

PD-ABR-022



AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES OF AMERICA A. I. D  
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C/O AMERICAN EMBASSY  
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ACTION MEMORANDUM FOR THE MISSION DIRECTOR

FROM Peter Gore, SO4 Team Leader

SUBJECT Project Assistance Completion Report - USAID Project No 519-0400, Salvadoran Environmental Non-Governmental Organization Strengthening (SENS), Cooperative Agreement No 519-0400-A-00-2144-00 with the Pan American Development Foundation (PADF)

In accordance with ADS 203 Managing for Results Monitoring and Evaluation Performance, and USAID/El Salvador policy (MOM 680 and 770), attached is the Project Assistance Completion Report - Project USAID No 519-0400, Salvadoran Environmental Non-Governmental Organization Strengthening (SENS), Cooperative Agreement No 519-0400-A-00-2144-00 with the Pan American Development Foundation (PADF) The PACD for the SENS Project was December 31, 1995

The attached report summarizes the accomplishments of the Project There are no outstanding actions

**RECOMMENDATIONS**

That you approve the attached Project Assistance Completion Report

Approved Kenneth P. Elk  
Disapproved \_\_\_\_\_  
Date 17 December, 1998

**Attachment:** Project Assistance Completion Report

Drafted by FR Cristales, SO4 date 09/28/98  
Cleared by FBreen, CONT date 10/05/98  
LPizarro, OCG date 10/9/98  
CNorth, SDO date 12/10/98  
DMcFarland, DDIR date 12/17/98

**Office of the Controller**  
**REVIEWED**  
10/05/98  
DATE

# PROJECT ASSISTANCE COMPLETION REPORT

PROJECT USAID No. 519-0400

## SALVADORAN ENVIRONMENTAL NON-GOVERNMENTAL ORGANIZATION STRENGTHENING (SENS)

### I. SUMMARY OF THE PROJECT

#### A. Brief Project Description

The Salvadoran Environmental Non-Governmental Organization Strengthening Project (SENS) was authorized on August 20, 1992, to provide training and subgrants to environmental NGOs in El Salvador, which by the end of the Project would achieve trained boards and staff, functioning planning and administrative systems, fundraising strategies, and hands-on experience in the implementation of small natural resources projects. The planned life of the Project was 30 months from the date of initial obligation. The Cooperative Agreement No. 519-0400-A-00-2114-00 was signed with the Pan American Development Foundation (PADF) with a Project Assistance Completion Date (PACD) of February 28, 1995. USAID granted two extensions to the Cooperative Agreement, the first through August 31, 1995, and the second through December 31, 1995, to ensure that the Project fully achieved its objectives.

USAID committed US \$2,000,000 in grant funds to the Cooperative Agreement, and PADF US \$140,000 in cash counterpart contribution, and US \$15,000 worth of in-kind resources contribution. The beneficiary NGOs were expected to provide in-kind counterpart worth US \$1.033 million, bringing the Project total to over US \$3 million.

#### B. Goal and Purpose of the Project

The goal of the Project was to protect and promote sustainable use of El Salvador's natural resources. The purpose of the Project was to strengthen Salvadoran environmental NGOs to be self-sustaining advocates for natural resources management.

#### C. Project Components

This Project had two interrelated components: a) Technical Assistance and Training, which was responsible for all Project outputs except evaluations, and was the principal contact point between the NGOs and the Project during the selection process and throughout the strengthening period. It had a team including the

Chief of Party and two local-hire specialists in Fundraising/ Membership Development and Finance This component was charged with developing and monitoring the Project's training plan, preparing training materials as well as scheduling and conducting all training sessions The second component was b) Grants Management and Administration, to monitor the finances of the Operational Strengthening Subgrants and played a significant role in management of the Small Activity Grants The Component assured compliance with contracting policies and procedures, as well as managing the Project's finances and commodity procurement This Component was staffed by a local-hire professional and accounting assistant

**D. Present Status of the Project**

The life of the Project expired on December 31, 1995 Based on the SENS Project Final Evaluation recommendations, USAID extended all the activities of the Project through the authorization of the Salvadoran Environmental Non-Governmental Organization Strengthening Component under the USAID Project No 519-0385 "Environmental Protection" until March 31, 1997 USAID transferred all the property furnished under the SENS Project No 519-0400 to PADF with the understanding that they be used to implement the activities of the SENS Second Phase Component under the USAID Project No 519-0385

**II. FINANCIAL STATUS**

**A. Grant Financial Statement as of 08/31/98 (Annex I):**

ELEMENT	OBLIGATIONS	EXPENDITURES	BALANCE
1 Administrative Costs	\$1,274,280	\$1,274,280	\$ 0
2 Operational Grants	608,347	608,347	0
3 Small Activity Grants	77,373	77,373	0
4 Evaluation/Audit	<u>40,000</u>	<u>35,803</u>	<u>4,197</u>
<b>PROJECT TOTAL</b>	<b>\$2,000,000</b>	<b>\$1,995,803</b>	<b>\$4,197</b>

The unliquidated balance will be returned to USAID/Washington

**B. Counterpart Contribution Summary**

<u>Description</u>	Estimated Counterpart	Actual Counterpart	Estimated <Shortage> or Excess
<u>Cash Contribution</u>			
-PADF	\$ 140,000	\$ 135,298	<\$ 4,702 >
<u>In-kind Contribution</u>			
-PADF	\$ 15,000	\$ 7,000	<\$ 8,000 >
-NGOs	<u>\$ 1,033,000</u>	<u>\$ 1,500,000</u>	<u>\$467,000</u>
<b>TOTAL:</b>	<b>\$ 1,188,000</b>	<b>\$ 1,642,298</b>	<b>\$454,298</b>

### III PROJECT ACCOMPLISHMENTS

During the life of the Project, SENS worked with 17 environmental NGOs and development NGOs with important environmental programs or projects. The capacity of these NGOs to undertake environmental activities in reforestation, soil conservation, environmental education, organic fertilizer production, and protected areas management increased substantially. NGOs participating in SENS all developed open membership policies and requirements for financial contributions by members. These same NGOs established solid administrative and accounting systems, including independent audits of their books. Their boards and staff received extensive training in strategic planning, fundraising, board functions, administration, gender inclusion and environmental policy (a total of 1,558 individuals were trained, of which 523 were board members, 947 staff, and 88 NGO members).

Due to the support provided by SENS, funding of NGO field activities is more positive than ever before. As much as \$1.4 million during 1995 was made available to NGOs through the Initiative of the Americas, the Governments of Canada and Japan, and the European Community. The Interamerican Development Bank's Social Investment Fund views NGOs as important project implementors. SENS Project NGOs submitted more than \$1.3 million in reforestation projects to FIS (Fondo de Inversión Social of the Interamerican Development Bank) for the 1994-1995 growing season. Project NGOs implemented more than \$700,000 worth of project activities with funding from SEMA, FIS, The Nature Conservancy, World Wildlife Fund, and the National Audubon Society. Two of the SENS NGOs worked closely with the PROMESA project in the Parque Imposible/Barra de Santiago, the PROMESA demonstration area.

SENS NGOs made important progress during the Life of the Project in the development of practical, productive working relationships with public sector institutions. NGOs negotiated co-management agreements with the government for management of some of El Salvador's most important protected areas: Parque Imposible, Bosque Nancuchiname, Barra de Santiago, San Marcelino, and Parque Deininger. These areas include two of the three largest protected areas in the country and the mangrove estuary, Barra de Santiago. NGOs developed important working relationships with municipal governments to assist them in reforestation efforts and in mitigating the negative environmental impacts of development projects. Close working relationships were developed with the National Civil Police (PNC) environmental units to enforce logging and hunting laws in protected areas. At the local level, NGOs developed good working relationships with numerous local communities and cooperatives to assist them in reforestation, soil conservation, and protected areas management. Another SENS

NGO joined forces to work with CLUSA on an organic fertilizer project in Chalatenango

During the Life of the SENS Project, participating NGOs have grown rapidly, dramatically increasing their environmental activities. The following trends serve to illustrate

- The eight primary SENS NGOs carried-out more than 3 times as much environmental work (based on financial investment) in 1994 as compared to 1992
- SENS NGOs matched every USAID dollar they received with \$2 50 from other sources, for a total counterpart contribution of \$1,5 million. This represents a 45% increase over AID's own goal
- Over a 2 5 year period, SENS NGOs increased their collective membership by 40%, from 728 to 1,023
- In 1994, NGOs raised \$360,000 from membership and special events, 2 4 times the funds they raised from these same activities in 1992
- In 1995, FIS financed \$614,000 of reforestation, SEMA funded \$56,000 in a variety of projects, CAPS awarded \$250,000 in scholarship to participants of five NGOs, and ten NGOs were in the process of finishing the implementation of their first FIAES Projects totalling \$834,000. At the end of 1995, new projects were pending with FIAES and 11 NGOs had \$448,000 of projects under consideration by the FONAES-Canadian fund

#### **IV EVALUATIONS AND AUDITS**

##### **A. Evaluations**

The Project's Final Evaluation was carried out by Checchi and Company Consulting, Inc, in September 1995. The performance of the SENS Project was examined, including the benefits and effects that the Project had in strengthening a core group of Salvadoran NGOs. The conclusions of the evaluation are presented in section VI below

##### **B Audits**

All the Project subgrant beneficiary NGOs provided PADF with annual audited financial statements. PADF had audits made of the funds provided under the Project and of the financial statements of the organization as a whole. The audits were performed under the annual world-wide audit program managed by the IG/A/FA (monitored by FA/OP in Washington, D C). No audit recommendations are pending

## **V. SUMMARY OF LESSONS LEARNED**

Based on the SENS project final evaluation carried out by Checchi and Company Consulting, Inc , the following lessons were learned

### **A. Reducing Operating Grants: the Weaning Process**

Although the SENS NGOs were informed that the project would eventually end, as well as the operating grants, the planning did not begin soon enough for this eventuality. If the project had ended at its original completion date, the NGOs would have had real difficulty in adjusting to the lack of operational subsidies in the form of subgrants.

The lesson for USAID project planners is operating grants for NGOs (or similar institutions) should routinely include a strategy for discontinuing that assistance. This strategy should include gradually reducing funds over time, as it is not sufficient to simply verbalize the end of supporting funds.

### **B. Flexibility in NGO Selection Criteria**

The NGO subgrant criteria are constructive, and this project would ideally like to work with NGOs which met these criteria. But it is often difficult for project designers to know exactly how many NGOs exist that will meet ideal criteria. In the case of this project, there seemed to exist a perfect fit, once MES dropped out, there were exactly eight NGO candidates which met the criteria for the eight slots the project had planned for.

However, since the project was intended to strengthen NGOs which had a vital need for this strengthening, there should have been one additional criterion: the NGO must really need the support the SENS project represents. This would have reduced the number by two, as neither FUTECCMA nor SALVANATURA really needed the project to survive and prosper.

If this had been done, and just six NGOs ended up fitting the stricter criteria, USAID might well have relaxed other criteria to include additional NGOs. NGOs with other than environmental programs might have been accepted, or NGOs with a more local instead of national focus. In any case, these NGOs would probably have benefitted more than FUTECCMA and SALVANATURA, which could easily have participated as collaborator NGOs, attending training and participating in other events.

The lesson for USAID project planners is the following: when determining criteria for the inclusion of some local entities and the exclusion of others, care must be taken to understand the implications of applying the criteria selected.

### **C. Collaborator NGOs in the SENS Project**

The collaborator NGOs benefitted significantly from this project, although they were not originally expected to participate in it. Although they did not receive subgrants, the training and technical assistance and participation in project events helped them in various ways, from better Board composition and more participation by women to project development and logframes. The collaborator NGOs received these substantial benefits even without subgrants for equipment purchases and operating expenses.

Other projects, notably the regional RENARM project, have also shown that NGOs can be significantly strengthened without receiving subgrants. RENARM achieved the strengthening of three Belize NGOs, two Guatemalan NGOs, two Honduran NGOs, and one Costa Rican NGO through the efforts of just one individual visiting them, analyzing their structure and organization, and helping them implement changes. In Honduras, a third NGO refused to participate in this institutional strengthening process, but later, once it had seen the improvement achieved through this process in the other two, independently sought similar institutional strengthening services.

The lesson for USAID project planners is that operational subgrants are not the only possible mechanism for institutional strengthening, and very likely are not the best one. Organizational analysis and structural redesign, administrative training, Board training, training in project design and logframes, and the computerized accounting modernization can contribute very positively to an NGO without an accompanying subgrant. In EL Salvador, USAID might consider continuing with this non-subgrant institutional strengthening after the SENS project has finished through either the Environmental Protection project or through FIAES.

### **D. Membership and Fundraising as Separate Issues for NGOs**

An NGO can raise funds through its membership, especially if the bulk of the membership is financially well-off. SALVANATURA, FUTECSA, and ILOPANGO both raise much of their funds in this way. But membership is only one type of fundraising or source of funds. The SENS NGOs also "raise funds" through project implementation, either from recovering overhead costs or by the funding agency paying for personnel salaries during the project. In addition, funds can be raised through special events, contributions from sponsors, or one-time donations.

Some memberships, in fact, most of those among the SENS project NGOs, are poor sources of fundraising. MONTECRISTO targets school children as "members," even though they may pay dues of less than a dollar a year, and much of that dollar goes to pay for a membership card.

The lesson for USAID project planners working to strengthen NGOs is that they need to consider all potential sources when looking at fundraising. If the NGO membership cannot provide adequate funds, fundraising must consider other sources and not attempt to solve its recurrent cost problems solely through increased membership.

## **VI. RECOMMENDATIONS**

The recommendations made by Checchi and Company Consulting, Inc through the SENS Project Final Evaluation mentioned above are

### **A. Improve Presentation/Communications by NGOs**

**Conclusion:** With some exceptions (SALVANATURA, ILOPANGO, and to a less extent FUTECSMA and CEDRO), the SENS NGOs still lack the capability to present themselves to the public, a fact which adversely affects them in several ways. They have difficulty attracting new members and non-project donations, especially from corporate sponsors. They have problems accessing the press and are thus less than capable spokesperson for environmental causes and policy. They have had only limited success in contacting and taking advantage of the international environmental NGOs.

**Recommendation:** During the 16-month extension, the SENS project should hire a local expert to assist them in improving their presentation skills, including the production of quality materials, the development and implementation of corporate fundraising and press strategies, contacting the international environmental NGOs, and working with NGO membership in this improved presentation of the NGO message.

### **B. Extend Existing Subgrants**

**Conclusion:** SENS was informed that the project would be extended, and communicated this information to the NGOs. The subgrant NGOs were thus not prepared for the end of this project, because they were led to believe that they would continue to receive subgrants, although perhaps at a lower level. They would be severely affected by a sudden termination of the subgrants. In addition, with some exceptions, they have not been able to raise enough funds to cover more than a fraction of the subgrant funds.

**Recommendation:** All subgrants should be continued for at least four months until the end of 1995.

### **C. Scale Subgrants to Real Needs of the NGO**

**Conclusion:** SALVANATURA and FUTECSMA are close to achieving financial self sustainability, if they have not already done so. If advised with enough lead time, they should not need subgrants.

after 1995 CEDRO, CEPRODE, AMAR, ASACMA, and MONTECRISTO need time to develop their fundraising capabilities

**Recommendation** The SALVANATURA and FUTECSMA subgrants should be terminated at the end of 1995. The other NGOs should have their subgrants extended through the end of the extension.

#### **D Two New NGO Subgrants for MES and ASPAGUA**

**Conclusion** MES and ASPAGUA are presently collaborator NGOs which have improved through participation in the SENS training sessions, and both could play an important role if they were strengthened. MES has a high profile through its founder and has been mentioned in the press more often than the SENS subgrant NGOs. ASPAGUA focuses on water resources, perhaps EL Salvador's greatest environmental problem. Both would benefit greatly from just 16 months in the SENS project as subgrant NGOs.

**Recommendation** MES and ASPAGUA should receive subgrants in the SENS project extension. These subgrants should be slightly higher than those received by the others, since they would include the purchase of computers, printers, photocopiers, software, and office equipment.

#### **E Reduce Amount of Subgrants Monthly or Quarterly**

**Conclusion.** It is difficult to prepare for the end of the subgrant without having it demonstrated. Providing the NGOs with the same amount each month and then abruptly cutting off the funds does not help the NGOs prepare, financially and mentally, for the end of the subgrants. On the other hand, reducing the amount of funds each month has been shown in other AID-financed projects, such as AIFLD, to stimulate subgrantees to work at acquiring funds from other sources.

**Recommendation** The SENS project should determine how to reduce the amount the NGOs actually receive each month or each quarter, so that they become accustomed to not relying on the subgrants for their existence.

#### **F. Training Areas during Extension Technical**

**Conclusion** SENS project technical training has been generally good. Two areas were not treated during the project, organic agriculture and protected area management, and NGOs have requested training in these areas.

**Recommendation** The project should provide training events in organic agriculture and protected area management, and they should try to access assistance in the latter area from PROMESA.

#### **G. Training Areas during Extension. Project Development**

**Conclusion:** The NGOs feel weak in the area of project development and writing, an opinion shared by SENS project staff, and the NGOs could benefit best from direct, individualized technical assistance perhaps one morning per month or as needed

**Recommendation:** The project should provide individualized technical assistance to NGOs as needed in project development, logframes, and writing

#### **H. Training Areas during Extension: Boards of Directors**

**Conclusion** While SENS NGO boards of directors have come a long way since the project began, they continue to require attention. The subtle (and not so subtle) differences among the NGOs regarding their respective development, stages means that individualized training events for one NGOs entire board of directors will have far greater impact than several events with just one or two board members from each NGO attending. The project has already carried out some of this type of training

**Recommendation** The project should work systematically and individually with the boards of directors of the NGOs to help them to understand their present status or stage, to develop procedures each NGO is comfortable with, and to assist them in preparing their own programs to educate their membership for future service on the board

#### **I. Environmental NGO Federation**

**Conclusion** Joint actions and statements by the SENS and other environmental NGOs can carry considerable weight, such as through paid advertisements in the press signed by all of the NGOs. Creating a formal federation to do so, however, may represent an onerous burden at this time for the NGOs, especially if the federation is conceived as having an office, coordinator, secretary, and so on

**Recommendation** Instead of a formal federation, the project should propose a more informal "coordinating committee" of environmental NGOs requiring funds only for stationary, which meets monthly or as needed for discussions on possible joint actions. The meetings might be held at the SENS project or rotate among the NGOs. If the coordinating committee functions well, it might well evolve some day into a federation, but this should not be pushed at this time

#### **J. NGOs as Policy Advocates**

**Conclusion** The SENS NGOs have not yet acquired a high profile as advocates concerning environmental policy. This is in part because they have not developed a mature and well reasoned policy

stance and in part because they have not learned how to use the press

**Recommendation:** The SENS project should acquire the "Green Book" documents developed by the RENARM project and use them with the NGOs, perhaps in coordination with PROMESA. The project should also assist the NGOs in developing closer relationships with the press

#### **K. Relations with International Environmental NGOs**

**Conclusion:** In spite of a good training event by SENS and the existence of a few relationships between SENS NGOs and international environmental NGOs, the local NGOs have not yet taken advantage of the potential in such relationships

**Recommendation** The SENS project should repeat the international NGO event and/or work with each NGO individually to establish contacts with a wide variety of international environmental NGOs with which they can exchange materials and explore the possibility of more formal relationships, some possibly involving funds for the local NGO

#### **L. Involve NGO Membership in Fundraising**

**Conclusion:** Most individual NGO members have little time to spare from the daily work routines and cannot be expected to devote considerable time to fundraising. In addition, they will feel little stimulus to do so if there is no recognition of their efforts

**Recommendation:** The NGOs need to set realistic goals and then develop thermometer charts where progress in raising funds is measured each month. Another chart might show graphically how different activities have been completed. The NGOs need to involve the membership and the participation, such as "member of the month" with a photo and a few lines about having brought in new members or participated in fundraising. NGO members could borrow the video for presentations to individuals, other NGOs, town councils in rural areas, cooperatives, unions, businessmen's groups, and schools, and each presentation should end with a pitch for funds, even if it is just one Colon

#### **M. Be Explicit about Sources of Funds**

**Conclusion.** The SENS project did not emphasize the importance of stating explicitly where funds come from, and the NGOs have mixed dues, individual donations, small fees from providing training, and other sources, although project overhead funds have been separated. This has produced a situation in which the NGOs have raised funds but are not aware exactly where the funds come from

**Recommendation.** The SENS project should assist the NGOs in developing systems for separating funds raised from different sources, especially dues, donations, sponsors, and minor (i.e. not project implementation) sources. This will be particularly important in light of the recommended push to raise funds from the private sector.

#### **N. Special Activity Grants for Improved Presentation**

**Conclusion:** The NGOs, with few exceptions, have produced very poor presentations of what the environmental problems are, how the NGO is attacking the problem, the resources they currently have, and the resources they require to better do the job. Presentation involves the development of audiovisuals, such as videos, slide shows, and overhead projector transparencies, plus well-executed delivery of the presentation.

**Recommendation** The project extension should use the Special Activity Grants exclusively to assist the NGOs in developing quality presentations. All presentations should include a pitch for support of the NGO.

#### **O Seek Out Corporate Donors and Sponsorship**

**Conclusion:** The two most financially viable subgrant NGOs, SALVANATURA and FUTECSA, and the most viable collaborator NGO, ILOPANGO, owe their success to their close ties to the business community from which they have received considerable funds, both in direct donations or through fundraising activities. It is next to impossible that these three NGOs have exhausted the possibilities of the business sector, but the other SENS NGOs have not taken advantage of this sector. The fact that an increasing number of companies advertise using environmental themes would seem to indicate that considerable funds could be raised from the corporate sector.

**Recommendation:** The NGOs need to systematically target business or corporate donors and sponsors. They need to develop ways in which corporate names and logos can be used on signs, on sponsoring materials such as videos, on visible materials in protected areas or tree nurseries. They then need to phone and visit marketing director in every company and explore the possibility of this kind of advertising.

### **VII. POST-PROJECT MONITORING AND FOLLOW-UP ACTION**

The Water and Environment Strategic Objective followed up on the activities implemented under 519-0400 through the Salvadoran Environmental Non-Governmental Organization Strengthening Component No. 6 under USAID Project No. 519-0385 "Environmental Protection". The extension under this component allowed the actions of the original NGO Strengthening activity to continue to

an orderly closeout on March 31 of 1997 when the NGO  
strengthening activity was definitively concluded Specific  
accomplishments during the extension period will be discussed in  
the overall closeout report for 519-0385

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