



**ABSTRACT**

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

The PVO CO-Financing Project in the Dominican Republic aims to strengthen about 20 NGOs in 35 subproject grants for them to deliver selected services and other resources to about 400,000 poor in USAID\DR strategic objective areas of natural resources management, hillside agriculture, renewable energy, water and sanitation, child survival, community development, democratic initiatives, vocational education, microenterprise training and employment generation thereby increasing USAID\DR links with the Dominican NGO community and low income groups. The project's duration is September 22, 1989 to August 30, 1999. The Project is administered by a USPSC, a Dominican firm, ENTRENA PVO support unit, and a fiduciary agent. This midterm evaluation reviews progress made to date, draws conclusions regarding problem areas, and recommends corrective actions. Mission concerns, as expressed in the evaluation scope of work, are: 1) the original design and assumptions, 2) grant selection criteria and procedures, 3) contractor performance and provision of services to PVOs/NGOs, and 4) initial results. There is particular interest in institutional strengthening of NGOs, the extent to which democratic initiatives are carried out, and the extent to which environmental guidelines are used by the NGOs. This formative evaluation of the PVO CO-Financing project was conducted over a four-week period during April and May of 1995 and had the following findings, conclusions, and recommendations.

1. Project is roughly 50% complete, and in resource allocation terms is on track. Eighteen subproject grants have been awarded up to the start of this evaluation in job training, health, potable water and sanitation, natural resource management and income and employment generating opportunities to reduce poverty. The other 17 subprojects will be awarded with no problem in next 22 months. NGOs have required more strengthening than originally assumed.
2. Project support most of the USAID strategic objectives and all subprojects reach low income groups and the NGO community and 28% of subprojects are exclusively for women.
3. About 200,000 beneficiaries are being reached directly and another 300,000 indirectly compared with the planned 400,000 for the whole Project; and 30 of 20 planned NGOs have received institutional strengthening assistance in project preparation and implementation and financial, and administrative issues.
4. A System for subgrant development, subgrant selection, monitoring, financial management and the provision of T.A. and training to PVOs is in place and the whole process has had a salutary effect on NGO capability for subproject design and preparation of grant applications and implementation. Project Management and ENTRENA have performed well in setting up rigorous and fair criteria and procedures.
5. Plans and actions to achieve sustainable organizations and service delivery systems are spotty and not widespread. Even so, the vast majority of NGOs a) receive resources from other donors, b) are actively pursuing new prospects, and c) will outlive the project in some form or another. More worrisome than sustainability of the NGOs proper, is the sustainability of service delivery systems supported by NGO subprojects.
6. Although many communities have already had some sort of democratic experience, the project has created opportunities to break with authoritarian traditions and perceived by beneficiaries as teaching them the advantages of participatory mobilization and leadership, empowerment and equality for all. Beneficiaries also perceive that without the project democratic initiatives would still be an ideal, not a practice. The Project has had a far more profound and far reaching effect on democracy at the gross roots level than expected.
7. Project is effectively satisfying USAID\DR environmental requirements (CFR 216) and the use of environmental guidelines is slowly gaining acceptance by NGOs.
8. The general conclusion is that the Project is progressing very well but the hypothesis that NGOs are strengthened implicitly by doing service delivery through subproject grants is partially flawed because many NGOs use inefficient and ineffective service delivery systems and there is reservations by some NGOs to strengthen communities to carry out community-based project activities once the Co-Financing Project terminates. Project management has done well to adjust project resources to strengthen NGOs and communities but more needs to be done to achieve the full potential of the project.

The evaluators recommended four overall adjustments to increase project effectiveness:

- a. Implement a strategy for increasing effective and efficient institutional sustainability and delivery services by subproject grantees. Develop NGO sustainability models for service delivery systems (financial, community participation indecisions for the Dominican NGO movement.
- b. Project should make a more sustained effort to increase community participation in project development and long-term planning.
- c. Introduce a unifying environmental focus to provide coherence to participating NGOs in applying environmental guidelines and continue providing training on the use of guidelines and specific areas such as IPM and conservation.
- d. Rewrite the logical framework and amend the project paper, contracts and budgets to reflect changes.

**C O S T S**

**I. Evaluation Costs**

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Donald Swanson	Management		\$52,493	517-0247
Roger Popper	Systems			
Frank Moya Pons	International			
Angel Chiri				
2. Mission/Office Professional Staff Person-Days (Estimate)		3. Borrower/Grantee Professional Staff Person-Days (Estimate)		
Four Days		Ten Days		

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

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

Address the following items:

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| <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 question)</li> </ul> | <ul style="list-style-type: none"> <li>• Principal Recommendations</li> <li>• Lessons learned</li> </ul> |
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Mission or Office:

USAID/DR

Date This Summary Prepared:

June 19, 1996

Title And Date Of Full Evaluation Report:

DR PVO Co-financing Proj. Mid Term Eval.

#### Purpose of Activity Evaluated

The PVO Co-Financing Project in the Dominican Republic provides financial resources, technical assistance and training to a broad range of Dominican NGOs/USPVOs. The project goal is "to improve the well being of lower income groups" while a two pronged project purpose is: 1) "to increase the capacity of PVOs and NGOs , and 2) deliver selected services and other resources to the poor in USAID strategic objective areas." Key end-of project status (EOPS) indicators are: a) 400,000 rural and urban poor benefitting from PVO projects in the general areas of natural resources management, hillside agriculture, water and sanitation, health, community development, democratic initiatives and employment generation; b) 35 PVO/NGO subprojects financed; c) 20 local PVOs strengthened; and d) USAID links with the Dominican NGO community and low income groups increased.

#### Purpose of Evaluation and Methodology Used

This midterm evaluation reviews findings on progress made to date, draws conclusions regarding problem areas, and recommends corrective actions. Mission concerns, as expressed in the evaluation scope of work, are: 1) the original design and assumptions, 2) grant selection criteria and procedures, 3) contractor performance and provision of services to PVOs/NGOs, and 4) initial results. There is particular interest in institutional strengthening of NGOs, the extent to which democratic initiatives are carried out, and in the extent to which environmental guidelines are followed by the NGOs.

This formative evaluation of the Co-Financing project was conducted over a four-week period during April and May of 1995 by a four person team conducting field trips and interviews with USAID, Contractors, NGO grantees and beneficiaries, and reviewing project documentation, progress reports and previous evaluation surveys of NGO grantees. The methodology involved: a) Archival research and review of grant files; b) Interviews with key informants from NGOs, other donors, ENTRENA staff, USAID/DR, the GODR, Banco de Desarrollo, and some beneficiaries; and c) Field visits and observation of projects.

#### Findings

The project is roughly 50% complete, and in resource allocation terms is on track. Eighteen subproject grants have been awarded up to the start of this evaluation totalling US\$8.96 million (\$498,000 average grant). Subprojects are diverse in job training, health, child survival, natural resource management, potable water and sanitation, and income and employment generating opportunities to reduce poverty. The demand for grant assistance has been far greater than anticipated. So far 45 NGOs have submitted concept papers.

Half of the original project assumptions in the original logical framework are still accurate; while the others not. NGOs did not have the management capabilities assumed, do not have sufficient resources to provide counterpart contributions, and some of the larger and more established NGOs are not willing to assist smaller ones with project preparation and administration. Damage to the project by the failed assumptions has been minor, thanks to appropriate mitigative measures taken by Project Management and ENTRENA.

The project supports the majority of the USAID\DR strategic objectives; and all subprojects reach the very poor in the Dominican Republic. The project serves the Mission well in reaching out low income groups and the NGO community. Five of 18 subprojects are geared exclusively for women.

Since progress indicators at the output, purpose and goal levels are few and imprecise, it was impossible to do a precise job of comparing planned to actual accomplishments. At the purpose level, about 200,000 beneficiaries have been reached in some fashion compared with the planned 400,000 for the whole project; 18 of 35 planned NGOs have been awarded subgrants; and 30 of 20 planned NGOs have received institutional strengthening assistance and training in project preparation, financial, and administrative issues. At the output level, a system for subgrant development design, technical analysis and financial management to PVOs is in place, and training and technical assistance has been provided to NGO staff.

Both the USAID/DR Project Management Unit and ENTRENA PVO Support Unit have performed well in setting up rigorous and fair (albeit time consuming) criteria, pre-award management surveys and procedures for selecting and awarding subproject grants. There is general recognition by NGO leaders that the process coupled with TA and training has strengthened their NGOs. An overall finding regarding the process and criteria is that "tough love works." Complaints are that the process is too long and tedious but results in grant applications of generally high quality.

The whole process has had a salutary effect on NGO capability for subproject design and preparation of grant applications. A majority of NGOs praise USAID for being rigorous in this project and commend USAID and ENTRENA for being fair. Dominican NGOs do not appreciate what they perceive as harsh new USAID/DR criteria of not financing vehicle acquisitions, nor that NGOs must find 50% counterpart financing for personnel elsewhere. Despite significant early delays the pace of grant awards is on schedule. Pre-award surveys and follow-up actions got good reviews by NGO leaders.

The Project has had a positive impact through preaward management surveys, direct technical assistance and training on the internal administrative strengthening of about 30 NGOs, well over the target of 20. There has also been heavy emphasis on project design, proposal preparation and project implementation to strengthen NGOs in those areas. For some NGOs, delivery services have been permanently strengthened through expansion of coverage, counterpart requirements, partnerships, etc. But work needs to be done in sustainability of service delivery to expand on some of the excellent financial sustainability mechanisms initiated in many NGOs. The service delivery mechanisms created, expanded or improved under the project are more vulnerable in relative terms than the NGO institutions and sustainability of the NGOs is closely linked to their ability to create delivery systems which sustain themselves. Thus, much more emphasis should be placed on sustainability of service delivery when donor funding terminates.

The project has been much more effective at introducing participatory democratic processes than originally expected, the opinion of the evaluator who is a noted Dominican historian. There is a democratic process at work in the subproject communities which has been strengthened by training, TA and design and implementation of subproject activities. There have been shifts in many communities in the traditional authoritarian Dominican mentality to a more participatory representational approach with more people empowered, especially women, the young and poor. In some sites people are talking of "equality among all" as the best way to organize themselves for community projects. Many concur that "without the subprojects, democratic initiatives would still be an ideal, not a practice." Yet, there is a minimal involvement of community residents in long-term planning of community development to take advantage of

## S U M M A R Y (Continued)

the participative style promoted under the subprojects. In most cases, NGOs have worked within the existing community power structures to affect changes, with good success, while using the provision of material community needs as a catalyst for change.

The Co-Financing project is effectively satisfying USAID/DR environmental requirements (CFR 216). However, this project alone can not meet the Mission environmental/energy Strategic Objective. The project's environmental guidelines are being effectively used at the subproject design stage and have generated site-specific environmental profiles and reviews.

All three institutional units (Project Management Unit, ENTRENA, Banco de Desarrollo Dominicano) function well within the context of their specific and limited contracts. Coordination among all three is good and with no problems. All three project implementing units have placed considerable emphasis on monitoring project preparation, procedures and administration of the project.

### Conclusions

Despite some faulty assumptions on NGO capacity, the project is on track, in terms of internal strengthening of NGOs and delivery services to the poor in various areas. All management and implementing units are performing well and have been especially adept at making timely adjustments to correct deficiencies and adapting to changing Mission objectives. Most of the activities financed under the Project are on track and contribute toward the achievement of results under all four Mission Strategic Objectives. Better than expected results have been obtained in the areas of democracy and internal strengthening of NGOs but more emphasis needs to be placed on sustainability of NGO service delivery mechanisms and strengthening communities to continue activities after subprojects end. In general, participating NGOs appreciate the Project and the TA, training and monitoring that accompanies the USAID grants, and they view USAID management and the institutional contractors implementing the Project as partners. The major complaint they have had is in the long time taken from concept approval to grant award.

### Recommendations

1. A strategic plan should be developed for the rest of the project period. This plan is critical in formulating specific project goal, purpose, and result indicators. It should have the same intensity of specific strategies for technical assistance and training that now exists for internal strengthening and apply that for increasing effective and efficient institutional sustainability and increasing effective and efficient delivery services by subproject grantees to beneficiaries.
2. Most of the USAID-Dominican Republic portfolio makes use of NGO-based service delivery mechanisms. Therefore the PVO CO-Financing project should be considered a laboratory for developing NGO-based sustainability approaches on behalf of the whole Mission. It is important to recognize that the sustainability of NGOs and delivery systems are separable, and that emphasis be placed on sustainability of service delivery systems as a way to strengthen the systems and the Dominican NGO movement as a whole. Sustainable service delivery systems are made up of two components: financial sustainability, and community participation in decision making.
3. Within this strategic context, the proposed shift takes on a more concerted institutional sustainability focus. The focus could assist roughly 45 NGOs covered in the present PVO Co-Financing Project, and perhaps another roughly 20 NGOs in other USAID/DR financed project in the Dominican Republic, to become sustainable beyond the project period. Elements of current institutional sustainability activities and many good ideas presented to the evaluation team are described in the text of the evaluation report.
4. A sustained effort should be made within the parameter of the 35 subproject grants and the communities with whom the NGOs work to increase community participation in planning development projects in a democratic manner so that ultimately the communities themselves are sustainable. Expected results for this effort would include: a) increased community planning for long term development; b) increased community capability to make technical and economic assessments and develop solutions to solve problems at the community level; c) and, increased levels of empowerment for obtaining government-funded infrastructure and service delivery and other donor resources.
5. Once the above general strategies are in place with the new focus accepted, the institutional contractors need to design and write a new logical framework for the next four years. It should start with the purpose and its indicators, goal and indicators, and then proceed to define outputs and their respective indicators. Project activities must be designed to produce new and revitalized outputs and that in turn produce the same purpose. The project requires refinement and adaptation to maintain internal consistency. Once this four year strategic plan is devised, ENTRENA and the Project Management Unit should write annual operational plans based on the strategic plan. Finally, a new project amendment should be written that reflects these changes in budget and implementation.

### Lessons Learned

1. All NGOs have some deficiencies that will hamper service delivery, implementation and sustainability and therefore require some degree of hand holding, TA and training during design and implementation of projects.
2. Pre-award Surveys of NGOs could be a very useful tool for discovering NGO management and administrative deficiencies early, if accompanied with appropriate corrective actions and the NGOs perceive them as a benefit instead of a threat or another hurdle to obtaining funds.
3. Grant selection procedures should be applied without favoritism and done transparently to generate trust from NGO partners.
4. The majority of NGOs consider the log frame methodology for designing projects to be very useful, and it is assimilated readily by NGO staff after some training and TA in the practical application of this tool.
5. Emphasis on sustainability of NGOs and service delivery at both NGO and community levels should begin at the idea stage of projects and continue throughout implementation. It is of paramount importance for the success of development activities. Following are some criteria and concepts that have worked well in serving the sustainability objective:

Activities should not be approved for funding that don't demonstrate a high demand for the services on the part of beneficiaries. The service should be such a priority to beneficiaries that they are willing to contribute own resources for continuity.

## S U M M A R Y (Continued)

- Projects should not be approved that do not involve the beneficiaries in project design and implementation.
- NGOs must diversify their funding base to survive. Requiring them to cover at least 50% of the project and administrative personnel costs is an effective, although painful, way to force this issue.
- Beneficiary in-kind contributions should not be counted towards satisfaction of the required minimum counterpart contribution from the NGO.
- Innovative ideas to generate income within projects should be encouraged as long as they don't detract from the NGO main objectives. These "active endowments" help assure financial sustainability of service delivery and the NGOs.
- Local financial resources are available if NGOs market themselves effectively following a clear vision and strategy.
- Boards of directors should get more involved in fund raising instead of further burdening NGO directors with this difficult task that takes time away from project implementation and obtaining results.

6. "Tough love works". NGOs may scream at first but later appreciate the growth caused by strict grant selection criteria. It gives them a competitive edge and a reputation that "if they could qualify for USAID funds they must be good."

7. Community participation in design, implementation and decision making is an essential ingredient for success but it comes at a cost, in time.

8. Close and consistent monitoring of subprojects is essential to keep projects moving in the right direction and on schedule in order to achieve desired results. This gives the NGOs the impression that the donor is concerned with obtaining the results and that they have a partner who cares. Visiting projects at least once every two months has proven very effective, as has submission of field trip reports (with observations, feedback and recommendations) to NGO directors. This has been very appreciated by NGOs and is an effective way to discover implementation problems early and take corrective actions in a timely manner.

9. The concept of "rolling environmental assessments" performed by NGOs, by applying USAID-approved environmental guidelines is an effective way of shifting the burden to NGOs for designing and implementing environmentally sound projects. However, the guidelines must be accompanied with sufficient TA and training in their application and appropriate use to get NGOs to assimilate them.

10. As with project design and implementation, NGOs also require assistance with evaluations.

11. The philosophy of "medio paso atrás" (half a step behind) used for the first half of this Project has helped assure that NGOs have ownership of their projects since the initiatives are their own, rather than USAID's. However, their ideas need to be directed to a certain extent to assure that Mission objectives are also met. Negotiations at the concept stage and selection criteria are effective ways to insure that Mission objectives are included in subproject design.

12. Overall Project implementation is more effective and expedited considerably by physically locating the project management unit with the institutional contractor. Team work is enhanced, thereby reducing decision-making time and bureaucratic delays. Communication is enhanced and management is more readily aware of implementation progress and problems, thus, improving response time for corrective measures. Contract supervision is also more effective.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach 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.)

1. Evaluation Report
2. MSI contract with Scope of Work
3. NGO survey results conducted by ENTRENA and USAID
4. Frank Moya Pons field notes on democratic initiatives

COMMENTS

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

The evaluation captured the essence of progress made to date in the critical areas of Project administration, institutional strengthening, democratic initiatives, environmental guidelines, and delivery mechanisms of the Project as a whole. Individual NGO subprojects are evaluated separately. The general tone of the evaluation report tends to emphasize the few negative aspects and areas for improvement but downplays positive achievements, especially in the area of NGO strengthening where there has been a concerted, effective and much appreciated effort; effective management and monitoring leading to early detection of problems with subprojects and corrective actions; positive actions in financial sustainability of NGOs and service delivery mechanisms, of which there are already several excellent models financed under the project; and, the emphasis already placed on beneficiary participation which has been instrumental in achieving the unexpected levels of success in democratic initiatives. The finding and conclusions in democracy section by the well respected Dominican Historian, Frank Moya Pons are not adequately included in the evaluation report, despite repeated mention by Mission personnel. In general, the findings in the report do not consistently reflect the observations contained in the body of the report and are not justified in some cases. This USAID Evaluation Summary has been adjusted to more accurately reflect observations made by the individual evaluation team members in their sections.

The Mission believes that Project Management and the institutional contractors have done a superb job of adjusting project implementation actions to correct for faulty assumptions and changing requirements.

The overall conclusion that more emphasis needs to be placed on sustainability of NGOs and service delivery is valid and corrective actions have been and are being taken accordingly.

A new logical framework as well as a strategic plan for the rest of the Project period will not be necessary since all other recommendations for improvement have been or will be included in the Institutional contract when renegotiated. Annual workplans are already required and another project amendment will not be necessary given the magnitude of modifications which are already included under the general scope of the current PP amendment. Adjustments to the Institutional Contract and grant selection process will adequately address the recommendations.

The evaluation served a useful purpose in confirming that the project is progressing well, despite some faulty assumptions regarding perceived NGO strength and other obstacles, and in detecting a few areas where additional emphasis is warranted. However, the Mission believes that the Project has made some definite contributions, as described in the Lessons Learned section, to effective ways of dealing with our NGO partners and implementing actions for sustainability. Several models have already been developed under the PVO Co-Financing Project that could be effective with other NGO-type projects.

The project is proving to be an excellent, cost-effective mechanism to both strengthen a diversity of NGOs and deliver resources to the poor in a wide array of areas.