

PROJECT ASSISTANCE COMPLETION REPORT
PVO SUPPORT PROJECT

Grant Agreement 515-0232.00 with Private Agencies Collaborating Together
June 27, 1986 - June 27, 1992

I. Summary:

USAID/Costa Rica signed a \$4.9 million, five-year (later extended to six-years) Grant Agreement with Private Agencies Collaborating Together (PACT), which successfully carried out a PVO Support Project.

2. Project Status vs. Planed Outputs:

- PACT assisted the Mission to maintain its support to PVOs, especially the U.S. PVO community.
- U.S. Dollars were channeled to international PVOs registered with AID/W to finance their development projects in Costa Rica. A total of 20 sub-projects were funded. In addition, 18 mini-grants were made to U.S. and local PVOs.
- Fifteen workshops on subjects of interest to PVOs were conducted, attended by 757 PVO managers, staff, or members of boards of directors.
- ACORDE was created and legally established as an independent PVO support entity, capable of managing a large loan and grant portfolio in dollars and colones and of providing systematic, sector-wide approach T.A. and training for PVO institutional strengthening.

3. Planned vs. actual inputs: Inputs were provided as planned.

4. End of Project Status:

A. The PVO Support Entity - The CINDE-PVO division was split off in 1987 and became an Association under Costa Rican Law known as "ACORDE", the "Asociacion Costarricense para Organizaciones de Desarrollo". Later that same year, it was recognized and declared to be of "Public Utility", which entitles it to special tax considerations. It was also registered at AID Washington as a PVO.

By-laws, manuals and a Code of Ethics for the new organization were prepared. A Finance Department was developed and an "audit" function added to it. The Project Department was also developed and procedures established which resulted in swift and direct communications with the PVOs.

B. Mechanism to Disburse and Manage Funds - ACORDE selected and funded local and international PVOs with local currency and U.S. dollars. In 1987 a 5 year agreement was signed with the GOCR and USAID to manage economic support fund recycled interest, amounting to approximately \$1 million in local currency per year. Before this Project was completed, the Mission made another dollar grant to ACORDE to allow it to continue providing technical and financial support to U.S. and local PVOs involved in small-business development. ACORDE has also been able to satisfy German, Dutch, Japanese, and European Economic Community requirements to handle their funds.

Two years before the completion of this Project, the USAID Controller's Office reviewed ACORDE's financial management system and concluded that it was sound and capable of handling both dollar and local currency funds. Thus the second goal of the OPG was satisfactorily met.

C. Design, Promote and Implement a T.A. Program for the Local and International PVO Community - INCAE was contracted by PACT/ACORDE to design and carry out a training program for the PVOs, which was done with the complete cooperation of the PVOs. The program was in operation for two years, and all PVOs receiving funds from PACT/ACORDE participated at all levels. The executives and the staff in all departments attended the relevant sessions.

In addition to this systematic, sector-wide approach to institutional strengthening, there were at least three technical assistance or mini-donations given to each PVO so that specific institutional needs could be met.

In addition, during the life of the Project, many exchanges with other Central American PVOs were held.

D. Channel U.S. Dollars in OPG-like Activities to PVOs Registered with AID/W - Twelve U.S. PVOs were funded to the extent of 45 project-years with OPG dollar funds. All of the projects funded were OPG-like with the exception of the mini-donations and the technical assistance grants.

5. Post-Project Monitoring Responsibilities:

The ACORDE mechanism was planned as a channel for new USAID funding. Both the local currency and the new dollar funds required the continuation of the established ACORDE quarterly reports and the annual audit by an outside firm. USAID staff members continued to selectively participate in sub-grant inaugurations and have periodic briefings from ACORDE executive directors or Board members. This type of dialogue assured the Mission and reassured ACORDE of their mutual compatibility and responsibilities. This monitoring load is minor. In this sense the OPG relieved the Mission of the workload for most of a sector.

6. Lessons Learned:

A. **Foundation-Like vs. Umbrella Structure** - PVO support entities which USAID had funded in Central America had mostly been umbrella organizations. That is, the Assembly and Board of Directors had been made up of representatives of PVOs. These Boards had not been stable because of the inherent PVO interest that they represented and because they looked toward the umbrella organization as a source of funds for their own projects. This caused power struggles and conflicts. The foundation-like structure of ACORDE has been used to bring together Costa Ricans of all sectors of the society who have an interest in serving the society by working to support PVOs. This has eliminated the conflict of interest problem.

B. **Non-Partisan Board and Project Selection** - The ACORDE Board is selected from both major political parties in a balanced manner and with the explicit instruction that they not be party activists while on the Board, nor use ACORDE to promote partisan activities. Of course, project selection has been guided by the same code.

This careful attention to political balance has provided ACORDE with access to both principal parties and has gained the respect of both parties. The result is that agreements can be reached which give ACORDE access to bi- and multilateral funding which requires GOCR approval.

C. **USAID Recognition as the Source of Donation** - The ACORDE mechanism does provide ample coverage for USAID in the field of public relations. ACORDE policy, and part of the USAID/ACORDE agreement, to give credit where credit is due, is implemented by staff and board alike.