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The National Development Foundation (NDF) Concept:  
A Review of the Literature

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## Executive Summary

The NDF movement traces its origins to the early 1960's, inspired by the ideals of the Alliance for Progress and promoted by concerned members of the private sector who conceived of local, autonomous foundations as a means of directing private sector assistance to the poor in Latin America and the Caribbean. Based on the prototype of the Penny Foundation which had been established in 1963 in Guatemala, foundations have been established over the past 20 years in most of the countries of Latin America and the Caribbean to provide technical assistance and loans to low income groups.

While the U.S.-based Pan American Development Foundation (PADF) played a major role in promoting the NDF concept, a major change occurred in 1972 when 14 of the foundations established with PADF assistance created their own consortium of foundations called SOLIDARIOS. Today, PADF still plays an active role in promoting the NDF concept, particularly in the Caribbean.

Although there is an extensive literature on NDFs, the present review highlighted the following deficiencies in the existing evaluations: 1) Many of the evaluations are outdated; 2) They lack a common methodology and oftentimes do not have quantitative indicators of effectiveness or impact; hence they are of limited value in making comparative and/or longitudinal judgments concerning NDF performance. 3) It is difficult to determine what happened to the recommendations made in these evaluations.

In terms of host government and environmental conditions, the literature indicates the difficulties faced by foundations as a result of high inflation and/or devaluations. Besides decapitalization of their loan portfolios, they have also had difficulties in repaying dollar-denominated loans.

NDFs were established by concerned members of the private sector, oftentimes with the assistance of international organizations such as PADF. Their internal structures are remarkably similar although there is little in-depth information on personnel and accounting systems.

The socioeconomic background of borrowers is one of the most poorly developed topics in the existing literature. However, SOLIDARIOS and some of the NDFs are beginning to use computer technology to obtain more in-depth information on the socioeconomic background of borrowers and related areas.

Although NDFs are local, autonomous entities, donor agencies generally have been quite dependent on support from major international donors. This relationship of dependence has oftentimes created misunderstandings between the donors and the local organizations.

The present review of literature concludes with a recommendation for a comprehensive evaluation of NDFs which includes the participation of all major interested parties and also recommends that it be undertaken not merely as another social science exercise but with a view toward its utility as a management tool to be used to monitor NDF performance on an on-going basis.

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# The National Development Foundation (NDF) Concept: A Review of the Literature

## 1. Introduction

The Contractor was requested under Contract No. LAC-0000-0-00-5019-00 to undertake a review of the literature on the National Development Foundation (NDF) concept. To this end, contractor reviewed available studies, evaluations and other relevant materials on National Development Foundations (NDFs) and prepared the present report, which addresses various aspects of NDF performance in accordance with the terms of the Scope of Work of the present contract. (For the specific questions to be addressed in this report, see Scope of Work attached as Annex 1).

Before discussing the findings of the literature review, it is useful to begin with a brief history of the NDF movement.

## 2. A Brief History: The Emergence of National Development Foundations (NDFs)

As stated in the Project Paper (PP) developed for the Solidarios Development Fund (598-0587),<sup>1</sup> opportunities for the small producer in Latin America to improve its social and economic status have been traditionally constrained by: a) over centralization of public services and a corresponding lack of local organizational competence and infrastructure in both rural and urban areas, and b) the absence of institutional mechanisms to facilitate and motivate low income groups in the process of their own socioeconomic development, including but not limited

to, access to credit and related services necessary to increase productivity and income.

In view of these constraints, concerned members of the private sector joined to found national development foundations as a means of directing private sector assistance to the poor in Latin America and the Caribbean. As further noted in the Project Paper, "the prototype of this movement was the Penny Foundation in Guatemala, which was established in 1963 for the expressed purpose of involving the private sector in the development process."<sup>2</sup> With the assistance of the Guatemalan business community, a program was developed around the concept of providing loan and technical assistance to poor campesino groups for agricultural inputs such as fertilizer, seeds and other related needs. Based on this model, foundations have been established over the past 23 years in most of the other Latin American countries to provide technical assistance and loan funds to low income (principally rural) groups.

During the late 1960's and early 1970's, many of the NDFs received assistance from the U.S.-based Pan American Development Foundation (PADF), which played a major role in the promotion and organization of new NDFs. In some countries PADF assisted in the creation of new foundations; in others it reorganized and restructured existing foundations along NDF lines.

In 1972, however, a major change occurred in the NDF movement when 14 of the foundations established with PADF assistance created their own consortium of foundations--called

SOLIDARIOS--which was established to provide information, funding through a revolving fund program and technical assistance to its member foundations. In recent years SOLIDARIOS' membership has grown to include some of the newer NDFs established with PADF assistance, as well as other organizations, similar to NDFs but established independently. (A list of NDFs that are members of SOLIDARIOS is attached as Annex 2).

PADF, on the other hand, has renewed its promotional efforts in establishing new foundations, particularly in the Caribbean. As a result of these efforts, new foundations have been recently established in Jamaica, Dominica, the Bahamas, Belize and St. Lucia.

### 3. The State of the Evaluation Literature

The present review of literature on the National Development Foundation (NDF) concept was a difficult and challenging exercise. Some of the documents, especially the older evaluations, seem to have been lost. Others, particularly the most recent evaluations, were not accessible as they have not yet been made available to the public. More significantly, although there is a fairly extensive general literature on National Development Foundations (NDFs), it is difficult to reach any firm conclusions concerning the performance of these foundations on the basis of the secondary evidence presented in the existing evaluations.

Several aspects of the existing evaluation literature should be noted. First, most of the existing evaluations were undertaken several years ago and are therefore quite outdated.

Although these materials include valuable (particularly historical) insights on the origins and evolution of the NDF concept in Latin America and the Caribbean, they provide limited information on the more recent state of NDF affairs, especially of the last three or four years.

Second, existing evaluations were not undertaken at regular intervals and/or as part of an overall evaluation plan. For the most part, they were conducted largely as social science exercises, and hence on an episodic, ad hoc basis with apparently little concern for comparability of results. The format of these evaluations is so predictable as to form almost a genre, usually along the following lines: The evaluations begin by providing a general picture of the socioeconomic situation of the country at the time of the evaluation, including a detailed description of the principal crops; minerals; inflation, and so forth. This description is followed by a discussion of several general aspects of the rural population--its growth, age, health (including morbidity and mortality rates), housing, agricultural productivity (usually low), and issues such as land tenure, credit, technology, and marketing infrastructure. These data, in turn, are followed by a description of the programs developed by the foundation that address the most pressing problems facing the rural poor. This section includes a discussion of the impacts achieved, and recommendations for corrective action regarding various aspects of the projects.

The end result is thus a snapshot of the socioeconomic condition of the target population at the time of the inquiry,

the programs developed by the NDF and their impact, and a corresponding set of policy recommendations.

There are, however, several problems with this approach to evaluation. Although some are "external" evaluations in the sense that they were undertaken by outside experts, the survey data on which they are based were gathered largely by in-house foundation personnel. Some of the questions were structured in such a manner (e.g. "Does the foundation provide adequate services to the campesinos?") as to pre-determine the responses. Consequently, there may be problems with the reliability of the data.

Second, since the evaluations were undertaken at various points in time, in different countries and by different personnel, a consistent and systematic evaluation methodology based on uniform categories of analysis was not developed. Consequently, one of the major shortcomings of the literature is the lack of indicators to measure the effectiveness and impact of NDF performance, particularly on a comparative basis (i.e. between foundations). Even simple indicators such as the number of graduates i.e. beneficiaries that have been successful in obtaining regular commercial loans after receiving foundation assistance, are practically nonexistent.

Existing evaluations are therefore of limited value not only in determining the effectiveness and impact of specific project interventions but also in making longitudinal and/or cross-cultural comparisons.

Lastly, it is difficult to determine the outcome of the policy recommendations contained in the existing evaluations.

In optimal situations, the recommendations probably resulted in some type of corrective action by the NDF. In other cases, the evaluation and its corresponding recommendations were probably not acted upon as a result of inadequate follow-up or, more likely, because the recommendations were made in the "abstract:" i.e. divorced from an established system of planning, programming and evaluation in which evaluation plays an important, on-  
going feedback function.

In generalizing about this diverse body of literature, the following can be said: For the most part these evaluations are based on single case studies, oftentimes of arbitrarily selected NDFs, undertaken on an ad hoc basis, based largely on impressionistic and subjective accounts of NDF performance, and consequently, with few if any quantitative indicators of effectiveness or impact.

Despite the difficulty and risk in generalizing on the basis of single case studies and the secondary information contained therein, the existing literature nevertheless reveals various patterns and trends concerning NDF performance that will be discussed in the following sections.

#### 4. What Does the Record Show?

As noted above, one of the major shortcomings in the literature is the absence of indicators to determine effectiveness and/or impact of NDF performance. This was a surprising finding in view of the fact that, collectively, the NDFs appear to have been successful in transferring resources from

the formal to the informal sector: i.e. from the private sector and from the large international donors to the small-scale entrepreneurs, farmers, and artisans throughout Latin America and the Caribbean. For example, the PADF estimates that, collectively, the NDFs have disbursed over \$100 million to the rural and urban poor in Latin America during the previous 23 years. SOLIDARIOS further indicated receiving the following amounts of financial assistance from major international sources in the last decade:

Financial Assistance to SOLIDARIOS  
1972 TO 1983  
(in thousands of US \$)

Source	Amount
Agency for International Development	5,100.0
Inter-American Development Bank	4,620.0
Private Agencies Collaborating Together	340.0
International Development Research Center of Canada	221.0
Inter-American Foundation	72.0
Tinker Foundation	25.0
Rockefeller Brothers Fund	15.0
Total	----- 10,393.0

Although the writer attempted to obtain information from SOLIDARIOS concerning the levels of funding for NDFs in the last 10 years, he was informed that SOLIDARIOS did not presently have this information, and that to obtain it would involve a considerable research effort at the NDF level, particularly in view of the diversity of funding sources of the NDFs, including major donors and the local and international private sector.

Given the absence of hard financial and other data, the most one can say on the basis of the literature reviewed for the present study is that NDFs have a very mixed performance

record. In some instances some of the NDFs appear to have been quite effective in achieving stated objectives and can rightfully claim to have had an impact among the poor in Latin America and the Caribbean; in other instances they did not achieve their objectives; and in others we simply do not know, to judge by the literature, what actually happened.

Despite the highly uneven quality of the evaluation literature and the absence of quantitative data on effectiveness and impact, one can examine other, more qualitative, factors that give us an idea of NDF performance.

#### 5. The NDF Approach to Development

The evaluation literature suggests that one of the key elements to an understanding of NDF performance is the approach to development used by NDFs. Although NDFs have different histories and evolutions, they all profess to follow what could be called an "integrated approach" to development, whereby the foundations assist the target population in three major areas:

- 1) credit assistance--making credit funds available (usually through a revolving fund program) to low income groups who do not qualify for credit through regular lending institutions to enable them to undertake developmental and production-related projects;
- 2) promotional assistance--providing organizational advice as well as managerial training to establish or strengthen local groups or cooperatives; and
- 3) technical assistance--providing specialized technical assistance for both project development and implementation.

The literature suggests several problems with this kind of community development. As we shall see below, the failure of NDFs to establish proper objectives stems from their unique character. Although NDFs were designed to function as mechanisms to reach the rural poor through technical assistance, training, and, in particular, through the provision of credit, they are neither purely financial nor purely developmental institutions: they are both. This duality in organizational structure has led to confusion as to the proper development role and objectives of the NDFs, and ultimately, to the inability of the NDFs to achieve all of their objectives in reaching the poor. The central problem for the NDFs has been to establish a balance or equilibrium between social and economic objectives. Unfortunately, most of the NDFs have not established such an equilibrium and, consequently, have had difficulty in assigning priorities to the different social and economic objectives of their projects, with a correspondingly adverse impact on their performance.

#### 6. What Are the Choices?: Human Development v. Economic Development

The creation of an NDF was a way for local business and civic leaders to help small-scale producers lacking know-how or credit records to obtain small loans and thereby expand their efforts and improve the quality of their lives. In practice, however, NDFs have tended to emphasize their role as human development agencies, with a heavy promotional/educational thrust, as distinguished from more strictly defined financial

objectives. This orientation toward human development stems from the central assumption that the most disadvantaged sectors in Latin America lack not only the physical infrastructure but also the basic motivation, knowledge, skills and community awareness to be fully productive citizens. Development is thus not simply a matter of channeling financial resources to the poor: the poor have to be motivated and educated to participate in their own development. Therefore, to improve the living standards of the rural poor and ultimately to integrate them as productive and self-reliant members of their societies requires major social investments in order to mobilize, organize and educate the poor in concepts of collective action and in the use of financial mechanisms such as credit.

This is a difficult and challenging approach to development by virtue of its comprehensive nature and, in particular, by its simultaneous pursuit of both social and economic objectives. Although they are not mutually exclusive or incompatible, these objectives can seldom be satisfactorily pursued at the same time. The record reveals that those NDFs that have attempted to achieve all of these objectives simultaneously have not been able to achieve any of them in a very satisfactory manner.

In the first place, the NDF approach to development necessitates a very intensive field methodology. It involves a long, drawn-out process of community organization based on an extensive outreach program in the target community. The idea is to organize local groups (oftentimes lacking even the rudiments of formal organization), motivate and counsel them to undertake

projects that enhance productivity and income. This approach oftentimes involves one-on-one counseling of single individuals or of small informal groups. In Haiti, for example, the outreach agents ("animateurs") for the Haitian Development Foundation (HDF) are responsible for a great variety of tasks, including the following:

1. Conduct a survey of the market potential of his or her area of work;
2. Screen potential applicants;
3. Select beneficiaries for technical assistance;
4. Provide technical assistance to the client;
5. Screen out candidates not responsive to technical assistance;
6. Assist in preparation of loan applications;
7. Submit completed application to loan officer;
8. Help client maintain account books during loan period.

These objectives were particularly difficult to achieve because many NDFs insisted on working with the most marginal and isolated groups that lacked basic organization, motivation and resources, particularly in the earliest days of the NDF movement.

It is not surprising that NDFs did not have the institutional capabilities to manage this ambitious an agenda. NDF staffs typically experienced major difficulties in servicing portfolios consisting of a plethora of small, oftentimes

"atomized" and unrelated projects, which, the literature suggests, were not very effective in the context of the widespread needs of these communities.

Although some of the evaluations attempt to provide quantitative data on the impact or effectiveness of NDF projects, this is generally one of the most underdeveloped areas in the literature. At best, one finds general statements such as "This project assisted a group of poor farmers in XYZ province;" or, "The beneficiaries are a group of poor fishermen, shoemakers, etc."

The problem was exacerbated by the pursuit of "equity" concerns which oftentimes resulted in a lack of clear guidance on credit policies, including setting of unrealistically low interest rates and taking soft stances on loan delinquencies. In some instances, for example, groups viewed loans as grants that did not have to be repaid.

The literature thus indicates that most of the NDFs, particularly in their early years, followed an unbalanced approach to development, that is, one based on a heavy emphasis on promotional activities which, in turn, resulted in the undertaking of largely economically unfeasible project activities of little impact and/or effectiveness.

The literature suggests the major conclusion that this modus operandi, involving heavy investments in promotion/education, is the principal reason why NDFs have never been economically viable and self-sufficient, and perhaps never will be.

The central dilemma of the NDFs has been that major

social investments are a necessary condition to the enhancement of productivity of the rural poor; yet, in the short run at least, social investments divert resources from more directly economic (productive) activities. The more the NDFs insisted on working with the most marginal groups in society, the more difficult it became to achieve both the social and economic objectives needed to make projects work.

Foundation personnel are only too well aware of being caught in the dilemma. They point out that, by their very nature, foundations were established to underwrite "high risk" projects to assist the rural poor. These projects require major investments in promotion/education if they are to have any chance of success. Unfortunately, no one is willing to underwrite the promotional costs. ("Nadie te paga la promoción."). They thus argue that an indefinite period of subsidization ("subsidiaridad") of NDFs is necessary.

On this point, J. Heard, in his evaluation of FUNDE, expresses what is probably a fairly widespread sentiment concerning NDF self-sufficiency: "Donor financing has been of overriding importance to the development of FUNDE and its cooperative system. FUNDE is a foundation. It was not designed to become viable on the basis of operations (although this has now become part of its strategy for future self-sufficiency)."<sup>4</sup>

## 7. Management

Although some of the NDFs have been successful in improving their management capabilities, the evaluations indicate

that, on the whole, almost all of the the NDFs have experienced great difficulties in establishing adequate management systems. Management problems have been identified: 1) at the NDF level and 2) at the project level.

A) Internal NDF management

If one defines management as the exercise of control over the use of resources, then the responsibility of management is to plan, to oversee and to monitor activities, to evaluate progress, and, on the basis of the information gathered, to make modifications in the overall planning process. In this sense, the function of management is planning and decision-making.

One of the most surprising findings is that NDF performance has consistently reflected inadequate--oftentimes poor--planning. This is all the more surprising in that it appears to occur across the board: in other words, even NDFs with the longest track records and best reputations such as FMDR, FUNDE, FDD and the Penny Foundation do not appear to have been immune to poor planning, and consequently, to bad management practices. It is all the more remarkable in that most of these foundations have been consistent recipients of technical assistance to improve their managerial systems from a variety of sources.

SOLIDARIOS attempted to improve the planning, programming and evaluation cycle through a series of seminars held in 1979-1980. From these seminars it published a series of documents on the planning, programming and evaluation (PPE) cycle. However, as a result of inadequate funds and follow-up, there has been no concerted effort to implement this system in

all the NDFs (although it appears that efforts have been made to institutionalize the system on an individual basis)

Some of SOLIDARIOS' own assessments ("Diagnosticos Institucionales") also indicate that as of 1982, almost none of the foundations had established procedures for medium or long-range planning. In fact, written annual work plans establishing goals, objectives and a calendar of foundation activities apparently are not prepared by most of the foundations.

It is therefore not surprising that perhaps as a direct result of these deficiencies in planning, programming and evaluation, NDFs have oftentimes had very unclear and unrealistic notions as to goals, objectives and the strategies to achieve them; or they have been unable to provide adequate descriptions of the steps needed to implement agreed upon strategies in accordance with target dates and quantitative indicators of progress. And of course evaluations have not been developed as an integral part of an overall planning cycle, providing on-going feedback on foundation activities.

These are important planning exercises which, when properly developed as part of an annual work plan or other similar planning document, can be used as management tools to monitor the performance of the NDF as well as to assist in areas involving budgets and staff requirements (including, for example, recruitment and training of staff).

Evaluations also have pointed out the following administrative shortcomings involving:

1. Lack of standardized and specific office

procedures and manuals (including accounting systems);

2. Inadequate personnel records and record keeping;
3. Inadequate intra-office communication;
4. Inefficient loan processing and monitoring systems.

Although NDF personnel interviewed in the course of the present study freely and candidly admit their mistakes, they feel that these mistakes are an inevitable part of the learning process of the foundations. As a result, they feel that they are in an excellent position to take advantage of the "lessons learned" in the years to come.

However, NDF officials also point out that external factors beyond their control have greatly affected their ability to consolidate the planning cycle. Some of these factors are as follows:

1) The uncertainty in acquiring funds from local and external sources. Long-range planning has been particularly difficult in view of the reluctance of the local private sector to contribute funds under conditions marked by hyperinflation and/or official devaluations.

2) International donors have been arbitrary in terms of the timing and the type of projects they approve. Foundation officials point out that donors provide funding for projects that are in vogue ("faddish") and that may or may not be consonant with a foundation's own programming and planning priorities.

3) Government policies were also said to have an adverse impact on NDFs' ability to establish long-range plans. Oftentimes governments discourage project activities in areas

where the foundations have been active for long periods of time.

In view of these deficiencies, or perhaps as a reflection of them, NDFs have tended to proceed on the basis of partial plans, on an "ad hoc," trial and error basis, and not infrequently, on the basis of charismatic leadership, which provides much of the inspiration and discipline in maintaining staff morale and the functioning of the organization. A major side-effect of this centralization of power has been bureaucratic inefficiency where little gets done except on the expressed authority of NDF leaders.

#### B) Project Management

In addition to NDFs' internal management difficulties, several evaluations have pointed out problems involving NDF project management practices.<sup>7</sup> Although foundations are not involved in project management per se, on occasion they have assumed direct responsibility for managing projects. One of the major criticisms is that the NDF management style is not consonant with the objectives, experience, and motivation of the NDFs. In particular, NDFs have had an especially difficult time managing projects involving new sectors of activity or new geographical regions. Specifically, the following management deficiencies have been noted:

1. Perhaps due to unfamiliarity with new lines of activity or with the region, there has been a tendency to establish highly unrealistic project objectives. Even highly experienced NDFs have had highly unrealistic expectations as to the number of jobs that could be created or the increase in

income that could be achieved.

2. The motivations and modus operandi of running a human development agency providing credit to small farmers are not the same as those involved in operating small business enterprises. The latter require entrepreneurial skills that foundation personnel oftentimes do not have. NDFs have tended to establish project activities as bureaucrats without proper instincts or attention to the dictates of the marketplace and the profit motive.

3. On a related matter, the NDFs established overly cumbersome project management systems consisting of several layers of bureaucracy: 1) the NDF staff level itself; 2) the project level personnel and lastly, 3) the field level staff. Oftentimes, coordination between these levels was not adequate. Under these circumstances, beneficiaries at the project level tended to dissociate themselves from the project. The project was then perceived as an NDF project rather than their project. The end result was the "bureaucratization" of the beneficiary for whom the activity became all important rather than the results achieved through the activity i.e., an increase in jobs or income.

4. NDFs have tended to exacerbate this problem by not taking a clear stance on the role they play vis-a-vis the project. In some instances, the NDFs have not made it clear whether their role involved production or training.

5. Other problems have included inadequate planning with regard to the availability of raw materials, marketing of products, price structure, and demand for products.

Although it cannot be said that the above-mentioned deficiencies are typical of all NDFs, it is nevertheless true that many of the NDFs not only did not meet their objectives but, in fact, did not survive as development institutions. According to one evaluation written in 1982, of 17 foundations, six were no longer operational (Paraguay, Chile, Bogota, Colombia, Bolivia, Peru, and Venezuela); one was barely functional (Honduras); three had experienced serious financial and management problems (Guayaquil, Ecuador, Cali, Colombia, and San Jose, Costa Rica); and seven (Guatemala, Nicaragua, Quito, Ecuador, Mexico, Dominican Republic, Argentina, and Trinidad and Tobago) were considered to be effective credit institutions for rural groups<sup>8</sup> and, to a lesser extent, small scale urban businesses.

This was the situation in 1982. Since then, some of the foundations (in Chile and in Honduras, for example) have been undergoing a process of rehabilitation.

#### 8. Retrenchment from Human Development/Equity

The literature reveals that, as a general trend, most of the NDFs have been under constant pressure to redefine the human development/equity approach to community development in favor of a more realistic approach based on more strictly defined economic development criteria. Largely through a process of "trial and error," several of the NDFs modified their approach, adopting a different set of criteria/objectives that was more realistic, particularly by focusing on target populations with more viable economic potential. Specifically, NDFs began to

place greater emphasis on: a) larger, more established groups; b) larger loans; c) an increase in interest rates charged to project beneficiaries, and d) a harder stance on loan delinquencies. In some instances, the promotional/educational function was abandoned altogether.

In this context it is also interesting to note that in shifting to more directly economic (especially productive) activities, credit mechanisms became a dominant input in contrast to NDF activities premised on a human relations/equity model in which credit is only one of several mechanisms used to mobilize the community.

Some evaluations note that in this process of re-definition of roles, objectives and policies, many of the projects and ipso facto project beneficiaries were abandoned. Unfortunately, the absence of longitudinal data (particularly on graduates of NDF programs) do not permit us to provide a good description of these groups. One can only say that, in general, the smaller, least directly productive entities were abandoned, whereas the larger and most economically promising units appear to have been maintained and supported.

In other instances there appears to have been an attempt on the part of the NDFs to strike a balance between human development/equity and strictly economic criteria. In fact, the more successful NDFs such as FDD, FMDR, FUNDE and the Penny Foundation, owe their success, in large measure, to their ability to strike such a balance.

## 9. NDF and Donor Expectations

NDF and donor expectations as well as modes of operation also have affected achievement of objectives and impact by NDFs. For example, as we have seen, NDFs have been highly dependent on outsiders, particularly for financing and technical assistance. In addition to PADF, which has heavily promoted the NDF concept, other major international donors such as the Interamerican Development Bank (IDB), PACT, and AID, provided technical assistance for project development and implementation.

It is not surprising that the literature reveals that NDFs have been caught between conflicting donor expectations involving basic goals and objectives. As we have already seen, NDFs have been under constant pressure to undertake more productive and efficient projects and to target beneficiaries, particularly those already belonging to larger organizations, which are easier to reach and have greater economic potential. At the same time, however, some NDFs were being urged by donors to continue to work with less productive small-scale groups. The Development Group for Alternative Policies, a Washington-based non-profit organization, also recommended in its series of assessments (written on behalf of SOLIDARIOS) that NDFs pursue equity goals, by lending on a community-wide basis rather than to generally more productive individual entrepreneurs, for example. And in the case of the OPG to the NDF/Jamaica, AID urged "funding for small productive and social purpose projects."

Although the literature points out that NDFs have been caught between conflicting objectives of major donors, we are not told how--or whether--these conflicts have been addressed. What

is certain, as Susan Pezullo has indicated, is that the conflicting objectives of the donors oftentimes work at cross purposes, pulling NDFs in different programming directions that have not always enhanced the efficiency and effectiveness of the NDFs.<sup>9</sup>

Discussions with donor representatives revealed that part of the problem is the lack of donor coordination. They also indicated that this issue needs more attention at present, given the proliferation of new NDFs, the increased funding to NDFs in recent years, and the emergence of SOLIDARIOS as an umbrella organization for NDFs.

#### 10. Host Government Policies and Environmental Conditions

Host government policies and environmental conditions (e.g. political, economic, cultural and institutional) obviously have had a great impact on the ability of NDF to carry out their respective country programs. However, perhaps because of its complexity, this is one of the lesser developed themes in the evaluation literature. For example, one of the evaluations ascribes the initial success of NDF/Jamaica, in large measure, to the propitious political climate for the private sector at the time the NDF was established in 1980.<sup>10</sup> By contrast, in the highlands of Guatemala,<sup>11</sup> another evaluation suggests that a climate of political violence (and in particular of political disappearances) was largely responsible for a decline in NDF membership among the local population and, consequently, contributed to the local NDF's inability to carry out its activities in general.

Other organizations such as FUNDE obviously have been directly affected by the policies of new regimes. One evaluation<sup>12</sup> in 1980 points out, for example, that after the Civil War in Nicaragua, FUNDE cooperatives (i.e., credit unions) were flooded with members (old and new) seeking credit and also a safe haven for savings. As it turned out, although the new government encouraged FUNDE's cooperativism, some of the individual ministries (e.g. agriculture and public sector) remained hostile to FUNDE's activities. The absence of more recent evaluation materials prevent us from saying how the relationship between FUNDE and the new government has evolved, or how specific policies of the regime have affected achievement of FUNDE's goals and objectives.

The problem that has had perhaps the most significant impact on NDF performance involves the high inflation and/or devaluation that have victimized most of the Latin American countries in recent years. Before the large infusions of funds from major donors in recent times, inflation and devaluation appear to have been lesser concerns than they are today. Outreach work was carried out on a much smaller scale, focused on promotion and organization of comparatively small low income population groups, and involving the administration of small projects with limited credit programs based largely on local currencies. Under these conditions hyperinflation and devaluation did not pose a major threat to NDF operations.

However, the problem appears to have taken on major proportions with the infusion of larger capital flows from the

donors around 1978 to finance expansion of NDF activities, particularly through the use of dollar-denominated accounts. As a result of the ensuing decapitalization, there has been a long search to find the appropriate mechanism to protect NDFs from decapitalization and at the same time to ensure repayment of these loans.

The pressures to disburse larger flows of capital to NDFs as a result of the greater availability of funds also raises questions of absorptive capacity and the appropriateness of projects to local needs. The literature cites examples of NDFs such as FUCODES, which has had difficulty in managing and programming large amounts of funds from major donors. However, very little attention has been paid to this issue.

11. How are National Development Foundations (NDFs) Established?

As noted earlier, the NDF movement began in Guatemala in 1963 with the creation of the Penny Foundation, which used a revolving fund as its model to reach the low-income, principally rural, poor. In 1966, the model was replicated in the Dominican Republic and in Mexico. The success of these early organizations contributed to the spread of the NDF movement to other countries in Latin America.

NDFs were started by concerned members of the local private sector--businessmen, civic leaders and community activists. Typically, the process began with informal (some have called them "spontaneous") discussions among representatives of the private sector. Oftentimes it was a long, drawn-out process

involving from 2 to 3 years, in some instances. In a number of cases, international organizations such as the PADF played a major role in assisting some of the NDFs in organizing themselves.

A "methodology" appears to have emerged in which a working group would be established which, inter alia, was responsible for preparing feasibility studies defining local needs; developing potential project activities to address these needs (e.g. credit and managerial assistance to small farmers or to small urban entrepreneurs, etc.); and making projections as to the resources needed to undertake proposed activities. Proposals were then prepared by the local group (sometimes with the assistance of outside groups such as PADF) and submitted to available funding sources.

At the same time, the local working group was responsible for obtaining legal registration as a nonprofit public service corporation. If successful in obtaining funds, the local NDF would proceed to: a) the recruitment of qualified personnel; b) the organization and management of loan funds and supervision of credit programs; c) the establishment of a fund-raising program; and d) the establishment of overall administrative (including financial) systems.

## 12. Board Members: Who are They? Process of Selection

The board of directors is the policy-making body of the NDFs. Members are elected (usually on an annual basis) by the General Assembly of members of the NDF. In some instances, the boards of directors have proven to be too large for effective policy making (for example, 17 members in the case of the

NDF/Haiti). The average size of most boards, however, tends to be from 5 to 7 members.

Given that one of the major objectives of NDFs is to mobilize the local private sector to participate in the process of social and economic development, it is not surprising that a significant number of boards consist of businessmen/women and professionals who, as a group, tend to represent the local social and economic elite. Although it is difficult to estimate the amount of funds they have been able to raise in local funds for NDF projects, they perform other valuable functions such as, for example, providing "in-kind" contributions and/or volunteer efforts, thus providing scarce human resources to the local NDFs. In addition, the presence of local notables on the NDF boards has served to legitimize the activities of the NDFs. On the other hand, none of the evaluations indicate to what extent the presence of local elites influence or affect the type of programming undertaken by NDFs.

### 13. Internal Structure

The internal structures of NDFs are largely similar. In addition to a board of directors, which is the policy-making body, there is generally an executive committee responsible for executing the NDF program. In addition to the executive director, there are various divisions and/or committees responsible for carrying out different functions of the NDFs. The organization charts attached as Annex 3 provide examples of the internal organization of some of the NDFs.

Unfortunately, the evaluation literature is particularly weak with regard to in-depth information beyond what is included in organization charts. Despite the significant infusions of technical assistance funds provided by the major donors for "institution building" in recent years, there is very little information on internal administration (particularly on personnel systems) or on financial/accounting systems. None of the evaluations consulted provide detailed analyses of skill levels of NDF personnel, the degree to which they address NDF program needs or the evolution of staff skills in accordance with changes in NDF philosophy and/or programming.

SOLIDARIOS appears to be taking a step in the right direction by gathering data on NDFs' internal structure through its system of questionnaires, which now serves as the basis for its institutional assessments ("Diagnosticos Institucionales"). The raw data provide information on total numbers of personnel on the internal staffing patterns of the NDFs. However, although the system has great potential, it is still in its infancy and is currently being refined and modified by SOLIDARIOS.

The lack of information on internal structure is a serious gap in the evaluation literature. At best one finds general statements in some of the evaluations indicating that the absence of skilled personnel has been a problem, particularly when the NDFs attempt to enter a new field of endeavor or a new geographical region.

Another noteworthy oversight is the lack of analysis as to the adequacy of financial/accounting systems--both at the SOLIDARIOS and NDF levels. This oversight is especially

striking in view of the fact that since 1979 all the NDFs have adopted a uniform accounting system ("contabilidad por fondos"), developed by SOLIDARIOS, including the development of published materials such as M. Mella's Instituciones no lucrativas: Administracion, contabilidad por fondos y control interno.

The evaluation of the present accounting system is of course important in assessing NDF performance and, in turn, SOLIDARIOS' performance as a major loan disbursing entity for NDFs (a role which some donors would like to strengthen). Furthermore, except for annual reports submitted by SOLIDARIOS to participating donors, it does not appear that a systematic monitoring system, based on regular, periodic reviews currently exists.

#### 14. Socioeconomic Background of Borrowers

##### A) Socioeconomic Data

The socioeconomic background of borrowers is one of the most poorly developed topics in the available evaluation literature. As already noted, despite repeated recommendations, NDFs have been singularly slow in the systematic collection of socioeconomic data on borrowers. It is not unusual to find statements in the evaluation literature such as "This project is assisting a group of poor farmers in such-and-such province;" or "The borrowers consist of a group of very poor urban dwellers in the city."

Only recently has there been an effort (by SOLIDARIOS) to gather information on beneficiaries on a systematic and

controlled basis for all the NDFs, including the use of computers for tabulation and analysis.

The literature, nevertheless, reveals some interesting--albeit impressionistic--views of the client population. For example, despite the efforts of the older foundations to work with the most marginal and isolated groups, the fact remains that for the most part borrowers do not belong to the most marginal sectors of the informal economy, even though they do not have access to commercial credit sources and their average family per capita incomes are low. If one views the informal sector as multi-tiered, most borrowers appear to belong to the medium to upper strata of the informal sector. Moreover, given pressures on NDFs to improve their "return on investment," there is constant pressure to fund increasingly "better off" groups, who have what is called "potential for development." This trend has been reinforced to some extent by NDF lending to individual entrepreneurs who generally consist of "better off" single individuals.

#### B) Credit Assistance

The credit assistance provided by NDFs has generally been of two types--direct lending and guarantee programs, both on the basis of rotating loan funds established by the NDFs. Historically, the principal mechanism used by NDFs has been direct lending. (The major exception is the Mexican Development Foundation (FMDR), which is discussed below). Under a direct loan program, the NDF makes small loans directly to campesino (and more recently to urban) groups. As already noted, some of the evaluations suggest a general trend toward increasingly

larger loans to "better off" groups. However, in view of the limited secondary data, it is difficult to make generalizations.

Interest rate policy varies considerably, in accordance with each of the foundation's policies which, in turn, reflect national economic conditions. Evaluations point out that, in the early years, many of the foundations tended to set unrealistically low interest rates, which created problems of decapitalization for some of the foundations. Today, there is an overall policy of establishing interest rates at 80% of the on-going rates in the local commercial sector.

The following table provides information on interest rates charged by the foundations over the last three years:

Interest Rates Charged by National Development Foundations

	1981	1982	1983
INDES (Argentina)	-	-	140+
DESEC (Bolivia)	16	-	44+
FUCODES (Costa Rica)	20.5	20.5	18.2
FED (Guayaquil)	17	14	12
FED (Quito)	12	14	12
FUNDACEN (Guatemala)	11.5	10	10
FHD (Haiti)	14	14	-
FMDR (Mexico)	17	-	24
FUNDE (Nicaragua)	8	-	10
FDD (Dominican Republic)	9	9	9
IPRU (Uruguay)	40	40	40

It should be pointed out that in some countries with extremely high rates of inflation, such as Argentina and Bolivia, interest rates have become largely irrelevant in determining the value of money. Foundations are studying possibilities of using a "market basket of goods" approach to loan repayments. Under this system, the value of a loan would be initially established as, for example, XYZ quintales of a product or group of products, and the amount to be repaid would therefore be the value of XYZ + 2 quintales of the original amount of the loan.

Although NDFs have experienced loan defaults (exact figures are not available), these have generally been of small magnitude (5%-7%) and have been easily absorbed by the foundations. A more serious problem encountered by direct loan programs has been the hyperinflation and/or official devaluations of recent years. The problem has been especially acute in Mexico, Nicaragua, Bolivia and Argentina. In one instance, for example, FUNDE in Nicaragua was required to convert dollars at the official exchange rate of 10 cordovas to the dollar. However, to repay dollar-denominated loans it had to buy dollars in the parallel market at a rate of between 25-35 cordovas to the dollar.

Even countries with more stable currencies have not been immune to these problems. In Costa Rica, for example, FUCODES undertook commitments at 8.60 colones to the dollar. As a result of foreign exchange restrictions, it was obliged to buy dollars in the open market at a rate of between 30 to 42 colones to the dollar. In one transaction FUCODES lost approximately US \$75,000.

NDFs understandably have been reluctant to accept dollar-denominated loans from SOLIDARIOS, which have to be repaid in dollars. According to SOLIDARIOS personnel, this is the principal reason why SOLIDARIOS has had recent difficulties in disbursing its dollar-denominated loan portfolio.

At the same time, SOLIDARIOS has been reluctant to accept repayments of loans denominated in heavily devalued local currencies. To maintain the value of its portfolio as well as to increase its disbursements, SOLIDARIOS is currently studying the possibility of increasing its lending activity on the basis of guarantees as opposed to direct lending.

Under guarantee programs, loans are made to beneficiaries by a local bank and are guaranteed by the NDF or some other entity. In the case of the FMDR, which has one of the few guarantee programs at present, the loan is guaranteed by a mechanism known as a fideicomiso under which 80% of the loan made by a local bank is guaranteed by the Mexican Central Bank and 20% is guaranteed by the FMDR and the local central. Of the 20% about 3% is, in a sense, forgiven for educational/promotional work by the FMDR and the local central. Thus, in the event of a default, the FMDR and the central are only responsible for guaranteeing 17% of the total amount.

As noted above, the FMDR is one of the few NDFs with a guarantee program. Others include the FED in Ecuador, which recently established a guarantee program, and the Hogares de Desarrollo (HODE) in Guatemala, which has a guarantee program in conjunction with its housing program.

## 15. Motives for Borrowing

This is another of the least developed topics in the available literature. On the one hand, it appears that, for the most part, borrowers availed themselves of NDF credits that otherwise would not have been available to them, thus hoping to increase their productivity and ultimately their incomes.

However, there are suggestions in the literature that challenge the assumption that credit to low income groups is used directly for production activities to enhance a group's income. Instead, it appears that loans are sometimes used to grow consumption crops rather than cash crops. In this manner the campesinos gain a degree of "flexibility" to pursue perhaps more remunerative (particularly wage labor) in, for example, the coastal plantations in Guatemala. What the literature suggests is that loans were thus viewed as a subsidy and therefore did not contribute in a direct manner to an increase in the income of the campesinos.

## 16. Donor Agencies

As noted earlier, NDFs have been highly dependent on outsiders for both financing and technical assistance. Without this assistance, the NDF movement probably would not have flourished. Nevertheless, the assistance of outsiders has been a mixed blessing.

The issue of dependence and its impact on the NDFs can be illustrated by the role played by PADF vis-a-vis the NDFs.

The role of PADF has been complex and controversial in

that it has played a multiplicity of roles vis-a-vis the NDFs. As we have seen, PADF heavily promoted the NDF concept and still plays an active role in establishing NDFs. Consequently, it has served as mentor and advisor to NDFs; facilitator in securing funds; banker (it provides occasional loan funds to NDFs); and project manager (it was designated by USAID/Jamaica as the chief implementing agency of an OPG).

This mode of operation, in which PADF plays a multiplicity of roles, has proven to be confusing to the local NDFs and has created misunderstandings and tensions between PADF and the NDFs.

Exacerbating this situation is the fact that oftentimes the terms under which technical assistance was to be provided by PADF were ill-defined. (This criticism can be made of most of the other donors as well). Consequently, NDFs have had no idea of what was to be provided, why it was needed, when and how it was to be provided and the final objective of such technical assistance. NDFs also have complained that the technical assistance was too expensive and/or inappropriate to their needs, and that such technical assistance should therefore be procured from locally available sources.

The literature points out the tension created between PADF and some of the NDFs as a result of this situation but does not reveal whether this issue has been resolved.

## 17. Conclusions and Recommendations

Although there is by now a voluminous literature on NDFs (including some excellent individual evaluations), much of it is of limited value in providing a comprehensive understanding of NDFs. Despite the fact that some of these organizations have been in existence for almost a quarter of a century, we know surprisingly little about their performance as development institutions.

The time thus appears opportune to undertake a comprehensive evaluation of the NDFs that, in contrast to previous limited efforts, attempts to provide a systematic assessment of questions and issues that have not yet been addressed in the literature.

For such an evaluation to be effective it is therefore recommended:

1) That all major donors and interested parties (and in particular, SOLIDARIOS), be invited to participate in the planning of this evaluation.

2) That common understandings and agreement be obtained from the major donors with regard to the areas to be covered by the evaluation and the methodology to be employed in carrying it out.

3) That the evaluation be conducted not merely as another social science exercise but rather with a view towards the use of findings and recommendations as a management tool. To this end, the evaluation should be designed and structured with the objective of using the information obtained as part of an on-going, regular feedback mechanism of NDF performance. Such a

mechanism could be used by an umbrella organization such as SOLIDARIOS, for example, to strengthen the overall planning, programming and evaluation cycle of the foundations.

With regard to substantive issues, the proposed evaluation would be useful in addressing some of the following major questions which have yet to be addressed in a comprehensive and systematic manner:

1. Objectives, Impact and Validity of NDF Concept

- How effective have NDFs been in achieving their objectives?
- What impact have foundation projects had on poor populations, and on the basis of what indicators e.g. number of graduates, income increased per loan etc.?
- What is the validity of the NDF concept today? Are NDFs really reaching the poor as initially intended? What does this imply in terms of the NDF approach to development?
- What plans do the foundations have, if any, to establish self-sufficiency?

2. Internal Structure/Administration

Despite the considerable efforts by some of the donors to strengthen internal administrative and management systems, the evaluations noted serious deficiencies in this area. As a general proposition, the evaluation should carefully examine the current status of the planning, programming and evaluation (PPE) cycle developed by SOLIDARIOS. To what extent have training programs improved the PPE cycle? As we have seen, considerable

effort was devoted to the development of the PFE cycle which has yet to be implemented by all of the foundations.

Other areas requiring special attention might include the following:

- What is the adequacy of the technical assistance provided to the NDFs by the donors? What is the adequacy of technical assistance provided to the NDFs by SOLIDARIOS, particularly through its system of regional financial analysts?

- What is the status of internal NDF management in terms of the development of standardized, and specific, office procedures; intra-office communications; and administrative efficiency as measured by, for example, the number of loan applications processed, clients assisted, etc.?

- With regard to absorptive capacity, How efficient are present administrative systems to handle additional capital flows? What would be the impact on project planning and programming?

### 3. Accounting/Financial Systems

As noted in the report, in 1979 all the NDFs adopted a uniform accounting system ("contabilidad por fondos") that had been developed by SOLIDARIOS.

- To what extent does the system adequately account for funds?

- To what extent is the budgeting process used as an effective management tool that provides adequate feedback on NDF operations and programming? Is this accounting system an efficient mechanism for timely disbursement of funds?

#### 4. Data Collection

In view of the trend by SOLIDARIOS (and some of the foundations) towards increasing use of personal computers, the status of this data collection/analysis program should be carefully assessed to ensure that standard procedures are being developed for data collection and analysis by the NDFs.

With regard to socioeconomic data, the evaluation should assess the extent to which the system currently being developed and implemented by SOLIDARIOS establishes standard categories or units of analysis, particularly with regard to the age, sex, family structure, education, income, etc. of beneficiaries. These categories should be uniform, simple and developed so as to allow "before" and "after" profiles of program beneficiaries.

Once an agreed upon system is in place, the collection, tabulation and analysis of the data with the use of personal computers should not be a formidable task. What is important is to standardize data collection procedures in order to collect baseline information that can be used for comparative and longitudinal analyses.

#### 4. Monitoring

Given the proliferation of new NDFs, increased levels of funding to these foundations in recent years and the emergence of consortia such as SOLIDARIOS, the evaluation should assess the extent to which the donors have established systems to coordinate and monitor program activities and the performance of

the NDFs.

## FOOTNOTES

1. SOLIDARIOS Development Fund Project Paper (598-0587), 1978, p. 1.
2. Ibid., p. 2.
3. These observations refer largely to formal, external evaluations, undertaken usually by outside consultants. Some organizations such as PACT carry-out regular assessments of NDF activities that are used as a part of its internal planning and programming cycle.
4. J. Heard, "Fundacion Nicaraguense de Desarrollo (FUNDE): An Evaluation of Experience, Capability and Potential," 1980, p. 47.
5. M. L. Dulanse, "Dominican Republic Handcrafts Development Program," prepared for PACT, 1981.
6. In particular, see Planificacion, Programacion y Evaluacion: Guia para Instituciones no Lucrativas, published by SOLIDARIOS, 1981.
7. M. L. Dulanse, Ibid.
8. S. Pinzino, "Evaluation of Pan American Development Foundation: National Development Foundation Program," prepared for the Agency for International Development, 1982.
9. S. Pezzullo, "An Assessment of Five National Development Foundations: A Description of their Credit Programs and their Level of Assistance to Women," prepared for the Pan American Development Foundation, Spring 1983.
10. P. Prentice, "Report on the Evaluation of the Operational Program Grant to Pan American Development Foundation for Assistance in the Creation of the National Development Foundation of Jamaica," prepared for the Pan American Development Foundation, Fall 1983.
11. S. Pezzullo, Ibid.
12. J. Heard, Ibid.

Proposed Scope of Work  
for a  
Literature Review of the NDF Concept

I. Overall Review

Contractor will critically review available studies, evaluations, and other relevant material within the following agencies listed below; and write a report based on that review. Travel to the Dominican Republic (3 days) and to New York City (2 days) will be required to review documentation of Solidarios and PACT respectively.

Pan American Development Foundation  
Inter-American Foundation  
Private Agencies Collaborating Together  
Inter-American Development Bank  
Agency for International Development  
SOLIDARIOS  
Development GAP

The format of the report will consist of a 3 page executive summary, table of content, findings, conclusions and recommendations and appendices of (1) all NDFs, (2) informants interviewed, (3) bibliography. Submission of an initial draft or outline to be presented to the project officer one month after the start of the contract followed by final submission.

The report will assess the extent to which reviewed documents address (or fail to address) the following questions.

1. How effectively have NDFs and NDF projects achieved their stated objectives?

2. Have NDF projects had a positive (negative) impact on poor populations?

3. What are the possible explanators for NDF project impact (or lack thereof)?

In particular, the report will assess the extent to which reviewed documents answer the following specific questions.

## II. Substantive Questions to be Addressed By the Report

1. What is the quality (quantity) of the available evaluation information? Is the information uniformly provided across all (many, few) NDFs, projects, countries? What kinds of data are provided? Are data comprehensive? Are data comparable across NDFs, projects, countries? What is the quality of analyses?
2. Who actually benefited from project activities and how?
3. Were project-assisted activities and institutions sustained after project termination? What factors contributed to sustained maintenance of NDFs and the failure of others?
4. Were project interventions appropriate to host country financial capabilities, and level of technological and economic development?
5. To what extent did project management encourage (discourage) achievement of impact and NDF/project objectives? Discuss management problems that discourage NDF/project achievement of NDF project objectives.
6. To what extent did NDF and donor expectations and modes of operation encourage (discourage) achievement of impact and objectives?
7. To what extent did host government policies, regulations, etc., encourage, (discourage) achievement of impact and objectives?
8. To what extent did host country environmental conditions (political, economic, cultural, institutional) encourage (discourage) achievement of impact and objectives?
9. Levels of funding for NDFs throughout the Region in the past decade from major donors.
10. What factors contributed to sustained maintenance of NDFs and the failure of other NDFs?
11. What common denominators are found in the material reviewed that would lead to a general profile of NDFs, Borrowers, and donor agencies:

A. NDF's

1. How are NDF's established?
2. Type and amount of T.A. received.
3. Board Members → Who are they? Process of selection
4. Internal structure → Number and type of employees.
5. Relation to Donor Agencies.

B. Borrower

1. Socioeconomic Background
2. Group vs. Individual
3. Motives for Borrowing
4. Type of Loan → How long?
5. Interest Rate
6. Default Rate

C. Donor Agency

1. Role they have played in establishing NDF's.
2. Evaluation methodology.
3. Criteria used to determine effectiveness.
4. Monitoring procedures.

12. Which of the above impact issues should be more thoroughly reviewed in a field evaluation?

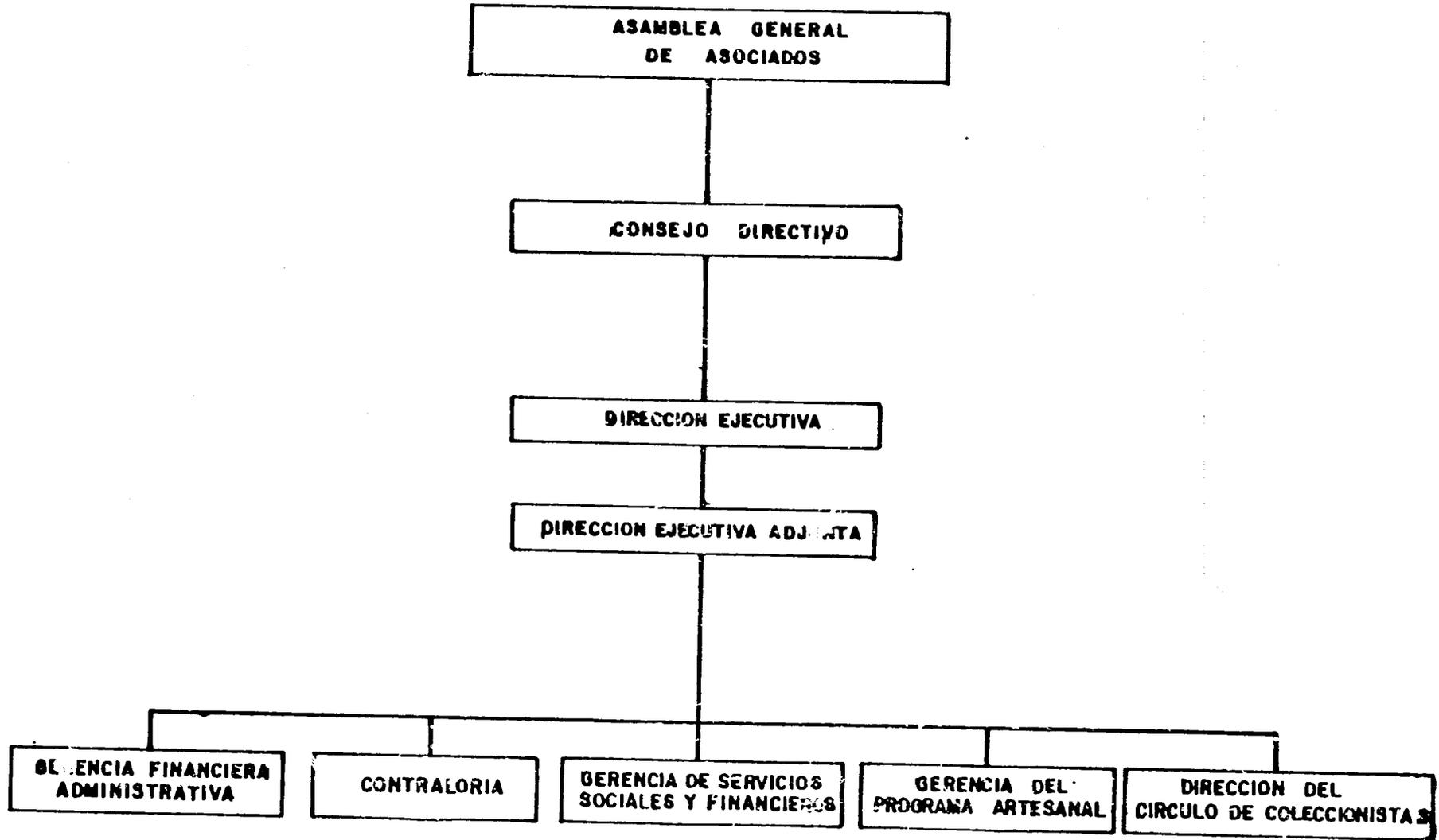
List of National Development Foundations (NDFs)Active Members

1. Instituto de Desarrollo Social y Promocion Humana (INDES)--  
Argentina
2. Centro para el Desarrollo Social y Economic (DESEC)--  
Bolivia
3. Fundacion Nacional para el Desarrollo Social (FUNDES)--Colombia
4. Fundacion Costarricense de Desarrollo (FUCODES)--Costa Rica
5. Fundacion Ecuatoriana de Desarrollo (Sur)--(FEDED)--Ecuador
6. Fundacion Ecuatoriana de Desarrollo (Norte)--(FEDED)--Ecuador
7. Fundacion del Centavo (FUNDACEN)--Guatemala
8. Fondation Haitienne de Devaloppement (FHD)--Haiti
9. Fundacion Hondurena de Desarrollo (FUNHDESA)--Honduras
10. Instituto para el Desarrollo Hondureno (IDH)--Honduras
11. Fundacion Mexicana para el Desarrollo Rural (FMDR)--Mexico
12. Fundacion Nicaraguense de Desarrollo (FUNDE)--Nicaragua
13. Fundacion Dominicana de Desarrollo (FDD)--Dominican Republic
14. Mujeres en Desarrollo Dominicana (MUDE)--Dominican Republic
15. Instituto de Promocion Economico Social del Uruguay (IPRU)  
Uruguay

Associate Members

1. Central de Cooperativas Agrarias (CENCOA)--Colombia
2. Hogar y Desarrollo (HODE)--Guatemala
3. Grupo de Tecnologia Apropiada (GTA)--Panama
4. Accion Comunitaria del Peru (ACCION)--Peru
5. Central de Credito Cooperativo del Peru (CCCP)--Peru

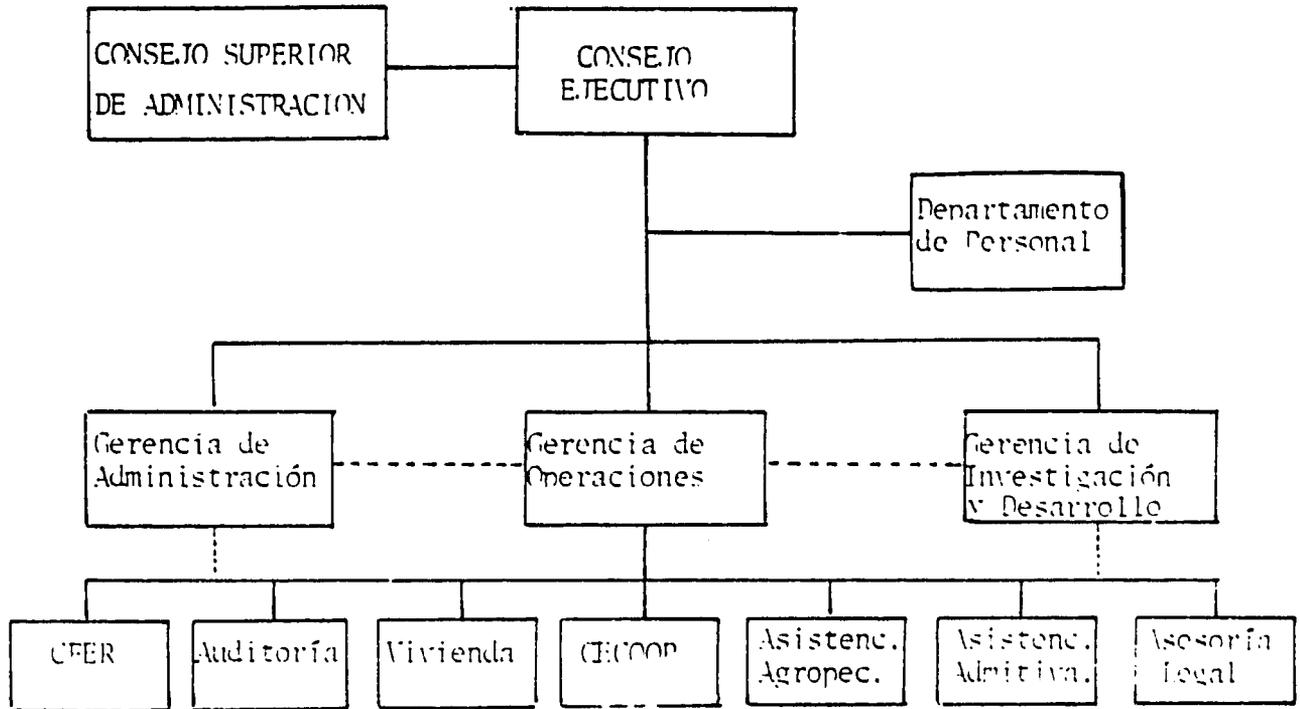
FUNDACION DOMINICANA DE DESARROLLO  
(ESTRUCTURA FUNCIONAL)



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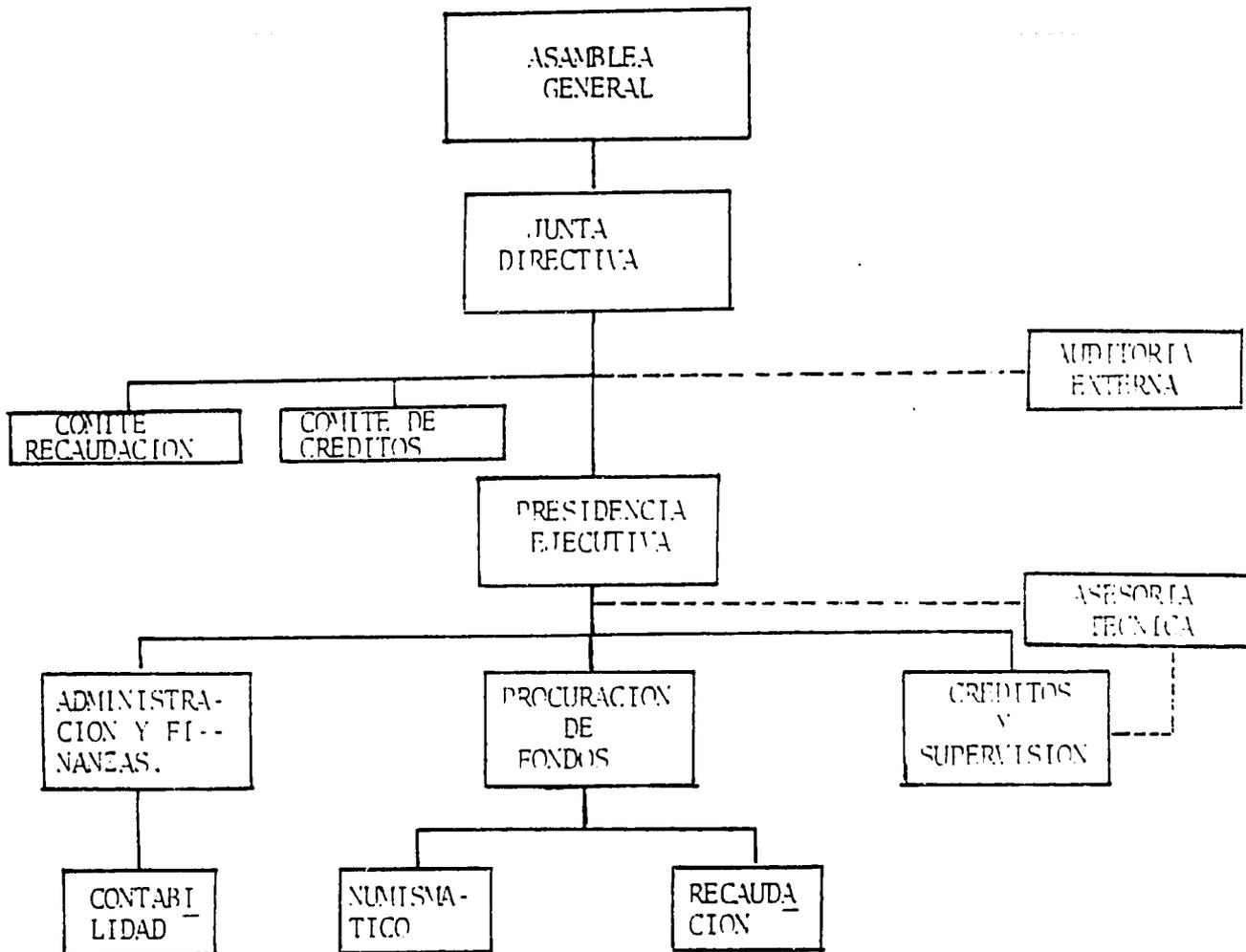
FUNDACION NICARAGUENSE DE DESARROLLO

ESTRUCTURA ORGANIZATIVA



FUNDACION COSTARRICENSE DE DESARROLLO

ESTRUCTURA ORGANIZATIVA



Nota (1) Corresponden a instituciones privadas y estatales que realizan la labor promocional, con las cuales FUCODES mantiene una coordinación de actividades técnicas de los proyectos previas a su financiamiento.

Name of Informants Interviewed

Agency for International Development (AID)

1. Paul Maguire
2. Antonio Velasquez

The Development Group for Alternative Policies, Inc.

1. Stephen Hellinger

The Inter-American Development Bank (IDB)

1. Gustavo Cañas
2. Kenneth Cole
3. Anne Deruyterre
4. Hunt Howell

The Inter-American Foundation (IAF)

1. Robert Maschek
2. Michael Shifter

The Pan American Development Foundation (PADF)

1. Edward Marasciulo
2. Lewis Townsend

Private Agencies Collaborating Together (PACT)

1. James O'brien
2. Rita Givens

The Council of American Development Foundations (SOLIDARIOS)

1. Enrique Fernández
2. Jorge Mario Almazán
3. Jaime Eduardo Ospina

4. Vanessa Saladín

5. Armando Romero

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