective Analysis**

**Findings:** The revised 1988 Project Paper Amendment set a target of approving five grants per year at an average cost of \$325,000; the revised logframe of 1990 specified that the number of grants per year would be "as needed and possible according to the quality of proposals" and funding projections remained unchanged.

To date ten grants have been approved, seven in FY89, two in FY90, and one during the evaluation team's visit in March 1991<sup>4</sup>. (See Table 1, Profile of PVO Co-Financing Sub-Projects). One of these activities, the grant to Technoserve, was originally submitted for funding consideration to VADA. The Co-Fi Office's quick start in approving seven grants in FY89 was due in large part to the Office's effort to actively solicit proposals from NGOs. Following this initial burst of activity, two proposals were approved the following year in August (FY90). Thus, including the YWCA/OEF project approved during the evaluation team's visit, only three proposals had been approved in the past eighteen months. (See Annex F for illustrative case studies of sub-projects).

Total sub-project funding as of February 1991 has been \$2,498,182 out of the originally available \$8.125 million; of the nine grants approved prior to the evaluation team's arrival the average size was \$277,576. The project's grant fund, up to this point in time, had underspent availability by 25%. Looking back, obligations in FY90 were \$656,929 against a projected \$1.625 million, or 60% less than originally planned. (See Table 2, PVO Co-Financing Project Budget).

There have been a number of mitigating circumstances which have caused the number of grants approved and expenditures to fall below projections. These have included the change of staff within the Co-Fi Office in the summer of 1990, the newness of the project and time required to establish operating procedures, and the lengthy process of grant approval. The evaluation team also felt that the limited number of Kenyan NGOs registered with USAID may have also impeded the approval of a larger number of grants. Each of these mitigating circumstances will be covered in detail in subsequent sections of this report.

Thus, the early project activity, made possible to some extent by two years of VADA-USAID institutional development effort, somewhat obscures the fact that the project has since operated at a level significantly below what was originally projected. The Co-Fi Office, in a management issues paper of January 1991, decreased (from the projections in the 1988 Project Paper Amendment) the projected number of grants for FY91-93 from fifteen to seven; the issues paper emphasized the selection and funding of "quality" grants rather than setting a minimum number of grants to be approved per year. During

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<sup>4</sup> As of June 1991, three concept papers had been approved for possible grant funding in FY91. This brings the possible number of grants that could be approved in FY91 to four.

FY90 (in fact, from 10-89 through 2-91) only two NGO proposals were approved and funded.

Although overall Mission funding has decreased over the past year by approximately \$20 million, the evaluation team was told that funding availability had never been an obstacle to approving sub-projects, including during the first two years of the revised grant. In addition to above mentioned mitigating circumstances, the low number of sub-projects approved over the past eighteen months was also caused by the paucity of proposals meeting Co-Fi standards, and the length of time it takes a project to be approved -- generally over a year.

Conclusion: The Co-Fi Office, when it became operational in late 1988, quickly approved seven grants. Its second year of operation saw a substantial decrease in funding committed as only two proposals were approved. For various reasons, the project has significantly underspent available grant funds.

### **A.3. Use of IQC for Institutional Strengthening**

Finding: The 1988 Project Paper Amendment set aside an average of \$196,000 per year for a period of five years (FY89-93) and the revised 1990 Logical Framework set a target of executing three IQC work orders per year. To date, two IQC work orders have been completed (one each in FY89 and FY90) and, at the time of the evaluation team's visit, no additional work orders had been planned. Funding allocations/availability to conduct IQC work orders through FY91 equalled \$588,000 of which only \$23,000 has been spent to date.

The 1988 Project Paper Amendment envisaged that a single firm, through an IQC contract, would provide the following services: "to assist in the management strengthening of PVOs selected to obtain grants; to provide technical reviews of proposals for which specialized evaluative skills are not available in the Mission; and to assist grantees in the formulation of their internal evaluation programs." It was also envisaged that the IQC assistance would include helping NGOs to establish accounting procedures/systems.

When the Co-Fi Office solicited proposals for an IQC institutional contractor the purpose was limited to financial management; a much more limited purpose than had been stated in the Project Paper Amendment. The institutional contractor -- Bellhouse Mwangi -- chosen through a competitive bidding process, had expertise mainly in the area of institutional strengthening, and this with a focus on financial analysis. Assistance provided through the two work orders included preparing procurement and personnel policies, and conducting organizational and program-level financial analyses.

**Bellhouse Mwangi had been requested to nominate individuals to participate in NGO project design and evaluation but was unable to field credible candidates and therefore was not used to undertake such activities. Concerning proposal review, the evaluation team concluded from interviews with USAID technical offices that the Mission has had the in-house capability to technically review all NGO proposals received to date.**

**TABLE 1**

USAID/KENYA - PROFILE OF PVO CO-FINANCING SUB-PROJECTS (as of February, 1991)										
# NGO	CO-FINANCING FUNDING								NGO TOTAL BUDGET-91	TOTAL PERCENT USAID/YR
	USAID FUNDING	PVO FUNDING	TOTAL FUNDING	USAID/ YEAR	PERCENT PVO	START DATE	PACD	# OF MTHS		
1. TECHNOSERVE	236,253	235,253	471,506	157,502	50%	4-89	9-90	18	349,000	45%
2. SALVATION ARMY	321,300	166,464	487,764	160,650	34%	9-89	8-91	24	320,000	50%
3. KEN. FREEDOM FROM HUNGER	217,800	111,683	329,483	72,600	34%	9-89	8-92	36	1,040,000	7%
4. PLAN INTERNATIONAL	330,000	166,800	496,800	165,000	34%	9-89	8-91	24	2,000,000	8%
5. TENWEK HOSPITAL	252,100	196,330	448,430	126,050	44%	9-89	8-91	24	720,000	18%
6. CHOGORIA HOSPITAL	319,800	159,878	479,678	159,900	33%	9-89	8-91	24	1,200,000	13%
7. AFRICAN WILDLIFE FOUND.	164,000	94,600	258,600	82,000	37%	9-89	8-91	24	3,000,000	3%
8. VITA/CITC	332,829	166,001	498,830	83,207	33%	8-90	7-94	48	140,000	59%
9. FARMING SYSTEMS KENYA	324,100	174,890	498,990	108,033	35%	8-90	7-93	36	200,000	54%
<b>TOTAL</b>	<b>2,498,182</b>	<b>1,471,899</b>	<b>3,970,081</b>	<b>1,114,943</b>				<b>258</b>	<b>8,969,000</b>	
<b>AVERAGE</b>	<b>277,576</b>	<b>163,544</b>	<b>441,120</b>	<b>123,883</b>	<b>37.06%</b>			<b>29</b>	<b>996,556</b>	<b>29%</b>

**TABLE 2**

<b>USAID/KENYA'S PVO CO-FINANCING PROJECT BUDGET</b>						
<b>USAID EXPENDITURES</b>	<b>OBLIGATED (FY85-88)</b>	<b>PLANNED OBLIGATIONS (FY88-85)</b>	<b>TOTAL</b>	<b>ACTUAL AS OF 2-91</b>	<b>PERCENT OF FUNDS EXPENDED</b>	<b>PERCENT OF TIME ELAPSED*</b>
PVO GRANTS FUND	0	8,125,000	8,125,000	2,498,182	31%	56%
TRNG FOR INST. STRENGTHENING	0	600,000	600,000	215,356	36%	56%
Audits & Evaluation	0	150,000	150,000	15,295	10%	46%
PROJECT MGMT./PSCs	0	825,000	825,000	210,671	26%	39%
PROJECT MGMT./INST. CONTRACT	0	980,000	980,000	22,991	2%	46%
DONOR COORDINATION WKSHPs.	0	25,000	25,000	7,631	31%	46%
CONTINGENCIES	0	295,000	295,000	0	0%	39%
VADA	950,000	50,000	1,000,000	990,950	99%	100.0%
	950,000	11,050,000	12,000,000	3,961,076	33.0%	

Percent of time elapsed is based on financial projections contained within the 1988 Project Paper Amendment. It differs for various line items because of disbursement schedules: for example, no funding for the grants fund is available for the project's last two years. These calculations begin from Sept. 1988 when the PP Amendment was signed: the only exception is the line item for VADA. Total project life is 79 months (under revised PP Amend.), the project has been active since July 1988, 31 months.

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**Conclusion:** The project's IQC work order component has been used at a level far below that projected by either of the revised logframes. Expenditures have equalled only eight percent of what had been projected, and have also fallen significantly short in terms of numbers of work orders executed: only two have been completed and no others have been planned. A single IQC has been signed and its purpose limited to financial management assistance.

### **A.3. Training Component**

**Finding:** The revised Project Paper of May 1988 made available \$100,000 per year to fund between five and ten short-term trainees per year. This was slightly revised in the project's 1990 logical framework to a minimum of five trainees per year. As of February 1991, 24 participants had completed training at a total cost of \$215,356; the average cost per trainee has been \$8,973.

**Conclusion:** The project's training component is ahead of its targets in terms of number of participants, and operating almost exactly as scheduled in terms of funding obligated.

### **A.4. Workshops**

**Findings:** The 1988 Project Paper Amendment made available \$25,000 for a five year period to sponsor workshops. The 1990 revised logical framework left the available funding level intact but specified that one NGO workshop should be held each year for five years. To date, two workshops have been held. The first, "Getting to Know Your Grant," was held in FY89 to acquaint new grantees with USAID's requirements and procedures. The second, a monitoring and evaluation workshop, was held in FY90 to assist NGO grantees in designing and installing monitoring and evaluation systems that could be used as a basis for measuring project accomplishments and reporting those to USAID. Both of these workshops were designed and conducted by the Co-Fi staff. A third workshop, to address sustainability, has been planned for FY91.

**Conclusion:** The project has conducted two workshops, as was originally forecast. Thus far the workshops conducted have together cost about \$8,000, an amount very near to the \$10,000 that was projected.

## **B. An Analysis of the Project's Goal and Purpose**

The 1988 Project Paper Amendment stated the project's goal and purpose as follows:

**Goal:** "To increase the incomes, quality of life and self-reliance of the rural and urban poor whose development needs are otherwise inadequately served."

**"The purpose of the project is to increase the development impact of PVO activities in Kenya. Achievement of this purpose will promote viable national level PVOs activities, enable PVOs to more effectively assist local community organizations to achieve their developmental aims, and help local community organizations to guide, manage and sustain their own development better."**

In May 1990, the project's purpose was revised: "To assist PVOs in Kenya to increase their developmental impact by strengthening their institutional, implementation, and beneficiary outreach capabilities." (See revised logical framework, Annex E) The main difference in the revised purpose is that it added a focus on institutional strengthening and included a detailed set of performance indicators along with their means of verification.

### **C. Purpose-Level Indicators**

In 1988, the Co-Fi Office began installing a monitoring and evaluation system to track purpose level indicators. The system documents information at the following levels: 1) the degree to which the project is achieving its institutional strengthening purpose; 2) a measure of the project's ability to improve the sustainability of NGO grantees; 3) the degree to which discrete sub-projects are achieving their output level indicators; and 4) an aggregation of sub-project output-level indicators, which are mainly used as an indicator of the project's success in beneficiary outreach.

The indicators for the project's purpose are separated into the following three categories: beneficiary impact, institutional strengthening, and sustainability. Each of these classifications are analyzed below. Information concerning the project's achievements is drawn from the Co-Fi Office's own monitoring and evaluation system, most recently updated September 30, 1990.

#### **Beneficiary Impact**

Indicator: "Increase in the number of people benefitting from project interventions."

**Finding:** For each PVO sub-project, the Co-Fi Office keeps a record of the number of beneficiaries reached as compared to the target. This data supports the conclusion that all of the office's sub-projects seem likely to serve the number of beneficiaries they had been designed to serve. Indicators at the level of individual PVO projects are useful to monitor implementation progress and identify projects which may be falling behind.

The Co-Fi Office also aggregates the number of PVO project beneficiaries by classification of common indicators. These numbers, as of September 30, 1990, are listed below:

General Beneficiaries Reached:	to date	target
- households	1,750	4,840
- individuals	1,893	29,523
Individuals trained:	565	9,483
Health/Child Survival:		
# of at risk children weighed	814	3,400
# at risk mothers/child. immunized	2,249	10,640
Water:		
- households provided access to water	1,792	6,900
Agriculture:		
- households w/ increased production	2,051	7,400
Income Generation:		
-jobs created	30	40

**Conclusion:** Measured by the number of beneficiaries per individual sub-project, nearly all on-going sub-projects seem to be on schedule and likely to achieve their quantitative targets.

The beneficiary outreach numbers are useful as indicators of the general health of individual sub-projects and have been useful as reporting measures for USAID's semi-annual review of projects. However, the numbers do not provide an assessment of the project's EOPS (end of project status) of achieving "an increase in the number of people benefitting from project interventions," because the data does not include any indication as to how many beneficiaries were being reached by NGOs prior to receiving Co-Fi Project funding. (This could be the case if the number of beneficiaries per annum per NGO were identified for use as baseline data). Also, such aggregated numbers do not permit an analysis of accomplishments against elapsed time since indicators are aggregated for projects having different start and completion dates. Therefore, these beneficiary impact indicators are more a compilation of the project's outputs rather than a reflection of the degree to which the Co-Fi project's purpose is being achieved.

### **Institutional Strengthening**

**Indicator:** "A minimum of 75% of NGO projects with institutional strengthening objectives are using improved management, financial, and implementation systems: a) Timeliness of reporting from all levels; b) Ability to regularly meet budgetary and work plan targets."

**Indicator:** "A minimum of 75% of NGOs using evaluation in project planning and implementation."

**Findings:** The Co-Fi Office tracks the number of implementation reports due for each project against the number actually received. As of the latest reporting period, five of seven NGOs were on schedule in submitting implementation reports and two others each owed USAID one report. Additionally, the Co-Fi Office tracks percent of expenditures for each project against percent of elapsed life-of-project. The average project expenditures as of September 30, 1990 was 30.32% against an average elapsed time of 44.84%. Again, as with number of beneficiaries reached, these figures are most useful at indicating implementation progress for individual sub-projects.

Regarding the second institutional indicator, it seems all sub-projects have installed and are using acceptable monitoring and evaluation systems: all of the seven NGOs which received grants as of FY89 are now using evaluation in project planning and implementation. The evaluation team saw several examples of NGO monitoring systems being used to influence, or potentially influence, project implementation. These included the AWF-Uvumbuzi grant, in which it was clear that documenting progress against logical framework objectives prompted AWF to reassess their project's implementation process; and Plan International's upcoming evaluation, which will test its development hypothesis concerning the continuation of benefits over time. USAID's own monitoring system cites that seven of its first nine grantees are using evaluation in project planning and implementation; the two organizations not yet cited as doing so both began their USAID-funded activities in late 1990.

[In the course of the Co-Fi evaluation, the MSI team assessed, through its own methodologies, the degree to which the project has institutionally strengthened the NGOs that have received Co-Fi funding. These efforts are detailed in the section, "Co-Fi Project's Effects on NGOs."]

**Conclusion:** In general, as determined by the Co-Fi Office's own monitoring system, the interactions of the Co-Fi staff have had a positive influence on institutionally strengthening NGO grantees. Implementation reporting has been according to schedule, the ratio of expenditures to elapsed life-of-project is being tracked and, for the most part, has operated on schedule; and seven grantees (all of those having received grants as of FY89) are using evaluation in project planning and implementation.

### Sustainability

**Indicator:** "Linkages between NGOs (local and U.S.), GOK, industry and donor community established and operational: a) number and types of relations established between NGOs; b) number of project components integrated into existing GOK infrastructure; c) examples of resources linkages with local industries and donor agencies."

**Indicator:** "Fifty percent of project activities to continue after USAID funding: a) community assets established with maintenance plans prepared; b) beneficiaries trained under project continuing activities; c) NGO has operational budget and implementation plan to continue the activity."

The Co-Fi Office has not yet collected information concerning the first sustainability indicator, the linkages between and among NGOs, government and industry. It was clear to the evaluation team, however, that several agencies were able to diversify their sources of funding as a result of receiving a Co-Fi grant. As in other countries where MSI has conducted USAID PVO Co-Financing evaluations, MSI was told by Kenya's NGO community that it perceives USAID as the most demanding donor. Thus there is a feeling among NGOs as well as donors, that securing a USAID grant marks a local NGO as competent and professional, and therefore makes it easier to secure funding from other sources.

The second sustainability indicator, (projects continuing after USAID funding) is difficult to measure and would require the Co-Fi staff to conduct evaluations beyond the termination of USAID funding. This has not been planned, nor has information yet been collected regarding the amount or value of the community assets established.

Finally, the sustainability of the NGO, rather than the project, can not be addressed until "NGOs receiving USAID assistance, for those receiving over twenty-five percent of their budget from USAID, decrease the percentage of their annual operations budget supplied from USAID over time." In table 1, "Profile of PVO Sub-Projects," MSI examined the percentage of each grantee's operating budget which was annually supplied through the Co-Fi Project. Four of the first nine grantees depended on USAID for more than twenty-five percent of their annual operating budgets. However, two of these agencies were relatively new and, among new grantees, this is not necessarily bad as long as dependency is reduced over time.

**Conclusion:** The evaluation team questions the utility of the above indicators for measuring the project's institutional strengthening impact. As no information has yet been collected by the Co-Fi Office, nor was the evaluation team able to collect any, it could not be determined to what degree the project was meeting its sustainability objective as measured by the Co-Fi Office's indicators.

**Recommendation:** USAID should consider the following as institutional strengthening indicators: 1) expanded beneficiary outreach over time; and 2) increased and diversified sources of revenue. These institutional strengthening indicators reflect an organization's ability to produce outputs that are valued by their clients (beneficiaries) as well as by the supporters of their programs (donors, fee-for-service clients). Increasing and diversifying revenue sources reflects competence in an NGO's ability to efficiently manage resources and deliver outputs (services) valued by society. If these aforementioned criteria are met, then there is a high probability a given NGO will be able to exist and function over the longer term.

At the project's output level, the beneficiary outreach numbers of individual USAID-funded sub-projects should continue to be used as an indication of project implementation status as should timely and acceptable financial and implementation reporting.

#### **D. USAID's Effects on NGOs**

Despite the limitations of the project's purpose level indicators to reflect progress (as cited in the previous section), the evaluator team collected and analyzed additional data to indicate to what degree the Co-Fi project is meeting its institutional and sustainability objectives. When visiting NGO field projects the evaluation team analyzed a series of factors to determine how much the Co-Fi project was institutionally strengthening its partner NGOs. This included assessing the strengthening of financial and management systems, the impact of the project's training component on strengthening staff skills, and the NGO's ability to diversify funding subsequent to securing a Co-Fi grant.

The Co-Fi Office works closely with NGOs to assist them develop projects which will be acceptable to, and worthy of, USAID support. This assistance takes many forms and has included assistance in designing projects, setting up or modifying financial management systems to assure proper accountability of USAID funds, meeting USAID registration requirements, and designing and installing meaningful monitoring and evaluation systems. Each of the Co-Fi Office's interventions to assist NGOs who are potential grant recipients is examined in this section.

The following are assessments of various interactions between the Co-Fi Office and its NGO grantees.

##### **D.1. Logical Framework Project Design Requirement**

Each NGO that receives a Co-Fi grant is required to document their project's design in a logical framework format. Currently, this occurs following approval of a concept paper and prior to constructing a full-length proposal. In order to facilitate this process USAID sends an information packet to the applicant NGO describing the logical framework and the process of constructing one. Following this, a Co-Fi staff person, generally the PVO Co-Fi Project Manager personally meets with the respective NGO to assist them in designing a logical framework for their proposed project.

##### **Findings:**

- Nine of ten NGOs currently receiving grants cited the logical framework requirement as being useful in enabling them to design better projects although half (5) stated it was difficult or somewhat difficult; Chogoria Hospital found it not to be so useful, but the evaluation team observed that their project's logframe had a poorly stated purpose which only reiterated project outputs (as did the logframe for Plan International's borehole project).

- The information packet sent out to describe how to construct a logical framework was useful, but not adequate to enable NGOs to meet this requirement satisfactorily.
- In-person discussions with Co-Fi staff were very useful to assisting the NGOs to conceptualize project design and construct the logical frameworks.
- The logical frameworks have provided grantees a structure for developing a monitoring and evaluation system and have been used in this regard.
- Several of the NGOs spoken with stated that they either have, or will, use the logical framework to conceptualize their design of future projects. (Plan's water engineer stated that, since having done so for USAID, he has used the logframe to conceptualize and design a project which was submitted to and approved by UNICEF.)

**Conclusion:** NGOs have found USAID's Logical Framework project design component a useful tool for conceptualizing and designing high quality projects, although they have not found the process to be easy.

**Recommendation:** The requirement that NGOs use the logical framework to conceptualize and display their project's design should be continued without exception. Particularly for first time grantees, this assistance should be provided through a tutorial and collaborative person-to-person process.

## **D.2. Training Component (U.S. and Third Country)**

The following is the purpose of the project's international training component, as documented in its participant nomination form:

"...to increase the institutional capacity of NGOs in Kenya to design and implement successful development activities. Through such training, if adequate opportunities are unavailable locally, a small number of Kenyan personnel in participating NGOs will be selected and sent for training internationally. USAID will pay half of the trainees airfare and all tuition and maintenance fees. These training programs will be short-term, normally no longer than three months. Participating NGOs must show evidence of registration with the Government of Kenya."

The Co-Fi staff informs NGOs of the existence of the training component both informally and formally, such as through announcements at workshops. If an NGO is interested, and believes it can satisfy the basic criteria set forth above, it submits a simple application which documents the nominee's profile, education status, work experience, NGO profile, and the nature of the training opportunity desired. Upon receipt of the application, the HRD Director, the Co-Fi Project Manager and the USAID Training Officer meet to decide whether or not the candidate meets the selection criteria and then make a final decision after personally interviewing all candidates.

Initially, many of the training participants were recommended to the Co-Fi office by other technical offices, particularly Population and Health. And, when interested, the technical officers are also given the opportunity to review the applications of individuals from their sector of specialty.

Once a candidate is approved, the project's training component is principally administered by the HRD Training Officer. It is up to the candidate, or the candidate's organization, to select the training venue. If the candidate is not sure which institutions offer courses in the desired subject, then the Training Officer will help to identify options. The Co-Fi Project has no limitations on the number of participants that can be sponsored from a single organization.

**Findings:** The evaluation team interviewed seven of the twenty-four participants who have thus far completed short-term overseas training (see Table 4 for a complete listing of participants). An overview of basic information for all of the Co-Fi project's returned participants is in Tables 3 and 4.

**TABLE 3**

<b>PVO CO-FINANCING'S TRAINING COMPONENT (FY1989-90)</b>					
<b>ANALYSIS: BY SECTOR OF TRAINING</b>					
<b>SECTORS</b>	<b>TOTAL TRAINED</b>	<b>M</b>	<b>F</b>	<b>USA</b>	<b>NON-USA</b>
ADMINISTRATION	1	1	0	1	0
AGRICULTURE	2	2	0	1	1
ENTERPRISE	1	0	1	1	0
ENVIRONMENT	5	3	2	5	0
HEALTH	12	1	11	9	3
HUMAN RIGHTS	1	1	0	0	1
MANAGEMENT	2	1	1	2	0
<b>TOTAL</b>	<b>24</b>	<b>9</b>	<b>15</b>	<b>19</b>	<b>5</b>
TOTAL TRAINED = 24					
PERCENT FEMALE = 63%					
PERCENT IN U.S. = 79%					
TOTAL COST = \$215,316					
AVERAGE COST = \$8,973					

TABLE 4

PVO CO-FINANCING'S TRAINING COMPONENT							
NAME	NGO	TRAINING SECTOR	COUNTRY	SEX	STATUS	FY	OBLIGATIONS
1 OTUNGA	*AMREF	HEALTH	NIGERIA	F	RETURNED	89	5,210
2 OBWAYA	CORAT	HEALTH	NIGERIA	F	RETURNED	89	5,210
3 KARAMBA	TOTOTO	Enterprise	USA	F	RETURNED	89	5,029
4 OKELLO	*AMREF	HEALTH	USA	F	RETURNED	89	9,087
5 MWAMODO	*MKOMANI	HEALTH	USA	F	RETURNED	89	9,087
6 MUGUIYI	*KENGO	ENVIRONMENT	USA	F	RETURNED	89	10,872
7 MBAE	**CHOGORIA	Health	USA	F	RETURNED	90	9,315
8 OSSOME	*WAMAMA	MANAGEMENT	USA	F	RETURNED	89	9,890
9 GITHAIGA	*WORLD VISION	HEALTH	USA	F	RETURNED	89	12,698
10 ONCANGA	WCK	ENVIRONMENT	USA	M	RETURNED	89	8,519
11 NGULI	WCK	ENVIRONMENT	USA	M	RETURNED	89	8,519
12 MBUTISI	**TECHNOSERVE	AGRICULTURE	SWAZI	M	RETURNED	89	9,219
13 ORAGO	KENYA CONSUM.	HUMAN RIGHTS	THAILAND	M	RETURNED	89	2,178
14 ABOLI	*MANOR HOUSE	AGRICULTURE	USA	M	RETURNED	89	9,940
15 KOYIET	*AMREF	HEALTH	USA	F	RETURNED	90	8,524
16 NDIRITU	KCS	HEALTH	USA	F	RETURNED	90	12,800
17 LWENYA	NTCC	HEALTH	USA	F	RETURNED	90	8,500
18 MUTINDWA	**CHOGORIA	ADMINISTRATION	USA	M	RETURNED	90	13,000
19 ONGILI	AKHS	HEALTH	USA	F	RETURNED	90	10,327
20 WAFULA	*KENGO	ENVIRONMENT	USA	F	RETURNED	90	10,459
21 MUTUNGA	MYWO	HEALTH	USA	F	RETURNED	90	9,598
22 ARUWA	CIIS	MANAGEMENT	USA	M	RETURNED	90	12,131
23 ARUM	*KENGO	ENVIRONMENT	USA	M	RETURNED	90	8,044
24 SIKA	*CRS	HEALTH	PHILIPPINES	M	RETURNED	90	7,200
						Total =	215,356
						Average =	8,973
<p>* individuals from NGOs that submitted concept papers (14 of 26 participants)</p> <p>** from NGOs that received USAID Co-Fi grants (3 of 26 participants)</p> <p>Note: 2 participants are from NGOs that did not receive a grant but did receive technical assistance from Bellhouse Mwangi - these firms are Manor House &amp; Mkomani.</p>							

The evaluation team's basic findings concerning the project's training component are as follows:

- 24 trainees participated in this project component to date: 14 from NGOs which have applied for grants; three from NGOs that have received grants; and two from organizations that had received assistance from the IQC firm.
- Of the 24 persons completing training: 15 were female (63%); 19 received training in the U.S. (79%); and the average obligation per trainee was \$8,973.
- Twelve of 24 participants received training in the health sector followed by five in the environmental sector. No other sector had more than two trainees.
- Of the seven returned trainees interviewed by MSI, all stated the training was useful to improving their on-the-job performance and two had received promotions since completing training. All seven were still working for the organizations that had sponsored their training.
- Of all the trainees interviewed, none had difficulties securing funding to pay for half their air fare, as is required, nor did they feel the requirement was impractical.
- Five of the seven trainees interviewed mentioned that it could be advantageous (in terms of financial and time efficiency) to permit the project to support in-country training when possible.
- The Co-Fi and other HRD staff involved in the project's training component are satisfied with the way it is currently structured and managed.
- The most participants from a single organization were three, from both KENGO and AMREF, neither of which has yet received a Co-Fi grant.

**Conclusion:** The project's training component has enabled NGO participants to gain skills that are useful to their organization's management needs, but training has been only peripherally tied to sub-grants. The current management structure of the training component is satisfactory to all parties involved.

**Recommendation:** The project's training component should continue to be managed as per current procedures but assistance should be linked more closely, but not exclusively, to USAID grantees (Co-Fi and otherwise). Also, USAID should consider allowing the funds to be used to support in-country training (perhaps with a requirement that one-third of the training cost be supplied by the candidate or their organization). Because a few organizations seem to be repeatedly nominating training candidates, USAID should consider limiting the number of participants from a single organization over a given period of time in order to avoid future misunderstandings and benefit the maximum number of organizations. (For example, no more than four individuals from an

organization which has not received a Co-Fi grant may be sponsored for training in any three-year period, or no more than five from an NGO which has received a Co-Fi grant.)

### **D.3. Use of the IQC Firm**

As was discussed earlier, the IQC has been used twice to date -- less than anticipated due primarily to the narrow range of expertise possessed by the current contractor. The current IQC firm has been unable to provide the full range of services as envisaged by the Project Paper because the contract was competed as a financial management IQC. This section (based on interviews with the IQC firm's staff, representative staff from the firms which received assistance, and the Co-Fi Office's contract manager) focusses on the effect of the IQC assistance on the recipient NGOs.

#### **Findings:**

- The IQC firm of Bellhouse Mwangi has completed two work orders for USAID, one each with Mkomani Clinic and Manor House Agricultural Center.
- The two NGOs thus far assisted have found the studies done by the firm to be extremely valuable and have already implemented many of the recommendations.

Mkomani Clinic immediately implemented the personnel, procurement and accounting procedures, and stated, that for the first time, due to the analysis provided in the feasibility study, they are confident they can ensure the future of the organization by implementing the report's recommendations to improve their long-term financial viability.

Since receiving assistance from Bellhouse Mwangi, Manor House has been able to meet USAID registration requirements. It has already submitted one proposal to the Co-Fi unit for funding (which led to the Co-Fi Office's management assessment which recommended the IQC assistance), plans to submit another, and is confident that it now has the systems in place to manage USAID funds.

- The current IQC contract expires in the summer of 1992.
- As previously mentioned, the range of skills of the current IQC firm does not include evaluation or project design skills.

**Conclusion:** The work of the IQC firm, mainly related to strengthening organizational capabilities and increasing prospects for long-term sustainability, has been of high quality and has been extremely useful to the two NGOs which received assistance. However, the full range of services that were originally envisaged and are currently needed to complement the organizational and technical skills of the Co-Fi staff, including project design and evaluation, have not been available because the Office did not solicit for a broad range of skills but limited the solicitation to financial management.

**Recommendation:** The IQC firm offers an extremely valuable service to NGOs and its use should be expanded, perhaps dramatically. However, the skills of the current IQC firm, however valuable, are too narrow to provide NGO grantees the range of services needed to support their institutional strengthening. In addition to conducting financial analytic studies, IQC services should also include assistance with project design and evaluations; ideally, all of these services could be attained from a single firm through a request for proposal process. If it is not possible to attain all of these services from a single firm then a separate contract should be awarded to provide NGOs technical assistance with project design and evaluation, and to assist the Co-Fi Office with project management as necessary, while Bell House Mwangi should continue to be used to provide financial analysis and management systems design and installation.

#### **D.4. USAID NGO Workshops**

It was the Co-Fi Office's intent, as stated in their revised logical framework of May 1990, to sponsor one NGO workshop per year. Over the past two years the Co-Fi Office has itself conducted two workshops; "Getting to Know Your Grant" and a workshop on evaluation. A third workshop is currently being planned for late 1991 on sustainability.

#### **Findings:**

- Seven of eight NGOs whose field projects were visited had attended the monitoring and evaluation workshop. Of those seven, four stated the workshop had a positive impact on the operations of their organizations and the other three stated that it had some good effect. Comments on this issue indicated the workshop was useful in providing an overview explaining both the how and why of the requirement. Many participants also indicated it provided them with a better appreciation for, and understanding of, the logical framework required by USAID in the project design process.
- Several workshop participants stated that the workshops were useful to acquaint them with other NGOs working on similar projects (networking).

**Conclusion:** Workshops have been perceived as extremely useful both for improving NGO management capabilities as well as for maintaining a positive image of USAID. The monitoring and evaluation workshop was particularly valuable because it complemented the project design/logical framework process and informed the NGOs of why USAID requests the information it does.

**Recommendation:** Evaluation workshops should continue to be periodically offered to new grantees, perhaps every second year, and other workshops should be offered as requested by NGOs, or as initiated by the Co-Fi staff with NGO concurrence. If the subject matter warrants, USAID should consider, but not more than once per year, bringing in groups from outside the country to conduct the workshops as it would be more cost effective than sending numerous participants outside the country.

## **D.5. Financial Reporting Systems/Requirements**

The Co-Fi Office currently requires financial reports to be submitted monthly for those NGOs (the majority) operating on a cash-advance basis. However, the system is not constrictive in that an NGO has at least two months to liquidate and account for prior advances. For example, if an NGO receives their first cash advance in January, they are not required to report on it until March. In the interim, they will have already received advances for February and March (to be reported on in April and May).

### **Findings:**

- All of the NGOs interviewed had staff on-board who possessed the necessary skills to generate the financial information required by USAID without undue effort.
- Three of seven NGOs visited in the field said USAID requirements and assistance had helped them to improve their financial management systems; three said involvement with USAID had no effect in this area, these included Plan International and African Wildlife Foundation, both of whom have been managing USAID grants for many years.
- Both Kenya Freedom from Hunger Foundation (KFFH) and Chogoria Hospital had difficulties completing financial reports on time but this seemed to have mostly to do with overextended staff or staff turnover.
- USAID's controller as well as the Co-Fi officer in charge of finances were completely satisfied with the financial system and requirements as currently structured and managed.
- In cases when NGOs had questions or difficulties regarding financial management and reporting, they received personal assistance from the responsible Co-Fi staff person, which the evaluation team was told had always been helpful and timely.
- Although several NGOs mentioned it would be more convenient for them to submit financial reports quarterly, rather than monthly, it is a USAID regulation that no more than one month's advance can be granted, and for this to occur the NGO must submit a detailed budget of project activities covering the advance period. Thus, all NGOs operating on the cash advance system -- which are nearly all the project's Kenyan NGOs -- must submit financial projections monthly; it then becomes logical that they should also liquidate prior advances on a monthly basis.
- It is a Government of Kenya requirement that in order to receive a tax exemption (which is a requirement to be registered as an NGO with the GOK) an organization must account for finances on a monthly basis.

**Conclusion:** The current financial reporting requirements/system works well to monitor accountability of USAID funds and prompts fiscal responsibility on the part of NGOs without being onerous or unreasonable. However, a few NGOs did not seem adequately staffed to routinely generate the reports without aggravation.

**Recommendation:** The current system's requirements and procedures should be continued without modification. When conducting management assessments of future grantees, the Co-Fi staff should continue to examine NGO's staffing vis-a-vis the increased financial management work that the grant will generate. In cases when it would seem that an NGO's financial staff may become overextended, USAID should encourage the NGO to include financial management costs in its project proposal to ensure reporting requirements do not divert staff from existing responsibilities.

#### **D.6. Monitoring and Evaluation of Sub-Projects**

##### **Findings:**

- All NGOs receiving Co-Fi grants had installed and were using acceptable monitoring and evaluation systems; understood why such systems were important, both to USAID and for themselves; and believed that USAID's requirements provided them a better sense of project achievements.
- All NGOs reported that they routinely receive feedback from USAID concerning their progress reports. This communication is often by letter but telephone conversations are also frequent; a few NGOs stated they talk to the Co-Fi staff as often as once a week. NGOs were asked if the reporting feedback they receive from the Co-Fi staff is primarily concerned with reporting formats or with the substance of their development activities; five of seven respondents stated feedback has primarily to do with substantive development issues. These respondents also stated the Co-Fi staff's inquiries prompt them to take a more critical look at their own work, and approaches to development, than would otherwise be the case and this has contributed to constant reexamination and improvement of on-going efforts.
- Eight of the ten NGOs stated their projects either had a good possibility, or were very likely, to achieve designed objectives, and that their monitoring systems enabled them to make this assessment. Two NGOs stated that it was too early to determine if their projects would have the desired outcomes.

**Conclusion:** Requirements that NGOs install a monitoring and evaluation system based on their logical framework project design have provided NGOs with a simple and useful method for measuring their progress towards accomplishing objectives. This requirement is a logical reinforcement, both conceptually and sequentially, to project design requirements and processes.

**Recommendation:** USAID continue with, and refine as necessary, its current process of assisting and requiring that NGOs install a monitoring and evaluation system to track output- and purpose-level indicators as stated in their project's logical framework.

#### **D.7. Leveraging and Diversifying of Funding**

**Finding:** Several agencies involved in the Co-Fi Program have used their USAID grants to solidify their overall funding situation. FSK reported that one of its earlier donors, which had withdrawn funding for some time, reestablished its grant to FSK because of FSK's performance in getting USAID funding and the new dynamism subsequently introduced into FSK field operations and management systems. Plan International reported that systems and documents used to secure its USAID grant were also used to persuade UNICEF to provide substantial support. The leadership of Tenwek Hospital indicated that USAID support for their new undertaking of income-generating agricultural outreach activities would enable them to raise funds from new donors. Meanwhile, Chogoria Hospital stated it was sure that the USAID grant, which was to help defer recurring costs by building some key income generating facilities, would impact on the hospital's balance sheet for years to come.

**Conclusion:** USAID has already had a good effect on the fundraising and financial status of many of its present grantees.

**Recommendation:** USAID should continue to seek to directly and indirectly encourage the diversification and leveraging of NGO funds resulting from its grants by maintaining high standards for its support, seriously considering unusual grant formulations such as that from Chogoria, and encouraging (as is proposed in USAID's next workshop session) agencies to think about sustainability.

#### **E. The Co-Fi Project's Role and Strategy within USAID/Kenya**

**Findings:** The Co-Fi project operates across the range of technical sectors supported by the Mission and to operate effectively is therefore dependent upon the cooperation of a wide range of Mission staff. Technical officers, Project and Program officers and financial and legal staff are all involved in the review of NGO proposals, and to some extent "follow" projects once approved.

The evaluation team found that many of the Mission staff were uncomfortable about their involvement with the Co-Fi project. The hesitation did not come from anything inherent with the idea of working with NGOs. More than many other Missions with which the MSI team is acquainted, USAID/Kenya relies on NGOs as implementors of its development strategy. As earlier indicated, many staff are involved directly with NGOs

in the implementation of their sector-specific responsibilities in addition to their involvement with the PVO Co-Fi Project.<sup>5</sup>

Nor did the discomfort arise from concern that NGOs are of little importance to Kenyan development. When USAID staff were asked the question, "How important are NGOs to the development of Kenya?" 17 of 18 responded, "very important." Reasons given were varied. Most often cited was that NGOs could deliver services directly to people in need. Additional frequent responses were that NGOs had the capability to increase participation and the mobilization of community resources and to demonstrate new approaches or develop flexible responses to real problems. Other staff characterized NGOs as able to make the GOK feel pressure to perform, to enter into a policy dialogue with government, to advocate for societal change, press for pluralism, and decrease tribalism. Finally, a fair number of staff mentioned as important NGO contributions related to donors: to increase the outreach of donor programs, to allow donors to by-pass government and go directly to the people, to fill gaps in donor programs, to have a way to know Kenyan realities outside of bilateral arrangements, and to develop entities that will represent stable and long-term commitments to communities after donors finish sector-specific funding.

The latter donor-related responses revealed some of the tension revolving around the Co-fi project. When asked essentially the same question as above but placed in the context of the importance NGOs have in meeting USAID's strategic objectives, well over half of the staff answered "very significant." However, most of USAID's technical staff added that in saying so they meant their response applied only to NGOs supported by technical offices to achieve sector-specific objectives.

The tension about what the Co-Fi project is and is not can also be seen in responses to the question, "What, if anything, are the advantages or particular opportunities offered to USAID by having the Co-Fi staff and project?" USAID staff responded as follows (in rough order of frequency) that the Co-Fi project:

1. provides opportunities to work beyond the limitations of Mission's regular projects and/or allows Mission to relate to strategic objectives and fill gaps in programs, all in a people-oriented way;
2. provides the only way for USAID, without major risks, to explore operating in new sectors or experiment with innovative approaches in present sectors of interest;
3. provides a means to focus on NGOs as such; to develop or strengthen their latent capacity to serve a wide range of development interests;

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<sup>5</sup> A rough estimate of each technical sector's involvement with NGOs is as follows: Health and Population, about 50% allocations are channeled through NGOs; the Private Sector Office, about 30-35%; and for the Agricultural Office, 10%-15%.

4. offers the Mission direct sources of information and contacts with an important force in Kenyan development and, hence, with Kenyan "development realities;"
5. allows Mission to improve relations with mainly Kenyan NGOs but also gives some latitude to deal with pressures from and interests of USPVOs; it has PR value;
6. it offers no particular advantages or opportunities (one person).

The Co-Fi Project seemed many things to many people, and few appeared certain exactly what the project was supposed to accomplish.

A study by the evaluation team of what has been written about the project's *raison d'être* did not do much to elucidate the issue. Both the original PP in 1985, and the PP as revised in 1988, describe the purpose as "to increase the development impact of PVO activities in Kenya. Achievement of this purpose will promote viable national level PVO activities, enable PVOs to more effectively assist local community organizations to achieve their development aims, and to help local community organizations to guide, manage and sustain their own development better."

In 1990 the logical framework for the project was amended in the form of an Action Memo to the Director, USAID Kenya. The new purpose was similar to earlier versions (but included detailed performance indicators): "To assist PVOs in Kenya to increase their development impact by strengthening their institutional, implementation and beneficiary outreach capabilities." The EOPS indicators carry these themes through but add a measurement of "sustainability" and this is defined as project activities continuing after USAID funds are withdrawn, as well as expanding the number of beneficiaries reached.

The Action Memo discusses at some length the new EOPS, and revised outputs, evaluation of individual sub-projects and the overall project level, and the implications of these for project implementation. The document, like its earlier versions, does not however, distinguish the types of NGOs or activities of greatest interest to USAID under the project, nor is the logical framework designed to exclude any particular NGO activity. It is silent on whether activities should be mainly related to USAID strategic objectives or not.

In practice, we were told, certain activities are excluded; for example the USAID Co-Fi Unit did not entertain proposals for projects in the education sector, or anything that focussed mainly on research. Within the Co-Fi Office, some told the evaluation team that in order to be approved, sub-projects should fall within the Mission's strategic objectives, and all of the grants to date seem to loosely fit within those areas. However, this was not clear to Mission staff outside of the Co-Fi Office, nearly all of whom had difficulty describing the project's rationale and intent.

The Mission's most recent strategy statement, the Country Program Strategy Plan (CPSP), also did not resolve confusion between USAID's specific-sector interest in working with NGOs, an involvement about which the CPSP was very clear, and the role the Co-Fi project was designed to fill.

Sections of the CPSP pertaining to the Mission's view of NGOs in terms of strategy were extracted and studied by the MSI team. In summary the CPSP says that, "NGOs present opportunities for flexibility and experimentation with new ideas and approaches to development that help keep USAID's assistance current and responsive." It adds in another section, "Time, effort and small but important amounts of financial resources will be provided to develop and sustain NGO ... cooperation in the strategic objectives of this CPSP and to assist them in accomplishing their own strategic objectives. NGOs are a major development force in Kenya, working in every geographical and functional area ... and reaching vast numbers of people."

The CPSP points out that USAID relies heavily on NGOs in various technical areas and adds that, "USAID plans to continue efforts to improve NGO institutional capacities and the quantity and quality of services, particularly in areas directly related to USAID strategic objectives." This is immediately followed by two sentences which appear to begin to set a new track, perhaps for Co-Fi, but then take it back: "The Mission also proposes to continue to maintain flexibility to support and strengthen NGOs working in important areas that may be outside the scope of specific USAID targets but are still supportive of strategic objectives and development goals" and "NGOs offer opportunities for USAID to influence and make a contribution to development in areas in which the Mission is not directly involved but which greatly affect the accomplishment of the goals and objectives described in Section V.B." (V.B. is the section describing the Mission's desire to increase contraceptive prevalence, increase agricultural productivity, and increase levels of private investment.)

No where did the MSI team hear or read anything which actually defined (literally, to set between ends) the Co-Fi project and distinguished it from how the Mission is already working with NGOs, assumedly with more efficiency, direction and force. From what USAID staff said, without such definition the operation of the project is problematic.

Before we give some ideas on definition arising from what we were told by USAID staff, one more thing that became clear about a strategy for such a project should be mentioned. Whatever operational precepts are finally decided upon, and by whatever means, these will have to satisfy two "camps" within USAID: those who want the project to be extremely flexible and be able to pursue "targets of opportunity" and those who want the project to be sufficiently "tight" to know with some certainty what belongs and what doesn't, in a way that can eventually be measured. A definition, strategy or policy regarding Co-Fi will also have to provide context for answering the following questions which surfaced in the SOW for this study and/or were mentioned by staff during interviews:

To what degree is the project open to both U.S. and Kenyan NGOs?

Should the Co-Fi Unit remain reactive or become more proactive?

To what extent should the project be examining and possibly promoting groupings of smaller Kenyan organizations under consortia or foundation arrangements?

Should the project provide support for collaborative research on broad development concerns between Kenyan researchers and Kenyan NGOs?

**Conclusion:** Although favorably inclined toward continuing the Co-Fi project as a supplement to the Mission's relatively heavy sector-specific involvement with NGOs, Mission staff are not in agreement about exactly what the Co-Fi project is supposed to be doing and why; consequently the criteria for selection of sub-projects are unclear. For the project to function effectively this confusion must be overcome. The Co-Fi project should be distinguished from other Mission NGO activities, be seen as an important initiative for selected NGOs key to Kenyan development, and be allowed to move forward with increased energy and dispatch.

**Recommendation:** A strategy for the Co-Fi project should be quickly developed and articulated to all concerned within USAID, and among the NGO community. This could take the form of an altered project design (logical framework) and/or a policy statement concerning what the Mission hopes to accomplish with the project and why.

It is suggested that Co-Fi, more than other projects, should concentrate not on the substitution of NGOs for government services, but on NGOs as a potent force for mingling direct services, modernization approaches or advocacy, and participation/community involvement methods that seek to change existing socio-economic conditions. The following logical framework statements are recommended to provide a starting point for shaping the project's redesign.

**GOAL** - To support the decentralization of Kenyan development, enabling decisions to be made and managed closer (both geographically and politically) to their implementation arena.

**PURPOSE** - To strengthen the ability of (mainly) Kenyan NGOs to initiate and manage development activities which productively benefit Kenya's poor majority.

Such a goal statement would lend itself to support some projects connected with the type of democratic pluralism initiatives that the new AID Administrator and the U.S. Ambassador are interested in, along with other projects of the type already covered under Co-Fi at present.

The above purpose statement would enable the project to be more directed than is currently the case and would allow meaningful criteria to be developed to guide, with precision, sub-project selection. The following conditions could be applied to further clarify the project's intent:

1. The strengthening of the capacity of mainly Kenyan NGOs to deliver services, demonstrate new approaches or methods, advocate for change, or do research over the long-term.
2. USPVOs would be considered for funding only if the programs they proposed included a substantial partnership with a Kenyan NGO. In some cases, as explained later in this paper, there may be reasons for Co-Fi staff to actively promote the idea of such USNGO-local pairings, or the partnership of registered local or USNGOs with unregistered local NGOs.
3. The only exception to the above USNGO rule might be if a USNGO proposed a program designed to reach a particularly under-served (by government or NGOs) group in a remote (or urban squalor) region, especially where such agency has in mind to eventually "Kenyanize" its activity.

The EOPS of such a design would concentrate mainly on institutional strengthening, the ability of USAID to improve an organization's capacity to serve its constituents over the longer term by both improving and possibly expanding its service delivery capabilities, and by enabling the organization to identify and meet its financial requirements.

## **F. The Project's Management**

### **F.1. Workload and Efficiency**

**Findings:** That too much time spent by USAID staff on the Co-Fi project might be a problem was clear from the SOW for this study and in HRD's "Management and Implementation Issues Identified by PVO Co-Fi Team," of January 30, 1991. It stated "We know that there is some concern regarding the amount of time they [the Project Review Committee, PRC] are asked to take in reviewing concept papers and proposals and we have recently taken some steps to reduce that time burden." The SOW did not ask directly about the NGOs' perception of USAID's process, nor did the management paper. A number of USAID staff did, however, express concern about the effect the project's process has on participating NGOs. The evaluation team looked at the matter of workload and efficiency both within the Mission and among NGOs.

Interior to the USAID/Kenya Mission:

USAID staff is relatively heavily involved in the project. In an informal survey, the team asked 23 USAID staff, (all of whom were known to have had some involvement with the Co-Fi Project) for estimates of time given to NGO management generally, and to the Co-Fi project in particular. The results:

- Overall time spent with NGOs: 36%

- Of this 36% of the overall Mission staff's time spent on NGOs: 51.5% was Co-Fi related and 48.5% was non-Co-Fi related.
- Excluding the HRD staff, many of whom spend over 80% of their time on Co-Fi, it appears non-HRD staff spent 27% of their time on NGO projects; of that time nearly 70% was spent on non-Co-Fi projects and 30% on Co-Fi related work.
- The Co-Fi project represents an estimated 7% percent of the Mission's financial involvement with NGOs (about 33% of the Mission's OYB in 1990 was channeled through NGOs) but absorbs over half of the total staff time given to NGOs among the 23 staff people surveyed (which of course included the three Co-Fi unit staff who spend almost all their time on Co-Fi). Among the non-HRD staff interviewed approximately 30% of the time they devote to NGO matters is to Co-Fi.

When asked about the main challenges facing the Mission in terms of running the Co-fi project, by far most frequently mentioned was the need to make the process of screening and selecting NGO activities more efficient (less time consuming) for USAID. This was supplemented in a few cases by comments to the effect that a challenge to running Co-Fi was, for example, "to get the process off our backs" or "to get the whole project, whatever its objectives, out of USAID and into the NGO community."

A fair number of respondents cited as a main challenge finding an operating style and attendant processes that get resources to NGOs efficiently and then..."let them do their own thing" or to change the perceptions of NGOs so that they think of USAID as a partner with tough but rational processes that can be useful to the NGOs and are not just there to satisfy USAID requirements." As indicated earlier in this report, many NGOs involved with the Co-Fi Project do consider USAID as tough, rational, and requiring useful processes. However, many NGOs also said that after USAID helped them to get off to a good start, they then micro-managed the activities.

When asked whether they considered the use of their time on the PVO Co-Fi project practical, well over half of the technical staff responded "no."

MSI looked at the process of grant screening and selection to get a sense of the number of formal interactions by USAID with NGOs since the revised Project Paper was signed in May 1988. This indicated the following:

- Number of NGOs expressing formal interest in USAID funding and/or a concept paper: 52
- USNGOs applying: 14
- Kenyan NGOs applying: 38, of which 32 were not registered with USAID upon applying. (This makes the consideration of such applications considerably less efficient. See discussion of registration in section titled "NGOs Involved With USAID's Co-Fi Project" below). Registration status is mentioned because the

evaluation team thought that the number of agencies not registered made the consideration of grant approval considerably less efficient and contributed to the PVO office being unable to disburse grant funds at levels corresponding to availability.

- Number and percent of total concept papers rejected before they were ever brought before the PRC: 31 or 60%.
- Number and percent of concept papers brought before the PRC at least once: 21 or 40%.
- Number of NGO grants resulting from above process: 9, only 4 in the past 18 months. (At the time of the evaluation, the Co-Fi unit was in the process of formally considering another 7 NGO activities, one in the proposal stage and seven in the concept paper stage.)

The numbers cited above represent only the formal "play" of the Co-Fi project with NGOs. In fact the Unit deals with many inquiries from NGOs (and much else) that would never appear on such a list. (See Table 5 on the following pages for a listing of the PVO Co-Financing Project's interactions with NGOs.)

Such a list also under represents the degree to which USAID technical and other staff are involved in Co-Fi matters. The list covers only formal PRC consideration of concept papers and, if these are approved, the proposals are then put forward for final consideration. In an estimated half of the cases where concept papers were never put before the PRC, there were consultations between Co-Fi staff and technical officers. Those headed for PRC consideration are of course read by most members of the committee, and commented on before the formal deliberation. Finally, we found that technical staff were also occasionally called upon for advice during implementation of NGO activities, although this did not seem to involve any intensive amount of time.

In recent months the Co-Fi Unit has taken steps to pre-screen concept papers to avoid having technical offices as heavily involved. It has also been more selective in the number of people on the PRC asked to read and comment on some proposals, and has taken steps insure that PRC meetings are run more efficiently.

**TABLE 5**

PVO CO-FINANCING PROJECT'S INTERACTION WITH NGOs							
NGO	PROJECT SECTOR	US/ KEN.	REGIS. STATUS	FY	PRC REV	PRC DECISION	START DATE
1	TECHNOSERVE	US	YES	89	Y	APPROVED	4-89
2	TENWEK HOSPITAL	KEN*	NO	89	Y	APPROVED	9-89
3	PLAN INTERNATIONAL	US	YES	89	Y	APPROVED	9-89
4	WORLD VISION INTL.	US	YES	89	Y	IN PROCESS	
5	PCEA CHOGORIA HOSPITAL	KEN*	YES	89	Y	APPROVED	9-89
6	WILDLIFE CLUBS KENYA	KEN	NO	89	N	REJECTED	
7	SALVATION ARMY-SAWSO	US	YES	89	Y	APPROVED	9-89
8	AFRICAN WILDLIFE FOUN.	US	YES	89	Y	APPROVED	9-89
9	KWAHO	KEN	NO	89	N	REJECTED	
10	KEN. FREEDOM FR. HUNGER	KEN	YES	89	Y	APPROVED	9-89
11	FOUND. ENTERPRISE DEV.	KEN	NO	89	N	REJECTED	
12	WAMAMA INSTITUTION	KEN	NO	89	N	REJECTED	
13	EVANGELICAL FELLOWSHIP	KEN	NO	89	N	REJECTED	
14	PROJECT REACH	KEN	NO	89	N	REJECTED	
15	KENGO	KEN	YES	89	N	UNDER REVIEW	
16	NAIROBI PLAYERS	KEN	NO	89	N	REJECTED	
17	MANOR HOUSE	KEN	NO	89	Y	APPROVED-IQC	
18	MKANDI CLINC	KEN	NO	89	N	APPROVED-IQC	
19	ST. JULIANS	KEN	NO	89	N	REJECTED	
20	GREENBELT MOVEMENT	KEN	NO	89	N	REJECTED	
21	CARE/KENYA	US	YES	89	Y	REJECTED	
22	UNIVER. CHURCH ASSOC.	KEN	NO	89	N	REJECTED	
23	RHINO ARK	KEN	NO	89	N	REJECTED	
24	KEN. CONSERVATION TRUST	KEN	NO	89	N	DEFERRED	
25	PACT	US	YES	89	Y	DEFERRED	
26	CHRISTIAN MISSION AID	US	NO	89	N	REJECTED	
27	VITA/CITC	US	YES	89	Y	APPROVED	8-90
28	CATHOLIC RELIEF SERVICE	US	YES	89	Y	APPROVED**	

Table 5 (Cont'd)

PVO CO-FINANCING PROJECT'S INTERACTION WITH NGOs							
NGO	PROJECT SECTOR	US/ KEN.	REGIS. STATUS	FY	PRC REV	PRC DECISION	START DATE
29	COUNCIL INTER. DEVELOP.	ENTER.	US	Yes	89	N	REJECTED
30	FARMING SYSTEMS KENYA	AGRICULTURE	KEN	Yes	90	Y	APPROVED 8-90
31	YWCA/OEF	INST-DEV	KEN*	Yes	90	Y	APPROVED 3-91
32	PUBLIC LAW INSTITUTE	INST-DEV	KEN	No	90	Y	DEFERRED
33	WWF/FRIENDS OF CONSER.	NRM	US	Y/N	90	N	DEFERRED
34	FOOD FOR HUNGRY. INTL.	HEALTH	KEN	Yes	90	Y	DEFERRED
35	AMREF	HEALTH	KEN*	Yes	90	N	REJECTED
36	KENYA WORKERS RELIEF	TRAINING	KEN	No	90	N	DEFERRED
37	E. AFRICA WILDLIFE SOC.	NRM	KEN*	No	90	N	REJECTED
38	RED CROSS SOCIETY	TRAINING	KEN	No	90	N	DEFERRED
39	INSTI. RURAL DEVELOP.	ENTER.	KEN	No	90	N	DEFERRED
40	CMTY EDUCA. & DEVELOP.	HEALTH	KEN	No	90	N	REJECTED
41	AFRICA REFUGEE TRNG.	ENTER.	KEN	No	90	N	REJECTED
42	CHEYNEY UNIVERSITY	EDUCA	US	No	90	Y	REJECTED
43	PCEA KIKUYU HOSPITAL	HEALTH	KEN	No	90	N	REJECTED
44	AFRICAN COUN. COMM. ED.	COMM. ED.	KEN	No	90	N	REJECTED
45	KAVETE WTR & SOIL CON.	WATER	KEN	No	90	N	REJECTED
46	KENYA ASSOC. FOR DEAF	PUBLICA	KEN	No	91	N	DEFERRED
47	SAIDIA	HEALTH	KEN*	No	91	Y	IN-PROCESS
48	WORLD CONCERN	WATER/AG	US	Yes	91	Y	IN-PROCESS
49	MATER/WOMENS TRNG INST.	INCOME	KEN*	No	91	N	IN-PROCESS
50	PRIDE	ENTER.	KEN*	Yes	91	Y	IN-PROCESS
51	COMM. SUPPORT SERV.	HEALTH	KEN	No	91	N	IN-PROCESS
52	SALT LICK	TRNG, AG	KEN*	No	91	N	IN-PROCESS

\* Indicates a Kenyan NGO having non-Kenyan leadership

\*\* CRS' concept paper was approved by the PRC but they later withdrew  
Source: Co-Fi records

## **F.2. NGO Perceptions of USAID Processes and Requirements**

The information the evaluation team obtained from NGOs about the Co-Fi process came mainly from NGOs which had received USAID Co-Fi grants. Twenty-two individuals from ten agencies were interviewed about a range of matters, including the process they went through to obtain funds. (The evaluation team also interviewed five agencies which had applied for funds and had their grant applications rejected.)

### **Findings:**

- Estimates of time invested by NGO staff in preparing concept papers ranged from about two to five weeks. Of the ten agencies polled, four reported doing only one version of the concept paper which (although USAID often suggested slight revisions) was eventually accepted largely in its first form. Six agencies reported submitting at least two concept papers.
- The time USAID took to respond favorably to the concept paper ranged from just over a month to eight months; the average time appeared to be about five months.
- The proposal stage lasted quite a bit longer than that of the concept paper. NGOs reported investing considerable staff time over periods ranging from one to six months to collect and produce what was required for the eventual submission.
- The time it took USAID to finally respond positively after submission of the proposals averaged about six months. The shortest was four months, the longest waiting time was nine months.

The sample, it should be remembered, included a large number of agencies that received grants in the early stages of the redesigned Co-Fi project, when the procedures for approval were first being worked out and new staff put into place. It should also be mentioned that a good many agencies expressed satisfaction with the process in terms of its substance, if not the number of time consuming steps and the length of time involved. Much to our surprise, this was the case even for four of the five agency heads we interviewed who had their projects rejected by USAID. Nevertheless, the leadership of almost all agencies expressed frustration with the amount of time and effort necessary to put into applying for USAID funds, and hoped that in the future the process could be moved along with greater certainty and dispatch.

**Conclusions:** The Co-Fi project, as operated in recent years, has absorbed a disproportionate amount of staff time relative to the amount and number of activities funded. For a variety of reasons the Unit and the PRC, despite a heavy investment of time, have only managed to get three NGO grants underway in the past 18 months, and have as yet been unable to develop any projects for the "shelf." In order for the project to achieve a supportive consensus from the USAID Mission's non-Co-Fi staff, the time they are requested to contribute to the project will have to be reduced.

NGOs in contact with USAID's Co-Fi Unit, even those that eventually got a grant, tell of a long and frustrating process required to receive USAID support. Although frustrated with the duration of the approval process, NGO staff also stated the application process was handled fairly and professionally by the Co-Fi Project's staff, and that suggestions and critiques by the staff often resulted in better designed projects.

Recommendation: The present Co-Financing management mode, now fairly well developed, should be further refined to put information before the PRC and other USAID decision-makers more crisply and incisively, and react to and interact with NGOs in like manner. The Unit made up of contract personnel should be thought of and treated as more an "outside/independent" entity even though it happens to be located physically within USAID in space rented using project funds. To decrease the Unit's time needed to respond to NGO requests and to more efficiently involve other USAID staff, perhaps the Unit could act more like the Executive Secretariat to a "Board of Directors" (i.e., members of the present Project Review Committee) and, under the direction of the Unit's USAID supervisor, report periodically, perhaps quarterly, to the "Board." The Board would thereby become a body which set policy (to be affirmed periodically by the Mission Director) and gives guidance concerning expectations for the following period of time rather than becoming involved in the judgement and approval of individual sub-projects or other Co-Fi activities. The Unit would be responsible to follow "Board" guidance and report progress in its implementation during each "Board meeting." This process would still require consultations by the Co-Fi staff with technical offices during consideration of sub-grants or other Co-Fi activities but this would not need to be as intensive or repetitive as in the past. (For this approach to be successful, the Co-Fi unit would also need to establish an IQC or IQCs with fuller capabilities as recommended earlier in this report). To reflect this more streamlined mode of implementation to the wider community of NGOs, it may be useful to rename the Co-Fi Unit, perhaps as the "USAID-NGO Partners in Development Unit."

### G. NGOs Involved with USAID's Co-Fi Project

According to Alan F. Fowler, who has extensively studied Kenyan NGO affairs, there are about three hundred locally based and one hundred foreign NGOs operating in Kenya and registered with the Kenyan government. To a great extent these agencies represent the potential universe of the Co-Fi project. And, Fowler points out, this pool is growing as new local agencies are formed. There are also an estimated 26,000 grassroots self-help organizations in Kenya. This movement of membership organizations, such as women's groups, is also growing rapidly. Such agencies are not likely to figure directly into the Co-Fi project, however, but may be reached through larger NGOs that the project funds.

Findings: Thus far the Co-Fi Unit reports having dealt with 52 NGOs, 14 U.S. and 38 Kenyan. To date eleven NGO sub-projects have been approved under the Co-Fi project; CRS was one of these agencies but declined to accept the grant. Of the ten remaining, five were awarded to USNGOs and five to Kenyan organizations. Using a system developed by HRD which characterizes Kenyan NGOs as either "established local

agencies" (in existence and functioning for over five years) or "emerging local agencies" (less than five years), the evaluation team catalogued NGOs with which the Co-Fi project has dealt to date. Table 6 displays these classifications for present and proposed activities of NGOs under the Co-Fi project. In brief:

- Of the five USNGOs receiving grants, two involved pairing with established local NGOs and four involved no such partnership. The grant recently approved for the YWCA, an established local NGO, involved a pairing with a USNGO, the OEF.
- Overall the present grants involve six US and six established local NGOs (with an average of years in existence of over 30) and only two emerging local NGOs.
- Concept papers under review at the time of the evaluation exhibit a similar pattern. Of those being considered, four are USNGOs, three paired with no local agency, and one with an emerging local NGO. The two other agencies being considered are emerging local NGOs.

Thus the agencies being reached to date are generally USNGOs or mainline and relatively long-lived local NGOs, or local NGOs with foreign leadership. (Over half of the Kenyan agencies with which USAID has dealt happen to be under the leadership of expatriates.) Using the same system, the 38 Kenyan agencies (see earlier Table 5 for list) that approached USAID were also classified: 16 were "established local" and 22 "emerging" agencies.

It was the experience of the Kenyan consultant on the MSI team that a fairly significant number of Kenyan NGOs, including a number of high quality agencies, consider USAID as a "difficult donor," one which makes unreasonable demands, has lengthy and inscrutable processes and, for these reasons, is not among donors to be approached. This was not verified in the course of the study, but did confirm that USAID is seen as difficult by its present grantees who were exposed to the process but failed to get a grant. Often mentioned in the course of interviews was the fact that at certain times in the USAID process, the leadership thought of giving up. How much this perception discourages qualified agencies from applying, we don't know.

The team was cognizant that the AID requirement that all agencies receiving direct USAID funding be registered with USAID -- a rule that can not be changed -- affects the pool of NGOs able to participate in the Co-Fi project. The process of getting the documentation required by USAID is not something easily done by Kenyan NGOs. The most difficult requirement is the certificate of tax exemption from the GOK; most other requirements can be gotten together over time.

TABLE 6

CLASSIFICATION OF PRESENT AND PROPOSED CO-FI GRANTEES				
PRIMARY GRANTEE	NGO TYPE	PAIRED WITH	NGO TYPE	
AWF	US	UVUMBUZI	Kenya-emerging	
VITA	US	CITC	Kenya-established	
SAWSO	US	-	-	
Technoserve	US	-	-	
Plan Intl.	US	-	-	
YWCA	Kenya-established	OEF	US	
KFFHC	Kenya-established	-	-	
TENWEK*	Kenya-established	-	-	
CHOGORIA*	Kenya-established	-	-	
FSK	Kenya-emerging	-	-	
Proposed grants under review:				
WORLD VISION	US	-	-	
FHI	US	-	-	
CID	US	PRIDE*	Kenya-emerging	
WORLD CONCERN	US	-	-	
SAIDIA*	Kenya-emerging	-	-	
ST. JULIANS	Kenya-emerging	-	-	
NGO-TYPES:	PRIMARY GRANTEES	PRIMARY PROPOSED	PARTNER GRANTEES	PARTNER PROPOSED
US	5	4	1	0
Kenya-established	4	0	1	0
Kenya-emerging	1	2	1	1
Totals	10	6	3	1
* indicates a Kenyan NGO under foreign leadership				

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At the time of this writing the total "pool" of USAID-registered NGOs in Kenya includes 23 agencies, of which 16 are Kenyan. Many Kenyan agencies among those applying for Co-fi funding but not registered (32 agencies) can over time provide the required documentation, but many can not. The Co-Fi Unit considers the possibilities of registration as it decides whether to put concept papers before the PRC. This not only knocks out a number of NGOs, particularly Kenyan agencies, that the Unit determines are unlikely to be able to register, but also creates uncertainty about taking action and approving grants for agencies USAID believes will be able to register but have not yet completed the process of doing so. The evaluation team surmised that this uncertainty has slowed the process of considering NGO proposals. Registration action in such cases is usually taken by NGOs concurrent with actions of applying for grants, but we were told by NGO staff that the process of getting registered with USAID can take anywhere from six to 18 months.

Conclusion: USAID's Co-Fi project thus far has dealt with mainly older, established Kenyan NGOs or USPVOs. It is possible that many otherwise qualified Kenyan NGOs, including some of the Country's best and most progressive, consider USAID to be a difficult donor and not worth approaching. Among agencies that have approached USAID, a significant number were not registered with USAID and this may have acted as a confounding variable in deciding whether or not to seriously consider their proposals.

Recommendation: As indicated earlier, the USAID-NGO Partnership in Development Unit should do all it can to change its image through reacting more efficiently to NGO applications, mainly from Kenyan agencies, by continuing to run first rate workshops, and by providing more sophisticated assistance through IQCs. The Unit should also insure more agencies with interesting ideas are able to be registered with USAID and/or encouraged to pair with registered NGOs. (Perhaps a registered NGO in a particular sector, for example, in alternative energy, could take responsibility for sub-granting funds in the \$20 to \$40 thousand range to other agencies, some of which may be unregistered). In the case of NGOs that cannot be immediately registered, the Co-fi team might continue to consider other types of assistance such as training (in-country or elsewhere) or IQC assistance in putting in place financial and personnel systems, and preparing strategic plans. The evaluation team suggests, however, that such other assistance be tied to the possibility of a given NGO eventually being able to become registered and be eligible for USAID grant funds. (See recommendations under Training, and under Use of IQC Firm).

## CHAPTER IV: THE PROJECT'S FUTURE

This section, written within the context of the project's April 1995 Project Activity Completion Date (PACD), discusses future decision points and possible options.

One of the questions put to MSI as part of this evaluation was whether USAID should once again consider shifting Co-Fi management to an outside group. In the near term, we think not. As far as the MSI team could tell, no key, all-purpose, outside Kenyan group able to run such a multifaceted project exists. And for political reasons, no USNGO should be considered. The reasons for canceling the earlier VADA initiative, and the reasons USAID's own study indicated that USAID itself should manage the Co-Fi project still seem applicable and persuasive.

Those still interested in such an overarching "outside" approach, we conclude, should rest easy with the knowledge that the present "in-house" management arrangement is capable of producing high quality results. The Co-Fi Unit, now in its third year, is a "going concern." It has competent staff and sufficient experience, and has set up excellent systems which have already had a good effect on participating NGOs. To consider now any fundamental change in the mode of operating the Co-Fi project would be a major and costly mistake. That said, as we explain below, we do suggest that in the coming years the present Unit be used to explore alternative management approaches for the redesign of the Co-Fi project if it is to continue beyond 1995.

Given the project's achievements to date concerning quality and systems installations, the team's primary recommendation is that the project continue to be managed as it is until at least 1993.

Essentially we see two phases in the coming years:

Phase I, 1991 to 1993, has few decision points. During this time the Co-Fi Unit should concentrate mainly on productivity and efficiency, including: using all funds available while maintaining the quality of sub-projects by overcoming the slow process of grant approval; using all means available -- grants, training, workshops, technical assistance (through a new, "full service" IQC) -- to have as great an effect as possible on participating NGOs; letting NGO grantees run their projects with minimal interference; and perfecting processes that involve other USAID staff only as necessary and with the time they give perceived as of "highest quality."

A second priority during Phase I should be to lay the groundwork for collecting information about anything USAID's leadership or members of the PRC want to know about the NGO sector preparatory to the beginning of Phase II. Unit staff using the IQC or other special arrangements could, for example, survey the demand for services among the Kenyan NGO community.

Phase II, 1993 through 1995 involves several big decisions. Early in this phase it must be decided whether to continue the project beyond its 1995 PACD, which would require writing a new PID and PP and with that to experiment with alternative management modes in the remaining period of the project, or to let the project terminate as scheduled and not pursue a follow-on Co-Fi project.

Essentially, the degree to which the current management is efficient over the next two years will provide the basis for deciding whether the project should be continued. A judgement about the project's efficiency should be based on its ability to identify and fund a level of NGO activity higher than has occurred in FY90 (and thus far in FY91) and do so through a more efficient process, vis-a-vis other Mission staff and the NGOs themselves, than has occurred in the Office's first two years of operations.

If by 1993 the project has not increased its efficiency due to the inability to overcome the factors which up to this point have militated against efficient performance, then USAID should give strong consideration to terminating the Co-Fi project at its 1995 PACD. If the project terminates as scheduled, without a follow-on Co-Fi project, then as much as possible, management should remain basically unaltered and the project's funds, to the extent possible, should be exhausted by the PACD. This would mean that in FY94 the maximum length of any NGO sub-project to be funded would be two years and that, also beginning in FY94, the Co-Fi staff would identify already-funded successful NGO projects which could receive funding extensions of one to two years.

If by 1993 the project has improved its efficiency, then USAID should commit to a follow-on project and begin developing a new Project Paper. In this case, the Co-Fi Unit might be more aggressive in identifying and funding new grantees. The unit, with its IQC firm and other project development assistance as needed, and in consultation with the NGO community, could then take the lead in writing the new project documentation.

In brief, the management adjustments discussed in previous sections should be implemented and the project's current management, structure and personnel should be given a chance to prove itself. Its performance can be assessed in an evaluation to be conducted in 1993. However, in addition to adjusting current implementation procedures, the Co-Fi Office can also begin to explore alternative management modes which would allow the project to effectively expand its operations if in 1993 it is decided there will be a follow-on Co-Fi project.

If there is to be a follow-on Co-Fi project the evaluation team feels there are a number of circumstances which must be overcome during the next two years of its operation. These include:

- Sub-projects must be approved in a swifter and more efficient manner than is currently the case. This would involve drawing upon the expertise of the Mission's technical offices, and others, in a way which involves them at key decision points but does not involve them any more than is absolutely necessary.

In essence, the number of grants approved should increase, the time required to approve those grants should decrease, and the assistance time of technical offices should decrease.

- Co-Fi must contract for a more complete and consistent package of technical assistance. This could consist of two IQCs, one financial and the other non-financial, or perhaps of trying to find a single firm that can offer all of the necessary assistance. Either way, if the Co-Fi Project is to increase its outputs (register and fund more NGOs) then its small staff will need a more complete package of assistance to draw upon with frequency.
- Every effort should be made to reach a larger number of Kenyan NGOs. This process involves two initiatives which should occur simultaneously: to expand the pool of registered NGOs who are determined to be operating programs of a caliber worthy of USAID support; and secondly, to find partner NGOs willing to financially administer USAID grants, either through an implementation partnership or through a more "hands-off" process for passing through funds but guaranteeing accountability for worthy NGOs not yet registered (this will enable USAID to Support NGOs during the process of assisting them to become registered), or for the purpose of supporting medium- size Kenyan NGO projects within the range of \$40,000-\$80,000.

## **ANNEXES**

ATTACHMENT 1

STATEMENT OF WORK

I. Background

The PVO Co-Financing Project is a \$12 million ten year project (1985-1995) which aims to improve the development impact of PVOs in Kenya through the direct financing of PVO development activities and the provision of various forms of institutional support. The project was initially designed to operate through a local PVO umbrella organization, but was revised in 1988 when it became evident that this arrangement was not achieving optimal results. The project is currently implemented directly by USAID/Kenya. The purpose of the project remains the same as it always has been -- to assist PVOs in Kenya to increase their development impact by strengthening their institutional, implementation, and beneficiary outreach capabilities.

The PVO Co-Financing Project is made up of three components: a grants fund, an international training component, and an institutional strengthening component. Of the three, the grants fund is the primary focus. At the current time, the PVO Co-Financing project has made nine grants of two to three years each. Because the project responds to proposals from the PVO community, the various grants are all at different stages of implementation and support work in fields as diverse as child survival, agriculture, water management, income generation, technical training, health, and wildlife conservation. The second component of the project, the international training component, assists a limited number of Kenyan staff members of PVOs to receive training abroad which is not available in Kenya. The third component of the project, the institutional strengthening component, consists of limited management support for potential grantees.

At this mid-term point of the project, there is a special need for an evaluation that carefully examines the management of the project given the new management mode, that captures the experiences to date, and that explores the broad scope of the relationships encompassed by the project.

II. Objective

Carry out a comprehensive evaluation of the PVO Co-Financing Project which focuses on progress to date toward achieving project objectives and EOPS, the management mode of the project, the relationship between the different project components, and the interaction that the PVO Co-Financing unit has with beneficiary PVOs, the PVO community in general, and other AID offices. The

Information gathered and the analysis performed will be used for revisiting the project's logical framework, fine-tuning project implementation, and for helping to inform the decision concerning, and potential design of, a possible follow-on project.

### III. Statement of Work

#### A. Evaluation audiences and general approach

Because of the collaborative nature of this project, the success of this evaluation will depend on its ability to address the needs of various evaluation audiences. Primary among these audiences are: the PVO Co-Financing staff and HRD Chief, PVOs supported by the project, USAID/Kenya mission management, and USAID/K technical and backstopping offices. In addition to addressing the discrete interests of these various audiences, the evaluation will also need to assess the cross-cutting concerns of these audiences that arise from their interaction in the implementation of the project. The evaluation should be an interactive process, involving the PVO Co-Financing staff where appropriate.

The evaluation will need to assess qualitative as well as quantitative concerns. This is so not only because of the qualitative nature of some of the project outputs implied by the institution building focus of the project, but also because of the collaborative implementation mode and its reliance on the quality of the relationships involved. This evaluation, falling as it does two years after a redesign of the project management mode, also provides an important opportunity to examine both the qualitative and quantitative aspects of this fundamental change.

#### B. Key evaluation questions

The evaluation will focus on, but not be limited to answering the following questions:

##### o Management:

- Is the current management structure functioning well? With respect to efficiency/effectiveness and quality of implementation oversight?
- To what extent are the staffing levels and the team approach of the project appropriate? How management intensive is the project and is this appropriate? How are the management unit's staff resources and time allocated? Is it efficient and productive?
- Are the roles and responsibilities within the PVO Co-Fi unit and between PVO Co-Fi staff and other technical

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offices clearly defined and functioning well?

- Should USAID/K be considering a re-adjustment in the management structure of the project and if so, what would this revised/refined structure be?
- To what extent should the project be examining and promoting groupings of smaller Kenyan organizations under consortia or foundation arrangements?

o Project objectives and EOPS:

- To what extent is the project meeting its institutional strengthening, sustainability, and beneficiary impact objectives? What progress is being made toward achieving EOPS?
- Are these objectives and EOPS defined appropriately? (e.g. Is the project's definition of institutional strengthening compatible with the needs of the PVOs?)

o Project design:

- Are the assumptions related to the redesign of the project (e.g., PVO environment, GOK position, programming strategy, administration) still valid?
- What is the relationship between the different project components? How does the training component fit into the picture?
- Are the IQC mechanism and the training component of the project adequate/appropriate? Are the criteria for determining which NGOs receive assistance under the training component and the selection process appropriate?
- Are concept paper guidelines, and guidance and technical assistance given to potential grantees in improving concept papers/proposals appropriate and adequate?
- Are the procedures for reviewing and approving concept paper and proposals adequate/appropriate/excessive? Does the assistance that AID gives grantees and potential grantees help the PVOs and improve the sub-projects themselves, or simply help them meet AID requirements?
- What are the pro's and con's of having a project design that is premised on reacting to good ideas from the community? What are the pro's and con's of the resulting diversified sub-project portfolio?

- To what extent does/should the project incorporate lessons learned from AID's other PVO projects, and to what extent has the project introduced innovative and possibly replicable approaches to working with PVOs?
- o Project monitoring and implementation:
  - To what extent are the tracking systems adequate and appropriate? Do they meet AID requirements without unduly burdening the PVOs? How adequate/appropriate is the program monitoring system developed to track progress across projects at the time of PIRs?
  - What is the quality of both the guidelines for quarterly reports and the reports themselves? To what extent are the reports used as tools to monitor implementation progress against targets and to take action on problems as they occur?
  - Are field trips being adequately/appropriately used as monitoring tools?
  - How timely is the PVO Co-Fi staff in responding to specific implementation needs of PVOs?
  - Does the PVO Co-Fi staff, and the Mission in general, have an appropriate level of technical expertise to adequately review proposals and monitor grants?
  - How much support is provided by USAID technical and other offices to this project? What is the quality of their support? Should it be continued as is or should alternative models be considered (e.g., outside S-T technical expertise)?
- o The Project and the PVOs:
  - How do the PVOs see the project with respect to the level of USAID collaboration and the relationship with their strategic goals?
  - What kind of PVOs is the project reaching and what kind is it not reaching, and why?
  - To what extent do the PVOs which apply to the project understand the project criteria?
  - What is the level of participation of the project beneficiaries in sub-project design and implementation?
  - To what extent, if any, does/should the project provide

a mechanism for the Mission's regular dialogue with Kenyan and U.S. PVOs on experience and areas of mutual interest?

- How does the project management unit relate to the Kenyan PVO development community in general, and to what extent is there coordination of AID support/interests with other donors working with PVOs?
- How much is, and should the project be doing to facilitate networking between the PVOs?

o The Project and the Mission

- What is the role of the project vis a vis the Mission's strategic objectives? What should its role be?
- How does the PVO Co-Financing project fit into the larger picture of Mission PVO activities and strategy for working with PVOs?

o Evaluation

- What is the quality/adequacy of the guidance given by PVO Co-Fi staff to PVOs for monitoring/evaluation, and what is the quality of the individual monitoring/evaluation plans themselves?

o Other:

- Is the project meeting obligation/expenditure targets?
- How is the project viewed by the GOK?
- How is the registration issue being dealt with and what are some ways of improving the procedure?
- Where should the PVO Co-Financing concept be going in the future?

C. Responsibilities of the evaluators

It is anticipated that the evaluation will be carried out by a three person team (at least one of which is a local hire) hired on a full-time basis over an approximately seven week period starting at the beginning of February, 1991. The evaluators will have the following responsibilities.

Pre-reading and interviewing: The evaluators will need to review all project documentation, including project papers and evaluations, review documentation of other PVO activities in the

Mission, and interview people at Datex and CDIE.

**AID interviews:** The evaluators will need to interview a number of USAID/Kenya personnel that work in technical and backstopping offices as well as those who work on the project itself.

**Visits:** In order to get the full picture of the grant component of the project, the evaluators will need to visit the headquarters of all grantees, as well as some non-grantees, and prospective grantees. In addition, field visits should be made to two or three sub-project sites for an in-depth review of their activities. For the other components of the program, a shorter amount of time will be necessary to visit the IQC contractor and to visit a sample of returned trainees.

**Reviewing/planning session:** Near the end of the evaluation period, the evaluators should organize and facilitate a working/strategic planning session with the key players of the project. This session will involve presenting findings, examining the management mode of the project, discussing the "action decisions" of the evaluation, exploring future possibilities for the project, and doing some strategic planning toward this end. This session will also examine the Mission's overall PVO activities, and discuss a Mission strategy for addressing PVOs and how the Co-Financing project fits into this.

**Reporting requirements:** Upon arrival in Kenya, the evaluation team will be expected to present a plan for carrying out the evaluation. This plan will need to be discussed and approved during the first week of the evaluation period. The plan should provide for a final written report as well as weekly or bi-weekly oral reports throughout the course of the evaluation.

#### IV. Time Frame

The evaluation will require approximately twenty one person weeks (i.e., approximately seven weeks for a three person team), and should commence on or near February 1, 1991. The pre-reading and some initial interviewing (which should take approximately 4 days) could be done in the United States. The remainder of the evaluation will require full-time work in Kenya.

#### V. Team Composition and Qualifications of the Evaluators

The team should be comprised of at least two people, complemented by one local hire who understands the Kenyan PVO environment very well. The contractor will be responsible for identifying and contracting the local hire team member.

The specific experience, skills, and qualifications that the evaluation team will need to display are:

- 1) Experience in evaluation, especially of PVO projects.
- 2) Familiarity with PVOs and differing management modes of PVO projects.
- 3) Familiarity with AID (e.g. AID handbook 13, AID PVO Policy Paper, etc.), and overlapping players and agendas.
- 4) Background in management/organizational development.
- 5) Overseas experience, preferably some familiarity with Africa.
- 6) Knowledge of and experience with gender issues.
- 7) Educational background (at the Masters and/or Doctoral level) in management, public administration, financial analysis, development studies, and/or the social sciences.

**ANNEX B**

**USAID Questionnaire for Initial Diagnostic Interviews**

**A. Personal Information**

Name:

Title:

1. Status: Direct Hire US\_\_\_\_; Direct Hire FSN\_\_\_\_; PSC\_\_\_\_\_.
2. Category: Co-Fi/HRD staff\_\_\_\_; Tech and backstopping\_\_\_\_; Mission Management\_\_\_\_\_
3. Years in position:
4. How would you characterize your direct experience with NGOs and the full breadth of NGO operations here in Kenya?  
  
Regular and intimate\_\_\_\_  
Occasional contact\_\_\_\_  
Mainly Peripheral or bureaucratic\_\_\_\_\_
5. In the last year in your official capacity have you had the opportunity to visit PVO projects in the field?  
  
How many times?\_\_\_\_\_
- Made headquarters visits to NGOs?  
  
How often?\_\_\_\_\_
6. What percent of your time is annually given to NGO project management or backstopping?

**B. General perceptions of NGOs (non-project specific)**

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

- a. Very Important\_\_\_\_\_
- b. Somewhat Important\_\_\_\_\_
- c. Minimally Important\_\_\_\_\_

8. Whatever the above rating, what do you think are the three most important things, in descending order, PVOs can contribute to Kenyan development?

List:

- a.
- b.
- c.

9. How do you characterize your "development philosophy" that is assumedly behind answers to the above three questions. (Enter some notes about the answer)

**C. Specific USAID/K-PVO Interactions**

10. (Note: Point out that we are now talking about USAID more specifically.) In the Mission's overall portfolio, to what degree do you think NGOs have made or are making toward the achievement of the Mission's key objectives?

- a. Very significant\_\_\_\_
- b. Somewhat significant\_\_\_\_
- c. Of Minimum significance\_\_\_\_

11. 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:

Approaches:

hi / medium / low

- a) Demonstration project
- b) Policy analysis
- c) Advocacy
- d) Direct provision of services
- e) Introduction of appropriate technology
- f) Improved physical infrastructure
- g) Community Organization

Sectors:

- h) Enterprise development
- i) Child Survival
- j) Agriculture
- k) Water Management
- l) Income Generation
- m) Tech Training
- n) Health
- o) Environ/conservation

12. What, if anything, are the advantages or particular opportunities offered to USAID by having the Co-Fi staff and project? Name up to four

a.

b.

c.

13. To what degree do you see the Co-Fi project meeting its objectives concerning:

- a) institutional strengthening
- b) beneficiary impact objectives

14. Assuming the Mission's funding remains constant, do you think AID should finance more PVO activities? Less?

More\_\_\_

Less\_\_\_

15. Should this be through Co-Fi or other channels? Why?

16. Do you consider the use of your time on the PVO Co-Fi Project practical?

a) Yes\_\_\_

b) Difficult to say, but overall probably\_\_\_

c) No\_\_\_

17. 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:

a)

b)

c)

18. 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: on disposition towards the Co-Fi Project**

1. \_\_\_Unfavorably disposed

2. \_\_\_Neutral

3. \_\_\_Favorably disposed if the project is redesigned

4. \_\_\_Favorably disposed to the project as is currently structured

## NGO HEADQUARTER VISIT QUESTIONNAIRE

### A. Background/Profile Data

1. # of paid staff:  
interview with:
2. NGO:
3. Sectors of operation:
4. US \_\_\_  
Kenyan \_\_\_
5. Paid staff:
6. Years in existence?
7. Present annual budget/USAID amount/percent:

3 million/100,000/ % (AWT)  
5 million/3.7 million/ % (FSK)  
Sh8,725,000/ / % (Technoserve)  
Sh 18 million/ / % (Tenwek)  
US 140,000/103,000/ % (VITA)  
Sh 26 million/1,545,000/20%(FFH)  
Sh 25 million/ / (Y)  
Sh 8 million/1,500,000/  
Us 2 million/165,000/ %  
Sh 30 Million/\$160,000/ %

8. USAID funding prior to Co-Fi  
Y 111111, total six.  
N 1111, total four.

### B. Concept Paper

1. How did you first hear of the Co-Fi project and consider applying for funds?

USAID solicited  
Vada informed  
Had links thru Matching Grant  
Recommended by health office, USAID

Through contacts with USAID by VITA in DC  
VADA informed  
OEF suggested  
Letter from Mission  
hdqtrs visit  
Referred by Pop office

2. How did you make your first request for funding?

meeting: 11111, five  
letter of inquiry 11, two  
concept paper 111, three

3. What, if any, particular problems did you have in preparing the concept paper?

4. How much time did it take to prepare the concept paper? How much staff time did you have to devote?

One month of staff time/ 2 full weeks/A full week of two people/ over 6 month period/one month/with tech input from SAWSO, a couple of months/two months.

5. How many concept papers reiterations have you submitted to USAID for this project?

one, two, two, one, two, two, two, two, one, one= One-4, two-6.

6. How many months did it take for USAID decide whether or not to approve the concept paper from the time it was originally submitted?

over a month/ six months/ from start with VADA til USAID funds, 2 yrs/ 3 months/ 6 months for whole process, initial feedback after 2 months, lots of oral contact/ 9 months/ 6 to 8/three months

7. How useful was the logical framework requirement to assisting you in designing your project?

useful 11111111, eight  
not so useful 1, one  
not at all useful 1, one

easy 1, one  
not so easy 11111, five  
difficult 111, three

8. Concept paper process summary rating, as determined by the evaluator:

6\_ useful 111111

0\_ easy

60

0\_ not so useful                      5\_ not so easy 1111  
0\_ not at all useful                  0\_ difficult

Helped solidify facts and figures/ the concept paper in slightly revised form is used as PR piece/ Helped think the whole thing thru in ways we might not have otherwise/ Had to deal with 4 different people at USAID all with slightly different ideas, big sticking point was in enterprise dev area ie. group vs, individual issue/gave good basic structure from which to build/ have used it to design other projects and will again.

C. If Proposal

1. After approval of your concept paper, how much time did it take you to prepare the proposal?

Over one month period/ 2 people over one month/several years because of VITAs inconsistent attention but after getting to it, 6 months after original submission--it was revised once/ 9 months/3 months/ several months

2. Was your proposal written by regular staff--111111111-- or with outside help?  
Regular staff, here or abroad in 9 cases.

3. Did Co-Fi staff assist you in the preparation of your proposal?

Yes 11111, five  
no 111, three

if yes, did this assistance significantly change your project or improve the quality of your project?

Yes 111, three  
No 11, two

4. How many months did it take from the submission of your first proposal to the time it was approved?

4 months, plus 2 more to get funds/ done three times and it took 9 months/ Nov-concept paper, March approved, May proposal, July approved ie. 9 months/6 months/ 9 months/ 6 months/6 months.

5. Summary rating of the proposal process as determined by the evaluator:

useful 1111, four                      easy 1, one  
not so useful 111, three    not so easy 1111, four

not at all useful, 0                      difficult 11, two

Comments: During proposal, info packet was not useful. Needed personal contact, still it helpful having a strict format and having help on logframe, had to get clearer guidelines on costing contributions/ minimize the proposal stage so that the concept paper amplified slightly serves/ The proposal was a hassle without the feeling of tangible "value added" that we got during concept stage/ It would be much easier to submit and sit around a table to discuss-- we had over ten meetings, the whole things could have been dealt with more efficiently if everyone would have sat down at once instead of taking piecemeal approach via messages from Co-fi staff/ too many meetings for the result, could have been more efficient if right people were there from AID and OEF and Y/

D. Registration

1. When were you first registered with USAID?

1978, 1990, 1989, 1986, 1988, 1990, stateside,

2. Was this to secure a Co-Fi grant? Y 1111 (four) or N 11(two)

3. How long did the process take?

NA, 1.5 yrs, 6 months, 6 months, 1 and 1/2 years, six months, NA and NA.

4. Any particular problems in getting registered?

Exemption from income tax form in a letter was not easily accepted by USAID/No trouble because had already done most of it in the VADA days/ We had registration certificate (as a society) had to swear an affidavit that we were actually exempt from registration and had tax exemption as such.

E. Implementation

1. After signing the grant, were there any problems in beginning implementation?

It took six months to get DDC approval/ monthly accounting for reimbursement is very cumbersome and takes time to get used to/ no significant problems but had over 3 months to prepare before we actually started up/ YWCA has not actually started implementation--have been notified of two options: Institutional strengthening and training or income generation on a pilot basis, not the whole program they proposed/no problem/

2. Did you have problems getting the approval of the DDC in the districts where you work? How long did this take?

Yes, six months/ yes, it is troublesome and can take time and also jeopardizes NGO--there is risk that someone will make silly suggestion or block project for no good reason or table it until next session four months hence/ yes, needed Dairy Board Lic. and Health approval and the DDC in four separate areas, overall it took 16 months/No, it took only four months, the local DC knows and likes us--we've had many high level visitors from GOK and that visibility smoothed the way/ No, we got a single approval from Ministry of Technical Training, with which we work very closely/ No, it was an ongoing program about which the GOK already aware/ Had approval for water projects in area before start of Co-Fi.

3. Did you have any problems in understanding the conditions laid out in the USAID agreement?

No/ Yes, duty free status excludes many KNGOs/ No/  
No/ No/ No/ No/ No.

4. How often have you met with USAID staff:

# visits by USAID staff: 2-3/ once/once in final 9 months/ 2 by USAID/ twice/  
frequently, too frequently and sometimes without proper prior notification/

# of visits to USAID: 2-3/ monthly/ regularly/ almost monthly to give fin reports  
and-or draw funds/ almost weekly/ regularly/regularly

Most contact by telephone mentioned by two agencies.

5. Is the amount of time spent preparing USAID reports practical?

No, should be semi-annual progress and quarterly financial/ No, takes several days  
monthly and should be quarterly for both financial and progress report/ Yes and  
no, the whole deal is burdensome and in a strict sense not so useful. That said, it  
does keep in our minds exactly where things stand but we keep track of a full 300  
bed facility too and we don't do that on the same micro management basis that  
USAID requires for Co-fi/ Yes, most recent monthly took only an afternoon to  
prepare/ No, the whole thing is too intensive and in too short a time frame  
concerning finances, the quarterly is OK and useful/Sawso in US does it, we  
provide raw data, not so difficult as we've long had the system and have  
experience/ yes, no problem/ No, Chogoria busy and doing finances on a monthly  
basis especially projections is a hassles, recently missed a month and don't have  
money, consumes too much time, have other things to do.

Do you receive feedback from the reports you submit to USAID?

two- 11 mostly on substance  
five-11111 mostly on presentation

Not at first, we received only 2 responses in first 18 months excepting little things about finances, which were constant/ yes we hear, nothing earthshaking but usually an acknowledgement/ USAID is getting better/ We are dunned about indicators.

6. How likely is it that the project will achieve its designed objectives?

three,111- Very likely to achieve or exceed designed objective  
five, 11111-Good possibility of achieving at least the majority of its objectives  
0,- Not at all likely to perform as intended  
two,- 11-too early to know

7. Due to USAID's requirements and interventions, what has been the effect on your organization's ability to deliver services: Summary Rating:

two-positive effect  
four-some good effect  
two-no effect  
0-negative effect

Found logical framework useful and doing a work plan makes monitoring easy.  
75% was very, very useful-25% of it was bureaucratic but the 75% may make the difference between success and failure/

F. Training

1. Has anyone from you organization received training sponsored by USAID? two-yes, five-no.

If yes how many;  
1 in U.S (four months)in mgt. systems found to be too class room oriented.  
1 in Botswana (6 weeks) in personnel management at the University of Pittsburgh.

2. For each participant, has the training received improved those individuals ability to professionally contribute to the organizations management? yes= two, No=0.

if yes, how so?

Gave raise and promotion since back

3. Participants continue to work for the organization? Yes/\_yes.
4. Rating: What effect USAID has had on the organization through the provision of training?:

1\_\_\_ positive effect  
1\_\_\_ some good effect  
0\_\_\_ no effect  
0\_\_\_ negative effect

5. WORKSHOPS-comment on the workshops sponsored by USAID:

did your staff attend?

understanding your grant: yes=1, no=4

evaluation: yes=7, no=1

6. How would you rate the usefulness of these workshops?

understanding your grant	evaluation;
___ positive effect	4- positive effect
___ some good effect	3- some good effect
___ no effect	0- no effect
___ negative effect	0- negative effect

More need to be done for other staff in agencies/the eval thing was energizing, seeing the other NGOs and understanding their programs and designs was superb for building mutual understanding and "networking"/Not given enough lead time to attend encouraged and helped them to do monitoring and eval in more rigorous manner than previously.

G. Financial Management

1. Does USAID funding pay for staff salaries, if so what positions?

yes, Project mgt and many others, 5 to 10%/ yes 8 members of staff/ yes, we charge some time of both office and field staff/

yes pays staff salaries, an accounts clerk and secretary/ all salaried paid by AID in this four year grant/ yes, all field based including 8 in Embu, disallowed all

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headquarters staff (to get to 1/3 contribution). Our staff spread too thin. USAID added work to the org without providing for more staff to do it / YWCA grant may pay Bookkeeper, 2 field staff, national coordinator/No staff salaries paid/ no staff salaries.

2. Were your organization's financial management systems adequate to manage USAID funds?

Yes/ No/ Yes since we had earlier USAID funds through Corat/ Yes and it is filed from Washington/ Yes for the most part/ Not really, still have some work to do given the number of grants we have (and a guy who knew the system quit and went to work for K-REP.

3. Did USAID, either directly or indirectly, help you to improve your financial management systems?

No/Yes, but now is too intrusive gives us no latitude to really manage/ Not under this grant but do, under Co-Fi keep us on our toes/ We did develop a way to control our purchase orders and developed a procurement policy because of USAID requirements and we use these generally/ Thru VITA the CITC is being improved in all systems/ Yes, but it is still a matter of debate, not clear/ No.

4. Other management systems?

Use Logframe to other projects/ no indicators and monitoring.

5. Since receiving USAID funding, has the organization been able to diversify its sources of funding? yes=2, No=1

If yes, has this been as a result of USAID assistance (explain)?

LWR has reconsidered its withdrawal and since we received USAID grant has begun supporting again/ we feel the USAID grant outside our usual health program gives us a credibility in our new field of agri. and that we are going to be able to leverage funds from other donors as a result.

Vco

6. Summary Rating: What effect USAID has had in this area:

positive effect=1  
some good effect=3  
no effect=2  
negative effect=1

too much time on financial reporting; however a great improvement in Uvumbuzi,

7. Rating: What effect USAID has had on the organization's;

financial management systems

other mgmt. systems

2-positive effect

0- positive effect

1-some good effect

1- some good effect

3-no effect

3- no effect

1-negative effect

0- negative effect

Uvumbuzi has been strengthened with procedural manual, acting systems, and strategic plan.

Final Evaluative Judgement: To what degree has the NGO been institutionally strengthened as a result of assistance, direct or otherwise, from USAID?

2-Assistance has resulted in significant institutional strengthening of the NGO.

4-USAID assistance has somewhat contributed to an improvement in the NGO's institutional strength.

2-USAID involvement with the NGO has not had a significant impact on institutional strengthening the NGO.

## COMPARATIVE VIEW WITH OTHER DONORS

What makes a good donor and what makes a difficult one?

Willing to understand role in dev of NGOs, be flexible and let NGOs determine own goals/ Willing to sponsor non-project specific work and with a minimum of bureaucracy/ Lots of flexibility in a process approach/ Good donors are concerned with cost-effectiveness and results/ One who becomes a partner and is flexible/ A partner and understanding of NGO clients.

How would you rate USAID as a donor?

7-more helpful and professional than most  
0- about the same as the other  
1- less helpful and more difficult

Which is your favorite donor and why?

Depends on the project-USAID co-fi good for mgt, networking/  
Concerned about mechanics, design and monitoring/ Depends on personal contacts and friendships.

How would you characterize USAID's attitude and style in relations with your organization?

### ATTITUDE:

4- friendly and helpful 111  
0- helpful  
5- bureaucratic 11111  
0- not at all helpful

Initially bureaucratic and then warming to full helpfulness as implementation underway/Not so friendly, always very business like/ easy donor money is not helpful to the professionalization of NGOs, USAID questioned the use of expats in the project.

### STYLE:

2- easy to work with (but very mechanical)  
4- somewhat difficult  
2- Difficult

## ANNEX C

### List of Interviews

#### USAID/Kenya

##### **HRD**

Bernbaum, Marcia  
Gitau, Nancy  
James, William  
Masbayi, Victor  
Orr, Bob  
Ratemo, Zachary  
Wanyagi, Rosa

##### **AGR**

Dunn, James  
Gingerich, James  
McFarland, Cecil  
Mullei, Maria

##### **CONT/K**

Ondigi, Joseph  
Totino, Thomas

##### **DIRECT**

Westley, John

##### **PH**

Colson, Kate  
Gingerich, Molly  
Johnson, Connie  
Oot, David

##### **PROG**

Mbajah, Esther  
Steele, Carol

##### **PRJ**

Baker, Stafford  
Barbiero, Carla  
Wise, Holly

##### **RLA**

Borns, Jeff

#### AID/Washington

##### **Kenya Desk**

McCarthy, Cheryl

##### **Jordan Desk**

McDonald, Barry

##### **CDIE**

Valdivia, Cheryl

#### Government of Kenya

##### **Treasury**

Kioko, Luka, Desk Officer for USAID

#### U.S. Embassy/Kenya

##### **Ambassador's Self-Help Fund**

Forrey, Ann

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NGOs

**AWF**

Snellson, Debbie, Assistant Director

**Bellhouse Mwangi/**

**Ernst Young**

Kamau, Patrick M., Partner

**Buit Comp.**

Ngeny, Philip, Supervisor

**Care Kenya**

Mitchell, Mr., Deputy Director Finance

**CHAK**

Khachina, James, Director

Aling, David, Finance Manager

**Chogoria Hospital**

Fischbacher, Dr. Colins

Mutindwa, Mburia

**Drumvale Farmers Coop**

Munguti, Joseph, Manager

**Farming Systems**

Mugo Maina, Paul Dr. Director

**Food for the Hungry, Int.**

Winnigie, Mr., Director

**Greenbelt**

Wangari, Mathai Prof., Director

**Kenya Catholic Secretariat**

Ndiritu, Annunciatta, Senior Nursing Officer

**Kenya Freedom from Hunger**

Arema, James, Deputy Director

Mbugua, Moses, Director

**Maendeleo Ya Wanawake**

Mutunga, Rosalia

**Mkomani Clinic**

Mwamodo, Mary, Director

**PLAN Interna.**

Gibson, James, Director

Eshitemi, David, Water Engineer

Mungai, Patrick, Evaluation Officer

**Public Law Institute**

Kyalo, Anne, Legal Officer

**Salvation Army**

Taylor, Col. and Mrs. Brian

**Technoseve**

Makilya, John, Director

Mbutri, Geoffrey, Program Officer

Mukami, Ms., Program Officer

**Tenwek Hospital**

West, Randy, Coordinator

Stevens, David Dr., Director

**Wildlife Clubs of Kenya**

Nguli, David, Development Officer

**World Vision**

Mammo, Dr., Project Officer/Advisor

**Tototo**

Karamba, Peace, Admin. Officer

**YWCA**

Owiti, Mrs., Director

**VITA/CITC**

Baiya, Harun Mr., County Director

Wandario, Joesph, CITC Manager/Thika

## **ANNEX D**

### **NGOs in Kenya: A Historical Perspective**

In Kenya as elsewhere, it is generally agreed that NGO programs, which direct their services towards society's poorer members, are able to deliver services more cost-effectively than can the public sector; and that NGOs provide their beneficiaries services that they could not afford to purchase from the private sector even if such services were available. A hallmark of Kenyan NGO programs is that they are community-based and personally oriented, often with large measures of beneficiary participation.

The evolution of NGO activities in Kenya dates back to the early years of 20th Century when church related organizations began building schools and hospitals to serve the country's underprivileged majority. In the 1950s, as a result of the turmoil in Kenya caused by the independence movement, many new NGOs emerged to cater to the disadvantaged through providing basic relief services. Notable among these were Maendeleo ya Wanawake which was founded to offer skills training, health education and income generating opportunities for single mothers. Another notable NGO that emerged during this period was the Kenya Association of Youth Clubs, which was organized to work with youth who were adversely affected by the war. The former continued to be a major independent women's organization until recently when it was "adopted" to become an extension of the ruling political party KANU. The later is the precursor of the present KAYO which remains active in the co-ordination of youth development programs.

At independence, although there were already quite a number of indigenous NGOs operating in the country, foreign NGOs had not yet entered Kenya in any significant numbers. In 1964, Kenya's fledgling Government welcomed, accommodated, and encouraged the full participation of NGOs in the country's development. This decision arose out of the realization that the government alone could not possibly meet the country's development needs and that organized citizen participation in the development process was desirable.

A measure of the extent of NGOs' contributions to the country's education is that missionary schools have educated approximately 80% of the present political, technocratic, and private sector leadership. And, NGO medical services, primarily church affiliated, provide over 40% of the health care services countrywide, and in many rural areas they are the only providers of medical services.

Church related NGOs have also been a consistent and active voice for the human rights of the indigenous people beginning with their open advocacy for Kenya's independence. This advocacy for empowerment of the disenfranchised has been maintained by the church NGOs even in spite of the increasingly restrictive contemporary political environment.

Following Kenya's independence in 1963, NGOs were able to operate almost completely without interference. The Government not only welcomed their contributions but actively cooperated to enhance their effectiveness. This was done through providing NGOs small grants to implement projects, and exemptions from customs and other forms of taxation. This atmosphere of cooperation encouraged the proliferation of NGOs throughout the country.

In order to enable the benefits of NGO initiated activities to be continued, the Government often funded and then directly assumed the management of such projects. The youth polytechnic program, now government-funded and operating country-wide, was pioneered by NGOs, the Turkana Fishermen's Co-operative, several orphans' homes, and numerous small-scale water projects have had similar histories.

In the same period, the government openly welcomed criticism by NGOs even when such criticism was directed towards the government itself. For example, when the government enacted the Public Security Act, which allowed for detention without trial, church affiliated, along with other NGOs, publicly voiced opposition. Open debates were organized and the government eventually acquiesced to their demands. The NGO sector subsequently took up other social and legal issues including calling attention to, and opposing, undesirable government practices such as public employment recruitment through tribal lines; and their recommendations were often acted on.

This was a period of economic growth when the Government could afford to offer financial assistance to NGOs. And it was also a period when the newly formed government was too preoccupied with the task of forging a cohesive nation out of Kenya's many ethnic groups to worry much about criticism from NGOs.

Kenya's second decade of independence saw many foreign NGOs enter Kenya and begin to implement development activities. While the climate of mutual co-operation between NGOs and Government continued, the foreign NGOs brought expatriate leadership with them and some in Government began to express discomfort at criticism emanating from expatriate NGO leaders. Concurrently, as economic growth slowed, the government curtailed grants to NGOs and insisted on greater involvement in projects that it would eventually take over. The decade ended with Kenya having probably the largest volume of NGO activity anywhere in Africa.

The following decade saw a further heightening of tensions following the death of President Kenyatta in 1979. The country's leadership changed, a 1982 attempted coup was foiled, and the Government became increasingly intolerant of criticism, regardless of its source. Certain freedoms, hitherto freely enjoyed, were gradually eroded and many democratic processes and institutions were gradually, but deliberately, weakened and rendered ineffectual.

As NGOs continued to take critical stands against the government's policies, relations with government came under further strain and were increasingly viewed with suspicion. Churches, along with other secular NGOs, were accused of funding dissidents and harboring or collaborating with the nation's enemies. Greater scrutiny and control of NGO activities were instituted and, towards the end of the 1990s, NGO-government relations sank to an all time low.

**ANNEX E**

**PVO Co-financing Project Logical Framework  
(from Revised Project Paper of July 1988)**

<b>OBJECTIVES</b>	<b>INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<p><u>Goal:</u></p> <p>To increase the incomes, quality of life and self-reliance of the rural and urban poor whose development needs are otherwise inadequately served</p>	<p>Income, health and nutrition, education, and housing status of rural and urban poor improved.</p> <p>Productive assets and labor productivity among rural and urban poor increased.</p>	<p>A mid term and final Project evaluation will be conducted.</p>	<p>GOK policies remain conducive to PVO activities.</p>
<p><u>Purpose:</u></p> <p>To increase the development impact of PVO activities in Kenya.</p>	<ul style="list-style-type: none"> <li>- Numbers of beneficiaries of participating PVOs' activities increases during implementation.</li> <li>- Income, health and nutrition, education and housing status of projects' beneficiaries improved.</li> <li>- Employment, productive assets, and labor productivity among projects' beneficiaries increased.</li> <li>- Bio-diversity and Natural Resource Management targets met.</li> </ul>	<p>Each proposal will contain a monitoring and evaluation plan with objectively verifiable indicators.</p>	<p>Provision of certain services through PVOs is more cost-effective than alternative approaches.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS																						
<p><u>Outputs:</u></p> <p>1. Direct grants to selected PVOs.</p> <p>2. U.S. or third country, short-term training provided.</p>	<p>1. Approximately 5 grants per year averaging \$325,000 made to PVOs pursuant to selection criteria.</p> <p>2. 15-30 person months of training per year over six years provided at average cost of \$100,000 per year.</p>	<p>Project files.</p>	<p>Sufficient demand by PVOs for USAID funding.</p> <p>Unmet demand for PVOs' services.</p> <p>Existence of PVOs meeting registration and minimum selection requirements.</p>																						
<p><u>Inputs:</u></p> <p>A. Financial Resources</p> <table data-bbox="137 910 1142 1277"> <tr><td>1. Grants Fund</td><td>\$8,125,000</td></tr> <tr><td>2. Training</td><td>600,000</td></tr> <tr><td>3. Audits and Evaluations</td><td>150,000</td></tr> <tr><td>4. USAID Staff (4 PSCs)</td><td>825,000</td></tr> <tr><td>5. Institutional Contractor</td><td>980,000</td></tr> <tr><td>6. Donor Coordination Workshops</td><td>25,000</td></tr> <tr><td>7. Contingencies</td><td></td></tr> <tr><td>USAID</td><td>295,000</td></tr> <tr><td>PVO resources</td><td>11,000,000</td></tr> <tr><td>TOTAL</td><td>4,265,000</td></tr> <tr><td></td><td>15,265,000</td></tr> </table> <p>B. In Kind</p> <p>1. USAID Staff</p>	1. Grants Fund	\$8,125,000	2. Training	600,000	3. Audits and Evaluations	150,000	4. USAID Staff (4 PSCs)	825,000	5. Institutional Contractor	980,000	6. Donor Coordination Workshops	25,000	7. Contingencies		USAID	295,000	PVO resources	11,000,000	TOTAL	4,265,000		15,265,000	<p>1 USDH, 4 PSCs plus support from USAID and REDSO</p>		<p>Cooperating PVOs are willing and able to meet their resource commitments.</p>
1. Grants Fund	\$8,125,000																								
2. Training	600,000																								
3. Audits and Evaluations	150,000																								
4. USAID Staff (4 PSCs)	825,000																								
5. Institutional Contractor	980,000																								
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PVO resources	11,000,000																								
TOTAL	4,265,000																								
	15,265,000																								

ANNEX E

PVO CO-FINANCING PROJECT

(Revised Logframe of 5/15/90)

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><u>Goal</u></p> <p>To increase the incomes, quality of life and self-reliance of rural and urban poor whose development needs are otherwise inadequately served.</p>	<p>Income, health and nutrition, education and housing status of rural and urban poor improved.</p> <p>Productive assets and labor productivity among rural and urban poor increased.</p>	<p>A mid-term and final project evaluation will be conducted.</p>	<p>GOK policies remain conducive to PVO activities.</p>
<p><u>Purpose</u></p> <p>To assist PVOs in Kenya to increase their development impact by strengthening their institutional, implementation and beneficiary outreach capabilities.</p>	<p><u>Beneficiary Impact</u></p> <p>1. Increase in number of people benefiting from project interventions.*</p>	<p>Baseline surveys, quarterly reports, endline status.</p>	<p>Project implementation remains relevant in meeting the need of the beneficiaries. NGOs perceive the need for services and the PVO Co-Fi project is effective in providing support.</p>

\*Development impact will be measured for individual projects. Common indicators for specific types of projects are attached.

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p><u>Institutional Strengthening</u></p> <p>2. A minimum of 75% of NGO projects with institutional strengthening objectives are using improved management, financial and implementation systems.</p> <p>a) Timeliness in reporting from all levels.</p> <p>b) Ability to regularly meet budgetary and work plan targets.</p> <p>3. A minimum of 75% of NGOs using evaluation in project planning and implementation.</p> <p><u>Sustainability</u></p> <p>4. Linkages between NGOs (local and U.S.), GOK, industry and donor community established and operational.</p>	<p>Financial and quarterly reports, received by AID, monitoring, site visits.</p> <p>Recommendations of ongoing evaluation that are implemented by NGO (quarterly report). Extent to which future plans reflect evaluation results (final report).</p> <p>Quarterly reports, case studies, site visits</p>	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<ul style="list-style-type: none"> <li>a) Number and types of relations established between NGOs.</li> <li>b) Number project components integrated into already existing GOK infrastructure.</li> <li>c) Examples of resource linkages with local industries and donor agencies.</li> </ul> <p>5. 50% of project activities to continue after AID funding.</p> <ul style="list-style-type: none"> <li>a) Community assets established with maintenance plans prepared.</li> <li>b) Beneficiaries trained under project continuing activities.</li> <li>c) NGO has operational budget and implementation plan to continue activity.</li> </ul>	<p>End of project evaluation.</p> <p>Quarterly reports, site visits after project completion.</p>	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><u>Outputs</u></p> <p>1. System for collecting baseline data in place.</p> <p>2. Financial management systems in place.</p> <p>3. NGO staff trained</p>	<p>60% of NGOs have baseline data by end of Year 1.</p> <p>60% of identified NGOs have financial management system documented by the end of their first year of AID assistance.</p> <p>NGO staff participate in local training programs/NGO arranged programs (e.g. on the job training, observational visits, seminars, workshops etc.)</p> <p>A minimum of one project workshop held per year.</p> <p>At least five participants receiving U.S. and third country training/year.</p>	<p>Baseline Report</p> <p>Operational budget, annual audited statement, timely monthly and quarterly report.</p> <p>Seminar, workshop, course reports, quarterly reports, PIO/Ps.</p>	<p>NGO has staff capability to assume responsibility.</p> <p>NGO remains financially and technically viable.</p> <p>Institutional contractors services are relevant and capacity is adequate.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
4. Project evaluation/systems established.	Evaluations carried out.	Evaluation data/report.	
5. Institutional contractor utilized.	A minimum of three work orders prepared and implemented/year.	HRD records. Contractor final report.	
<b>A. Financial Resources</b>  1. Grants Fund 2. Training 3. Audits and Evaluations 4. USAID staff (4 PSCs) 5. Institutional Contractor 6. Donor Coordination Workshops 7. Contingencies 8. USAID PVO Resources 9. Total  <b>B. In Kind</b>  USAID Staff	\$8,125,000 600,000 150,000 825,000 980,000 25,000 295,000 11,000,000 4,265,000 15,265,000  1 USDH, 4 PSCs plus support from USAID and REDSO		Cooperating PVOs are willing and able to meet their resource commitments.

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## ANNEX F

### Site Visit Brief

#### TECHNOSERVE - MALA MILK PROJECT

In Kenya's Machakos District Technoserve has been assisting the Drumvale Agricultural Cooperative in the production and marketing of Mala milk since 1979.<sup>1</sup> Mala milk is a yogurt-cultured milk popular in Kenya that has a shelf-life of up to ten days.

The cooperative has been in existence since 1964 when, following Kenya's independence, it was sold by its former Scottish owners to the area's residents. The cooperative now has 1,442 members who collectively own its 8,000 acre farm. The land is primarily used for raising cows; some of which are raised for beef but the majority of which are used for milk production. Some portion of the land is also seasonally planted with food crops. The cooperative is managed by an elected local governing committee; none of whom participate in the work of the cooperative and all of whom routinely have been re-elected every five years in uncontested elections. It is unclear what benefits the committee members receive from their appointments.

The cooperative's membership individually owns the cattle, collectively owns the land, and equally splits annual profits among its membership--during years when there has been a profit. At its conception, the membership purchased shares in the cooperative from the former Scottish owner at Ks. 200 per share; a minimum purchase of four shares was required in order to become a member, however, some members purchased substantially more than the minimum. Annual profits from the cooperative are equitably split between its members (not based on the number of share holdings as was originally envisaged). The past year saw a profit, or "transport allowance" of Ks. 300 (US\$ 12) paid to each member. It is called a "transport" allowance, rather than a dividend, because this excludes it from taxable income. The management maintained that if it were documented as a dividend, and subject to tax, then there would be no annual profits to share.

The farm earns its income from raising and selling live stock and from sales of milk. Technoserve assisted the cooperative to begin producing and marketing Mala milk. The rationale for this project was that prior to Mala production the cooperative was unable to

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<sup>1</sup> Under financing from USAID/Kenya's PVO Co-Financing Project, Technoserve was given a grant to establish seven Mala milk processing operations. This case study comments on only one of those seven operations. Among Technoserve's seven Mala milk operations, the effort at the Drumvale Cooperative is an anomaly because the mala production unit operates within a cooperative structure, the other production units are organized as private businesses.

market all of its milk and was losing money because milk would spoil before it could be sold. Exacerbating the problem is the regulation that all milk be sold to Kenya's parastatal milk marketing board, the KCC, only in predetermined locations and always at a KCC-controlled price. Because the cooperative's profit margin for the production and sales of fresh milk is very narrow, and due to the inability of the KCC to absorb the cooperative's production capacities, it was determined that Mala production could increase the profitability of the cooperative. This would be primarily because less milk would be "lost" as a result of spoilage and because processed Mala milk could be sold at a higher price and realize a higher profit margin due to its value-added processing.

Technoserve, in 1979 through a matching-grant from A.I.D.'s Washington-based PVC Office, and in 1988 supplemented by a USAID/Kenya PVO Co-Financing grant of \$236,253 began implementing its project to develop seven Mala production sites. Technoserve's interventions at the Drumvale Cooperative included arranging for five cooperative members to receive training in Mala production from the University of Nairobi; management assistance to design and install a cash-flow accounting system to monitor revenues and expenses; and purchasing two Mala packaging machines and arranging for training in their use. At the time Technoserve commenced its assistance the farming cooperative was operating at a loss and its continued existence was in jeopardy.

During the life of the project (1988-90), Technoserve staff visited the farm about twice a week to assist with report generation, financial management, and other special issues as would arise. Although the grant has officially terminated, Technoserve maintains communications with the cooperative and provides special assistance upon request. However, the cooperative's Mala milk production is now considered to be largely sustainable without a need for further assistance. An exception to this may be the high turnover rate for the semi-skilled Mala milk packagers and the skilled operations manager; the present manager had been in employ for one year. Following turnover of key staff, Technoserve has arranged for additional employees to be trained at Nairobi University.

The project's success is mixed and paradoxical: In terms of Technoserve's interventions to;

- institutionally strengthen the cooperative, success can be cited: improved financial systems have been installed and are operating effectively; five Mala production jobs have been created; staff have received technical training and are using those skills; and, due to profits from Mala milk production, the farm is now operating at a profit, albeit modest.
- increase incomes, if the beneficiaries are considered to be the 1,472 cooperative members, the success of the Mala business has had no significant impact. Each cooperative member is now receiving approximately one dollar per month in dividends. Although this is a dollar a month they very well might not be earning had Technoserve not intervened, in all regards, it is an insignificant amount of money, particularly considering that the many of the cooperative's

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the Thika operation. Additionally, the baseline survey to assess the performance of the center's graduates is well underway, and the project manager, in coordination with the Kenyan Ministry of Technology Training and Applied Technology, has begun designing the business management curriculum. It is planned that the curriculum, once completed, will be introduced by the Kenyan Ministry country-wide. As for the CITCs, also when the business management curriculum is complete, there is a provision within the grant to hire a full-time business manager for each of the four participating training centers.

The program plans to financially sustain itself through using the profits generated from the CITC's production units to pay salaries of the business curriculum instructors. The training center in Thika, which is the project's pilot effort, has already secured two contracts to produce furniture; one contract is from a local school to supply desks and the second contract is to build office furniture for a local industrial firm.

Thus far, USAID has had a very positive influence on the project's design and implementation. The Nairobi-based project manager described USAID's Co-Fi requirements and assistance as being 75% helpful and 25% bureaucratic. However, he said that "the 75% helpful and professional assistance provided by the Co-Fi staff will end up making the difference in ensuring the project's success." Both field staff from Thika, and Nairobi-based staff, attended USAID's evaluation workshop, and described it as very helpful toward enhancing their project monitoring skills and enabling them to assess progress toward achieving objectives. USAID's staff should be commended for this, not only because the workshop was so successful, as evidenced by the comments of the participants, but because VITA staff were invited and encouraged to attend even though their grant agreement had not yet been signed.

In addition to institutionally strengthening the CITCs, VITA's efforts are expected to directly benefit the centers' trainees. This through improving their possibilities to secure employment, either through finding work as a result of an internship or enabling them, through acquiring management skills and having access to credit, to set up their own small business. Additionally, for those who find work with established businesses, their acquisition of management skills may position them to have a better opportunity for promotion into management positions. And, in general, the students will benefit from the overall improvements that can be expected in the centers' operations if revenues are increased. This could mean the centers' will be able to purchase more training equipment or that they may be able to offer scholarships to students not otherwise able to afford the fees.

## Site Visit Brief

### PRESBYTERIAN CHURCH OF EAST AFRICA - CHOGORIA HOSPITAL

Chogoria Hospital is a full-service hospital that was established by the Presbyterian Church of Scotland in 1922. The hospital conducts surgery, and manages family planning and preventative community outreach programs. Following Kenya's independence, ties with Scotland were cut and the hospital has since been under the control of the Presbyterian East African Church. In 1990 the hospital had a total expense budget of KSh. 17 million; in 1991 the budget has risen to KSh. 30 million. Of the 1991 budget 80 percent is covered by patient fees, 15 percent is from donations (harambee), and the remainder is provided by donors. Current donors include CIDA and USAID; the hospital currently has a two-year grant from the PVO Co-Financing Project of \$319,800 and a grant to undertake family planning activities from USAID's Office of Health and Population. The hospital's 1990 deficit was one-half million KShs., or approximately three percent of their annual budget.

The purpose of USAID's Co-Financing grant is to financially strengthen the hospital in order to eliminate dependency on donor funding; it is the hospital's preventative rural outreach program which is currently most heavily subsidized. The hospital expects outreach services, which primarily benefit the poorer community members, will always need to be subsidized. The Co-Financing grant has four basic components: constructing a for-profit canteen to supply food to the hospital's patients and staff of 520; building a for-profit hospital wing that will cater towards the area's wealthier patients; building eight apartments for senior professional staff in order to reduce high turnover rates caused by competition with government hospitals which offer similar employment perks; and mechanical training for the maintenance staff to enable them to service the hospital's eleven vehicles - maintenance is currently contracted out to local mechanics. In addition to the assistance provided by USAID to improve the hospital's cash-flow deficit, the hospital has begun to implement a coffee-credits payment scheme to enable the area's many coffee farmers, whom are often and seasonally cash-short, to pay hospital fees and has begun to design a four-tiered medical insurance scheme for local residents.

Project implementation is ahead of schedule and has an excellent opportunity of achieving its purpose of allowing the hospital to achieve financial sustainability. The canteen, luxury accommodation wing and apartments are nearly complete and four mechanics have completed training and have begun providing regular vehicle maintenance and repairs. Through the provision of for-profit food services, together with the fees earned by the luxury medical accommodation wing, the hospital expects to earn enough profit to continue to subsidize its rural preventative health programs.

The hospital's management stated that USAID's Co-Fi assistance and reporting requirements have been useful in assisting the hospital to improve its financial management systems. Although they do not consider the time required to complete monthly financial reports to be

members support large families. This one dollar per month dividend offers not even the slightest hope of raising the very low living standards of the cooperative's majority.

- improve the beneficiaries overall socio-economic status, through supporting the cooperative as it is currently structured, the activity may be having the overall detrimental effect of perpetuating the memberships' poverty and disenfranchisement. The current structure does not permit the membership any ability to influence the organization's management or resource allocations, and is limited in its economic effectiveness due to government marketing regulations. The elite-controlled cooperative's barely-so financial viability, strengthened through the profits of Mala milk sales, virtually guarantee the continued political and economic insignificance of its membership. In short, a cooperative structure that subjugates, rather than empowers, has been strengthened.

This sub-project could provide information useful to shaping and implementing structural policy reform in the areas of small-holder dairy production and cooperative support. USAID could examine the affect of milk marketing regulations on small producers to begin to frame a strategy for how micro-economic realities of current policies could provide a basis for macro-economic reforms.

## Site Visit Brief

### VOLUNTEERS IN TECHNICAL ASSISTANCE AND CHRISTIAN INDUSTRIAL TRAINING CENTERS - PROJECT FOR BUSINESS MANAGEMENT TRAINING AND INCOME GENERATION

Since 1977 the Anglican Church of Kenya (CPK) has been operating Christian Industrial Training Centers (CITCs) and currently manages five such centers. These vocational training centers offer two-year courses in carpentry, mechanical engineering, metal working, and masonry. The majority of CITC's operational expenses are from tuition fees and, in the past, they have received occasional grants from World Vision to purchase machinery. The USAID Co-Fi grant to VITA has as its primary purpose "to improve the capacity of the CITCs to train students for the present job market in Kenya and to assist graduates in starting or expanding income generating activities." This case study brief is based on visits with VITA's office in Nairobi and to the CITC in Thika. Thika is an industrial center located about thirty miles outside of Nairobi and is adjacent to a large Del Monte pineapple plantation.

About five years ago a senior executive of Del Monte/USA was visiting the pineapple operations in Thika and explored possibilities to productively funnel back some of the company's profits into the local economy. This desire, together with Del Monte's occasional difficulties in securing skilled labor, led him to the local CITC. Del Monte subsequently contacted VITA and made known their desire to support the training center (presumably, the decision to channel the money through a U.S. PVO was influenced by U.S. tax laws regarding donations to 501-C-3 organizations). Rather than supporting just the Thika training center, VITA convinced Del Monte that it could use the donation to leverage additional funding; eventually VITA received \$100,00 through RJR Nabisco and designed the project to support four training centers. In a grant agreement signed in September 1990, the USAID Co-Fi Project contributed \$332,829 to an in-kind contribution from VITA and the donation from RJR Nabisco, Del Monte's parent firm. VITA was well suited to implement the project because of its history of successfully managing enterprise development projects in several other African countries.

There are several components to VITA's current cooperation with the CITCs, including: assisting the centers to develop and introduce a business management curriculum to complement the center's technical training programs; conducting a baseline survey to assess the employability of the center's past graduates; institutionalizing the center's currently episodic efforts at running production units, these to use the trainees skills to fill for-profit production contracts to subsidize training operations; facilitating contacts with local financial institutions to provide credit to the center's star trainees; and institutionalizing an on-the-job internship program with local industrial firms.

Although the grant agreement has only recently commenced, VITA and CITC have moved swiftly into implementation and, in addition to hiring a Nairobi-based project manager, have already hired a production manger with extensive experience in industrial management to run

practical, as reporting requirements are consuming more management time than originally anticipated. However, this may in large measure be due to the recent resignation of the staff person formerly responsible for such duties. Though time consuming, the project manager did state that reporting requirements are straightforward and easy to complete and mentioned his intention to hire one additional financial management expert. Currently two of the hospitals physicians are assuming responsibility for completing the financial reports and this has reduced their availability to provide technical management and provide medical services; both of these staff have surgical responsibilities. No staff salaries were requested in the project's proposal nor have they been provided.

A further measure of USAID's Co-Fi Project upon institutional strengthening was the successful provision of short-term U.S. based human resource development training to one the hospital's key administrative staff. Since completing the training at the University of Pittsburgh Mutindwa Mburis has been promoted to the position of Assistant Administrator of the hospital. The staff of Chogoria Hospital with whom the evaluation team spoke characterized USAID's assistance as having been both helpful and professional and expressed appreciation for what they interpreted as USAID's sincere concern in the project's success.

Enabling the hospital to balance its revenues and expenditures will ensure that preventative rural health care services can continue to be provided to the area's low-income residents.

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## Site Visit Brief

### FOSTER PARENTS PLAN INTERNATIONAL BOREHOLE DRILLING PROJECT

Since 1982, Plan International (Plan) has operated a program of integrated rural development activities from a regional field office located in Embu; it is the largest of four Plan field offices in Kenya. Primarily supported through an international child sponsorship fund raising scheme, the major emphases of Plan's Embu program are health, education and livelihood activities. Livelihood activities include income generating programs and small-scale agricultural activities. Plan has been constructing water systems, both boreholes and roof catchment cisterns, in Embu since 1986. The Embu area is a dry region of Kenyan and, prior to Plan's activities, it was not unusual for women and children to walk up to four hours per trip to fetch water, and then a single trip would only yield as much as could be carried over hilly terrain.

In 1987 Plan conducted an evaluation of its efforts in water supply and concluded that boreholes were the only feasible alternative for providing water to the majority of the area's inhabitants. To pursue this objective in a cost-effective manner, Plan/Embu then purchased their own drilling rig equipment and expanded operations. In order to supply the region's extensive water needs, Plan determined that complementary funding would allow as many boreholes as needed to be operational sooner than could have been possible had they relied solely on their U.S.-forwarded budget allocations. Plan/Embu signed a two-year grant agreement with USAID's PVO Co-Fi Project in late 1989 and was later successful in securing additional funding from UNICEF. The USAID grant totalled \$330,000. Thus, USAID purchased into an on-going project which will continue following the exhaustion of their contribution.

Once having secured USAID's funding, and already implementing the project, Plan exhausted USAID's contribution in the project's first year, although the project continues using the NGO's own contribution. Despite the fact that Plan is a long-established NGO, and had several years experience in implementing water borehole projects in Embu, USAID's Co-Fi assistance nevertheless has had a modest impact upon the organization's management. This resulted from compelling the organization to use the logical framework to design the project. Plan's water engineer has since used the device to order his conceptual thinking prior to writing a proposal that was later funded by UNICEF. Also, two Plan employees attended the USAID workshop on evaluation and found it to be a valuable adjunct to the project's logical framework design process requirement and stated that the workshop has been beneficial to encouraging the organization to pursue a more systematic approach to evaluation. For the most part, Plan continues as before; USAID can take credit for having a modest impact on the organization's capabilities but mostly for enabling Plan to expand their successful efforts to provide the area's residents with much needed water.