

**A.I.D. EVALUATION SUMMARY - PART I**

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1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

**IDENTIFICATION DATA**

<b>A. Reporting A.I.D. Unit:</b> Mission or AID/W Office <u>Mission</u> (ES# _____)	<b>B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan?</b> Yes <input type="checkbox"/> Slipped <input checked="" type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY <u>1994</u> Q <u>4</u>	<b>C. Evaluation Timing</b> Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Other <input type="checkbox"/>
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**D. Activity or Activities Evaluated** (List the following information for project(s) or program(s) evaluated: if not applicable, list title and date of the evaluation report.)

Project No.	Project/Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (MO/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
497-0364	PVO Co-Financing III/Strengthening Institutional Development (SID)	FY 91	09/97	\$31 Million	\$30.33 Million

**ACTIONS**

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
<p align="center"><b>Action(s) Required</b></p> <p>The Evaluation Study presented 6 principal recommendations (see Section J). The Mission essentially endorses all of the recommendations.</p> <p>First, we will attempt to amend the 6 SID-funded grants which still have 24+ months before their termination dates to incorporate measurable achievable indicators keyed to the program outcomes in the Mission Strategic Objective No. 5 and the approved Mission democracy assessment/strategy: Salesian Missions, DBB, YPMD, PATH, LBH, and Winrock.</p> <p>Second, the performance tracking of SID-funded grants that are successfully amended will be incorporated into the management information system being devised for the Supporting Democratic Initiatives (SDI) project.</p> <p>In designing the FY 95 SDI project, the Mission incorporated several of the Study recommendations. AA/ANE approval to authorize the Project will be withheld, per standard policy, pending the Bureau's review and approval of the Mission's strategy/action plan.</p> <p>* Please see Mission's comments in Section L.</p>	<p>Mark Johnson</p> <p>Mark Johnson</p> <p>Mark Johnson</p>	<p>09/95</p> <p>09/95</p> <p>05/95</p>
	(Attach extra sheet	if necessary)

**APPROVALS**

**F. Date Of Mission Or AID/W Office Review of Evaluation:** \_\_\_\_\_ (Month) \_\_\_\_\_ (Day) \_\_\_\_\_ (Year)

**G. Approvals of Evaluation Summary And Action Decisions:**

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature	Mark R. Johnson	N/A	Gary Bricker	Charles F. Weden
Date	<i>Mark R. Johnson for</i>		<i>G. Bricker</i>	<i>[Signature]</i>
	3/23/95		3/23/95	3/27/95

**ABSTRACT**

**H. Evaluation Abstract (Do not exceed the space provided)**

The Strengthening Institutional Development Project (SID) goal is "to promote a more democratic society by strengthening the performance of independent PVOs." The project's purpose is to "enhance the participation of independent PVOs in the areas of advocacy, democratic institution development, and broad-based development."

SID is the successor to USAID/Indonesia's PVO Co-Financing I and II (CO-Fi I and II) which were implemented over the past two decades. All three of these projects have worked directly with PVOs, not through the Government of Indonesia. The project is supported by the Mission's Office of Community and Civic Participation (OC2P).

The Mission strategy for SID's predecessor projects was to support a wide variety of organizations and projects during the initial period of growth of the PVO/NGO community in Indonesia. Both Co-Fi I and II pursued the explicit goal of institutional pluralism, or the expansion and strengthening of private, independent organizations for their own inherent value in a growing, modernizing economy. As such, a number of small grants were awarded primarily in a reactive manner across a broad spectrum of sectors.

However, with the growth in strength, competence and numbers of Indonesian PVO/NGOs and the concomitant USAID desire for greater program focus and clarity, funding for PVO/NGOs has been increasingly related to areas of Mission priority and concern. Over time, the Mission has attempted to put increased emphasis on strengthening the organizational capacity of a smaller number of PVO/NGOs in a few selected program areas. In addition, with shrinking USAID staff resources, it has become necessary to reduce the volume of grant actions and subsequent management burden.

SID was designed to have a sharper strategic focus than its predecessor projects. Proposals funded each year were supposed to be limited to a few program areas within the Mission's strategic objectives. SID focuses on three explicit impact criteria: the project must have a multiplier effect, promote sustainability and support advocacy. The SID strategy also calls for funding fewer and relatively larger grants each year in order to reduce the Mission's management burden from that of the Co-Fi years. The Mission encourages "umbrella" grants to U.S. or established Indonesian PVOs, which in turn, award sub-grants to smaller or new local NGOs/PVOs.

The mid-term evaluation had three primary objectives: (a) to assess the successes, impact and effectiveness, and difficulties and problems of the SID project to date; (b) to analyze those results in relationship to the original project design; and (c) if necessary, suggest appropriate modifications to SID in view of implementation progress and current USAID strategic priorities.

The evaluation was conducted by a Management Systems International (MSI) team comprised of two U.S. and two Indonesian members.

**COSTS**

**I. Evaluation Costs**

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Leon Muffett	Management Systems International	IQC AEP-0085-I-00-3001-00 DO 15	\$99,120,000	SID Project
Wendy DeMegret	Management Systems International			
Danny Yatim	Management Systems International			
Kamala Chandrakirana	Management Systems International			
2. Mission/Office Professional Staff		3. Borrower/Grantee Professional		
Person-Days (Estimate) + 40 person/days		Staff Person-Days (Estimate) + 31 person/days		

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# A.I.D. EVALUATION SUMMARY - PART II

## SUMMARY

**J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)**

Address the following items:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Purpose of evaluation and methodology used</li> <li>• Purpose of activity(ies) evaluated</li> <li>• Findings and conclusions (relate to questions)</li> </ul> | <ul style="list-style-type: none"> <li>• Principal recommendation</li> <li>• Lessons learned</li> </ul> |
|--|---|

**Mission or Office:**

Office of Community and Civic Participation

**Date This Summary Prepared:**

September 7, 1994

**Title and Date of Full Evaluation Report:**

Strengthening Institutional Development Through Private Voluntary Organizations Co-Financing III (SID), July 1994

### OBJECTIVES OF EVALUATION

The specific objectives of the evaluation were to:

- a. Assess whether the project has achieved or will achieve its stated goal and purpose; is it promoting " a more democratic society by strengthening the performance of independent PVOs" ?
- b. Analyze the progress indicators and end-of-project status (EOPS) in the Project Paper (PP). Have these indicators been monitored? Has progress been achieved according to these indicators? Are the indicators and EOPS in the PP appropriate measures? Do indicators and/or EOPS need adjusting? If so, how?
- c. Determine whether the implementation processes used under SID and funding levels provided to the project are appropriate for working with and influencing the non-government sector to: (i) achieve the project's purpose; and (ii) support NGO activities in a proactive, tightly focused and USAID program responsive manner.
- d. Analyze and conclude whether the project funding has been efficiently employed by USAID and grant recipients to enhance both the programmatic and service performance, and, particularly, the institutional strength of the non-government sector in Indonesia;
- e. Define the strategic directions and tactical processes the project should take to maximize program impact and success in the future; and
- f. Provide USAID with clear recommendations for the future direction and management of the project and, if necessary, detailed modifications as to project duration and programmatic priorities.

### METHODOLOGY USED

The evaluation focused on the first 3 1/2 years of SID's implementation (FY91-FY94). Data collection methods for the evaluation included: individual meetings, group interviews and focus groups with USAID and SID administrators; meetings with and site visits (to 5 islands and 7 provinces) to 18 NGO/PVO grantees, 5 regional NGO/PVO offices, 13 NGO/PVO subgrantees, a number of tertiary beneficiaries and a small sample of related NGOs/PVOs community leaders, non-grantees and academics; review of SID documents and various USAID and mission policy papers and documents; and review of sub-project/grantee level proposals, grant budgets and reports.

To structure the interviews, several different questionnaires were developed which targeted different categories of people concerned with the SID project. An analysis was made of all grants awarded during the project's life to determine SID's programmatic and regional areas of focus, and the number and kind of primary grantees. Comparisons were drawn between SID and its predecessor project with respect to the number and size of grants.

Given that a project-wide data management system was not in place, the evaluation faced significant constraints in responding with greater precision to some of the detailed questions posed in the objectives outlined for the evaluation.

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## Continuation from Section J. Summary of Evaluation Findings, Conclusions and Recommendations

## PURPOSE OF ACTIVITIES EVALUATED

The SID project's purpose is to "enhance the participation of independent PVOs in the areas of advocacy, democratic institution development, and broad-based development."

Proposals funded each year are limited to a few program areas within the Mission's strategic objectives. SID focuses on three explicit impact criteria: the project must have a multiplier effect, promote sustainability and support advocacy. The SID strategy also calls for funding fewer and relatively larger grants each year in order to reduce the Mission's management burden. The Mission encourages "umbrella" grants to U.S. or established Indonesian PVOs, which in turn, award sub-grants to smaller or new local NGOs/PVOs.

During the first year of implementation, FY91, the Mission identified four priority areas for SID-funded PVO activities: democratic pluralism, maternal and child survival, environment, and the urban informal sector/microenterprise. 87 concept papers were received and reviewed. 10 grants were awarded. In FY92, two new grants were awarded, both in the only new priority area identified for that year, HIV/AIDS prevention. In FY93 the Mission amended the project to raise the LOP ceiling to \$30 million and called for concept papers in three areas: democracy, child survival, and the environment. In FY 93, 19 awards were made through new grants and amendments, 6 of which went to U.S. PVOs and 7 to Indonesian NGOs. 80% of available funds went to support the activities of U.S. PVOs and 20% to Indonesian NGOs. 62% of funds were awarded PVOs/NGOs for "umbrella" projects and 38% were for projects with no sub-grantees. In FY 94, 9 awards were made, 7 of which went to Indonesian NGOs.

## FINDINGS AND CONCLUSIONS

From FY 1991 through FY94, SID awarded 42 grants, 2 contracts and six grant amendments. These awards were made to 25 different NGOs/PVOs, and had a total value of \$29,677,189. A distinctive feature in grantmaking was the relatively large number of grants in the eastern part of Indonesia. Until FY94, US NGOs/PVOs received more and larger grants than Indonesian NGOs/PVOs. Greater balance is evident in FY94 awards.

In comparing SID grantmaking with its predecessor, SID awarded an average of 10 grants per year whereas Co-Fi II averaged 13 grants per year. SID grants to date were approximately three times larger in average grant value than Co-Fi II grants. Both of these features are consistent with the original design, which envisioned a smaller number of large grants.

The evaluation found that "in spite of imperfections in the log frame that hamper exact measurements of progress toward objectives against a baseline, there is evidence that SID is making progress toward achieving the Project's goal and purpose. The evidence we have found is related to the success of SID grantees in implementing strategic planning for the first time, restructuring staff to achieve more effective and efficient program operations, initiating or revising internal policy and/or reporting and control systems, influencing the policy development of collaborating organizations, increasing the proportion of externally generated funds, and upgrading staff skills in general and financial management."

The evaluation made the following conclusions:

Grant concept guidelines/grant design: "Failure to include specific institutional strengthening objectives in subproject designs leaves SID managers without a basis for careful measurement and analysis of the extent to which the Project is achieving its goal and purpose. Subprojects cannot be monitored and evaluated effectively without appropriate institutional strengthening objectives incorporated in the detailed implementation plan. Unstandardized financial reporting requirements also do not allow distinguishing and monitoring the use of SID funds for institutional strengthening and sectoral activities."

Project and Subproject Monitoring: "The project's log frame is poorly designed, making precise quantitative measurements of progress against objectives difficult. SID has made an effort to incorporate the log frame into its reporting system, but revision is needed. Weaknesses in the log frame have been carried over into grant design. Institutional strengthening objectives cannot be measured accurately unless the log frame (and SID grants) is revised to include quantifiable indicators of progress."

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**Continuation from Section J. Summary of Evaluation Findings, Conclusions and Recommendations**

Communication and Dialogue among USAID and NGOs/PVOs: "Grantee NGOs/PVOs feel that communication with USAID is one way, and too often limited to making sure the rules are followed. More substantive dialogue is needed among USAID and members of the NGO/PVO community, including those based outside of Jakarta. USAID needs and wants to get to know the NGO/PVO community better, and members of that community feel they have something to contribute to USAID."

Project Data Management System: "The original data management system (referred to as MIS in the PP) for SID is awkward and inappropriate, and therefore has not been used. Use of the system requires too much time, and the data to be generated are not appropriate to SID's current needs. Effective and efficient monitoring of SID and its subprojects requires an improved data management system. The system must be appropriate for aggregating, analyzing, and quickly retrieving critical data needed by SID -- both for project and subproject monitoring, and for Agency/congressional interests."

Proactive SID support to Grant Design: "SID project officers are assigned complex analytical tasks for which they have not received special training. They need and want to be more directly involved in providing analytical and technical input to design preparation, monitoring and evaluation. Project officers will not be able to perform these complex tasks without specialized training. Appropriate training will help SID staff move away from providing reactive or corrective feedback on poorly designed grants, and more toward proactive input to grant design from the beginning."

**PRINCIPAL RECOMMENDATIONS MADE BY EVALUATION\***

1. Extend SID Project through the year 2000.
2. Revise grant concept guidelines to a) require comprehensive NGO institutional and sectoral assessment, and b) require standardized performance objectives for institutional strengthening and sectoral activities for both prime grantees and subgrantees.
3. Revise SID logframe to include more quantifiable indicators of progress toward objectives and EOPS criteria.
4. Design and implement a simplified data management system for SID.
5. Consider sponsoring occasional fora for the purpose of idea and information exchange for NGO/PVO community.
6. Consider providing SID staff with appropriate skills training that will enable them to perform their complex analytical and technical tasks.

\* See Mission comments in Section L.

**"LESSONS LEARNED" PRESENTED BY EVALUATION**

Project Design and Implementation:

" Much of what was envisioned in the PP has been accomplished. Incomplete or unaccomplished parts of the project design are reasonably explained by the lack of direction and transitional state which characterized the first three years of the Project. After a difficult starting up period marked by rapid change and transition within the Mission, the new OC2P and SID Project management has succeeded in turning the tide. There has been marked improvement in recent months."

"Current OC2P and SID Project management have effected a number of management improvements and new initiatives. These include; initial use of the Project's log frame; standardization of Project reporting forms to match log frame; increased incorporation of gender sensitivity/WID issues; increased authority to SID Project Officers; correction of imbalance of funds to Indonesian NGOs/PVOs; increased number of advocacy and democracy subprojects; reassessment of NGO/PVO registration requirements; examination of alternatives to overcome weaknesses of the "competitive" bidding process; consultancy to identify more NGOs/PVOs that work in advocacy and democracy activities and; allocation of SID funds to hire a PSC to assist with OC2P, SID and SID grantee financial issues."

" The management information system " was designed to do too much and thus became too cumbersome to be useful."

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## Continuation from Section J. Summary of Evaluation Findings, Conclusions and Recommendations

USAID and NGOs/PVOs:

"USAID working with local NGOs/PVOs to deliver development assistance through a non-bilateral project is a relatively rare, but widely appreciated strategy, both in the Mission and around the world. The strategy is not without awkwardness; difficulties in communication often arise and NGOs/PVOs often feel smothered by the formidable and largely inflexible bureaucratic requirements of USAID. NGOs/PVOs are also interested in advocating for their own target audiences and have difficulty understanding why their efforts should be so closely tied to the Mission's own strategic and political objectives."

SID's Programming Mode:

"Clearly, the preeminent characteristic of SID's programming mode is its flexibility, a characteristic so rare in donor assistance programs that it is regarded highly by the Mission. SID's flexible programming mode enhances its ability to respond to evolving priorities. Establishing priorities through a fully representative Project Committee helps ensure that all parts of the Mission have an opportunity to provide input to decisions regarding SID program priorities. This corporate input helps ensure that both the Mission and the Project respond appropriately to evolving priorities and shifting opportunities. Such a fully functional, collaborative Project Committee also facilitates the general management of SID."

"The time required for processing grant concepts and developing grants through the annual program cycle is a deterrent to rapid response, but may also serve to check excessive haste. In deciding whether to pursue solicited or unsolicited proposals, it is important for the Mission to consider the potential limiting effect on the number of Indonesian NGOs/PVOs that will benefit from the project, even though a smaller number of more focused grants is consistent with the project design."

"Longer grant periods may be more appropriate given that the process of institutional strengthening is arduous and time consuming. Longer grant periods can also enhance the likelihood of achieving more sustainable impact on institutional strengthening through SID grants."

Democracy Project with Government Institutions

The evaluation team supports the premise stated in the USAID Democracy Implementation Guidelines (6/94) that "...macro-institutional and the micro-grassroots aspects of democracy promotion are two sides of the same coin and must be addressed in tandem." The team believes a new democracy project devoted to promoting democracy with governmental institutions and/or selected "democracy/human rights" NGOs/PVOs would enhance and multiply the benefits that SID has already delivered and is continuing to deliver toward the promotion of a more democratic society. However, the evaluation team acknowledges the existing heavy workload on SID staff who are working at capacity. They state that, "Any new project should be adequately staffed to support its expectations and achieve its objectives. A new democracy project would certainly require major revisions to the staff complement of OC2P."

**ATTACHMENTS**

K. Attachments (List attachments submitted with this Evaluation Summary: always attached copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation. If relevant to the evaluation report.)

Mid-term Evaluation, Strengthening Institutional Development through Private Voluntary Organizations/Co-Financing III (SID) 497-0364, USAID/Indonesia, July 1994.

**COMMENTS**

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

Mission will not implement Recommendation No.1 to extend project life of SID to the year 2000. The Mission, with input from USAID/Washington, believes a number of fundamental changes are necessary to the SID Project. Therefore, the Mission will design a new project rather than amend or extend the SID Project through yet another amendment. The new project will be based on elements of the SID Project, the Mission's Strategic Objective No.4 and the approved Mission democracy assessment/strategy.

Mission will not implement Recommendation No.2 to revise grant concept guidelines. This recommendation requires grant applicants/grantees and USAID to revise the plan and budget for substantive, professional needs assessment during the first phase of subproject implementation which should result in baseline data, objectives, targets and quantifiable indicators of progress. However, all of SID's grants are currently in progress and are due to expire in 1995, 1996 or 1997. The majority (98%) of SID's LOP funds have already been obligated and the Mission has determined not to add more funding to SID. Since no new grants will be obligated and the revised grant concept guidelines are primarily meant to be applied to new grants, this recommendation will therefore be incorporated in the design of the new project.

Mission will not implement Recommendations No.3 and 4 to revise the SID logframe to include more quantifiable indicators of progress and to design and implement a simplified data management system for SID. While the logframe may be easily revised "on paper", its implementation would be extremely time-consuming and difficult given that grant agreements (42 in total) would need to be renegotiated and amended, and baseline data collected or reconstructed for each grant. With 60% of SID grants having either expired or due to expire this year and no new grants being obligated, it is felt that limited Mission staff resources would be better spent in planning and preparing for future grants under the new project. (The new project is expected to commence grantmaking in FY 1995.) In designing the new project, the Mission has also contracted to develop a simplified data management system to improve project and subproject monitoring. The data management system will be appropriately designed to support the new project's logframe and progress indicators.

Mission intends to conduct an NGO/PVO Seminar in May 1995 as per Recommendation No.5, subject to funds availability. The new project will also incorporate this recommendation along with the necessary budgeting.

Regarding Recommendation No.6 which calls for additional SID staff training, SID staff will be trained in democracy programming. A comprehensive Mission "Democracy Assessment and Strategy" recommends that rule of law/human rights activities with the NGOs become the Mission's priority in the democracy area. This focus was recently approved by USAID/W. AID/W personnel with experience in this area will be invited to provide training for a week in FY 95. One SID staff person will also receive 4 weeks of international policy/advocacy NGO training in the U.S. in June 1995.

(Note: The Mission essentially endorses all of the six Study recommendations. However, rather than implementing the recommendations under the soon-to-expire SID project, the Mission intends to implement them under the new Democratic Development through Institutional Strengthening (DDIS) Project which is currently being designed.)