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Sustainability Support  
Services Program  
(SDS)

**Final Evaluation**  
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## LIST OF ACRONYMS

BHR	Bureau for Humanitarian Response
BIMAS	Business Initiatives and Management Assistance Services
CEO	Corporate Executive Office
CRS/E	Catholic Relief Services/Ethiopia
DIP	Detailed Implementation Plan
FFH	Freedom from Hunger
FSR	Farming Systems Kenya
IDR	Institute for Development Research
IIRR	International Institute for Rural Reconstruction
IR	Intermediate result
LA	Lassen Associates
LWR	Lutheran World Relief
NACID	Nazareth Children's Center and Integrated Development
NGO	Non government organization
OD	Organizational Development
OIC	Opportunities Industrialization Centers
PACD	Project activity completion date
PEG/NGO	Partnerships and Economic Growth through Nongovernmental Organizations
PVC	Private and Voluntary Cooperation
PVO	Private Voluntary Organization
SDS	Sustainable Development Services
SEEP	The Small Enterprise Education and Promotion Network
TA	Technical assistance
USAID	United States Agency for International Development

## **EXECUTIVE SUMMARY**

The Sustainable Development Services Project (SDS) is implemented by a consortium made up of the Institute for Development Research (IDR), Freedom from Hunger (FFH) and Lassen Associates (LA), pursuant to a cooperative agreement with the United States Agency for International Development (USAID) Bureau for Humanitarian Response Office of Private and Voluntary Cooperation (BHR/PVC). The project is designed to build the program and financial capacity of private voluntary organizations (PVOs) and indigenous non-governmental organizations (NGOs) and has been functioning since 1995.

SDS is aimed at collaborative learning among PVC and the PVO community about how to dramatically increase the sustainability of program benefits. The SDS program incorporates three main elements: 1) educational presentations, seminars and workshops for the PVO community, 2) intensive technical assistance to a small group of PVOs under learning memorandums of understandings (MOUs) and 3) the development and dissemination of a variety of sustainability tools usable by PVOs and field affiliates.

As envisioned, SDS was designed both to provide services and to engage in a learning process that would refine and improve mechanisms for helping organizations improve their financial sustainability. The initial focus of the project was working with maternal and child health (MCH) organizations and organizations that had MCH programs but was later expanded to include all interested PVOs.

### **Evaluation Design and Methods**

This evaluation is designed to:

- Ascertain whether and to what degree the project achieved grant objectives based on the indicators and benchmarks as outlined in the logframe and goal purpose statement.
- Analyze the effectiveness of the models and approaches that were employed.
- Assess the depth and breadth of organizational change.
- Determine what types of partnerships were formed and assess their utility.
- Review the quality and effectiveness of program management and the coordination of technical assistance and training.

Representatives of the SDS consortium members, PVC and the evaluation team met for a two-day team-planning meeting (TPM) at IDR headquarters in Boston, MA in August 1999. This meeting resulted in agreement about the general focus of the evaluation and identification of the basic questions each of the stakeholder groups wanted answered by the evaluation.

Subsequent interviews were conducted with SDS consortium representatives, PVC staff and SDS clients. (A list of respondents is in Appendix B). E-mail was used where

overseas telephone interviews were not practical. In addition, the evaluation team reviewed all project annual reports, case studies, training modules, SDS tools, publications, data and other documents provided by SDS and PVC. These data sources are listed in Appendix B.

### **Summary of Evaluation Findings and Lessons Learned**

The current evaluation assessed SDS performance in relation to the *purpose level* objective set forth in the Logical Framework of the DIP, dated February 1996. That document specified that the *purpose* of the project was to:

Help *selected* PVOs make the program, financial and institutional changes necessary to make their *services* financially self-sustainable [with a] focus on HNP [health, nutrition and population] and generalist PVOs with HNP programs. (Emphasis added.)

Principal findings regarding program performance and management are summarized as follows:

- The development of a standard, coherent definition of sustainability constitutes a singular success.
- The blending of theory and practice and the effort to address financial sustainability through a conceptual framework constituted a solid achievement.
- SDS was partly effective in overcoming PVO resistance to the legitimacy of cost-recovery and revenue generating techniques.
- Sustained provision of tailored technical assistance under SDS was effective in changing attitudes and introducing techniques for change.
- The fundamental two-step approach of workshops and tailored technical assistance proved effective and workable.
- Self-reports from PVOs involved with SDS show a marked increase in organizational commitment to financial sustainability and related changes at headquarters and in the field to put those changes into effect.
- Workshops were professionally managed, content based, relevant to the needs of participants and influential in encouraging more serious and creative attention to financial sustainability.
- Respondents felt that assistance in business planning was effective and useful.
- The SDS program has strong potential for smaller, emergent NGOs that tend to be open to innovative practices.
- Workshop content was somewhat general and participant diversity made it difficult to relate to specific needs of some participants.

- Client organizations registered some concern regarding inadequate follow-up and lack of trained SDS staff to assist in putting concepts and recommendations into effect.
- The overall SDS approach to sustainability was sometimes perceived by participants as rigid and doctrinaire, a reaction in part shaped by resistance to the perceived norms implicit in cost-recovery and revenue-generation.

Central lessons from the evaluation are: 1) interventions to introduce the concepts and techniques of sustainability can occur at any place within the organization; 2) comprehensive organizational transformation and fundamental changes in norms and attitudes requires the interest and support of leadership; 3) self-assessment of a PVO's current financial situation can provide a powerful incentive for change and can help overcome concerns about whether moving toward financial sustainability is counter to an organization's mission and values; 3) there is no secret formula for improved financial sustainability; 4) transition is difficult and takes time and probably ongoing mentoring; and 5) microenterprise based experience provides important insights but the development of broader models and tools are required and the effort needs to be sustained for a longer period of time than the four year SDS effort .

#### **Issues for Further Discussion**

This report has touched on a number of issues that PVC may wish to address as it thinks through the future of the SDS program and the Office's role in PVO/NGO capacity building. Some of these are related specifically to financial sustainability and whether to continue the SDS program or something like it. Some are related to the broader question of the role of PVC in providing management assistance to the voluntary sector in this country and/or overseas.

On the basis of this evaluation, the PVO community appears cognizant of the importance of financial sustainability, conversant with basic techniques and approaches and generally open to the exploration of cost-recovery and revenue generating techniques. This would suggest that further donor funded subsidy was not needed. On the other hand, the PVOs interviewed for this evaluation unanimously felt that the SDS program or something like it should be continued with an emphasis on the tailored provision of technical assistance.

The evaluation suggests that the generic material has been useful, but that it now needs to be adapted to particular groups. Specifically, the evaluation suggests: 1) the need for more practical case study material, 2) the development of internal reporting and accounting systems that can monitor costs and revenues in a manner analogous to the systems used in a commercial firm, 3) a reduction in the occasionally polemical tone associated with the marketing of the program; and 4) a more explicit recognition that social enterprise may not be a strategy for all organizations.

The evaluation suggests that the optimal target group for SDS from the point of view of impact and organizational change would be smaller, emergent groups that are adaptive

and open to innovative approaches. In particular, consideration should be given to focusing the provision of SDS services on emergent NGOs and on those countries where USAID has helped build a strong voluntary sector and is now contemplating a phase out or withdrawal. One model that PVC might wish to explore would involve the design and funding of a service for USAID missions that would provide a package of sustainability interventions through a variety of TA providers with different areas of competence that could be tailored to unique and changing needs of different NGO communities.

### **PVC and Capacity Building**

PVC has played an important role in highlighting the importance of financial sustainability and in supporting mechanisms to help PVOs move in this direction when appropriate. Aside from the question of need, which is addressed above, there are arguments both for and against a continued active role for PVC in this arena. The arguments *in favor* include:

- The stated desires of the PVO community to continue to receive subsidized assistance that will help them adopt effective strategies for organizational growth and development.
- The opportunity to capitalize on the investment in learning, the lessons learned and preparation of training materials made to date under SDS.
- The opportunity to further refine approaches, models and techniques that will have application to the PVO community and to overseas NGOs and the work of USAID's regional bureaus.
- The ability to utilize the leverage and entree that PVC has with the PVO community in order to engineer a broad structural change in approach.

The arguments *against* a continued active role for PVC include:

- The inherent conflict between being a funder of programs and organizations and a funder of services to strengthen those organizations. Capacity building inevitably involves judgements about relative organizational strengths and weaknesses or at least a perception that these judgments are being made. The direct provision of management support particularly when PVC is active in the selection process can raise questions of preferential treatment, organizational confidentiality and the linkage between participation in the program and favorable action on grant applications.
- In an ideal world the marketplace would provide management services tuned to emerging needs of different groups of organizations. In some circumstances it is appropriate to "pump prime" the process as was done in the case of SDS. However, continuation of directly-funded services can have the negative effect of discouraging new entrants.

- In a related vein, continuation of direct PVC funding of programs through members of the PVO community may tend to perpetuate the insularity of the PVO community and discourage outreach to alternative providers of management services that may offer important innovative approaches and solutions.

Because of the importance of the voluntary sector to development, the potential impact of continued work to develop methods and tools is wider than the USAID portfolio. Continued PVC programming to support increased financial sustainability and other capacity building holds the promise of helping to ensure the continuation of important local programs throughout the developing world.

## 1. INTRODUCTION

### 1.1 Program Background

The Sustainable Development Services Project (SDS) is implemented by a consortium made up of the Institute for Development Research (IDR), Freedom from Hunger (FFH) and Lassen Associates (LA), pursuant to a cooperative agreement with the United States Agency for International (USAID) Bureau for Humanitarian Response Office of Private and Voluntary Cooperation (BHR/PVC). Began in 1995, The project is designed to build the program and financial capacity of private voluntary organizations (PVOs) and indigenous non-governmental organizations (NGOs).

The SDS project was developed in response to a growing concern that the field programs of PVOs were at risk because of reductions in USAID and other donor funding. These organizations play an increasingly important role in development and in implementing USAID programs and are of particular importance in those countries where direct USAID assistance is declining and phasing out. PVOs capacity to strengthen and diversify their funding base and become less reliant on official donor support is critical to their continued effectiveness. The difficulty of introducing new income generating strategies can be exacerbated because many of these organizations find it difficult to shed traditional approaches and engage in cost-recovery or fee for service activities.

As envisioned, SDS was designed both to provide services and to engage in a learning process that would refine and improve mechanisms for helping organizations improve their financial sustainability. The project initially planned to focus on health, nutrition and population (HNP) and generalist PVOs with HNP programs. It evolved into a multi-sectoral approach.

SDS is managed by three quite different organizations that came together to implement the project.

- ✓ Lassen Associates specialized in techniques for financial sustainability and business planning.
- ✓ Freedom from Hunger had extensive experience in managing microenterprise activities and offered a living case study of an organization that had gone through a deliberate process of organizational transformation.
- ✓ The Institute for Development Research provided competence in organizational development and a capacity to conduct organizational research.

FFH and IDR were not-for-profit organizations while Lassen Associates was a commercial firm. The consortium was formed and submitted a proposal for a cooperative agreement, which was funded by PVC.

SDS is now in its fourth year of implementation, originally seen as the last year of the project. Its project activity completion date (PACD) was originally September 30, 1999, but has been amended to February 28, 2000 in order to finalize the technical assistance

and education tools developed over the life of the project and complete some activities developed during year four.

## **1.2 Program Description**

The primary objective of SDS is to help selected PVOs make the program, financial and institutional changes necessary to make their services more financially self-sustaining. A secondary objective is to test and develop innovative techniques for helping PVOs become financially sustainable. The project thus has an inter-mix of objectives that are both explicit and reasonably concrete on the one hand and open-ended and somewhat intangible on the other. The project initially planned to focus on health, nutrition and population (HNP) and generalist PVOs with HNP programs. It evolved into a multi-sectoral approach.

Assistance to PVOs is comprised of three main elements: 1) educational presentations, seminars and workshops for the PVO community, 2) intensive technical assistance to a small group of PVOs under learning memorandums of understandings (MOUs) and 3) the development and dissemination of a variety of sustainability tools usable by PVOs and field affiliates.

The research and development (R&D) component of SDS focuses on concepts, models, practical methods, and tools and examples. These focus on how PVOs could implement more cost-recoverable field programs, strengthen revenue mechanisms and develop service enterprises to make the transition in their overall program model and institutional culture to support greater financial sustainability.

## **1.3 Purpose of Evaluation**

This evaluation is designed to:

- Ascertain whether and to what degree the project achieved grant objectives based on the indicators and benchmarks as outlined in the logframe and goal purpose statement.
- Analyze the effectiveness of the models and approaches that were employed.
- Assess the depth and breadth of organizational change.
- Determine what types of partnerships were formed and assess their utility.
- Review the quality and effectiveness of program management and the coordination of technical assistance and training.

It was hoped that the evaluation would be explicit with respect to: 1) accomplishment of purpose and output; 2) lessons learned with regard to the provision of this type of capacity building support; 3) implications regarding the transmission of PVC policy signals; and 4) the application and use of indicators and quantifiable data in the conduct and measurement of capacity building efforts.

The evaluation is also seen as part of PVC's larger efforts to look at the impact of its capacity building efforts and as a basis for further analytical thinking with respect to the design of capacity building programs and activities. Of particular interest are methods for measuring change in organizational change or technical capacity.

#### **1.4 Evaluation Methodology**

Representatives from the SDS Consortium, PVC and the evaluation team met for a two-day team-planning meeting (TPM) at IDR headquarters in Boston, MA in August 1999. This meeting resulted in agreement about the general focus of the evaluation and identification of the basic questions each of the stakeholder groups wanted answered by the evaluation.

Following the TPM, the evaluation team drafted an interview guide, which was forwarded to SDS members and PVC for comments and suggested revisions. Once the revisions were integrated, the evaluation team met with IDR, LA, and PVC and other USAID staff to gather documentation, finalize the list of SDS clients to be interviewed, and address questions and issues outlined in the interview guide. The evaluation team also held a conference call with FFH at this point in the evaluation process.

Telephone interviews were held with client stakeholders as a major source of information (A list of respondents is at Appendix B). E-mail was used where overseas telephone interviews were not practical. In addition, the evaluation team reviewed all project annual reports, case studies, training modules, SDS tools, publications, data and other documents provided by SDS and PVC. These data sources are listed in Appendix B.

#### **1.5 Caveats**

Several broad caveats are appropriate:

- This evaluation looked at the relationship between the provision of training and technical assistance and client *perceptions* of organizational change. The evaluation has not attempted to *independently* determine whether these changes occurred. (The difficulty and utility of measuring organizational change is discussed in the report.)
- The 2-3 year time frame that is under consideration in this evaluation is extremely short for purposes of drawing reliable conclusions regarding organizational behavior and change. While this report does draw conclusions and identifies lessons learned it is important to emphasize that the duration of these consequences is very compressed and may alter over a more expansive time frame.
- The analysis in this report depends significantly on anecdotes and participant judgement. In part because SDS constituted a new and experimental activity and in part because measurements of organizational capacity and change are

difficult to obtain, progress indicators for SDS have not been developed. In this respect, a long-term challenge for BHR/PVC and for USAID in general will be to determine whether it is feasible to develop meaningful, reliable, and cost effective indicators of organizational capacity and change that can be used by program designers and managers.

- Linkages noted in this report between SDS and field-level impact are based on anecdotal information from persons interviewed. SDS did not track programmatic impact since their primary point of intervention was with the administrative staff of PVOs and NGOs.
- Because the focus of the SDS Project has shifted during the life of the project—as would be expected in the case of an activity with a high learning component—it has been difficult to be systematic with respect to the links between intent and consequence. These shifts in direction and their effect on SDS project implementation are discussed in this report.
- Finally, the evaluation team understood that this report is but one in a series of studies related to the broad subject of capacity building and PVC's role therein. For that reason, the current analysis does not deliberately deal with several issues that will fall more appropriately under the purview of subsequent studies.

## **2. PROGRAM IMPLEMENTATION**

### **2.1 Progress Toward Program Goal and Achievement of Objectives**

#### **2.1.1 Achievement of program purposes pursuant to objectives established in the Detailed Implementation Plan.**

The following discusses project performance in relation to the *purpose level* objective set forth in the Logical Framework of the DIP, dated February 1996. That document specified that the *purpose* of the project was to:

Help *selected* PVOs make the program, financial and institutional changes necessary to make their *services* financially self-sustainable [with a] focus on HNP [health, nutrition and population] and generalist PVOs with HNP programs. (Emphasis added.)

Thus, the focus of the project was on a *selected* number of organizations, on *both* financial and non-financial change and on the *sustainability of program services*.

Progress toward this set of purposes was to be measured by evidence that participant organizations had “achieved learning objectives” and that at least four PVOs would develop plans for the creation of development enterprises. The logframe included a list of additional anticipated outcomes together with relevant indicators to determine whether these had been produced.

The following constitute the *findings* of the evaluation team with respect to the limited question of whether and to what degree the specific objectives delineated in the logframe have been achieved. These comments are keyed to the indicators and outcomes specified in the logframe.

#### **2.1.2 Findings about SDS Goal and Objectives**

##### Achievement of Learning Objectives

A central objective of the SDS Project was that participating organizations would place greater priority on financial sustainability and adopt practices and strategies that would move them in that direction.

In 1998, SDS designed a protocol to measure aspects of organizational change related to financial sustainability. On the basis of one year’s comparative experience, there is strong indication that among the client population (*i.e.*, those who have sought and utilized assistance under SDS) there is a strong and in some cases a dramatic shift towards attitudes and practices conducive to higher levels of financial sustainability.

Thus, for this group there is a significant increase in practices correlated with increased levels of financial sustainability such as the initiation of market studies related to sustainability, the adoption of alternative revenue generating techniques, the practice of cost-recovery and diversification of the resource base at the local level. There were modest improvements in decreased dependence on USAID funding and reorganization of financial responsibilities.

This same analysis indicated a high organizational commitment to a “vision” of financial sustainability and a considerable emphasis on financial sustainability in the strategic planning process. While this analysis does not prove conclusively that the SDS Project constituted the sole influencing variable, it does support a positive finding that financial sustainability has become a priority issue at least for PVOs that are Matching Grant recipients and it strongly suggests that SDS was responsible for at least some of the shift in attitude and practice.

Four PVOs establish plans for creation of development enterprise at the field level.

The three PVOs that entered into a learning MOU with SDS, plus one other PVO and a PVO network did establish plans for cost-recovery mechanisms in development enterprises at the field level. These plans focused on cost-recovery for existing services rather than creation of new enterprises.

Thirty or more PVOs take advantage of provided TA and/or training.

Through year four of the project, a total of 35 organizations have received short-term technical assistance, three have entered into memoranda of understanding and a more intensive level of interaction and five completed financial sustainability audits.

CEO's and other senior executives of 15 selected PVOs participate in SDS workshops or consultancies.

A total of 44 organizations participated in one or more of the workshops offered under SDS.

Four workshop designs are developed and tested.

Through year four of the project, a total of four workshops were designed and offered.

Sustainability *models* are developed and made available.

This is more difficult to assess and is a subject that is addressed at greater length in the following sections of the evaluation. The term “model” implies a comprehensive off the shelf approach that can be taken and used by an organization to convert it to a sustainable growth path. In this ambitious sense, SDS has not developed comprehensive “models”. However, SDS developed approaches and techniques that are effective in helping organizations open themselves to alternative revenue generating strategies and the

program has identified a package of very useful principles and approaches that are intrinsic to increased levels of financial sustainability.

The following table summarizes SDS results to date against the objectives set in the logframe.

**Table 1. Summary of SDS logframe results**

<b>Purpose/objective</b>	<b>Outcome/Result</b>
Shift in organizational priorities	Positive change but limited time frame
Four PVOs establish plans for development enterprise in field	Four PVOs and one network established plans. Several others assisted.
15 PVOs participate in workshops	Over 40 PVOs participated
30 PVOs take advantage of TA and/or training	35 PVOs received TA
Four workshops designed and implemented	Four workshops were designed and implemented

Table 2 summarizes the total program activity for the life of the SDS Project.

**Table 2: Total SDS Program Activity**

<b>Number of Organizations Served</b>	<b>52</b>
Number of Organizations Attending Workshops	44
Number of Organizations Receiving Technical Assistance	35
Number of Organizations Participating in an Audit	5
Number of Organizations Participating in a Memorandum of Understanding	3
Number of Organizations that Participated in BOTH a Workshop and Received Technical Assistance. <sup>1</sup>	28
Number of Organizations that Participated in BOTH a Workshop and TA and either an Audit or Memorandum of Understanding. <sup>2</sup>	5

<sup>1</sup> International Institute for Rural Reconstruction; Heifer Project, American Red Cross International, Food for the Hungry; Freedom from Hunger; Helen Keller International, International Eye Foundation, American Near East Refugee Aid, The Nature Conservancy, Save the Children, FINCA, NRECA, and Feed the Children. Since these organizations provided data for preparation of the Year 2 and 3 addendum report, it may be useful to go back to the material in an attempt to develop stronger correlations between program participation and organizational change.

<sup>2</sup> Helen Keller, Katalysis, The Mountain Institute, OIC International, and PACT.

The twenty-eight PVOs that participated both in the workshops and the provision of technical assistance constitute a core group of heavy users of SDS services. It therefore would be appropriate to compare the progress of these organizations to the progress of others that did not take similar advantage of the SDS program. To a limited extent, this is possible since 9 of the twenty-eight are included in the evaluation of results prepared by IDR and submitted as an addendum to the Year 2 and Year 3 annual reports.

An attempt was made by the evaluation team to measure the *relative* progress of these nine organizations toward financial sustainability using the list of effects and impacts developed for the addendum reports. However, because of the inapplicability of many of the measurement variables, the evaluation team felt that the correlations were not sufficiently reliable to incorporate as findings in the body of the evaluation. However, on an anecdotal basis it does appear to the evaluation team that those PVOs who took advantage of both workshops and TA expressed a higher degree of interest in and enthusiasm for financial sustainability in interviews conducted by the evaluation team.

## **2.2 Assessment of SDS Strategy, Models, and Approaches**

The initial SDS approach was based on an approach that emphasized:

- A coherent definition of sustainability that concentrated on financial resources and the sustainability of local program activity.<sup>3</sup>
- A shift in the organization's conception of itself and vision of its future, from a dependency model to a self-actualization model.
- The importance of comprehensive "organizational transformation."
- The adoption of a set of "high performance" operating principles positively associated with financial sustainability.
- An emphasis on business and financial management skills and systems.

The program was delivered through an integrated combination of workshops and tailored technical assistance aimed at the leadership and senior program staff of PVOs. The workshops constituted an introduction to the concepts of sustainability, an exploration of alternative tools and an opportunity for participants to develop their own unique approach. The workshops emphasized practicality and experiential and applied learning and some cost-sharing was mandatory.

Technical assistance included a range of tailored advisory services designed to assist individual organizations such as market studies, strategic planning and program design. Participating organizations were to be selected by PVC and it was envisioned that assistance would last from 9-12 months and be based on a memorandum of understanding between SDS and the participant. SDS recognized at the outset that

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<sup>3</sup> Development activities are sustainable when they produce outcomes of sufficient value that the program generates adequate resources locally to support the continuation of benefits at a steady or growing level.

participants would progress at different rates, that results would not be uniform and that the time frame was not sufficient to permit complete organizational transformation.

### **2.2.1 SDS Internal Conceptual Ambiguities**

Because SDS was conceived in part as a learning program it is understandable that the project had to address and deal with several internal conceptual ambiguities.

**Field vs. Headquarters emphasis.** The initial understanding of the consortium was that that efforts to introduce techniques to improve financial sustainability would concentrate on field programs and on NGOs working with American PVOs. At the same time it was understood that adoption of these radically new approaches would necessitate strong support from senior management. The early SDS approach proved problematic in part because the universe of organizations was so large, in part because measurement of impact at the field level was extremely difficult and in part because this group of organizations did not correspond precisely with PVC's portfolio of Matching Grant recipients. As a consequence, at PVC's request, the project shifted in mid-course to concentrate support on the headquarters operation of American PVOs. The benefit of this approach was that it was more coherently focused, easier to plan, monitor and evaluate and more clearly related to PVC's institutional mandate.

The shift in emphasis was difficult for the consortium for four reasons. First it was inconsistent with the conceptual and definitional structure that was designed for addressing financial sustainability, which emphasized the generation of local resources sufficient to sustain a flow of services. Second, it required a significant change in program planning away from overseas operation and toward domestic consultancies. Third, it was felt that the distinction between headquarters and field operations involved a false dichotomy that unnecessarily narrowed the potential scope of services to be provided under SDS. Finally, the shift in emphasis away from NGOs and field programs was to some degree at odds with the mission and values of consortium members and meant that SDS was of lower substantive interest than had hitherto been the case. While members of the consortium had difficulty shifting toward a headquarters orientation, in general, participant PVOs were not aware of the shift in direction.

**Programmatic Sustainability vs. Organizational Sustainability.** The definition of sustainability developed by the consortium stressed the generation of revenue sufficient to sustain program benefits. As the project evolved SDS perceived that PVC's principle interest was in the sustainability of the organizational framework and in working at the headquarters level in order to ensure the long-term durability of the organization. While this did not mean an absence of interest in program content, the difference between the two approaches was fundamental. Initially, the conceptual genesis of SDS was rooted in the FFH experience with microenterprise and attempts to make field programs self-financing so that they could grow and become independent of the need for headquarters support. The distinction between the two approaches also echoes a

long-standing dilemma that confronts PVC in balancing between its Matching Grant constituents and the interests and demands of the USAID regional bureaus with their understandable emphasis on field programs.

**Services vs. Learning.** Another dilemma involved finding the balance between the provision of services and the research and development (R&D) process of learning about the techniques and organizational dynamics of financial sustainability. While both objectives were woven into the initial design, the balance between the two was never explicit. In general, the consortium and IDR in particular gave relatively heavier weight to the R&D benefits of the project while USAID stressed service delivery and the achievement of “results” particularly after completion of its internal re-engineering process. Both approaches were valid but ambiguity regarding relative degrees of emphasis complicated joint planning and made the inevitable transitions in approach more difficult than they otherwise would have been.

**Program coverage.** Despite a relatively narrow and focused definition of financial sustainability as it evolved the SDS program gradually expanded the content of what was offered. In part this was due to requests from clients. Also in part because it proved difficult if not impossible to introduce techniques that address cost-recovery and revenue-generation without at the same time dealing with the full range of organizational issues that a transformation of this sort entails. The advantage of taking a comprehensive approach was provision of services for all contingencies; the disadvantage was a dilution in focus and inclusion of components (strategic fundraising, board development), which involved areas where SDS did not possess a clear comparative advantage. As noted below, there was some resistance to SDS because prospective clients did not believe that another PVO and especially a PVO funded by PVC from dwindling USAID resources had the competence to teach other PVOs how to improve their operations. The diversification of services and blurring of focus may have amplified this perception.

### 2.2.2 Findings about SDS Strategy

- **Definition of sustainability.** The development of a standard, coherent definition of sustainability constitutes a singular success. The SDS definitional emphasis on local revenue-generation and the linking of revenue to the maintenance of benefits puts appropriate emphasis on the programmatic value of sustainability rather than on the maintenance of organizational structures. While the debate over the value and content of sustainability is by no means resolved, the establishment of a common approach grounded in program substance is a significant contribution. At the same time, it is important to emphasize that PVC could do more to collaborate with its clients to develop a clearly articulated definition of what it means by sustainability.
- **Coherent link between theory and practice.** The blending of theory and practice and the effort to address financial sustainability through a conceptual framework has constituted a significant achievement. While there are reasonable questions regarding

the packaging of the program and the periodic complaint of “old wine in new bottles”, SDS has given the subject of sustainability legitimacy by addressing it within a comprehensive and systematic framework.

- **Basic two-step approach is effective.** The fundamental two-step approach (workshops + tailored technical assistance) proved effective and workable. Workshops have stimulated interest in the subject, introduced basic concepts and tools, raised awareness and in some instances galvanized individual “change agents” who would subsequently work for a shift in approach in their parent institution.
- **Workshop benefits.** On the basis of extensive discussion with workshop participants, there is broad consensus that the workshops were professionally managed, content-based, relevant to the needs of participants and influential in encouraging more serious and creative attention to financial sustainability. While there were important caveats and instances of displeasure (discussed below), it was understood at the outset that the SDS approach was experimental, that testing and learning were an intended and desirable result, and that SDS was likely to prove unsuitable for some organizations and anathema to many.

Specific *beneficial* results of the sustainability workshops included:

**Increased awareness.** An accelerated appreciation of the importance of financial sustainability and increased understanding of structural changes in the changing external environment that further stimulated an interest in designing alternative revenue generating strategies.

**Improved capacity.** An enhanced capacity of participants to assess their own organization’s current status vis-à-vis these external forces and expectations.

**Technical ability.** A preliminary understanding of the principles and approaches that could be employed to move toward higher levels of sustainability.

- **Workshop defects.** Respondents also identified a variety of individual concerns. Important issues that could have a bearing on future or similar programs include:

**High level of generality.** Respondents saw the introductory workshops and seminars as a point of contact and tended not to attribute much change to those experiences. The workshops that were specifically designed for an organization or a particular type of intervention were viewed as very helpful.

**Excessive diversity of participants.** A frequent complaint was that workshops included excessive participant diversity in terms of size, nature and stage of development of represented organizations. This made it difficult to tailor discussions to the needs of a core group.

**Absence of innovative approaches.** Several respondents felt that the material did not constitute a new approach and that these techniques were well established and easily available to PVOs through established channels. A few respondents indicated some hesitancy regarding the ability of consortium members to offer innovative material. On balance the evaluation team concurs with the view that the component elements of SDS do not constitute dramatically new approaches. However, the integration of these elements and their packaging in a coherent conceptual structure does constitute a new and influential approach.

**Need for more practical case studies.** There was broad consensus that workshops would have been more effective if there had been a larger body of relevant case material that addressed a range of individual needs. (The evaluation team notes that as SDS matured, this situation improved.)

- **Approach inflexibility.** A periodic criticism was that the SDS workshops and the overall SDS approach to sustainability were doctrinaire and rigid. This is a subjective judgement and difficult to assess. SDS is a program deliberately designed to change attitudes and practices and a tentative approach would have been inappropriate. Efforts to encourage non-profits to recover costs and charge the poor for valued services are inherently controversial because they challenge accepted norms. Lukewarm or halfhearted approaches are likely to be dismissed out of hand. At the same time, the adoption of revenue generating strategies and aggressive cost-recovery measures is clearly not appropriate for some non-profits and only partially appropriate for others. For these organizations, a strident call for 100 percent conversion is unrealistic and likely to be counterproductive. On balance, the evaluation team believes that an aggressive approach to selling the benefits of financial sustainability was appropriate and did not materially damage program effectiveness.
- **Inflated expectations.** A related common observation was that the marketing of SDS generated expectations regarding the benefits of participation that exceeded reality. Some organizations participated initially because they believed that there were concrete mechanisms that could be easily installed that would quickly resolve long-standing resource scarcities. A few groups thought that it was unfair that they participated and still did not receive funding for their Matching Grant proposal. The later response was not a criticism of SDS, because the consortium did not make that linkage in any of their work.
- **Effectiveness of Sustained Technical Assistance Interventions.** An important finding of this evaluation is that *sustained* provision of tailored technical assistance under SDS (normally pursuant to a memorandum of understanding) was effective in changing attitudes and introducing important beneficial techniques. While the number of MOUs has been small (Feed the Children, Katalysis and OIC International) the provision of advisory assistance over an extended period has been successful. Participants were helped to adopt financial sustainability strategies, and SDS contributed to a recognition of the importance of financial sustainability as part

of their development programs, helped participants plan and implement business plans and at least in two instances accelerated a shift on their core values. In addition, Heifer International, Save the Children and the Small Enterprise Education and Promotion Network (SEEP) received ongoing technical support in their development of strategic plans using the SDS approach or focusing on financial sustainability and cost-recovery. They also report a shift in organizational attitudes toward cost-recovery and in the partnership relationships they have with field affiliates.

Specific attributes of successful TA interventions cited by those interviewed include:

*A sustained* relationship over time with consultant services provided on an as-needed basis.

Continued association with a single individual (“change agent”) within the organization with a strong commitment to the principles of sustainability.

Inclusion of representation from the board of directors.

Strong support from senior management.

SDS developed a learning MOU with **Feed the Children (FTC)** to provide technical assistance for improving their micro lending programs. FTC had done micro lending for several years and wanted to develop a model and focus on cost-recovery. The SDS intervention is now seen as a “great catalyst” to overcome some internal reluctance to move from charity orientation to a cost-recovery perspective.

Following headquarters workshops and assessments, with continued consultation with SDS, FTC now uses the same micro lending model in ten countries in Africa. Efforts for replication in Latin American and Asia are underway. Previously all programs had their own approach, often not clearly articulated.

SDS also provided assistance for an assessment of the FTC field program in Uganda, operated from a charity perspective. This program now has adopted a cost-recovery model with improved financial systems. It moved from a portfolio of 250 loans in a two-year period to a portfolio of 4,000 clients in the second two-year period, increasing the direct impact on community members by over 1,000 percent.

- **Inadequate follow-up.** A criticism (as well as a paradoxical compliment) of the SDS program was the inadequacy of follow-up and follow-through both after the workshops and with respect to the provision of on-site technical assistance. While respondents were by and large positive with respect to the content of the workshops and the content of TA when it occurred, there was a persistent concern that the program did not sustain a continuing relationship or respond to emerging issues and opportunities when they were identified.

Demand for TA services simply outstripped limited SDS staff capacity.

The marketing of the program and the structure of the workshops implied a level of ongoing support that was infeasible.

Internal differences among consortium members made internal coordination difficult. Diminished coordination eroded the capacity for establishing priorities and made it difficult to schedule TA interventions in an optimal manner to maintain systematic relationships with clients.

Changes in program direction (particularly re-definitions of the target group) made it difficult to sustain a focused and integrated approach—the program was pulled in too many directions.

- **Collaborative organizational assessments are viewed as useful.** Several respondents noted that they felt that a *joint* process of organizational assessment was eye opening and beneficial. It was particularly important for the PVO to see itself against a measure of the comparative performance of others.
- **Resistance to organizational audits.** Responses from participants indicate that organizational audits have not proven effective. Reasons for this appear to include:

Generic resistance to application of a performance audit by a member of the PVO community. While not explicit, it was clear to the evaluation team that PVOs were sensitive to being critiqued by another PVO.

A bias against the provision of new ideas and approaches from within the PVO community. Several respondents indicated that while they believed the concepts and approaches to sustainability were valid and important, for qualitative reasons they would look outside the PVO community for assistance in this area.

Concern regarding sharing of confidential information. In a similar vein, several participants indicated concern regarding the sharing of confidential financial information.

Concern regarding the qualitative basis of the audit method.

- **The utility of Business Planning.** In general, respondents felt that assistance in business planning had been effective and useful. Specifically, it was noted that the combination of sustainability workshops, provision of business planning TA, and the imposition by PVC of a business planning requirement in DIPs constituted a very clear signal to the PVI community that the issue of sustainability was of high priority.

### 2.3 The Evaluation Team's Assessment of Future Need

Those PVOs that felt they had benefited from the SDS program also felt that the program or something like it should be continued on a subsidized basis. The argument in favor of continuation was that while progress had been made, much more needs to be done in their

organization to shift attitudes and develop new approaches. At the same time, there is broad agreement that the PVO community in general is seriously grappling with the issue of financial sustainability and that the community has become conversant with the concepts and approaches. The experience to date with the SDS Project would suggest the following:

- There is a declining need for generic workshops and seminars designed to introduce basic concepts and generate awareness. The PVOs that were targeted for SDS assistance have reached a stage in their knowledge and understanding of the concepts of financial sustainability to be able to make an informed judgment regarding the applicability of these programs to their own situation.
- There is a continuing need to develop integrated systems and procedures that will *deepen* the application of financial sustainability concepts by giving managers the financial tools to monitor costs and revenue in a manner analogous to the systems employed in commercial firms. While the concept of financial sustainability is reasonably clear, the reporting, monitoring and accounting systems that are needed to effectively implement these concepts are in their infancy.
- There is a continuing need for tailored technical assistance to help these organizations move from theory to practice and to advise and support the process of organizational transformation that often occurs this shift in approach. Whether or not this assistance should continue to be provided on a subsidized basis through PVC funding is problematic. (See Section 2.4, second bullet).

#### **2.4 Findings about Client Organizational Capacity**

During the life of the project, SDS established memoranda of understanding with three organizations: OIC International, Katalysis and Feed the Children. In addition, SDS had an extensive degree of involvement with the International Eye Foundation.

Based on discussions with several officials from each of these organizations, supplemented by interviews with other clients, the evaluation team finds:

- There was broad and extensive interest in mechanisms for improving the financial viability of PVOs—broadly defined—*prior* to the inception of the SDS program. While most PVOs had not developed an explicit *sustainability* strategy with an emphasis on cost-recovery and revenue-generation, virtually all PVOs had endorsed the principal of diversifying the donor base both in terms of number and category of donors.
- The SDS program capitalized on the growing concern for the long-term financial health of the PVO community. The program was instrumental in the stimulation of

further interest in exploring new paradigms and in the early articulation of a conceptual structure that gradually gave the concept of sustainability the coherence and credibility that it had previously lacked. SDS helped move the subject of sustainability from the realm of theory to practice.

- In most cases, SDS had a positive impact on those organizations that it chose to work with. Outcomes included: the design and development of new sustainable programs; the incorporation of sustainability in the long range strategic planning process; and alteration in operating practice and procedure to reflect the importance of sustainability and express changes in organizational culture, values, and mission to accord higher importance to sustainability.
- Instruments and interventions that received positive citation during the course of this evaluation include: self assessments, tailored seminars and workshops, board presentations, business planning assistance, and individualized technical assistance.
- Problematic areas included lack of follow up and difficulty in scheduling adequate SDS support.
- There is broad consensus that the principles and mechanisms employed by SDS had significantly greater impact on relatively new, small, emergent organizations than on larger well-established groups. The reasons for this are not surprising. They include: financial uncertainty associated with start-up; absence of encumbering traditions, procedures and practices; and program flexibility associated with early stages of growth.
- An important corollary is that SDS had significant impact during its early stages on participant overseas NGOs. When asked about the impact of SDS interventions, most respondents were clearer about the impact on field level programs than on the overall organization. Several said that going through the process of assessing financial sustainability resulted in better models at the field level and improved decisions about program direction. These organizations are willing to invest in future interventions at the field level to continue the process, but definitely want good tools to be part of that.

## **2. 5 Findings about Constraints and Unanticipated Effects**

The evaluation team questioned participants with respect to possible negative and/or unanticipated consequences of encouraging PVOs to adopt more aggressive approaches to sustainability. The team also explored a range of indirect positive and negative incentives to participate in the program. The team developed the following findings:

- In no case did a participant indicate that involvement in the SDS program had moved the organization away from a fundamental commitment to its core mission and values.
- However, in several cases, workshop participants indicated that they had reached a conclusion that SDS was inappropriate for that organization because opportunities for cost-recovery and/or revenue-generation were very limited or the SDS approach was anathema to core values and mission. In the view of the evaluation team, this weaning

and self-selection process appeared to be functioning in a healthy manner and prospective participants appeared well equipped to make a rational decision regarding the wisdom of participation.

- Some PVOs participated in the SDS program because they believed that PVC would directly link participation to a positive decision on a Matching Grant application or at least that participation would indicate positive compliance with PVC policy signals. The depth, extent and implication of this motivating factor are difficult to measure. Initial participation solely for perfunctory purposes is not necessarily counter-productive if the client learned from the process. On balance, the evaluation team reached the conclusion that participant organizations benefited from the information they received regardless of the initial motivation.
- In a related vein, participants frequently noted that at SDS inception there was significant confusion and apprehension with respect to underlying motives and “hidden agendas.” Despite active efforts by PVC officials to clarify program purpose, participants often recalled a concern that USAID/PVC was attempting to “wean” Matching Grant applicants and reduce pressure on scarce PVC resources. A similar early concern was that the topic of sustainability represented a conservative, market orientation that was inappropriate to the value structure of the PVO community. While these initial misgivings appear to have dissipated, their early existence complicated marketing and the implementation of the early phases of the project. The problem underscores the complex ambiguities that arise when donors also provide management and organizational development services.

### **3. PROGRAM MANAGEMENT**

#### **3.1 Change in Approach of SDS**

Over project life, SDS has adopted a broader view of financial sustainability that looks at diversification of funding rather than narrowly focusing on cost-recovery. SDS is also trying to better understand the challenges to business planning that affect field level programs, including the need for commitment at the top organization level such as boards of directors. This led to recognition that professional staff of larger organizations need help to change their own organization's culture and receptivity to thinking about these issues both at headquarters and country director levels, which in turn had implications for SDS management.

SDS moved over time to a more participatory planning process for workshop delivery in an effort to more specifically meet the needs of workshop participants. This meant that staff time for workshop planning was increased, due to feedback from workshop participants and other lessons learned in workshop delivery. This tailoring of workshop content still needs attention—a training or trainers workshop is being designed to facilitate the process. Specifics about the implications of this feedback for workshop structure and content are presented in Section 2.1 of this report.

Based on experience in the first year of the project, in February 1997 SDS adopted a policy to cover the project boundaries in an attempt to regularize cost-sharing by clients, project revenue administration and reporting. The policy set up criteria for deciding which activities would be done within the project auspices. "Under SDS auspices" is defined as subsidized in part by SDS and subject to the intervention frameworks, staffing, fee structures and documentation and evaluation frameworks determined by SDS. This policy did not include a structure for monitoring and evaluation of impact.

SDS responded to PVC recommendations that more emphasis be placed on sustainability efforts with U. S. PVOs based on the fourth intermediate result in PVC's strategic plan by shifting emphasis and resources from field program interventions. There was, however, deep concern on the part of SDS about making this change, which was seen as somewhat of a mid-stream shift in project purpose.

Everyone agrees that the consortium implementing the project was made of groups with different perspectives and approaches and that this may have negatively effected the management of the project and effective tracking of results. It did not seem, however, to affect the actual delivery of services. One respondent said it might have even pushed the creative envelope.

#### **3.2 Monitoring Program Performance and Impact**

Initial monitoring relied heavily on anecdotal, qualitative feedback from SDS staff and clients and on a counting of workshop participants and number of TA interventions. This is reflected in the first two annual project reports. At the beginning of the SDS project, project staff conducted a sustainability assessment with 25 of 28 organizations selected

by the SDS Advisory Committee to provide initial information necessary to further design the three key elements of the SDS project. The assessment also helped to learn more about the range of successful approaches used by PVOs to create more sustainable development services and to learn about obstacles that exist to creating more sustainable development service. A second round of interviews followed this early in 1996 with nine organizations. It is not clear how the results of these assessments were actually used.

In the second year of the project, SDS began an annual monitoring and evaluation process to monitor the progress of PVOs toward sustainability goals and to assess the overall impact of SDS services. This was partially in response to PVC's request to help provide information for IR4 of their strategic plan. The process is also designed to elicit information about sustainability concerns of the PVO community and about services desired in order to assist SDS in defining future program services. SDS periodically did follow-up questionnaires or interviews with participating PVOs to promote the learning process. Training design was modified to respond to participant feedback.

Even though there was some perception in SDS that IR4 reporting was inconsistent with the original project planning, the exercise did result in reporting that allowed the project to monitor more than just numbers of participants and anecdotal information. In the addenda to the second and third year annual reports, there is information about the actual change in organizations based on self-report. Lacking objective measures in an area that is in the early development stages, self-report ranking of progress toward sustainability is an important step forward in using attitudinal assessment (Erickson, 1999).

SDS also completed follow-up workshop evaluations on two field level workshops one year after the workshops were completed. These evaluations permitted an assessment of organizational change over a longer-term period. Fifteen organizations participated in this evaluation. The findings of this evaluation show that respondents report a strong organizational commitment to sustainability and that they perceive hindrances to sustainability are within their area of control. Self-assessment tools and case studies were ranked as the most useful elements of training.

The workshop follow-up evaluation provides direction for SDS activities during the final months of the project and for the development of additional technical assistance tools. SDS is making good use of the evaluation information.

SDS developed both qualitative and quantitative systems for tracking project impact within organizations. Tracking actual community-level impact depends at this point on anecdotal information from field organizations.

### **3.3 Status of Strategic Partnerships**

SDS did not form specific partnerships with other PVC grantees, except those that were part of learning MOUs. There was some interchange of information with other capacity building programs, but no organized linkages.

### **3.4 Financial Management**

A project financial monitoring system is in place at IDR, the lead institution. Annual reports give data on planned and actual expenditures with adequate narrative to explain how project resources are used, including professional staff time.

The project has leveraged additional resources for activities through cost-sharing mechanisms for training and technical assistance. Almost \$55,000 was generated through SDS' cost-recovery mechanisms, which require PVOs to bear part of the cost of workshops and technical assistance. In addition, because Consortium members work on sustainability issues in other programs, there is an efficiency of the development and use of intellectual inputs such as development of models and tools.

SDS overall appears to be a cost-effective project in terms of its original purpose, working with selected PVOs to move toward financial sustainability. Several respondents said that SDS helped PVC put financial sustainability "on the map" and began to demystify sustainability as a concept.

### **3.5 Information and Reporting**

SDS reports are timely. The usefulness could be improved if more emphasis were placed on impact and less on counting of activities. This has improved as the project progressed, especially in response to IR4 reporting requests. It is problematic that the various consortium members prepare separate reports, which makes it difficult to easily capture the overall progress toward goals and objectives.

SDS is not seen as having "tools" that can be disseminated and used, although there has been some tool development in the process of some of the interventions, particularly with Save the Children. Several respondents were, in fact, puzzled by a question about tools. However, the sustainability assessment and other self-assessment techniques are seen as useful. It would be useful if SDS professionals could articulate more clearly exactly which "tools" they think now exist and were developed by SDS, which ones are in development, and which ones need to be developed in the future.

The case studies are a useful reference because they illustrate how things can be done. However, the current case studies are perhaps a bit long and cumbersome for use in training due to the time it takes away from focusing on issues that are directly related to participants' work.

SDS relied mostly on introductory workshops for public outreach and the approach seems to have been moderately effective. There is an important opportunity as the project enters its final months to package the tools and modules that do exist and to prepare a few succinct informational publications that can be used to further sensitize the development community to issues related to financial sustainability in the development context. The evaluation team recommends that SDS produce those materials that were developed by the program in a form that is packaged for distribution and use by interested PVOs, NGOs and other groups.

### 3.6 Relationship of SDS to PVC's Strategic Plan

*At the operational level, PVC's primary mission is to support capacity building which strengthens the sustainable impact potential of U.S. PVOs working in participatory grassroots development. Through support for U.S. PVOs, PVC also aims to strengthen the capacity of local NGOs and community groups to deliver sustainable services, particularly to underserved communities (Office of Private and Voluntary Cooperation, Strategic Plan 1996-2000).*

The PVC mission statement sets out levels of desired impact for its programs. The plan clearly identifies U. S.-based PVOs as the primary client group for the office, and as partners for the implementation of development efforts around the world. To this end, PVC made a commitment to strengthen PVOs to enhance their capacity to function as strong partners in this effort. Therefore, the evaluation examined the impact of SDS on the PVO community, particularly those PVOs that participated with the project through training or technical assistance.

The second level of impact set out in the PVC mission statement is with local NGOs or other community groups in developing countries, recognizing that this impact comes primarily through partnerships with PVOs. The evaluation also examined this impact of SDS activities at this level, either directly or in PVO partnerships.

As with any development program, the ultimate results depend on whether or not a program makes a difference in the lives of people in communities in developing countries. The PVC mission statement reflects this fact when it articulates the purpose of PVO/NGO strengthening as the delivery of sustainable services to those communities. So, the evaluation also looked for evidence of the impact of SDS efforts at the community level. As mentioned earlier, the project was designed for PVO/NGO strengthening. Mechanisms were not put in place at the beginning of the project to track community level impact, but the evaluation team was able to identify some examples in the interview process. Figure 1, which follows on the next page, provides a few examples of results identified in the evaluation at each of these levels.

Of particular interest, since the SDS project was asked to report results against PVC's intermediate result (IR 4), is the evidence about the increased mobilization of human resources and improved leveraging of financial and other material resources by PVC grantees. The evaluation team was able to review financial plans for a few of the organizations and to discuss this issue with interviewees from other groups. Several groups made adjustments in human resource distribution and have substantive plans in place for improved financial resource allocation and cost-recovery. There has not been time to track dollar value or specific cost-benefit of these measures during the life of the project, but at least five U.S. PVOs reports that real change has begun.

**Figure 1: Relationship of SDS impact to PVC Strategic Plan**

<b>PVC Strategic Plan</b>	<b>SDS Impact</b>
U.S. PVO capacity building	<ul style="list-style-type: none"> <li>• More acceptance and understanding of financial sustainability</li> <li>• Several PVOs with specific plans for financial sustainability</li> <li>• Impact on PVOs' relationships to affiliates and local NGOs</li> <li>• Network members assuming increasing portion of training and network costs</li> </ul>
	<div style="text-align: center;"></div> <ul style="list-style-type: none"> <li>• More acceptance and understanding of financial sustainability</li> <li>• Affiliates generating more of their own revenue</li> <li>• Common model for cost-recovery and service delivery among affiliates</li> <li>• Partnership structure changing to help affiliates become local NGOs</li> <li>• Business plans developed by local NGOs</li> <li>• Groups empowered by increased decision-making and control over resources</li> </ul>
Local NGO/community Group capacity building	<div style="text-align: center;"></div> <ul style="list-style-type: none"> <li>• Loan portfolio serving over 1000 percent more clients</li> <li>• Services based on community demand</li> <li>• More choice about type of services available</li> <li>• Program sustainability improved due to cost-recovery</li> </ul>
	
Community level impact	

Table 2 summarizes specific information from the SDS database in relation to IR4, with SDS clients reporting high or moderate change related to moving PVOs toward greater financial sustainability.

**Table 2: Percentage of PVOs Reporting change toward financial sustainability, 1997 and 1998 (n = 10)**

Type of change in organization	Percentage Reporting high or moderate change	
	1998	1997
Enhanced organizational vision and commitment of financial sustainability	82%	89%
Strategic planning that includes a financial sustainability component	82%	78%
Reorganization of financial responsibilities	77%	50%
Improved financial practices and capacity to monitor and control costs	69%	61%
New staff hired or trained with business/sustainability skills	67%	67%
Analyses and/or market studies to enhance sustainability	86%	11%
Implementation of high-performance program models	87%	78%
Alternative revenue mechanism instituted	81%	39%
Field programs recover substantial operating costs	58%	22%
Local program resources base diversified	58%	11%
PVO resource base diversified	57%	56%
Decreased USAID grant dependence	57%	39%

The table reports on perceived change for each year, not change from one year to the next, but several items show a marked increase in percentage of PVOs experiencing change. Of particular interest are the percentage of PVOs doing analysis and/or market studies in 1998 compared to 1997, the percentage reporting institution of alternative revenue mechanisms, field programs recovering substantial operating costs, diversification of local program resource base and decreased USAID grant dependence.

Percentages are lower in 1998 for enhanced organizational vision and commitment, but one could hypothesize that if that vision and commitment were established in 1997, the organization is moving on to more operational issues in 1998. The same interpretation could be made about implementation of high-performance models.

Although based on a small number of PVOs, the data in the above table indicate positive change toward enhanced financial sustainability both at the PVO level and in local programs.

Even though the program was asked to report results against PVC's IR 4, SDS should also be seen as producing results related to IR 3 under the PVC strategic objective, strengthening U.S. PVO and NGO partnerships. In several instances, work done directly by SDS or as a follow-up resulted in a change in the balance of power in partnerships, with responsibility for resources playing a critical role in the empowerment of NGOs and of community members.

#### 4. LESSONS LEARNED

Whether a lesson has been *learned* in a conclusive sense is always a problematic judgement. Lessons learned in one context are quickly forgotten in another. The following constitutes a list of *insights* that derive from the previous discussion that may have applicability with regard to future program and/or project design.

- Efforts to stimulate increased organizational interest in financial sustainability can be effective. A USAID/PVC funded organizational development program can be influential in changing organizational behavior and can accelerate a PVO community-wide paradigm shift at least in those instances where the change is already beginning to occur.
- Attitudes and norms must change before new mechanisms will be adopted. While there are useful models and interesting techniques, these will be of little use in a climate of deep organizational resistance. Many PVOs approach ideas of cost-recovery and revenue-generation with a view that these techniques either cannot or should not be attempted.
- A deeper understanding of the current financial situation is a powerful incentive to change within an organization. The combination of hard headed and factual analysis of financial realities coupled with a tailored approach to revenue-generation constitutes a very strong incentive for a PVO to look very seriously at the adoption of SDS approaches.
- There is no secret formula. The adoption of cost-recovery and revenue generating mechanisms involves the gradual and systematic application of common sense approaches tailored to the programs and attributes of the organization. While there are very important principles associated with “high performance” organizations and useful mechanisms that can be very helpful in applying cost-recovery and revenue generating techniques, there is no magic technology that constrains non-profits from moving in these new directions.
- The transition is difficult and time consuming and normally requires mentoring assistance. Shifting to cost-recovery and revenue-generation is complex and difficult because it involves a comprehensive transformation in values, systems, structure and practice. Because the process is gradual and the perceived risks of failure are high, the transition will frequently require external assistance. This in itself can be

**Katalysis** had a business plan at the time they started working with SDS under a learning MOU. SDS then worked with Katalysis to assess and refine the business plan, to help develop Katalysis’ pioneering partnership model and to work on a market analysis.

The business plan was recently presented to partners in Katalysis’ micro credit network in Central America. The partners unanimously adopted the plan, which calls for partners to pay a membership fee for the network and begin to assume cost of training workshops and technical assistance services from Katalysis, moving that organization toward its financial sustainability goal.

problematic because PVOs are not inclined to pay for a long-term technical assistance process, particularly when good prospects for recovery of related expenses is questionable. In SDS, the learning MOU provided assistance in transferring the financial sustainability approach to field programs.

- Linking organizational development (OD) support with practical TA works well. The integration of organizational change services with hands-on technical assistance, offering practical approaches tailored to the needs of the organization is an effective strategy. Imbedded norms that view cost-recovery and fee for service programs as anathema to the culture of the organization must be addressed. Similarly, OD interventions that lack a practical follow through are likely to be viewed as theoretical and impractical.
- At the same time, the distinction between program (or service) sustainability and organizational sustainability is relevant and important. In the long run, if an operating PVO or NGO wants to be financially self-sustaining it will have to figure out strategies for converting subsidized field programs to income generating activities. While the transitional process can start either at headquarters or in the field, the roots of financial sustainability need to be planted in field programs.
- Overseas NGOs appear to offer a strong market for SDS services. Emergent NGOs in developing and transitional countries have a very strong and growing need for assistance in learning how to develop financial sustainability strategies. Many of these organizations have been started and nurtured by donors who are withdrawing and reducing support. The amount of charitable giving in these countries is severely limited and the philanthropic ethic is poorly developed. On the basis of a limited sample under SDS, overseas NGOs appear to be highly interested in and responsive to the SDS message.
- More attention must be paid to the design and development of benchmark information and progress indicators to gauge the impact of capacity building programs.
- Future support should be responsive (rather than pro-active) based on self-diagnosis (rather than USAID diagnosis); be explicitly keyed to NGOs and overseas programs; and be tightly linked to the programs and needs of the regional bureaus and missions.
- PVC should continue to support studies and research designed to deepen our understanding of issues faced in moving toward greater financial sustainability and should continue to support the development of tools and techniques to support self-assessment and financial sustainability planning.
- Microenterprise-based experience provides important insights, but the development of broader models and tools are required and the effort needs to be sustained for a longer period of time than the four-year SDS effort. Existing microenterprise models and tools are the result of 15-20 years of USAID support.
- More discussion is needed with regard to the definition of sustainability. The SDS definition is coherent and dynamic but applies primarily to field programs.
- Forming consortiums should be done with care and thought about how they can work together. Full involvement of all parties is a must at the planning stages. Part of this should be a centralized system for marketing, initiating interventions, and tracking results.

## **5. ISSUES FOR DISCUSSION**

This report has touched on a number of issues that PVC may wish to address as it thinks through the future of the SDS program and the PVC's role in PVO/NGO capacity building. Some of these are related specifically to financial sustainability and whether to continue the SDS program or something like it. Some are related to the broader question of the role of PVC in providing management assistance to the voluntary sector in this country and/or overseas. Several of these issues are discussed below in the form of questions and a brief response based on the evaluation findings and lessons learned.

### **SDS and Financial Sustainability**

#### **1. Is there a need for continued subsidized assistance?**

On the basis of this evaluation, the PVO community appears cognizant of the importance of financial sustainability, conversant with basic techniques and approaches and generally open to the exploration of cost-recovery and revenue generating techniques. This would suggest that further donor funded subsidy was not needed. On the other hand, the PVOs interviewed for this evaluation unanimously felt that the SDS program or something like it should be continued with an emphasis on the tailored provision of TA. Most felt that there was still deep resistance to the concepts contained in the SDS approach.

A related finding was that SDS appears to be most effective with small, emergent groups that are flexible and adaptive. Feedback regarding work with MCH groups suggests that a more specific sectorally tailored approach would be much more useful. Collectively, these observations suggest:

- The debate on the pros and cons of the SDS approach should be continued in order to “mainstream” the consideration of these concepts in strategic decision making.
- More conceptual/analytical work should be done to develop SDS strategies for different categories or groups of organizations and to clarify circumstances where SDS would not be applicable.
- If the program or a variant is continued it should be targeted to groups where a clear need remains and focused primarily on smaller, emergent groups that are adaptive and flexible and open to new strategies.
- An effort should be made to augment and diversify the number of TA providers in order to respond to differential situations.

#### **2. Is the current SDS content and approach the right one?**

A great deal has been learned about designing and delivering a package of services intended to encourage a transition to greater financial sustainability. The evaluation suggests that the generic material is appropriate, but that it now needs to be adapted to particular groups. Specifically, the evaluation suggests:

- 1) the need for more practical case study material;
- 2) the development of internal reporting and accounting systems that can monitor costs and revenues in a manner analogous to the systems used in a commercial firm;
- 3) a reduction in the occasionally polemical tone associated with the marketing of the program; and
- 4) a more explicit recognition that social enterprise may not be a strategy for all organizations.

### **3. What is the target group?**

The evaluation suggests that the optimal target group for SDS from the point of view of impact and organizational change would be smaller, emergent groups that are adaptive and open to innovative approaches. In particular, consideration should be given to focusing the provision of SDS services on emergent NGOs and on those countries where USAID has helped build a strong voluntary sector and is now contemplating a phase out or withdrawal. One model that PVC might wish to explore would involve the design and funding of a service for USAID missions that would provide a package of sustainability interventions through a variety of TA providers with different areas of competence that could be tailored to unique and changing needs of different NGO communities.

### **4. What is the optimal vehicle for responding?**

While reliance on a small group of direct providers was necessary in order to launch the SDS concept, increased emphasis on tailoring to individual needs and a focus on the highly differentiated requirements of smaller overseas NGOs would suggest the importance of broad and diversified base of TA providers.

In addition, and as discussed in the next section, there are fundamental issues that surface when PVC becomes directly involved in the provision of capacity building to its client PVOs, particularly when this is done through members of the PVO community.

#### **PVC and Capacity Building**

PVC has played an important role in highlighting the importance of financial sustainability and in supporting mechanisms to help PVOs move in this direction when appropriate. Aside from the question of need, which is addressed above, there are arguments both for and against a continued active role for PVC in this arena. The arguments *in favor* include:

- The stated desires of the PVO community to continue to receive subsidized assistance that will help them adopt effective strategies for organizational growth and development.
- The opportunity to capitalize on the investment in learning, the lessons learned, and preparation of training materials made to date under SDS.

- The opportunity to further refine approaches, models, and techniques that will have application to the PVO community and to overseas NGOs and the work of USAID's regional bureaus.
- The ability to utilize the leverage and entree that PVC has with the PVO community in order to engineer a broad structural change in approach.

The arguments *against* a continued active role for PVC include:

- The inherent conflict between being a funder of programs and organizations and a funder of services to strengthen those organizations. Capacity building inevitably involves judgements about relative organizational strengths and weaknesses or at least a perception that these judgments are being made. The direct provision of management support particularly when PVC is active in the selection process can raise questions of preferential treatment, organizational confidentiality, and the linkage between participation in the program and favorable action on grant applications.
- The importance of developing a *systemic* capacity to respond flexibly to the needs of PVOs and NGOs. In an ideal world the marketplace would provide management services tuned to emerging needs of different groups of organizations. In some circumstances it is appropriate to "pump prime" the process as was done in the case of SDS. However, continuation of directly-funded services can have the negative effect of discouraging new entrants.
- In a related vein, continuation of direct PVC funding of programs through members of the PVO community may tend to perpetuate the insularity of the PVO community and discourage outreach to alternative providers of management services that may offer important innovative approaches and solutions.

## APPENDIX A. LIST OF PERSONS INTERVIEWED

<b>Name</b>	<b>Organization</b>
Antoine, Pierre	Winrock International
Banjade, Jay	Save the Children
Barrows, John	International Eye Foundation
Brown, Barbara	Feed the Children
Covey, Jane	Institute for Development Research
Davies, Philip	American Near East Refugee Aid
De Vries, Jim	Heifer Project International
Espada, Sara	Andean Rural Health Care
Espinelli, Marise	International Institute for Rural Reconstruction
Garb, Jill	World Education, Inc.
Garcia, Fe	World Vision Relief and Development
Grabill, Donald	Save the Children
Harmsworth, Jill	World Education, Inc.
Hewitt, Martin J.	USAID/BHR/PVC
Hildebrand, Jerry	Katalysis North-South Partnerships
Hodges, Reginald	Opportunities Industrialization Centers
Horner, Rudy	Helen Keller International
Jones, Kate	USAID/BHR/PVC
Jones, Sallie	USAID/BHR/PVC
Korin, Mike	USAID/BHR/PPE
Lassen, Cheryl	Lassen Associates
Le Clere, William	Institute for Development Research
Leach, Mark	Institute for Development Research
LeBan, Karen	Save the Children (formerly)
Liskov, Adele H.	USAID/BHR/PVC
McLaughlin, Delores	PLAN International
Meites, Peggy	USAID/BHR/PVC
Dunford, Chris	Freedom from Hunger
Nugyen, Quy	Opportunities Industrialization Center

Pratt, Jane  
Reiling, Peter  
Ross, Thomas  
Sunly, Traer  
Tanner, Caroline

The Mountain Institute  
TechnoServe  
USAID/BHR/PPE  
PACT  
Aga Khan Foundation

## APPENDIX B. LIST OF DOCUMENTS REVIEWED

Erickson, John. R. *Aid Cooperation—Moving toward partnership: the challenge of measurement*. A discussion paper, Corporate Evaluation and Methods Group, Operations Evaluation Department, World Bank. June 1999.

Institute for Development Research, Lassen Associates and Freedom from Hunger. A proposal for a cooperative agreement. Undated.

--. *Strengthening North—South cooperation, US PVOs & African NGOs*. Report of the conference held March 2-5, 1999 in Nairobi, Kenya.

--. *Sustainability assessment for Sustainable Development Services Project, first round interview results*. December 5, 1995.

--. *Sustainability assessment for Sustainable Development Services Project, second round interview results*. March 8, 1996.

--. *The partnership between Farming Systems Kenya (FSR) and Lutheran World Relief (LWR)*. May 1999.

--. *The partnership between Nazareth Children's Center and Integrated Development (NACID) and Catholic Relief Services/Ethiopia (CRS/E)*. May 30, 1999.

--. *The partnership between PLAN International Kenya (PLAN) and Business Initiatives and Management Assistance Services (BIMAS)*. May 1999.

*Katalysis Partnership: a PVO in transition to cost-recovery*. Matching grant business Plan, CA: FAO-A-00-98-00052-00. July 2, 1999.

Kotter, John. P. and Leonard A. Schlesinger. *Choosing strategies for change*. Prepared for SDS's "Creating Change Strategies for Sustainable Development Workshop, January 14-17, 1997.

Lassen Associates. *Facts for economic life: a guide to develop earning capacity for the self-employed poor in third world economies*. 1997.

--. *In search of sustainability—Year 3 annual Report, Sustainable Development Services*. February 7, 1999.

--. *Planning for non-profit financial sustainability, an approach and workshop design*. September 1999.

--. *SDS activities Report*. September 1997-January 1998.

--. *SDS Activity Highlights*. April 1997

- . *SDS Activity Highlights*. December 1996-February 1997.
- . *SDS Activity Highlights*. March 1997.
- . *SDS Activity Highlights*. November 1996
- . *SDS Activity Highlights*. October 1996.
- . *SDS Activity Highlights*. September 1996.
- . *SDS Monthly Report*. July 1997.
- . *SDS Monthly Report*. May-June 1997.
- . *SDS Program Report*. January-April 1998.
- . *SDS Program Report*. May-August 1998.
- . *SDS year 2 plan*. Undated.
- . *Sustainability readiness index: micro finance institutions*. 1997.
- . *Sustainable Development Services activities report*. October 1998-December 1998.
- . *Year 2 SDS activities report*. Undated.

Lassen, Cheryl. *Evaluation framework—Sustainable Development Services Project*. Draft for discussion, undated.

Memorandum of understanding between Feed the Children and The Sustainable Development Services Project. Undated.

Memorandum of understanding between OIC International, Inc and The Sustainable Development Services Project. April 29, 1996.

Sustainable Development Services Project. *Addendum to the year two annual report*. March 5, 1998.

- . *Evaluation of IR 4--addendum to the year 3 annual report*. March 1999.
- . *Year one annual report*. December 26, 1996.
- . *Year three annual report*. January 1999.
- . *Year two annual report*. December 15, 1997.

--. *Financial sustainability strategies workshops: follow-up evaluation Reports for the OICI-sponsored workshop in Abidjan—April 1998 and IIRR-sponsored workshop in Manila—October 1998.*

--. *Financial Sustainability Strategies for NGOs, training manual.* Undated.

--. *Summary analysis of key factors affecting sustainability.* November 29, 1995 draft.

--. *Technical assistance modules draft.* September 2, 1999.

--. *Sustainable Development Services Project: Detailed implementation plan-revision.* February 20, 1996.

*Sustainable Development Services Project/IDR. Year 4 plans.* Undated.

*USAID/BHR/Office of Private and Voluntary Cooperation Strategic Plan 1996-2000, abbreviated version.* September 1996.

Winrock International Institute for Agricultural Development. *Partnerships and economic growth through nongovernmental organizations (PEG/NGO) programs.* Sustainability/business plan 1998-2003. September 10, 1999.

**Appendix C:  
EVALUATION TERMS OF REFERENCE**

**I. PROGRAM IDENTIFICATION**

PVO: IDR/FFH/LA  
Cooperative Agreement #: FAO-A-00-95-00038-00  
Date: September 1999  
Country programs: Global

**II. PROGRAM BACKGROUND**

*History:* Since 1995, IDR/FFH/LA (Sustainable Development Services Project or SDS) has collaborated with BHR/PVC in building the program and financial capacity of Private Voluntary Organizations (PVOs) and indigenous non-governmental organizations (NGOs).

*Current implementation status:* SDS is now in its fourth and final year of implementation. Its PACD was originally September 30, 1999, but has been amended to February 28, 2000 in order to conduct a business planning workshop for new grantees from the FY 1999 application submissions.

*Program goal:* To enable generalist PVOs (initial emphasis HNP field) desiring to add financial sustainability to their services make the institutional changes necessary to integrate this successfully. SDS assists PVOs to design self-financing systems to build the technical competence to carry them out, and in so doing learn about and undertake the wider organizational changes necessary to integrate and support these program innovations. Specifically, the project seeks to assist generalist PVOs shift their emphasis from externally funded programs to self-financing and self-sustaining models. The project acknowledges the need to assist these organizations in a long-term process of technical, organizational and cultural change. SDS proposed to accomplish the above through:

1. Workshops and education offered to generalist and HNP PVOs to build interest familiarity with concepts and models of financial sustainability.
2. Technical assistance would be offered as part of learning grants awarded by SDS/PVC to selected participating PVOs.

Research and documentation would be focused on concepts, models, practical methods and tools, and examples of how HNP and other generalist PVOs could implement more cost-recoverable field programs, strengthen revenue mechanisms, develop services enterprises, to make the transition in their overall program model and institutional culture to support greater financial sustainability.

In its DIP, SDS articulated expected program visions that included: develop, test, and refine a package of high quality services that assist HNP, generalist PVOs to:

1. Develop, implement and integrate financial sustainability models into their programs and institutions.
2. Workshop participant will gain greater knowledge about frameworks for financing service delivery and technical, financial, institutional development issues.
3. Learning Grantees will be better able to plan, implement, and integrate financial sustainability into their strategies, programs, and organizational cultures.
4. Research and documentation will add significantly to the knowledge base in sustainable development services.

### **III. PURPOSE OF THE EVALUATION**

The purpose of the evaluation for BHR/PVC is broadly five-fold:

- To ascertain whether to what degree did the project achieve grant objectives abased on the indicators, benchmarks as outlined in the logframe, goal purpose statement.
- Effectiveness of the model or approach used in the work.
- Sustainability: what foundations did the project put in place to sustain these efforts and approaches.
- Partnership: what types were formed, did these move the work forward towards objectives, etc.
- Program Management: How did this come together as regards the various technical assistance and training for particular organizations.

The evaluation will be undertaken during the last two months of the project and a few general perspectives should be made explicit with respect to this evaluation. These include: 1) accomplishment of purpose and output is important, but so are the learnings and planning needs of PVC, SDS as evaluation outcomes; 2) what did the project teach us, what worked, didn't, why? 3) what impact did the project have regarding PVC policy signals (importance of financial sustainability); 4) Evaluation protocol should include stakeholder participation; 5) the evaluation should be clear about the need for quantifiable and comparable date and relate to the PVC strategic plan.

### **IV. EVALUATOR STATEMENT OF WORK**

The evaluation team will assess the following program and institutional elements, providing evidence, criteria for judgment and citing data sources. SDS was in some respects structured insofar as it had a programmatic strategy, i.e., training, which would spur demand for technical assistance and then research and document experiences. Evaluators will assess the strategy and experience as they played out in the US. An estimate of the emphasis or level of effort for two main segments of the SOW is bracketed below:

## **A. PROGRAM IMPLEMENTATION** *(total emphasis for this section 75%)*

1. Assess progress towards the Program Goal and achievement of outputs and outcomes, giving consideration to the following questions/issues:

- Based on the statement of the program purpose in the proposal, DIP, have objectives been met?
  - Assess effectiveness of models and approaches used in the program and identify the characteristics that make the methods successful.
  - What changes have occurred in client organization capacities for analytical thinking, strategic planning, productive partnerships and effective management as a result of those organizations' participation in the SDS program?
  - Identify constraints and unanticipated effects (positive, negative).
2. Cite the major implementation lessons learned and recommendations.
- What major approaches or methods were used in the program? How effective were they and why? Was their use replicated by clients of the program? What are the possibilities for, and limitations of the expanded use of SDS methodologies in PVO (NGO) capacity building?

## **B. PROGRAM MANAGEMENT** *(total emphasis for this evaluation 25%)*

1. Assess change in the capacity of SDS (structure and quality of program management) as a result of four years of PVC grant funding.

Strategic Approach and Program Planning: What changes have occurred in SDS's capacity for critical and analytic thinking regarding program design and impact? Identify evidence that SDS has:

- Fostered analysis and self-evaluation of its own programs, or conducted quantitative or qualitative analysis to refine its interventions and partnerships;
- Conducted periodic review of performance data by project personnel and taken actions as a result of these reviews;
- Institutionalized performance monitoring and impact evaluation systems into their programs; and
- Acted on feedback and recommendations PVO/NGO clients and PVC.

## 2. Monitoring and Evaluation

Assess the capacity of SDS to monitor program performance and measure impact. Consider whether:

- An adequate framework exists to assess progress toward achievement of program goal and purpose.
- Indicators chosen to measure outputs and outcomes are appropriate
- There is institutional capacity in the organization to devote to monitoring and evaluation of programs.

## 3. Assess progress toward sustainability

- Identify program elements that are intended to be sustained; sustainability objectives; indicators used to measure progress; achievements to date; and prospects for post-grant sustainability.
- Existence and status of cost-recovery mechanisms or other approaches to generate resources to support project operations.

4. Assess the status and impact of strategic partnerships with other organizations involved in capacity building efforts such as (GEM, PACT, etc.)

## 5. Financial Management

- Are financial monitoring systems in place to verify program revenue, operating and financial expense, other inputs and outputs?
- Has the program leveraged additional resources beyond the match?
- What is the cost effectiveness of the program?

## 6. Information

- Comment on the utility and timeliness of SDS's required reports.
- Comment on the quality and utility of SDS's program materials.
- Comment on SDS's public outreach

### **III. EVALUATION METHODS**

The Evaluation Team will:

- Participate in a team planning meeting that will finalize the evaluation questions, and set forth the methodology for the evaluation;
- Review all relevant program documents and reports;
- Interview SDS staff in Boston, Vienna, and Davis (to be clarified)
- Interview an appropriate cross-section of program clients and partners;
- Document all data sources; and
- Identify and discuss with SDS and PVC staff, criteria for assessment of program performance related to the emphases described above.

### **VI. TEAM COMPOSITION AND PARTICIPATION**

Two senior level evaluators with expertise in organizational development.

Participants: PVC, SDS, PVOs (NGOs)

### **VII. SCHEDULE - Tentative**

Estimated time of evaluation is 4-6 weeks. Depending on how the tasks are delineated, 5-7 working days will be needed to review documentation and meet with PVC and SDS staff in Washington and Boston and depending on the number of PVO headquarters visits 10-15 days will be dedicated to this task. Another 10-15 days will be allocated for developing an initial draft report, soliciting comments from SDS and PVC, and producing and submitting a final report to PVC. Some consideration should be given providing an internal PVC debriefing.

August 5 & 6 – Team Planning Meeting in Boston (evaluators, Peggy Meites, Sallie Jones, Martin Hewitt, Mary Liakos, IDR, Lassen Assoc., FFH); finalize Scope of Work (refine evaluation questions),

September 1 & 2 – Interviews in Boston with IDR, review documents

September 8 & 9 - (Washington, D.C.) interviews with BHR/PVC and PPE staff members

September 14 – Interview with Lassen Associates.

September – October – Interview with FFH; Interviews with PVOs; and, report preparation.

November 30 - Final Draft Report and submission to BFR/PVC, IDR, Lassen Associates, FFH, AMaTECH

## VIII. REPORTING AND DISSEMINATION REQUIREMENTS

- This scope of work will serve as the outline of the evaluation report.  
AMaTECH will provide the evaluator with a style guide for the evaluation report.  
The word-processing package to be used is WORD 97 and EXCEL (if necessary).
  
- Delivery Schedule:  
The evaluator will complete the draft report for review and comment and distribute to the following parties at the same time.
  - AMaTECH (To fulfill contract agreement. The consultant will provide a paper and electronic copy.)
  - BHR/PVC Project Officer & appropriate staff
  - IDR, Lassen Associates, FFH
  
- Review/Revision Policy:  
The parties listed above will review the draft report in the same time period and provide their comments to the evaluator before the final evaluation debriefing where any changes to the report will be discussed and agreed upon. In addition, issues from the evaluation as well as findings and recommendations may also be discussed in the meeting. When appropriate, the evaluator will incorporate the changes and comments into the final draft of the report. All comments on the evaluation report must be sent to AMaTECH before the debriefing and will be made available to the evaluators.