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BUILDING DEVELOPMENT SUPPORT ORGANIZATIONS

An Evaluation of an AID Management Services

Grant to World Relief Corporation

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SUMMARY AND RECOMMENDATIONS

This Report evaluates performance and impact of a three-year AID Management Support Services Grant to World Relief Corporation (WRC), dated September 1980. Based on visits to WRC Headquarters in Illinois and to country programs in Sri Lanka and Philippines, review covers the two countries and overall WRC use of the Grant. The Report also responds to questions of broader relevance, included in the Scope of Work, on a) small project funds, b) benefits of aid funding, c) comparative advantages of religious groups in development, and d) collaboration models for U.S. PVO and counterpart agencies.

The Grant was intended to "increase the quality of development work undertaken by the network of indigenous and expatriate evangelical church leaders." It provided \$920,000 for funding of a new WRC International Operations Office, including a Director and four field program coordinators, for sixty "management skills development" workshops in fifteen countries, for various surveys and studies, and for "enablement" or institutional development grants to be made by WRC to national development support consortia of evangelical church groups.

The Grant produced significant impact on the attitudes and institutional performance of World Relief Corporation, bringing the organization measurably further into the world of development, adding skilled people and improving skills of others, and strengthening commitment to an approach that emphasizes more the material aspects of spiritual development and the importance of self-reliance in improving them.

Impact on development support groups in Sri Lanka and Philippines also seemed high in relation to Grant funds expended. LEADS, the Sri Lanka Evangelical Alliance Development Service, though incorporated only in March, 1983, already exhibits great promise and has taken steps likely to insure institutional survival. Placing strong emphasis on generation of local income and support funds, LEADS can continue with little WRC or AID help, though such help could multiply impact. Current LEADS emphasis on exploring options and initiating visible activities contributes to institutional survival, but the Organization currently lacks a program strategy and related operating and financial plans.

PHILRADS, the Philippine Relief and Development Services arm of PCEC, the Philippine Council of Evangelical Churches, currently operates an impressive five-village project among the B'laan tribal group in Mindanao. WRC support, mainly outside the Grant, contributed to the project and to improved PHILRADS development support capacity. The Grant funded workshop participation and technical assistance that broadened PHILRADS exposure to alternative training models and established an impressive counterpart relationship, based on interdependence and mutual respect. One of the most mature and professional development support groups, PHILRADS already plays an important development role and can do much more. Current dialogue with WRC addresses critical PHILRADS role definition problems of support versus implementation.

Early WRC reliance on three-day workshops and small projects was misguided, but the Organization learned quickly from mistakes and adapted program activities in ways that improved effectiveness. WRC's approach, emphasizing sustainability of institutions and activities, produced

development support institutions, and through them development activities, with good possibilities for survival. WRC use of AID funds fell well within relevant restrictions.

WRC and other experience suggest that small project funds from outside donors can be useful tools for building credibility of U.S. PVO's and local counterparts and for improving institutional capacity. They cannot substitute for building local capacity to generate income and raise funds, critical to independence and self-sustaining development. Decentralized, rapid response, small project funds should therefore be used primarily for institutional development, rather than for substantive impact, and should be accompanied by plans for transition to local funding and expatriate financing of larger projects designed to improve overall effectiveness of national small project networks.

Church and missionary networks offer a promising vehicle for development, their strengths being primarily in capacity to motivate individuals and to reach remote deprived groups. Frequently lacking in technical skills, and often assuming that good motives assure good impact, they need help in resolving the tension between desire to help individuals and the requirements for consequential and efficient development.

AID funding provides PVO's, large and small, with opportunities to innovate and experiment without jeopardizing status among private donors. This means that AID should design grants that encourage flexibility, recognize that end-of-project targets are tentative at best, and do not penalize reasonable, though inaccurate, hypotheses.

WRC collaboration with counterparts provides a model suitable for other PVO's. Success depends on acceptance of counterpart agendas, restraint in using financial inequality as a tool for commanding assent, and sensitivity to cultural arrogance. Good relationships evolve from such attitudes rather than from attempts to duplicate formal models.

The evaluation suggests the following recommendations:

1. LEADS should give immediate attention to development of a program strategy, based on current investigations and on skill and financial constraints, and to development of operating and financial plans related to it.

2. LEADS should take immediate steps to develop an internal information system that permits regular and inexpensive monitoring of activities and assessment of impact.

3. WRC and PHILRADS should review the latter's program balance between implementation and support activities, giving due weight to the multiplier effects possible through support and to the need for PHILRADS to provide services to member churches.

4. WRC should shift support of PHILRADS from project funding to enablement and to larger backup services (e.g., credit fund, volume buying, vehicles) likely to improve effectiveness of the small project network.

5. WRC should develop training strategies and programs based on identification of constituency skill needs, likely backgrounds of trainees, and requirements for developing competence, recognizing that project flow depends not only on the training but also on a) selecting trainees able to put skills into practice, b) providing skills relevant for funding and executing projects, and c) following training with adequate motivational reinforcement and technical assistance.

6. WRC should continue regional workshops, emphasizing topics such as a) evaluation, b) increasing the role of women in evangelical development, and c) business and accounting.

7. WRC should help pastors involved in AID-funded projects to understand, and adapt to, AID restrictions on sectarian use of funds.

8. WRC should review support needs of the consortia and move from funding small projects to broader support, based on common needs, intended to improve overall effectiveness of national programs.

9. WRC should distinguish between use of participatory techniques in development and commitment to a single complex community development process model, recognizing that the techniques apply in all development activity but the process model may be limited in application by resource and context constraints.

10. AID should be more flexible in reviewing experimental or innovative grants, recognizing that targets stated in initial proposals can be provisional and tentative at best.

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BUILDING DEVELOPMENT SUPPORT ORGANIZATIONS

An Evaluation of an AID Management Services Grant to World Relief Corporation

This Report, prepared in fulfillment of AID Fixed-Price Technical Services Contract number PDC-0100-C-00-3118-00 (effective June 15, 1983), presents an evaluation of a three-year AID Management Support Services Grant to World Relief Corporation, dated September, 1980. Based on visits to World Relief Corporation (WRC) Headquarters in Wheaton, Illinois, and to programs in Sri Lanka and Philippines, supported by WRC partly with Grant funds, the evaluation discusses both individual country programs and WRC overall use of the Grant. The Grant was intended to "...increase the quality of development work undertaken by the network of indigenous and expatriate evangelical church leaders" by "management skills training" workshops, technical assistance, and "enablement" (i.e., institutional support, not for projects) sub-grants. At a more profound level, the Grant supported efforts by the National Association of Evangelicals (NAE), World Relief's parent church organization, to a) move the world church beyond a narrowly religious missionary concern to more emphasis on Christian commitment to aid secular or material aspects of human welfare, and b) encourage alternatives to relief and welfare activities that are more conducive to self-sustaining human development.

The AID Grant of \$920,000 constituted about 39 per cent of WRC's Development Assistance Department budget during the three years. Covering fifteen countries, and with more than a third of the funds used to support headquarters, the Grant involved very modest assistance in each country. Readers should consider this when appraising benefits in relation to costs.

The WRC vision, which the Grant was intended to and did support, includes a) development of new attitudes within WRC and national churches, b) translation of these attitudes into formal structures capable of effective development support, and c) carrying out activities through these new or improved institutions. Useful and realistic evaluation must go beyond assessment of achievement in relation to formal proposal targets, rough indicators at best, to appraise both the unfolding process and the likelihood that, with continued AID support, it will continue effectively.

Although WRC bookkeeping separated program activities paid for with funds from the Grant, it was frequently impossible, during the evaluation, to separate impact of grant-funded activities from others. The evaluation report attributes outcomes to AID-funded inputs where possible, but is best interpreted as an analysis of the WRC total program, to which AID contributed.

METHOD

This evaluation seeks to help AID and WRC explore broader implications of the Management Support Services (MSS) Grant. Unlike many AID audit reports, it views grantor and grantee as collaborators in a development process. Purposes and goals of the Grant application become, with this approach, aspects of an hypothesis, not rigid targets against which outcomes, and related AID reaction, are assessed. Detailed reporting of workshops and other activities by WRC made this more profound level permissible, since it confirms that WRC "did what it said it would do," initial concern, audit or evaluation inquiry. The more interesting question of whether what they did yielded the results anticipated encourages constructive non-threatening dialogue that should enable AID and WRC to develop a new Grant based on lessons learned during the first one.

The Grant's nature makes tentativeness and tolerance essential. WRC emphasized that the proposal dealt with uncharted waters and that, while general outlines of desired institutional development could be delineated, specific forms could not. This Report therefore excludes "success" and "failure" from its vocabulary. Grant implementation and outcomes share both. The Report seeks, rather, to identify aspects of the proposal hypotheses that appear to have been accurate, understand reasons why other aspects were not, and assist refinement of future hypotheses.

The approach also emphasizes assessment of outcomes against widely accepted criteria for institutional development. The Grant, more than most, emphasized creation and strengthening of institutions, using the term to include both new ways of thinking and the formal structures flowing from them. Projects, for example, are viewed first as elements in the institution-building process and only later in terms of substantive development impact. Because country contexts and initial levels of institutional readiness varied, the evaluation method avoids invidious cross-country comparisons, viewing countries as being at different points along a continuum of institutional development. The Report leaves to AID and WRC ultimate judgments about whether the benefits were worth the costs, since these go beyond the technical aspects of evaluation to encompass (e.g.) political and religious factors, while trying to present the benefits and costs in a way that will make these judgments more informed.

This evaluation also required a more systematic review of "macro" implications than is customary in reviews of PVO activities. Immersed in daily implementation problems and wedded to an amorphous and fragmented "project by project" approach, WRC seemed likely to benefit from an outside look seeking to describe the forest for those working within the trees. The Grant illustrates well the inevitable tension between PVO concern and capacity to help individual communities (and people) and the economic and efficiency requirements essential for achieving affordable and significant development impact. Becoming more professional and consequential, without losing the human concerns that are their distinctive strength, challenges all PVO's and the outcome of WRC's efforts offers lessons for the entire PVO community. AID included in the evaluation scope of work a number of questions more general than the WRC focus and the Report distills from the WRC experience some conclusions of broader applicability.

The evaluation method also included collaboration with David Chambers, WRC Associate Director for International Operations, who joined in field trips and most interviews. His friendly and effective protection of WRC, coupled with an openness that encouraged frank discussion of issues, contributed greatly to clarity and understanding. By viewing evaluation as an opportunity for learning, and not as a threat, he served WRC, AID, and the evaluation well.

The Lanka Evangelical Alliance Development Service (LEADS)

WRC's Sri Lanka experience offers an outstanding example of how modest AID support can contribute to institutional development that serves AID goals. The Grant allowed WRC to risk about \$30,000 for supporting establishment of a development arm by the Evangelical Alliance of Sri Lanka (EASL). Two national workshops (\$13,000), \$6,000 of "enablement" money to help pay initial operating expenses, participation by four Sri Lankans in a three-week workshop in Thailand (\$5,000), and the travel of WRC's West Asia Coordinator (\$3,000) are the formally identifiable Grant inputs to the Sri Lanka effort. WRC used its own funds and coordinated \$6,000 enablement contributions from evangelical groups in UK and Netherlands. EASL members' time and money were also critical, so no single agency or individual "caused" or created LEADS, the Evangelical Alliance development service. As of July, 1983, LEADS exists, functions, and, most important, offers good possibilities for playing a consequential role in Sri Lanka's development.

The LEADS Board chose a Coordinator with exceptional technical and leadership qualities. An ex-naval officer and merchant marine captain, his knowledge of Tamil and Sinhalese reduces the risk of ethnic conflict, a common problem in Sri Lanka. His administrative and business experience, though important, impress less than his enthusiasm and activity. Though sometimes resembling an "unguided missile," his momentum provides a necessary, though not sufficient, condition for institutional effectiveness. If the Board, with continued WRC support, can help the coordinator channel his energy and can provide other assistance, LEADS should soon become an effective development support agency.

Chartered on March 24, 1983, and coordinator of only five sewing machines and 500 chickens to date, LEADS clearly has a long way to go. Nevertheless, Sri Lanka and its evangelical churches now have a new mechanism for a) assisting delivery of government services to poor people and effective use by them, b) raising domestic private and foreign funds for development, and c) coordinating and assisting individual and community access to, and use of, development resources. Linkages already established make LEADS survival and institutional effectiveness promising.

These links include relationships to a) the Government of Sri Lanka (GOSL) b) funding sources, c) beneficiaries, d) collaborating agencies, and e) the press, all identified in academic literature on institution-building as key ties for assuring survival. The critical relationship to the EASL, the sponsoring church body, and its member churches remains tenuous and requires continued attention, though a small group of dedicated workers seems adequate for the moment. The current Board includes representatives from various member groups and seems likely to protect and nurture LEADS for a while, but full EASL support needs more time and encouragement to develop. The LEADS Coordinator, only paid staff member to date though soon to be joined by two project officers, recognizes that credibility depends on performance, showing members that LEADS can serve them, and is giving priority to "doing things" quickly. This will also speed GOSL acceptance of LEADS as an "approved charity," which makes contributions exempt from income tax and should increase them. The action-oriented approach, though difficult for donors, planners, and some evaluators to accept, seems especially appropriate for Sri Lanka. The

brief visit disclosed considerable skepticism about plans and promises unaccompanied by evidence of activity.

The Coordinator's commitment to, and success in, raising funds locally also favor institutional survival. Though initial responses have been small (e.g., 11,000 Rupees or about \$500, three sewing machines worth \$360), his approach emphasizes the dubious need for, and efficiency of, "small projects funds" from foreign donors. The Coordinator's further emphasis on supporting only activities likely to become independent and self-sustaining in a reasonable time, a well-learned lesson from the WRC workshops, includes a desire that LEADS also soon become self-sufficient, not dependent on foreign contributions for survival. Plans exist for domestic fund-raising and for recovering overhead through service charges. LEADS will not be a drain on WRC or AID, an added reason for supporting it. The AID Grant and other support have primed the pump and, with reasonable luck, LEADS can keep the water flowing.

Board composition and Coordinator efforts encourage relationships with press, Government, collaborating agencies, and others. The third ranking official in the Prime Minister's Office and the local director of World Vision, for example, serve on the Board. The Coordinator identifies potential "project holders," people with both close connections to poor beneficiaries and willingness to take responsibility for activities, through pastors and others. Though the networking is primarily Evangelical, at least initially, LEADS emphasizes service to all. AID should recognize that a new church consortium draws first on member churches. The test of sectarianism relates more to beneficiary distribution than to characteristics of organization workers. Introducing and institutionalizing the view that Christian service means helping all, regardless of creed, remains an important WRC accomplishment.

LEADS benefits from the GOSL shift from Government control to private initiative. GOSL officials, including the Minister of Fisheries, gave LEADS a hearing during the evaluation visit and it was clear that any LEADS demonstration of modest effectiveness will soon bring Government collaboration. Interviews with two Ministry of Agriculture veterinarians during the visit indicated good possibilities for technical support and the LEADS Coordinator also draws on church members for help. Although Government acceptance may reflect confidence that Protestants, only one per cent of the population, pose no threat, it also manifests current concern to involve private groups in development.

The Coordinator and three Board members attended a three-week workshop in Thailand. Though attribution is difficult, and outcomes also reflect prior skills and aptitudes, the experience seems to have contributed to LEADS effectiveness. The men identified "fellowship," used in a near-religious sense of shared commitment, as their most important benefit, but further questioning and observation suggested more technical outcomes along with the motivational and team-building consequences. Though understandably still novices in the profound and difficult art of community development, that cannot be learned in three weeks, their conversation reflected

- a) understanding of participatory techniques for teaching and planning,
- b) grasp of the meaning and implications of independence and sustainability as development goals, and
- c) some competence in basic principles of project design.

Influence of the earlier and shorter in-country workshops seemed less apparent, though they clearly contributed to building the critical mass of support required to launch LEADS.

WRC acknowledges, but cannot yet explain fully, the absence of project proposals from participants in the two Sri Lanka short workshops. Those early participants, except for the four who also went to Thailand, could not be interviewed during the brief evaluation visit, but observation and discussion suggested several explanations. Several participants, strongly committed to evangelism, do not object to LEADS but give little personal priority to development activity. They were invited to workshops to build support for the proposed consortium, not to generate projects. Others acquired new skills during the short workshops, but were not in jobs that made project preparation relevant. Still others lacked the prior knowledge and skills that would have made the expectation of project preparation competence from such a brief workshop exposure reasonable. Absence of continued skill reinforcement made application of newly-acquired skills difficult and unlikely. The workshops introduced project preparation skills, but could not transfer them in the limited time.

Although WRC continues to refine workshop designs following review of participant comments, the heavy emphasis on "project ideas" remains. Useful for sensitization and motivation, this oversimplified approach to development yielded little technical outcome in Sri Lanka. A good project preparation training program, for people already motivated and in positions that make it relevant, is a logical LEADS and WRC priority. It should be built around the priority program areas that emerge from initial LEADS investigations, now underway, and be followed by reinforcement and technical assistance after participants return to apply the skills acquired.

The foregoing positive assessment of LEADS progress to date emphasizes creation of a new institution and mechanism for aiding development. The promising process and institutional considerations mentioned, though important, do not assure development impact. LEADS lacks, and needs, a substantive program strategy that goes well beyond the prevailing "make lots of good projects" approach that provides inadequate guidance for planning and action.

The Coordinator's initial efforts to educate himself and the Board, identify options, and start some activities, make good sense for the moment, but he is already overwhelmed with his own "project ideas," those of Government, and many others. He needs, for example, to adapt to financial and management constraints. He and two project officers cannot do everything. The informal network of pastors and volunteers, a fruitful source of project preparation and support, also limits options by the numbers and kinds of skilled people available. Their interests, time, and abilities must be considered. LEADS ability to support integrated community development, for example, depends on presence of trained change agents, not now available.

Efficient use of resources and maximization of development impact require that LEADS soon identify a few priorities and base program on them. It was apparent during the visit, for example, that income generation, and livestock and sewing within it, are likely to occupy LEADS far more than health. Building program around desired priority outcomes will allow LEADS to specialize, encouraging development of administrative and support structures conducive to better project preparation and execution. Seeking projects in just a few fields, instead of doing a little of everything everywhere, will also improve efficiency. There may be good reasons for choosing to do otherwise, the desire to establish credibility throughout the country for example, but the costs of doing so should be assumed explicitly.

A program strategy will strengthen LEADS capacity to support projects. Thirty poultry projects will justify provision of training, assistance in market development, and seeking of volume purchase discounts, for example, not feasible for a few isolated poultry activities. LEADS, and WRC as well, use "project" to describe such a wide range and varied magnitudes of activities that the term becomes an impediment to achieving development impact. Focus on "number of projects" diverts attention from the need to identify desired impacts, in participatory fashion, and to base program on strategies for reaching them. Operating and financial plans, critical needs for LEADS, then flow from the implications of strategy and related activities. Emphasizing a few major activities will also permit identification of substantial support needs suitable for foreign donors, such as a working capital fund, major equipment, and storage facilities.

LEADS also needs to give specific attention to programming desired distributional and other social consequences. Assisting people to earn more income, for example, does not assure that "the community" will benefit or that families will use the money "wisely." While development agencies should not presume to judge wisdom of family spending, their choices of beneficiaries and program activities (e.g., including consumer education) will be influenced by preferences and expectations. Clergy interviewed during the visit emphasized the need to design project activities conducive to sharing and communal benefits. LEADS poultry projects already encourage sharing by requiring that beneficiaries help other families start poultry after one year, but the problems of distribution require more attention. LEADS should start by clarifying income generation goals. Doing so will emphasize that more money for poor families expresses only part of what LEADS seeks.

LEADS concern for building self-financed activities should not obscure possibilities for doing relief and welfare "developmentally." Using schools, churches, and orphanages, for example, as "project holders" often permits linking of individual income benefits with generation of institutional support. Development and welfare should be viewed as complementary, not as competitive. This encourages efforts to design development activities that simultaneously aid those who cannot reasonably be expected to provide income for themselves.

It is not too early for LEADS to begin work on a simple management information system, including attention to impact evaluation. A well-designed system for routine collection of data needed for managers, beneficiaries, and donors, will avoid confusion and extra work when demand for information increases later. LEADS could benefit by reviewing forms proposed for use by World Vision and others, though none should be adopted blindly. The emphasis on income generation reduces evaluation problems but makes impact assessment more important. If poultry or other business activities are not profitable, LEADS needs to know it immediately.

This calls attention to another problem for LEADS consideration. The evaluation visit indicated considerable confusion about how to calculate costs and profits, when projects include initial or continuing subsidies. An activity becomes self-sustaining only if it generates income above that required to replace donated money or equipment. If permanent subsidies are contemplated, they need to be acknowledged explicitly or participants may mislead themselves. These considerations have important implications for

project design and beneficiary accounting procedures. Interest-free loans and gifts of capital, for example, create unrealistic expectations if beneficiaries do not understand that they can be replaced or increased only by saving from revenues or borrowing at interest. Giving sewing machines does little good if not accompanied by plans for eventual replacement. Free help, such as marketing assistance or use of a vehicle, can create an illusion of self-sustaining activity, unless beneficiaries prepare for termination of it.

The foregoing comments do not reflect unfavorably on the LEADS accomplishment. They seek, rather, to reduce the inevitable growing pains of this promising organization. WRC and AID, after contributing to the beginning of it, will miss an outstanding opportunity if they fail to provide continued support. By avoiding excessive contribution to or enablement of LEADS, WRC has demonstrated the merits of restraint in building institutions.

Philippine Relief and Development Services (PHILRADS)

WRC works with and through PHILRADS in the Philippines. Incorporated in 1981, this relief and development arm of the Philippine Council of Evangelical Churches (PCEC) illustrates WRC aspirations for other countries. The PHILRADS relationship to PCEC resembles that of WRC to the National Association of Evangelicals (NAE), the "development arm" of a group of evangelical denominations. Although the AID Grant did not help to create PHILRADS, WRC use of Grant funds and other resources helped strengthen and expand PHILRADS during the Grant period.

PHILRADS will spend over \$500,000 on development activities in 1983 and even more on relief. WRC provided it with over \$500,000 of enablement and project money during the past three years, though less than \$25,000 came from the AID Grant. Three national workshops, involving 46 participants from eighteen churches and related groups, and the cost of four PHILRADS staff attending the three-week "Phase Three" Thailand workshop, were the Grant's direct contribution to the Philippine program, with expenditures for salary and travel of WRC's regional director also providing support. Though this modest outlay hardly merited a trip to the Philippines, the visit permitted assessment of WRC's broad strategy of consortium formation and examination of the most "mature" consortium now functioning. Review of PHILRADS identified strengths and pitfalls relevant to WRC work in other countries.

The workshops gave PHILRADS opportunity to observe training techniques of others, some of which have now been included in the organization's own training programs. Three of the four Thailand participants (weather isolated the fourth) agreed very articulately that the field program observed there had been too directive. Their comments reflected previous exposure to International Institute of Rural Reconstruction (IIRR) training in the Philippines and exhibited considerable sophistication. They acknowledged value of the field experience and other ideas acquired in Thailand, emphasizing the benefits of exchange with evangelical development people from other countries.

Descriptions of the short national workshops emphasized the useful introduction to project preparation and management. Only four project proposals, all still awaiting funding, were identified as having emerged from the three Philippine workshops, better than Sri Lanka but still unimpressive. It is clear that the sessions were primarily motivational, team building, and exhortatory. They disseminated knowledge and encouraged support of PHILRADS to the constituency of 5,000 churches with over 500,000 members. Participants appear to have been chosen for their importance within denominations and not for their project preparation propensities. This made sense, since some denominations lagged in understanding of, and enthusiasm for, development activities. A follow-up letter to the 46 participants was being prepared during the visit, but PHILRADS and WRC could have done much more to build on the initial momentum encouraged by the workshops.

The five participants interviewed share a common development language and interpretation of the church role in development. PHILRADS used the workshops to reinforce its role and consolidate its position, as intended by the Grant, but did not view them as a source of projects. Workshop impact is best described as "sensitization" and not skill development. Philippine ability to present such

workshops equals or exceeds that of WRC expatriates. It is also more efficient and preferable culturally. For the Philippines, WRC should limit workshop sponsorship to encouraging participation in regional workshops similar to the Thailand course, reinforcing consistency, coordination, and skills among Asian or worldwide WRC programs.

The WRC relationship with PHILRADS, though not attributable to AID support, merits AID attention. WRC emphasizes "enablement," building institutions that contribute to development, not "doing development" itself. PHILRADS success in getting a 1,000,000 Peso (close to \$100,000) loan from KKK, a Philippine Government program, and \$75,000 in grants from CIDA, Canada's aid agency, for example, illustrate effectiveness of WRC's approach. Project Compassion, a U.S. evangelical program for child sponsorships, uses PHILRADS as administering agency, another indication of local institutional strength.

Unlike WRC, PHILRADS became an implementing organization and does not limit itself to supporting development work of local churches. The WRC-assisted PHILRADS project among B'laan tribal villages of Mindanao, observed during the evaluation visit, shows considerable professionalism and compares favorably with work of most U.S. PVO's. A good baseline study, emphasis on eventual self-sufficiency, and sensitivity to political factors, for example, are especially noteworthy. PHILRADS success in implementing, however, raises important questions about the most efficient way for a national church relief and development support group to operate.

The WRC vision contemplates that other national groups, "enabled" by WRC, will in turn enable their member churches to contribute to development, thereby building a network capable of raising and using large amounts of money effectively for the benefit of the most deprived. Though PHILRADS implementation work helps a few thousand tribal people directly, and adds to Philippine knowledge of effective village development models, it neglects the dramatic multiplier effects possible by improving absorptive capacity of a 5,000-church network. Current PHILRADS training plans address network building, but the program balance still tilts heavily toward implementation. PHILRADS sophistication, like that of U.S. PVO's, creates a "we know best" mentality, despite lip service to participation by others, and builds doubt about local church implementation capacity. As U.S. PVO's have begun to realize that they can support but cannot do development effectively, if it is to be consequential and permanent, so PHILRADS must also recognize that building local development capacity is a more effective long-run approach than operating projects itself.

WRC does not seek to build a "little WRC" in the Philippines, and Philippine independence would make it impossible to do so, but can reasonably shift support from projects to enablement. PHILRADS will find project money more easily than institutional support, especially now that WRC help has assisted establishment of a track record. As an arm of PCEC, PHILRADS responsibilities include service to individual churches. Financial self-sufficiency also requires that members view PHILRADS as useful to them. The PHILRADS support model will differ from WRC, and an implementation department that demonstrates activities suitable for emulation by local churches makes sense, but PHILRADS can learn from WRC experience. Administering the Project Compassion program, PHILRADS delegates implementation to local churches and supports their efforts, thereby multiplying impact of its small staff. This approach illustrates, for both WRC and PHILRADS, the critical role support groups can play in increasing and extending development benefits.

WRC enablement work has now built a set of networks that can absorb far more project money than WRC can raise internally or from current typical sources (e.g., the TEAR funds of evangelical groups in other countries). PHILRADS can easily do the same thing. Both organizations need to respond explicitly to this consequence of network building by 1) assisting local groups to raise their own funds, 2) opening up major new funding sources for themselves, and 3) moving away from the "corner grocery store" approach to project approval and funding. This requires building local capacity to generate, in participatory fashion, grass roots small projects and to present them in ways that permit minimal and decentralized review. The national support organizations must cease to be peddlers of small projects to donors, becoming instead pursuers of larger small-project funds and other major grants to provide backup services and support to member groups. In this "trade association" model, the national relief and development support group, and WRC, do for members only what they cannot do efficiently for themselves (e.g., political advocacy, low-cost volume purchasing, publicity, international fund-raising). At world level, WRC can do the same for national groups, moving to larger grants and more sophisticated activities as they mature. Small project help and training by expatriates may continue to make sense in (e.g.) Sri Lanka for a while, but the PHILRADS-WRC collaboration already requires something different.

Though the PHILRADS approach to development emphasizes service to all, current activities understandably reach mostly evangelicals. It is a church organization, working through pastors and poor churches that have all they can do to survive without worrying about others. They do worry about others, and there are no religious requirements for participation, but few activities are yet broad enough to, or located in places that would, attract non-Christians. It is community development through poor churches and, though others are welcome, the church members often are the community. AID should note, however, that in the Philippines many evangelical churches serve tribal and other deprived groups ignored or exploited by others. Helping these groups requires accepting that the neglect by others sometimes creates identity between community and religious group. The PHILRADS relief record, with benefits shared widely among all, provides reassurance that the church network does not limit largesse to believers alone.

The WRC-PHILRADS collaboration illustrates a relationship that can serve as example to U.S. PVO's. No expatriate presence reminds PHILRADS constantly of the implied distrust and superiority so common when U.S. PVO's link with local organizations. PHILRADS accepted expatriate trainers and designs for WRC workshops, though well able to find its own, as an accommodation. WRC, now less naive, acknowledges this early misunderstanding. Though sometimes abrasive, partly to emphasize his independence, the very competent PHILRADS Director exhibits obvious respect for WRC ideals, intentions, and technical contributions. WRC staff, including the Director of International Operations and a new East Asia Coordinator, approach PHILRADS with similar respect and without fawning, patronizing, or trying to crack the whip. Neither organization gets everything it wants, but both benefit. Although personal chemistry and the particular context explain much of the impressive outcome, recognition of shared interest and interdependence also underlie it. When U.S. PVO's recognize that they need local counterparts as much as the local groups need them, and act on it, the likelihood of building authentically independent and effective local institutions increases.

World Relief Corporation Development Work

The Statement of Work requested assessment of WRC a) management capability, b) impact, c) sustainability of outcomes, and d) program approach and direction. It also solicited comment on the "relationship of development activities to religious work of the local church and missionary leaders." This section of the Report addresses these considerations in order.

a) Management

WRC can manage effectively all the money AID is likely to make available. The development support structure, made possible by the MSS grant, has evolved an organizational model and procedures that respond appropriately to the program goals and related tasks.

Two factors explain their effectiveness. WRC sees itself as an enabling, or institution-building, agency. It does not implement projects and is learning rapidly that project funding should be only a modest part of institution-building strategy. Rigorous adherence to a catalyst role and extensive delegation of responsibilities, as implied by that role, have reduced management burdens to well within the time and ability limits of staff. An inordinate amount of time still goes into discussion and review of small projects, but this should diminish as confidence in regional staff and local institutions increases. Staff understand, and their work reflects, the differences among relief, development, and proselytism. Their religious approach encourages service to all without seeking to convert.

WRC also exhibits unusual capacity to acknowledge and learn from mistakes. Constant review of workshop outcomes, for example, improved relevance and responsiveness dramatically. Use of local trainers, presentation in national languages, and development of distinctive regional approaches, for example, followed from analysis of participant responses. Early recognition that small project review by headquarters was time-consuming and inefficient produced simplification and decentralization that improved the process. Frequent communication with field staff and, through them, with local organizations, encourages early identification of problems. Sympathetic and supportive review of projects maintains interest and improves beneficiary skills, though, as WRC now acknowledges, the whole project approach needs reconsideration. Though still far from ideal, WRC's management systems reflect a willingness to learn that has produced exceptional progress for an organization new to development. The Grant's institution-building impact begins with the effects on WRC internal administration.

The excessive commitment to workshops, and resulting management failure to develop broader training and institution-building strategies initially, reflect the historical pattern of development concern in WRC and the inexperience of those expected to manage it. The workshops served useful purposes, but could not alone bear the burden expected of them. Similar over-reliance on small projects, possibly stemming from their appeal in fund raising, also hampered development of more sophisticated program strategy. WRC staff now know the right questions to ask, and recognize that they do not have all the answers, key virtues for managers of development support.

b) Impact

WRC's training program, institutional support, and project funding produced positive effects on participants in Sri Lanka and Philippines. Data available at WRC headquarters suggest equally favorable outcomes in other countries. Workshop and project reports from Latin America, for example, illustrate a zeal for, and practice of, community development that will bring the churches more effectively into improvement of material conditions without sacrificing spirituality. Because WRC inputs in individual countries have been so small, and addressed primarily to strengthening institutions, absorptive capacity of the networks created far exceeds what a matching grant, or any other sources can provide for projects and training. The initial strategy for building development support consortia failed to recognize the need to place primary emphasis on generation of local funds, since effective consortia and member churches can soon absorb more than expatriate groups can provide.

The initial workshops, for example, only whetted appetites for skill development. WRC naivete, in believing that three-day workshops without adequate followup would bring "good projects," has given way to recognition that national networks need their own trainers and field staff to reinforce the development impetus of the workshops. WRC field staff follow up with national support groups but are too few to serve local churches adequately. If they did, it would be poor institutional development, since the networks should become independent and self-sustaining. Though still far from adequate, the more mature Philippine network and the fledgling Sri Lanka one can absorb more project money than WRC can make available. This forces the consortia and member churches to look to other sources, a useful outcome, though a little more WRC support would not "spoil" them.

WRC needs a better system for tabulating project impacts. The field reports regularly and a diligent investigator can find occasional impact information, but programming and fund-raising would be well-served by routine tabulation of (e.g.) chickens distributed, profits made from them, and distributions by beneficiaries to new participants. Absence of much impact information to date reflects a) delays inherent in small-project funding from headquarters, b) the diversity of small projects that makes impact diffuse, and c) insufficient attention to systematic recording and tabulation. The evaluation officer proposed in the new grant should be able to improve the situation.

Impact on institutions, though especially hard to measure in more mature ones, reflects favorably on WRC's restrained approach. The Sri Lanka workshops, for example, followed by modest prodding from WRC, produced an authentic local organization supported by enough church leaders to keep it going. It must now serve the constituency effectively, to build further support from other leaders and church members, but the start impresses.

WRC project support to PHILRADS, not from the AID grant, contributed to visible impact among the B'laan tribal people and also improved PHILRADS capacity and credibility. Because it has good staff, but also because WRC helped it move into the "big time," PHILRADS may get too big too fast, but it is presently a thriving and relatively independent institution.

Participant interviews and workshop reports confirm WRC impact on attitudes. While "I wish I had known about this before" testimonials abound, they reflect the euphoria common in such workshops. WRC took them as indicators of future action by participants, failing to realize that, like any other conversion experience, they must be followed by support, opportunity, and skill development. Without these, likelihood of longer-term impact diminishes substantially. Nevertheless, there remains among many participants a new awareness that the evangelical gospel now involves more concern for the total welfare of believers and others. The message apparently responded to major doubts and concerns among many pastors and they seek further guidance and skills.

The failure of workshops to produce funded projects partly reflects the limitations on pastoral developmental roles. The leaders who attended the workshops had to be brought on board before anything could happen, but were not the people with time to "do development." WRC has already broadened workshop participation in Latin America, giving priority to technically trained people already involved with communities, and this approach should be explored for other regions. WRC needs to help the consortia identify people other than pastors, with time, motivations, and situations more conducive to the detailed work essential if development activity is to emerge. The national networks, once secure with support of pastoral leaders, must then continue building the networks by reaching further into the system. Both IIRR and World Vision's COLT move in this direction, and PHILRADS seems about to, but this explicit consideration of reasons for doing so should help WRC encourage further movement.

AID should recognize that the institution-building effort launched by WRC, with AID support, requires far more than one or two grants. The first grant served primarily to bring WRC into the world of development and barely began the network-building process. A second grant will move the networks along further, going beyond sensitization to more sophisticated skill development, but AID and WRC should realize that another few years will not create "permanent, independent, self-sustaining" institutions. Nevertheless, the already visible impact on WRC and local institutions suggests that they are moving not only from relief to development, but to a dramatically different spiritual concern for the material welfare of all. Although less amenable to end-of-project status and audit reports, and lacking in dramatic project outcomes, AID support of this transition offers outstanding potential for contribution to eventual self-reliant and self-sustaining development.

c) Sustainability

WRC plays it straight. Unlike many PVO's that use their money to retain control and preserve submissiveness, while professing otherwise, WRC comes close to maintaining equal-status relationships with counterparts. It lacks the money to buy cooperation and, judging from Sri Lanka and Philippines, the evangelical leaders are too smart and independent to be patronized. The Christian Service Society in Bangla Desh, another beneficiary of WRC support, sounds equally self-confident. Other countries undoubtedly differ, especially where the missionary efforts are more recent or have been less successful, but the WRC tone encourages local counterpart independence and self-sufficiency.

The Philippine counterpart, for example, places unusual emphasis on self-sustaining activities. Income-generation work commands far more attention than anything else and "(w)holistic" development is distinguished clearly from "integrated development." PHILRADS worries about people (holistic approach), but does not try to do everything or address all problems (integrated

approach), ~~Emphasis~~ on felt needs explains much of the priority, the very poor understandably profess need for more income, but concern that activities continue without outside support also contributes. PHILRADS makes clear from inception that grants are "terminal," unlikely to be renewed. Though, in practice, this means that support will taper off slowly, it provides ~~added~~ impetus for staff and beneficiaries to think about becoming more independent. PHILRADS staff acknowledge that the organization's approaches to (e.g.) health, education, and nutrition lack the vigor and effectiveness of work in agriculture, but the linking of target communities with available government services compensates for some of this neglect.

The Sri Lanka experience emphasizes WRC's pragmatic approach to community development. Sri Lankan participants received an extensive introduction to identifying felt needs and responding to them, but soon found that their modest LEADS organization, though able to involve prospective beneficiaries in decisions, lacked funds and capacity for the more profound community development process they had learned. Though Latin American counterpart groups appear to follow the proclaimed model quite faithfully, WRC wisely supported a modified approach in the Sri Lanka context. Useful development activity occurs without the full-scale community development process, if participation receives reasonable attention. WRC counterparts have learned to identify and respond to needs without making a fetish of the process. This is fortunate, because WRC is not yet expert in this sensitive and difficult discipline, nor are the trained change agents required to do it generally available. A "community development approach" permeates WRC development work, but field practices accommodate to the limitations of context and resources.

WRC "enablement" sub-grants encourage local self-reliance, because they primarily enable counterparts to raise money, not to start anything. The near absence of project money, and the difficulties of getting it, force local groups to seek other sources. WRC helps them do this, by sponsoring them with other evangelical groups (the TEAR funds) for example, emphasizing the priority it gives to enablement.

This approach would benefit ^{from} more WRC attention to techniques and mechanisms for generating funds locally. Though not appropriate everywhere, credit unions, for example, often aid development of local self-sufficiency and WRC seems unaware that this tool exists. Some guidance for approaching governments and major companies would also be helpful and the counterparts will soon need help in dealing with their USAID's.

PHILRADS runs its own fund-raising drives and its representation of Project Compassion offers interesting possibilities for other counterparts. WRC should take the lead in equipping local groups to make it on their own, starting by at least disseminating proven arrangements and methods. The relationship of evangelical groups to non-religious funding sources needs clarification, looking at such questions as how far presentations can be modified without jeopardizing basic religious concerns. WRC needs to shake loose from excessive commitment to "small projects" and think of both funding and programming in broader terms. If the consortia are led to think primarily in terms of small projects, little likelihood of consequential development will exist.

Local churches offer a base that, if properly mobilized, assures permanence of the support groups. Both LEADS and PHILRADS understand the need to generate their overhead out of services, including finding project funds, to member churches and have plans to do so. PHILRADS already requires beneficiaries of economic activities to return ten per cent of profits to it, using the money to replenish capital funds and sustain the organization. WRC must emphasize, in all counterpart relations, the long-term need to share in economic benefits accruing to beneficiaries. It may seem hard-hearted to take from the poor, but is less painful if taken only from increases in income and serves their long-term interest. Most soon understand this. Unless people become accustomed to paying for what they receive, they are demoralized when donations stop. Understanding and applying this principle distinguishes development from relief. WRC and counterparts seem aware of the difference, but need reminders because there is constant temptation to subsidize present benefits at the expense of more permanent and self-sustaining outcomes.

Sustainability includes both organizational permanence and the likelihood that project activities can continue without subsidy. The WRC approach, also followed by counterparts, addresses both aspects well. It is too early to tell how much will last as WRC reduces support or shifts it to other endeavors, but prospects are good. The two counterpart agencies visited showed unusual zeal for going it alone, while retaining mutually supportive relationships with WRC.

d) Approach and Direction

This Report finds WRC's broad goals consistent with the best experience and practice for achieving long-run development impact. Taking the long view and resisting the temptation to smother local institutions with project money (partly because little was available), WRC enablement builds networks that bridge the critical gaps between poor people and those supposed to, or anxious to, help them. The approach incorporates current recognition that stronger popular institutions must accompany improved government services, to maximize resource impact. It also reflects the widely acknowledged view that development does not come from governments and external donors, including PVO's, but from people involved.

WRC's program strategy, however, failed to initiate and link the several activities needed to achieve the goal. Failure to distinguish clearly between sensitization, making people aware of development and related skills, and the technical task of bringing them to useful levels of competence, produced excessive reliance on workshops. Detailed criticism of the workshops is inappropriate, since they can be judged fairly only by one attending, but WRC viewed them naively. Review of curricula and workshop reports reveals formats similar to those followed by many other organizations and consultants. Excessive emphasis on "good projects" discouraged causal and strategic analysis of problems, both feasible and essential in training for planning. Some trainers would find workshops, especially the short ones, lacking in use of experiential learning techniques. WRC staff complain of rigid approaches and failure to consult participants about their wants. WRC, especially in Latin America, is now moving toward training strategies with behavioral goals related to skill needs that flow from analysis of development activities, but a more experienced agency would have started doing this at least three years ago.

Despite these limitations, the workshops prepared the way for the consortia or support organizations, as intended. They could not, and did not, produce the flow of project applications suggested in the grant proposal. That would have required more careful selection of participants likely to have project preparation responsibilities, additional skill training, and continued technical support. Current WRC field support now fills some of the gap, but more systematic attention to expatriate and local staffing required to deliver a desired number of projects is needed.

The WRC approach also suffered initially from the delusion that "projects" equal "development." Confusing a fund-raising convenience with an underlying reality, this emphasis neglected the many activities that do not fall easily into project form. These include, for example, developmental advocacy, linking beneficiaries with existing services, and building network affiliates. Committed to building institutions, WRC let itself be diverted too much to "projects," thereby conveying an unfortunate message to the institutions being helped. LEADS and PHILRADS still exhibit manifestations of that message by rushing to make projects (LEADS) and emphasizing implementation over support (PHILRADS). WRC needs to understand that, in institution-building, funding projects helps build credibility and provide experience, but can easily detract from attention to helping the institution build its own support base. WRC also needs to recognize that "projects" are a funding convenience, a way of packaging activities, after a program strategy has been developed. In both institution-building and development by the institutions, the strategy should come first, because, without it, a succession of "good projects" too often leaves little permanent effect.

AID will benefit by allowing WRC to continue experimenting. Early mistakes and excesses have already been corrected, clear demonstration of experiential learning within the organization. Spirited discussion enlivens any meeting with International Operations staff and those met showed exceptional thoughtfulness and freedom from developmental dogma. AID's risks are small, since WRC requests for enablement money in individual countries are very modest. If only one or two of the consortia thrive, the AID investment will have yielded excellent returns.

WRC needs to think more about the special needs of each country organization. Three -day workshops may continue to be necessary where national response lags, but target groups and their skill training needs vary by country. Latin American training has already moved toward more precise skill training and this approach can be extended.

More advanced counterparts, like PHILRADS and the Christian Service Society of Bangla Desh, need more sophisticated large-scale help. Introductions to, and assistance with, major outside funding sources seem a likely contribution, as does identification of, and technical assistance in preparing, major proposals. Requests for (e.g.) equipment banks, revolving credit funds, local training institutions, and other larger ventures can benefit from WRC help. WRC can help local institutions decide what they need most, emphasizing that limited WRC funds restrict support to enablement rather than direct project assistance. WRC should also begin thinking about world-wide common consortia needs. It is clear, for example, that most support groups will eventually be concerned about supplying credit and WRC should be exploring ways to do this on a large scale. As a service and support organization, it needs to anticipate the needs of those it seeks to help.

Regional meetings or workshops can address common needs and problems. Program evaluation, for example, requires attention in most of the support groups. The striking lack of women in evangelical development work also should be examined and could be addressed in a regional or worldwide gathering. Further integration of evangelical support to development might also be explored. Counterpart agencies complain of the need for multiple proposals and for showing representatives of different expatriate groups around. The expatriate agencies could learn from their comments.

A regional workshop on business and accounting could help sensitize WRC and counterpart staff to the difficulties of making money. Like many other PVO's, WRC jumps into "income generation," and encourages counterparts to do so, with little cost analysis, market exploration, consideration of competition, or review of price trends likely to flow from project activities. Estimates of profitability often fail to take hidden subsidies into account (e.g., low-interest loans, use of vehicles, marketing assistance) and then use the inflated profit projection without discounting it for the business risks involved. By failing to include value of the entrepreneur's labor in costs, approved small business proposals often present other distortions. WRC needs to recognize that business is hard ball, involves major risks and, if income growth is to be significant in numbers gaining and amounts gained, requires some fairly technical early assessment. The fine captive market offered by the church networks presents some dramatic business possibilities, but WRC needs help from a few business people to take advantage of them.

WRC approaches and directions seem basically sensible and sound. Deficiencies identified flow primarily from lack of experience and from failure to emerge fully from the constraints of history and fund-raising exigencies. Building a world-wide network of church-related development support organizations, including some (e.g., Philippines, Bangla Desh) that equal or exceed the "parent," requires that WRC move constantly to more advanced and professional aspects of development. The "small project" mentality sufficed initially, but it is now time for WRC to think in broader developmental terms. Given the rapid learning demonstrated during the first grant, it is reasonable to assume that a second grant will contribute to making WRC an even more effective development support organization.

e) Church and State

WRC did not use Grant money for religious purposes. The amounts spent in each country program were so small that avoiding objectionable outlays presented little difficulty. Workshop leaders strained to avoid intrusion of religious motifs, guided by the former AID staff member who initiated the workshop program and was well aware of AID restrictions. At this formal level, WRC did well, though auditors may still find an occasional voucher to disallow. For AID, the real church-state issues arise from consideration of the implications of work through a minority church network.

In both Philippines and Sri Lanka, the combined evangelical denominations claim less than two per cent of the population, Most churches are poor and small, rarely part of the power structure or mainstream of national life, In many poor communities there will be little development without them. Local pastors, trying desperately to keep their churches afloat, understandably view development activities as a way to increase financial support, though also concerned to improve congregants' welfare. Benefits of likely activities are modest at best and far from (e.g.) the millions of dollars worth of food controlled by church groups in PL480 programs.

In this context, despite a gospel that emphasizes service to all and practices that avoid any religious test for participation, it is no surprise that the churches serve mostly their own members. These are the people they know, frequently there is no other help available, and the majority denominations seem well able to take care of their own. There are non-evangelicals sharing in church projects, but the numbers seem small.

The foregoing emphasizes for AID that doing development through church networks, despite rigorous adherence to AID criteria and restrictions, may look very religious. WRC and other church groups emphasize, correctly, that religious activities are not conducted with AID money, but have also consistently acknowledged that this artificial separation does not change the fact that their approach to development remains spiritual and religious. This need not be an embarrassment to AID, legal or otherwise, since WRC use of AID money follows the rules, but the Agency should be prepared for (e.g.) extensive prayer and hymn-singing at what may, incorrectly, be called "AID Projects." Even when fully funded by AID, the projects remain reflections of the religious organizations conducting them.

Compliance with formal requisites (e.g., no proselytizing, no religious criteria for participation, no AID money spent for religious purposes) does not avoid the likely prevalence of believers among beneficiaries, especially in newer programs. AID needs to decide what it can live with and should then hammer out, with WRC, the details of what is acceptable, thereafter avoiding legalistic quibbles about (e.g.) whether AID money was spent for bibles. The WRC development effort appears to be sufficiently impressive and free of sectarian bias to make agreement on accepted behaviors feasible and important.

WRC needs to help consortia and member churches understand better the AID limitations and the reasons for them. This will encourage development of more acceptable ways of supporting churches from projects using AID funds. Formal requirements for tithing from income increased through project activities can be avoided while voluntary contributions and peer pressures fill the gap. Pastors can be helped to find other acceptable alternatives for bringing benefits to their churches from AID-supported activities. With a little encouragement, sharing of participation and benefits among non-members can be increased and documented. Use of the AID Grant by WRC falls well within the limits permitted by AID and, though some vigilance will be helpful to curb uninformed or over-zealous pastors, church-state issues should present few problems in any future grant.

The rest of this Report addresses, in order, the questions of broader applicability included in the Scope of Work. Conclusions draw on both observations during evaluation of the WRC grant and previous experience.

Financing Small Projects

The role of external donors varies with the absorptive capacity of local development organizations. This capacity includes both the ability to use funds effectively and to raise funds locally. The more local funds can be raised, the less need local organizations have for external sources of funds for small projects. As they fund more small projects for themselves, the need and opportunities for external funding of larger projects increase. Small-project funds are critical for building credibility and capacity of local groups when they lack experience in raising and using money, but duration can often be very short. LEADS, for example, has already shown that it does not need World Relief help to sponsor projects of up to (e.g.) \$5,000

Small-project funds also introduce grantees to the idiosyncrasies of donors. Project presentations required by donors often include far more information than the recipient organization can afford to obtain, or needs, for its own purposes. Some requirements do improve likelihood of effective activities, but many are no more than donor protection or reassurance. In either case, the local agency must comply if it expects to tap the international money that means a quantum jump in activity. Donor help in preparing and reviewing proposals educates local groups for the international scene.

Small-project funds unfortunately encourage fragmentary programming that serves neither donor nor recipient well. Individual projects too easily become ends in themselves, with little relation to each other and none to the kind of program strategy likely to produce better and more permanent impact. Cost of review and approval become excessive compared to any likely impact and the time required before disbursement saps motivation and creates disillusionment. Unless outside agencies can "wholesale" their support of small projects, efficiency and consequences remain poor. World Relief, despite worthy efforts to simplify and decentralize the process, cannot fund small projects responsively and economically. The tendency for applications to out run available funds rapidly, a constant WRC problem, added to delays and rejections that increased overhead costs per project funded, aggravated delays, and discouraged the field.

Two solutions help. External small-project funds work best when decentralized. This reduces costs and permits faster response. Headquarters review rarely adds enough to work of competent field staff to justify the added costs and time for review. If PVO's lack confidence in field people, using headquarters review of small projects to compensate, instead of improving the staff, helps little. With capable field staff, reports to headquarters after field approval and implementation involves little risk of major loss. Cost and time advantages offset the occasional collapsed project, nor are such catastrophes usually avoided by layering the approval process further. World Relief understands the disadvantages of sending small projects to Illinois, but fund shortages have limited decentralization. Projects accumulate, even after approval, for lack of available money. WRC introduced a simpler form for small projects, but this failed to address the basic problem.

Information about small projects aids fund-raising and headquarters needs it, but not for programming. The PVO's need a "working capital" fund that permits rapid decentralized project funding followed by ex-post replenishment of the fund through customary appeals. The common practice of approving and then seeking funds produces excessive delays, uncertainty and need for multiple presentations among applicants, and ineffective project-by-project programming.

The wholesaling possible by establishing and decentralizing small-project funds still leaves much to be desired for improved programming. Most national agencies and consortia can raise their own local money for small (e.g., under \$2,500) projects. Sri Lanka may not be typical, but the LEADS coordinator there, because he took self-sufficiency seriously, soon had funds flowing. He and others have more difficulty raising larger sums locally and this is where outside PVO's can help most. If small projects are programmed with more attention to commonalities, instead of with the prevalent shotgun approach that scatters projects everywhere and in all problem categories, opportunities for efficient outside support of small projects increase. Such programming can be perfectly consistent with honoring felt needs, since it only orders and systematizes response. Clustering small projects allows the outside donor to achieve (e.g.) purchasing, shipping, and administrative economies that increase impact dramatically. Bigger and more sophisticated requests (e.g., 200 tubewells, 10,000 rabbits, a \$250,000 revolving credit for feed purchase) justify headquarters review and involvement. This approach opens a rich vein of opportunities for outside donors, but, most important, eliminates the inefficient, unproductive, and dependency-creating consideration of small projects by "experts" 10,000 miles away.

The logic of WRC and other network building dooms external small-project funds. If half the 5,000 Philippine churches become generators of small projects, WRC and PHILRADS could not begin to respond effectively. If these churches tap local private and governmental sources effectively, the umbrella groups will soon find key opportunities for funding that reinforce the plethora of small projects. It should be no surprise when clusters of income-generating small projects appear, for example, and all can clearly benefit by access to an externally funded revolving credit fund.

Small-project funds serve useful pump-priming and credibility functions, but easily become a substitute for building local funding capacity. New local communities and development institutions may reasonably exhibit considerable skepticism at the appearance of yet another outside group with good intentions. Rapid modest financial support provides a tangible token of those intentions, aiding credibility. Early projects build local presentation skills, but early removal of available funds often encourages local counterpart agencies to realize that development ultimately depends on their own efforts alone.

When used sensitively and primarily as a tool for building local institutions, expatriate small-project funds have a critical, though modest and of short duration, role. The WRC experience suggests that an equal amount of funds spent on "enablement," helping local institutions to acquire necessary skills and to survive long enough to raise their own money, offers far more promise than allowing the fund-raising appeal of small projects to dictate programming. Good counterpart agencies will soon provide the stories that help raise funds.

Church Networks and Development

World Relief works primarily through missionary and church networks. Because missionaries often concentrate on building national churches, and prefer to leave development to them, there is a trend toward increased reliance on the national networks for development work. The focus of missionary activity supports this emphasis, because a thriving national church can be a far more effective instrument for development than the much smaller missionary groups. Distinctions between missionary network and church network frequently blur, but the two share certain characteristics that make them attractive vehicles for addressing development motivation, readiness, or cooperation, and for reaching and serving the most deprived and remote (often the same) people. Though they do not hesitate to tackle it, missionaries and churches need a lot of help in income generation, since neither their theology nor technical background prepares them for it.

The Director of PHILRADS, though emphasizing power of the religious motivation among believers, also makes a persuasive case for the ability of religiously motivated change agents to work effectively, and without proselytizing, among non-believers. This visit and other field observation confirm that the religious emphasis on human dignity can provide a motivation toward development that is not necessarily associated with denominational affiliation. This Report is no place for theological nuances, but the gospel of some evangelical churches seems to provide a non-denominational rationale or mystique for "conscientizing" people, making them aware of their potential and power to help themselves. Other methods exist, nationalism and the Freire literacy approach for example, but AID consideration of religious groups should recognize that many of them, by attitude, dialogue, and example, offer another valid approach that goes beyond narrow denominational lines. Recognition of human dignity, and techniques for helping others acquire it, are not inherently secular or religious. Accepting that religious groups may be a source of effective change agents still requires individual review of institutions, but should be an integral part of AID's approach to community development.

At a more mundane level, the religious groups provide a delivery system that reaches further than most governments or commercial networks. Missionaries often go where extension services and soft drink sellers have yet to tread and, because they do, national church bodies frequently include representatives from areas with little other sympathetic outside contact. Identifying closely with their people, remote missionaries and local pastors become potentially effective change agents and political protectors of deprived groups. Trust and confidence developed during the missionary experience can be translated, by sensitive workers, into broader development motivation and action. Once again, any decision to support requires examination of individual cases. Examples of missionaries who "sold out" their people abound, though perhaps less common now than in the past.

Because church networks and their staffs are relatively permanent, the delivery system offers familiarity and continuity rarely possible through other PVO's or governments. The missionary churches are also less likely to work through local elites.

The foregoing requires considerable care in application. World Relief admits frankly, for example, that the world evangelical movement includes individuals and groups with widely divergent views about the church role in development and about with whom it should be played. The WRC Grant contributed to dissemination and institutionalization of an approach consistent with AID goals and likely to increase evangelical effectiveness in development work.

Substantial training needs exist among the church groups, the influence of

country contexts varies, and political sophistication lags among some church people involved in development. Nevertheless, the special characteristics of many religious groups make them among the most appropriate collaborators in equitable, needs-oriented, development.

Church and missionary groups, though high in motivational skills, seem undistinguished in technical areas. Many underestimate the complexities of development and, perhaps because of their spiritual dedication and heavy involvement in relief, assume that any activities undertaken for the right reasons must produce useful outcomes.

Support of religiously oriented development efforts must emphasize the transition "from relief to development" and identification of the technical requirements associated with it. Translating the grass roots presence and the trust and confidence, major assets of the church groups, into effective development impact requires transmission of professional development skills that are often lacking. There is a tension between the religious desire to help individuals and communities, and the requirements for significant and efficient development. This tension can be resolved, but only through sensitive skill development that respects the religious motivation and accomplishments while calling attention to technical problems of achieving the development impacts being pursued. There are risks that well-trained development people from the religious groups will become as cynical and indifferent to the felt needs of poor people as many government employees and non-religious voluntary groups sometimes are, but they are worth taking. Unless the religious groups become more professional, their development impact is likely to be negligible. If they do, this in combination with their other distinctive strengths offers opportunity for achievement of important improvements in the lives of peoples too often neglected and ignored.

Benefits of AID Funding

PVO's, large or small, depend on private funds. This creates an understandable concern to do things likely to impress donors and a strong temptation to find proven models and stick to them. Few private givers want their money used to a) take risks, b) pursue long-term goals with little visible immediate impact, or c) provide general support for receiving organizations. AID grants, if designed with these considerations in mind, enable PVO's to lead their donor constituencies without risking reduced contributions or other unfavorable repercussions. AID grants also bring PVO's further into the broader world of development. They may not like all they find there, but the exposure does both sides good.

The grant to World Relief Corporation encouraged and accelerated a reorientation of ideas and activities that would have been close to impossible without it. For World Vision, much bigger and better able to afford innovation from its own funds, an AID grant allowed risk-taking without jeopardy to current activities. Other examples abound.

For AID grants to make a difference, some conventional practices must give way. Because grants should be experimental and thereby involve risks of miscalculation, rigid adherence to initial proposals, during evaluation, makes little sense. Revision of plans during implementation should be encouraged, since original targets can be tentative at best. Encouraging risk-taking implies acceptance of some losses and PVO's must feel free to venture without fear of later criticism or recrimination. Their responsibilities are to present reasonable hypotheses, execute them reasonably well, and learn from the outcomes. AID learns most this way, too, and this increases long-

term program impact for both.

The foregoing should be distinguished from typical OPG's, intended to "help PVO's do more of what they've been doing." Though helpful to both AID and the PVO's, these make less difference and may even encourage reduced attention to private fund-raising. More conventional evaluation criteria apply and AID should be explicit about this in arranging PVO grants. Both parties need to understand when they are involved in flexible experimental collaboration and when they are agreeing on extension of well-established activities.

Although the larger PVO's do not "need" AID money, it does help them to do things they could otherwise not do without substantial risk. This suggests that AID should take special care, when negotiating grants with these organizations, to assure that they encourage experiment, innovation, and activities unlikely to be undertaken with private funds. Using government funds to generate more of conventional activities concentrates resources among a few preferred PVO's, discourages innovation, and stifles growth of smaller, often more creative, PVO's.

Collaboration of U.S. PVO's and Local Counterparts

U.S. PVO's often have great difficulty "letting go" of local counterparts. Despite considerable rhetoric about building "independent, self-sustaining local institutions," practices frequently reflect paternalism, desire to maintain control, and lack of confidence in local probity and skills. Local responses vary from comfortable submissiveness to outright rebellion. Models of impressive collaboration exist, but ready formulas do not. Country contexts, goals and agendas of U.S. PVO's, and capacity of local organizations all vary. Sensitivity to all three offers increased likelihood that collaboration will produce effective local development activities. The WRC Sri Lanka experience suggests some useful considerations for AID and for U.S. PVO's interested in improving collaboration.

LEADS, the new WRC Sri Lankan counterpart agency, is in no sense a "creature of" WRC or AID. The relative sophistication of LEADS directors and the modest external contributions encouraged development of an equal-status relationship. The LEADS emphasis on raising funds locally, with little apparent concern for tapping WRC and other external sources, is, paradoxically, the best way of encouraging foreign donor interest. AID and other U.S. PVO's might well emulate WRC by keeping initial support modest and giving credible indications that early independence is expected. This means accepting the decline and fall of institutions that do not "take" in the local context, instead of propping them up indefinitely.

WRC and LEADS benefit from their common links with the World Evangelical Alliance. Their relationship developed more easily than those where U.S. PVO's, almost single-handedly, introduce new ideas and build institutions around them (e.g., population, conservation). Even with this advantage, the favorable outcome also depended on WRC's noteworthy reticence, humility, and participatory approach. Though the WRC agenda always remained clear, it was not "sold" to the Sri Lankans but, more accurately, offered for their consideration. Not all bought, but those who did included fewer sycophants and opportunists than other approaches often generate. Of equal

importance, the approach gave WRC credibility, based on mutual respect, that reduced likelihood of eventual local rebellion. The LEADS agenda belongs to Sri Lankans, not to World Relief Corporation. WRC will win occasionally in the future, but their goals and techniques overlap sufficiently with LEADS to make it an authentic extension of the world movement. Allowing local institutions to adapt U.S. PVO interests and goals to the national context requires forbearance and tolerance that do not come easily, especially when the outsider puts up the money.

The Philippines experience emphasizes a different point. Much further along than LEADS when it encountered WRC, PHILRADS and its experienced director could trade ideas effectively with the best WRC staff and contractors. Though WRC has put over \$500,000 into PHILRADS during the past three years, less than five per cent from the AID Grant, the relationship is not one-sided. Each needs, or at least benefits from, the other. Though not included in this evaluation, WRC's work through the Bangla Desh Christian Service Society, a more experienced local PVO than PHILRADS, follows the same pattern. Good local groups can serve as extensions of the U.S. PVO, vehicles for channelling funds in ways compatible with expatriate goals. When the groups also draw funds from others, the relationship becomes a sharing between two independent entities. Training and technical assistance from outside remains feasible. Control does not.

Save-the-Children, YMCA, CRS, and PADF (Pan-American Development Foundation) involve various degrees of local autonomy and surrender of external control. Time, local capacity to raise funds, and emergence of competent local leaders all affect the rate of "indigenization." Service clubs (e.g., Rotary, Lions) illustrate "franchise" models that became world movements and, though perhaps still heavily western-oriented, involve ever broader participation. OEF, CARE, and many others work through various local groups without seeking to build formal affiliates in the developing world. The free labor development institutes, encouraging development of local trade unions and federations, illustrate still another model. Resident expatriates exert various degrees of control in local trade union movements, until the unions become strong enough to assert independence. Collaboration usually continues, but with much less expatriate influence or control.

Organizations in developing countries know well, and often acknowledge, that "who pays the piper calls the tune." This limits their options and colors all collaboration with expatriate PVO's. By broadening the funding base of local PVO's without seeking to control them, CODEL, PACT, Inter-American Foundation, and other donors encourage an independence that improves likelihood of equal status relationships with primary expatriate collaborators. AID could use grants to local PVO's for the same purpose. By giving the local PVO more opportunity to choose a collaboration model with impunity, such grants contribute to building of authentic and independent local institutions.

The principles of community development apply as much between PVO's as between change agents and communities, if the goal is really development. AID and U.S. PVO's need to be clearer about the agendas and goals of U.S. PVO's in specific collaborative relationships. When a U.S. PVO is truly other-oriented, and is sensitive enough to detect its own cultural arrogance during lapses, effective collaboration models evolve "naturally." Maintaining financial accountability, without using donor leverage to discourage dissent, is a necessary, but not sufficient, condition for such evolution. Building shared commitment from the start, thereby minimizing likelihood of unresolvable conflict, also helps.

Conclusion

Evaluation of the World Relief Corporation Management Support Services Grant provided useful guidance for planning of a second grant, intended to further the institutional development process initiated with the help of the first. The evaluation also contributed to understanding of broader development issues of interest to AID, such as church/state relationships, PVO/counterpart collaboration, and small project funding.

WRC performance under the initial Grant received high marks. The Organization's concern for supporting development by building a network of evangelical development support consortia, instead of just funding projects, and its rapid learning from mistakes and subsequent modification of activities produced the beginnings of a support network with good potential for eventual significant development impact.

The evaluation emphasized the importance of flexibility in planning and evaluation of such grants, which are innovative and experimental, do not lend themselves readily to early statement of rigid end-of-project targets, and require constant modification and adaptation during performance.

The Evaluation Report emphasizes the need for religious groups to avoid letting the fund-raising appeal of small projects become a dominant programming principle. It urges such organizations to professionalize their approach to development by adding development skills to their existing and effective outreach among the poor and capacity to motivate development activity among them.

The Report encourages repetition of WRC's "enablement" approach, viewing its emphasis on institutional development and equal partnership with local counterpart groups as an effective and efficient approach to achieving long-term self-sustaining and responsive development.