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**BUREAU FOR FOOD FOR PEACE AND VOLUNTARY ASSISTANCE
OFFICE OF PRIVATE AND VOLUNTARY COOPERATION
AGENCY FOR INTERNATIONAL DEVELOPMENT**

PVO INSTITUTIONAL DEVELOPMENT EVALUATION SERIES

FINAL REPORT

ACCELERATING INSTITUTIONAL DEVELOPMENT

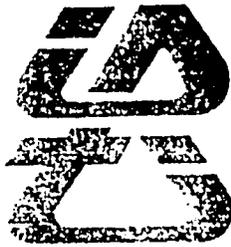
AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

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US. and Overseas Offices

Arlington, Virginia • Lewes, Delaware • Dakar, Senegal • Colombo, Sri Lanka • Rabat, Morocco • Cairo, Egypt



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Prepared by:

Richard Huntington

September 1987

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1. Executive Summary

Purpose. The Bureau for Food for Peace and Voluntary Assistance, Office of Private and Voluntary Cooperation (AID/FVA/PVC) requested the International Science and Technology Institute, Inc. to assist in implementing a special evaluation series focused on PVO institutional development. The purpose of the series of evaluations is to compile an empirically based assessment of the role of U.S. PVOs in fostering and strengthening sustainable private institutions in third world communities.

Participating Organizations. Twelve U.S. PVOs that receive (or have recently received) matching grants from AID participated in this fully collaborative effort. The evaluation teams visited 28 field organizations of these 12 U.S. PVOs in 18 countries, 6 countries in each of the regional bureaus.

Findings. U.S. PVOs have made a large and successful investment in the human resource development of the local affiliates and organizations. The range of training activities is broad, in keeping with the many facets of the institutional development task. The results in terms of staff development in the affiliates are impressive. PVOs have an appropriate long term commitment to the development of these affiliate institutions.

U.S. PVOs have given relatively less attention to installing management systems than they have to the development of people and groups. More needs to be done to help local affiliates put in place the management and information systems, including simple systems for documentation of program inputs and impacts. The leaders of these affiliates need these systems in order to have informed capabilities to guide their institutions.

Significant efforts have been made by PVOs to provide affiliates with technical assistance specifically aimed at resource mobilization. However, it has generally been a case of too little too late. A trend is now developing among PVOs to emphasize financial autonomy at the beginning of the institutional development process, rather than wait until the grant is not extended. Even institutions that have been long dependent upon support from the parent PVO/AID have moved very quickly to being largely self sufficient as a result of concentrated technical assistance in the area of resource mobilization, provided that the parent PVO is able to help in this important transition.

Conclusion. Institutional development is more effective and cost effective if it is planned as a simultaneously shorter- and longer-term task. The period of major financial dependency of the affiliate upon the U.S. PVO can be dramatically shortened through early technical assistance aimed at creating in the affiliate the capacity for resource mobilization. The period in which the parent PVO provides a range of specialized training, technical assistance, and networking needs to be viewed as essentially indefinite, as a cost effective means of protecting the up front investment.

2. Introduction

The purpose of the present series of evaluations is to compile an empirically based assessment of the role of U.S. PVOs in fostering and strengthening sustainable local institutions that contribute to long term development in third world communities.

An important and valued characteristic of the U.S.PVO community is the variety of PVO organizational structures, purposes, and development strategies. It is in order to capture this diversity that this study was designed as an empirically based assessment. Additionally the series is a collaborative effort between AID and the PVOs participating in the study series. As such the effort contributes simultaneously to the strengthening of the institutional development process of each U.S. PVO and informs AID and these PVOs of general issues regarding the most effective strategies for fostering institutional development. The approach recognizes the legitimacy of the variety of PVO styles while it also provides a general framework within which PVO approaches can be compared and analyzed in order to incorporate lessons learned from PVO experiences into a more effective AID-PVO partnership.

The Participating PVOs. Twelve PVOs participated in this evaluation series. Regarding terminology, the terms "U.S. PVO", "U.S.-based PVO", "parent PVO" refer to the twelve participating PVOs registered with FVA, even though none of these terms correctly characterizes all twelve organizations. Similarly the field organizations are referred to as "local affiliate" or "local PVO" when not all of them are affiliates and some are national rather than local organizations.

For these twelve studies, the evaluation teams visited eighteen countries, six representing each of the AID regional bureaus. The twelve U.S. PVOs are all organizations that are registered as private voluntary organizations with AID

and which are either now receiving or have in the past received AID support. It is important to remember that not all non-governmental organizations (NGOs) or all non-profit organizations qualify for AID support as PVOs. In order to qualify for certification with AID as a U.S. PVO eligible for support, an organization must meet eight conditions, as spelled out in the Conditions of Registration.

Twenty-eight local affiliates or field organizations of the 12 U.S. PVOs in the study series formed the primary database for our conclusions about institutional development. These local affiliates/organizations can be placed in four categories:

Created. Sixteen of the local institutions in this study were created by the U.S. PVOs as part of their institutional development activity. More often than not, these local affiliates, although independent locally constituted entities, have the same name, or a translation thereof of the parent PVO.

Established. Two of the field organizations are old established institutions in their country, institutions for whom the development activity fostered by the U.S. PVO is but one part of their total mission. The two examples are the Church of Kenya, and the Kenya YMCA. They are both part of the same international movement as their American counterparts. But in neither case did the US PVO set them up under its matching grant from AID. The task of the PVO in these cases is to work with these pre-independence African institutions to help them create a development outreach program in addition to their traditional activities.

Field Offices of U.S. PVO. Not all U.S. PVOs in the sample set up independent local organizations in the countries chosen for the case studies. In the Philippines, World Vision Relief Organization has a large field office, staffed almost entirely by Philippine personnel. The development office is part of this organization. In Indonesia, WVRO carries out its rural development programs in conjunction with local organizations, usually a church, in each location. In some cases, the field office is a precursor to setting up an institution. In the case of IIRR their international headquarters is in "the field" in the Philippines.

Grass Roots Organizations. In Peru, Lutheran World Relief has a regional office that helps a number of small independent grass roots organizations, organizations that developed out of political opposition to certain policies or regimes. LWR helps these organizations build mutually supportive networks among themselves. Although there is a strong tradition of such organizations in parts of Asia and in the Middle

East, truly indigenous organizations are rare in Africa.

The 12 U.S. PVOs also varied in the types of programs they were carrying out in the countries selected for investigation. Six of the PVOs are largely devoted to community level rural development. Among the other six are PVOs focusing on providing credit to urban micro entrepreneurs, urban vocational training, agricultural training, follow up support to alumnae of its US-based training, training and employment for the handicapped, and combinations of one of these with rural development.

Background on the FVA/PVC Institutional Development Program. The approach to this evaluation series is the result of the findings of several previous FVA/PVC-sponsored studies, evaluations, and workshops. Three of these activities are of particular importance in the evolution of this PVO Institutional Development Evaluation Series.

AID commissioned a special review of 75 evaluations of PVOs in 1982. This review by Judith Tendler raised important issues regarding the way PVOs are evaluated. Tendler stressed that PVO evaluations should focus on the nature of their linkages with the government programs and the community settings within which they operate, rather than focus on the management structure of the PVO and its local affiliates. According to Tendler (1982), the tendency to focus on management strengths and weaknesses often misses the fact that a program may be working in spite of a peculiar organizational style. It also imposes a preconceived notion of organizational effectiveness on an independent organization. The most important theme to come out of this study is that institutional development is not an end in itself, but a means to the more important goal of more effective and sustainable programs of development and service to poor communities.

In 1984, Development Alternatives, Inc. (DAI) in cooperation with Cornell University developed a checklist/framework for the evaluation of the PVO field programs and then applied the framework to the evaluation of the

effectiveness of the field affiliates of two PVOs, International Voluntary Services, Inc. (IVS) and the Institute for International Development, Inc. (IIDI). The team developed an analytical framework of indicators to measure not only the strengths of the institution itself, but its effectiveness as a development oriented organization. This comprehensive framework was then field tested in four countries.

In March 1985, Management Systems International (MSI) organized a workshop at FVA/PVC's request to review the DAI/Cornell framework with the aim of approving, modifying, and adopting it as a tool for further evaluations of the institutional development efforts of PVOs. The conclusions of the workshop were that although the DAI/Cornell framework provided a good mechanism for carrying out the evaluations of IVS and IIDI, the group was uncomfortable in adopting it as a generic and prescriptive format for future PVO assessments. A number of the conclusions of that workshop are of special importance to the present PVO Institutional Development Evaluation Series:

The collaborative process used by DAI and Cornell to develop the framework could be more useful to PVOs and their affiliates than the finished framework itself.

The process of developing an evaluative framework should begin with the simple and move toward the complex, rather than attempt to impose a comprehensive framework from the beginning. A prescriptive framework misses the opportunity for providing PVOs and their affiliates with an important learning process.

The only way to assure that the results of an assessment will be used is to involve the PVOs and their affiliates in the process.

A methodology that uses key questions to elicit the critical factors may yield more information about what works in a particular environment than a standardized and "complete" checklist of assessment factors.

Approach and Method. This series undertaken by the International Science and Technology Institute, Inc. (ISTI) began in January 1986 as a continuation of this process of exploring means of assessing PVO programs that would

provide some general conclusions about PVO effectiveness, allow the observation of a certain variety of PVOs within a single framework without doing injustice to the unique properties of these private organizations, produce insights about both the general issues and about the individual participating PVOs, and do so in a way that maximizes the likelihood that these results would be shared and would inform future planning at various levels.

As a first step in this process, FVA/PVC asked Louise White (Associate Professor of Public Affairs, George Mason University), to draw up a concept paper/scope of work, based on the results of these prior initiatives, a paper that could serve as a starting point for a series of evaluations of PVO institutional development. It needed to be "generic" and "specific" at the same time; it needed to be "open-ended" while also providing evaluation teams adequate guidance for a contracted activity. This document constituted the starting point for a two-day workshop in January 1986 involving the representatives from the first five participating American PVOs, evaluators, and the representatives from FVA, S&T, and the regional bureaus. During the workshop, the group held discussions of the relevant issues that affect the long term institutional development of PVO affiliates in third world communities, and produced a general scope of work and plan for the first round of five field studies. The participation of a diverse group of PVOs highlighted from the start the difficulty of using too rigid a format for the evaluation series. The workshop created a climate of collaboration among AID, PVOs, and evaluators that did much to facilitate the later individual field studies and to keep them all in a shared mode that allowed the maximal comparability of results.

This comparability was also enhanced by the process set up for team preparation and reporting. Each individual field study was preceded by a two or three day structured team planning meeting (TPM) during which the AID project officers, the PVO home office representatives, and the evaluation team worked together to develop a specific scope of work and schedule of

activities. In several instances, these TPMs were able to include directors of the PVO's affiliate organization to be studied. These structured TPMs deepened the collaborative process and also allowed the evaluation team to make the most efficient use of their very limited time in the field.

Generally each team spent between two and three weeks in the field assessing the PVO affiliate program in one country. In six of the twelve studies, however, the team was able to visit programs in more than one country. The teams consisted of from one to three external evaluators, and the nature of the collaboration with the PVO and local affiliate varied somewhat among the cases. In some instances, the PVO contributed a paid external consultant who served as a full (i.e. report writing) member of the team. In other instances, the PVO provided in-country personnel with a deep knowledge and commitment to the program to serve as an internal evaluator or resource person. The field arrangements were largely made by the local affiliate in consultation with the evaluation team. Also, to enhance comparability and continuity, most of the external evaluators served on more than one evaluation team.

Shortly after its return from the field, each team made a formal presentation to FVA of the tentative findings. These early presentations accomplished two ends. First, as a continuation of the emphasis on collaboration, they provided an opportunity for FVA project officers and PVO home office representatives to hear the results of the field work and have input in the process of interpreting these results. Second, they provided a chance to reemphasize the generic questions of the series and help keep the final report in line with that of other teams.

After the completion of the first round of five field studies, presentations, and reports, a "taking stock" workshop was held in August 1986 for the teams of evaluators. This workshop considered the original generic questions in light of the experiences of the first field studies, and mapped out a tighter revised scope of work for the second round of evaluations. The

seven PVOs participating in this second round and their project officers held a one-day orientation and planning workshop in November 1986. The last field study was completed in June 1987.

Reports. This ISTI evaluation series has produced twelve individual evaluation reports. Most of the individual reports double as the mandated evaluations of the current matching grants the PVO holds from AID, and serve as part of the PVO's internal system of evaluation. For this reason they provide detailed information on the PVO field programs as well as on institutional development efforts. This final report focuses only on the issue of institutional development, presenting the most salient common institutional development themes that emerged repeatedly in the individual evaluations.

The present report is in the form of an essay on what we have learned about the difficult process of creating, supporting, and sustaining local private institutions dedicated to various kinds of development and service to their communities. As a continuation of the collaborative approach, this report is written in preparation for a final workshop that will reconvene representatives from the participating PVOs, the evaluators, and AID project officers. The intent in this report is to present the conclusions drawn from the studies. The task of the workshop will be to review the general conclusions and lessons learned, to consider their practical implications, and to devise a dissemination strategy for the general PVO development community.

3. Defining Institutional Development

Long Term Sustainability. At the January 1986 planning workshop to initiate the evaluation series, representatives from the participating PVOs, evaluators, and AID project officers spent many unsatisfactory hours wrestling with the concept of "long term institutional development". The

more people talked, the cloudier the concept became. Marking our confusion on flip charts did not help. Looking back on those discussions, what is striking is that we so insistently added the phrase "long term" to "institutional development", as if short term institutional development were a useful concept. However, by stressing the "long term" we were putting ourselves on notice that whatever institutional development might entail, it had to be in some significant way sustainable.

The conceptual problems, resolved in this fashion, created a practical problem for the first round of five field evaluations. Most of the institutional development activities of the PVOs were relatively new program thrusts, designed to avoid the past errors that had led to the nonsustainability of programs and the continued dependence of indigenous organizations on the parent PVO. The evaluators were faced with looking for indicators of long term sustainability in programs that were new.

PVOs have evolved rapidly in their approaches to international work during the last decade. There is a strong trend away from focusing on relief and services toward creating more comprehensive developmental strategies. Institutional development is a significant component of this growing sophistication of PVO approaches to addressing third world problems. Even well established partnerships such as Save the Children/FUDECO in the Dominican Republic or World Relief Corporation/CODEPLA in Haiti have recently changed important aspects of their programs, with the aim of improving the developmental impact and strengthening the institutional vehicles.

From "Institution-Building" to "Institutional Development". This dynamism and variety of institutional development activities is no accident. Several years ago, David Korten (1983) discussed what he sensed to be the nature of the shift in development emphasis from "institution building" to "institutional development". Terms change in the development field, and although we often deride these changing fashions in nomenclature, the new

terminologies usually signify a change in emphasis resulting from some combination of "lessons learned" and frustration with a lack of hoped-for results. "Institution building" became "institutional development", and partly this change has to do with an increased understanding of what is involved in fostering viable institutions.

Central to this shift is a move from a blueprint approach to a more open-ended process. Korten characterized the old "institution building" as a relatively simple activity of replicating a US institution in a third world setting. For example, Goodwill Industries successfully ran programs to provide handicapped persons with employment and training in the United States, and such worthy efforts were expanded to Latin America and Africa. OIC ran successful vocational training programs for the urban poor in America, and similar programs were set up in African cities. In these cases, the model of what was successful in the U.S. was to be transferred to the developing country. The U.S. organization which had succeeded in the US provided its experts who set up the overseas programs and trained their counterparts. Once the new organization was a reasonable facsimile or extension of the parent it was to be largely on its own. Both Goodwill and OICI gradually discovered that the job of expanding into the international arena was more complex than a simple structural mitosis.

The newer notion of "institutional development" entails a more open-ended process rather than a blueprint replication of a known structure. It is a process wherein a U.S. PVO works with third world professionals in a partnership that is feeling its way toward what kind of an organization, or what variation on the general model of organization, will be viable in the particular country setting. This more open-ended sort of institutional development, in which each local program develops more or less in its own ways, in ways that cannot be specified in advance, calls for a sophisticated program of support on the part of the "parent" organization.

Institutional development is no longer a case of a parent group teaching its

offspring how to get to a pre-determined and well-understood end. It is often a case of an international organization and members of a local organization trying to work out together just where the local organization should be moving given the uncertainties of the local political and economic climate, the recent experience with certain kinds of programs, technological innovations, and the changing styles of international support. It is a question of developing the adaptive systems through which the local organization can evolve in its relationships with its own environment as well as with its US-based partner.

If rigid blueprints do not work, and outside models need considerable modification over time *in situ*, then this calls for a great deal of dialogue, of listening, of trying new programs and styles of interaction, expanding the successes, and dropping the unpromising initiatives.

4. Characteristics of Strong Institutions

The resultant local institutions and their development and service programs are so varied that they are difficult to compare one to another, difficult to evaluate against a fixed measure. Nonetheless, during the course of this evaluation series we identified a number of characteristics of strong local institutions, canons of what is necessary for institutional survival and growth, indicators of what makes an institution strong and viable. These characteristics are purposely general and perhaps obvious. But when one puts them all together, it begins to be clear how complex is the task of institutional development.

People. Leadership and the ability to attract and retain good senior staff.

Roots. An organization must have a community base of support. The community may be a village or chieftaincy, or it may be a network of influential people in a capital city combined with a program to involve citizens, churches, or other groups in periodic activities to support the organization in question.

Networks. The worst thing that can happen to a small service or

development organization is that it become isolated and thereby reinvents wheels, duplicates the activities of others, and fails to make the best use of scarce resources. An institution needs to have:

Networks with similar organizations in country;

Relationships with appropriate government entities; and

International relationships.

Systems and Strategies. There need to be management and information systems, even simple ones, used in a way that allows for the correction of errors, the improvement of programs, the development of promising lines, and the dropping of unpromising programs. Institutional strength includes the ability to evolve, grow, and adapt to changing situations. This depends on having a vision of the major institutional goals, including acknowledgement of priorities and trade offs, and strategies and timetables for accomplishing them. Management information systems provide the information necessary to guide, monitor, and evaluate the progress and performance.

Resources. An organization must have a diversified portfolio of financial support and sources of income, e.g. private funds, from the parent PVO, multilateral donors, bilateral donors, private foundations, NGOs from different nations, income generating activities, home government support, philanthropic contributions, etc. Given the uncertainties of budget cuts, shifting priorities of donors and national governments, an organization too dependent on one source will not not outlive the current regime, trend, or budgetary distribution.

The complexity of the institutional development task informs our findings throughout these individual evaluations and this final report. We use the word "complexity" in its precise sense: the task has a composite and intricate structure. This does not necessarily imply that it is too difficult, too expensive, or unlikely to succeed, provided one does not misperceive the composite nature of the task. The case studies show repeatedly that it is a multi-faceted and evolutionary effort, and that it is often the less expensive facets that get overlooked or neglected.

5. Leadership

Local PVOs Attract Top People. The most outstanding characteristic of the

local affiliates in this survey is the quality of the people willing to commit themselves to the organizations. The contrast is often made between the levels of motivation, honesty and creativity of PVOs compared to the national line ministries in many poor countries. In country after country, the evaluators met people in the local PVOs who were undoubtedly among the best and the brightest their country, or any country, has to offer, people whose reputations and abilities grew with their years of service with the PVO.

PVOs are able to attract such people in many third world situations for a number of reasons having to do with the positive opportunities offered by private service organizations, on one hand, and the scarcity of other equally attractive opportunities, on the other hand. Government service for many can mean being trapped for years in a senior deputy position waiting for an incumbent director finally to die. Or conversely, it means being politically involved and revolving dangerously in and out of government with the rise and fall of the regimes, and to have one's reputation tarred with false accusations of corruption. In some countries, the overall private sector is weak and business is not considered an entirely respectable vocation.

From a self-interested point of view, to be the executive director of a strong local PVO, one which is part of a respected international movement, is an opportunity for a concerned and gifted person to exercise his or her abilities, to be recognized, and to contribute to the building of the nation. It is also an opportunity to work very hard under demanding circumstances.

Charisma, Connections, Commitment, and Context. Given the complex nature of institutional development, the leader of an indigenous PVO must be an individual of extraordinary talent and ability. In American minds, the model of a community PVO is something like the local chapter of Rotary, a church, or the hospital ladies' auxiliary. In an American town one could run such a group and keep it solvent without the sophistication necessary to run a similar organization in a third world country.

For example, the executive director of the Solomon Islands Development Trust (a group dedicated to village awareness training) must understand the mentality and conditions of a Melanesian village, know how and with whom to deal with in government ministries, how to juggle support from several foreign donors (different development philosophies, different nations, different currencies, different accounting systems), as well as run his organization with a certain degree of finesse (management information systems, staff development, and financial management). He must also have skills and credibility in the relevant technical area (in this case as an educator) and be a leader of people in often trying circumstances. All of this he or she must do in an economic and political climate that is far more changeable than that of the American town. Even the meteorological climate (droughts in Africa, cyclones in the South Pacific) can play havoc with the program, or open up unanticipated sources of development funding. The executive director of CODEPLA in Haiti needs to combine a politicized theoretical understanding of the factors controlling production, marketing, and the distribution of wealth with his involvement and roots in the evangelical churches of Haiti and the United States. Additionally, he must be capable of the management and oversight of medium sized enterprises in the area of transforming agricultural products to increase their commercial value to the poor producers, as well as all the management tasks mentioned in the previous example.

The role of the one very special (dynamic, intelligent, internationally sophisticated, educated, politically-connected) leader is crucial to institutional development. The evaluators return from their field visits with memories of having met and witnessed the labors of a series of just such extraordinary people. One is tempted to conclude that if you don't have that person, don't even try to start a new institution.

PVOs emphasize that they, in comparison to AID and World Bank projects, work more closely with the grass roots, with "the people." Tandler (1982)

provided a great service by questioning this shibboleth, pointing out that third world PVOs often are local elitist institutions, quite incapable of crossing the chasm to the truly poor masses in such countries. Given the demands upon the talents and connectedness of local PVO affiliate leaders, how could they (except in rare instances) be other than elites? Our cases show, however, that with the training, technical assistance, participatory philosophies, and results-oriented management information and evaluation systems of the 'parent' PVOs, the local affiliates' elitist tendencies can be placed in systems that are significantly responsive to the real and felt needs of the poor.

There is a negative side to the importance of the one "charismatic" leader. Small organizations often suffer from the "one indispensable person" syndrome. We rarely saw this problem in the 28 local organizations we visited. A number of cases in our series indicate that the training, conferences, sharing of ideas, management tools, and philosophies of the parent PVO provide an important mechanism for avoiding or at least diminishing this "one indispensable person" syndrome. This outside technical assistance helps to broaden the management base within the organization and hence dilute the idiosyncrasies of the charismatic leader while maintaining the value of his or her dynamism. Two cases in which we found the local organization to be rigid and narrowly under the thumb of either one manager or a small coterie of the board of directors, were both cases where the relationship with the parent PVO had been almost completely severed years ago.

6. The PVO/Affiliate Relationship

The evaluation teams focused largely on the institutional relationship between the U.S. PVO and its local affiliate. In as much as most of the field studies doubled as evaluations of the PVO's matching grant, they tended to focus on the inputs provided by the U.S. PVO in support of the institutional

development of the local affiliate. Training and staff development is perhaps the single most important contribution of the U.S. PVO. Technical assistance to improve management systems and provide specialized consultancies are also evident. Training and technical assistance in technical areas are rare as inputs from the 'parent' PVO, but occur occasionally in the area of appropriate technology.

Training for Staff Development. The evaluation teams viewed the results of a number of different approaches to training and staff development. One of the areas of investigation for our evaluation was to document whether the training had taken place in-country or overseas, been classroom type lecture approach or a more practical and interactive approach. The evaluation studies did not have the resources to do anything like a full assessment of the training programs. Often these had taken place previously and the team could only meet the participants and collect anecdotal information about the nature of the training. Also, we went into the evaluations with some unstated professional judgements as to which forms of training are better than others, or, at least, better than others under certain situations.

The important question is who gets trained. The answer is just about everyone in the organization, in one way or another, sooner or later. In most instances, we saw that the "parent" PVO had provided, either directly or indirectly, many different kinds of training opportunities over the years to different categories of people. Furthermore, all these kinds of training have their place if one remembers the true complexity of the institutional development task. Regarding the role of expensive formal overseas training, executive directors and key board members of indigenous PVOs need to have a certain international sophistication in order to deal successfully with potential donors from overseas. These individuals have often benefited from opportunities to study abroad, either as part of degree programs or as part of special internships. Such opportunities may not come directly through the PVO. Generally, the individual has such background before taking the position, and often such experience is a prerequisite for the position. The

extraordinary individuals who head up these local affiliates could not do so effectively without these training experiences and networks outside their own countries.

To give one example of a PVO that has used a range of training options within one program, the Episcopal Church's (ECUSA) program in Kenya sent Kenyans to a nine month long training program at UCLA as part of their preparation to be district development officers. Another part of the ECUSA program in Kenya focused on providing one American trainer to train women trainers in state of the art "experience/based Adult Training". This training module, modified and developed in Kenya, trains women through "touchy-feely" exercises based on real life experiences. In turn these trainers have trained hundreds of village Kenyan women. What does it accomplish? It gives confidence to individuals who are unaccustomed to trusting their own judgement, speaking their mind, and sharing ideas with others.

It will probably also cause stress within the comfortably male-dominated Church of the Province of Kenya. At present, ECUSA is realizing that it has given some rather sophisticated training to development officers and important attitude training to a critical mass of village church women, only to have the bishops left out of the shift toward development work. A training activity now needs to be designed to bring them in. This would be neither like the UCLA program nor the women's training programs, but perhaps a series of local seminars. The task never ends, and as some parts of it get taken over by local people (the women's Training of Trainers program now carries on expanding without expatriate trainers), other activities can benefit from the outside perspective, influence, and connections.

Because PVOs are usually working with a relatively small institution (usually much smaller than the Church of Kenya), it is possible through training to have an impact on the whole institution and to alter the climate within which individuals work. PVOs thus can largely avoid the problem faced by management training programs aimed at large government bureaucracies,

the problem of the newly trained employee returning to a work environment that does not respond to his or her new precepts or skills.

Another important training opportunity develops over time. Cross training visits among third world programs provide a cost effective way to provide assistance in later stages of institutional development. The YMCA with its Africa Alliance; Accion International, Save the Children, the Foundation for the Peoples of the South Pacific (FSP), and OIC International (OICI) have all made good use of regional meetings of affiliate personnel, and have used people from one program in technical assistance roles to help another. The Centre for Development and Population Activities (CEDPA) is essentially an alumnae network made up of women who have participated in the organizations training workshops in Washington, D.C. The payoffs from these regional workshops, technical assistance exchanges, and visits are enormous, and, although they are not cheap, they are cost effective in comparison to the heavy reliance on expatriate trainers and consultants. In many respects they are also more effective.

Developing Effective Management Systems. The nature of technical assistance changes as the relationship between the PVO and its affiliate evolves. Early on basic training and staff development (as discussed above) dominate. With time and the staff in place, the technical assistance shifts to helping the organization refine the systems it needs in order to function most efficiently and effectively.

All twelve of the U.S. PVOs in this study have a strong understanding and commitment to the training of management staff, including instilling in the staff the people-oriented understanding of and ability to operate in a "participatory" decision-making mode. PVOs seem to be in their natural milieu regarding training and human resource development. However, they tend to have less capacity for establishing significant management systems for resource control and documentation. In those cases where the U.S.PVO has made a significant effort to help its affiliate develop such tools as

management information systems, annual and medium term planning cycles, cost effectiveness criteria, and performance tracking systems, the results are impressive. These tools and systems pay off, quite literally, in the improved quality of strategic decisions and in the ability to secure funding and use resources most effectively. The development and support of these systems and tools appears to be less expensive than the cost of the original training and staff development. It is the technical assistance in-put that truly develops the autonomous ability of the local affiliate to have control over its operations.

Developing Effective Evaluation Systems. Evaluation activities, feed-back systems on program performance, documentation of program activities and outputs, and, most difficult, analysis of program impact present special difficulties. In comparison to the management tools cited above, full evaluation and documentation activities are expensive, and it is not always cost effective to develop that capability in a small organization. However, to the extent that basic information can be built into a streamlined management information system, it is cost effective for local affiliates to carry out such activities, and the U.S. PVOs provide technical assistance to their affiliates stressing economical ways to build record keeping activities regarding measurable outputs into the original design of activities. Minimally, the local affiliate needs to generate and maintain the basic information that will allow fruitful analysis as part of an evaluation activity.

Regarding full systems of periodic evaluation embedded in an on-going program to assess the social, economic, and health impact of the PVO programs, not all of the "parent" PVOs in this study have much experience or have made an adequate investment in this area. In many of these PVOs there is no 'evaluation officer' and in others the position is quite new or temporarily vacant. Evaluation is an expensive activity, even for the international 'parent' PVO, however the PVOs who have managed to mobilize the necessary resources to seriously perform significant evaluations have found it to be worthwhile in terms of their abilities to support their field

affiliates and to secure funding.

One PVO in the study, the International Institute for Rural Reconstruction, has for many years made such an evaluation and information feed back system the very heart of its efforts at rural development. The results are impressive in terms of its ability to refine and tailor its activities to have the maximal impact. In as much as this system is limited to the Philippine villages that serve as "social laboratories" it is an expensive approach to rural development. To the extent that the results and insights get shared through publications, training courses, and technical assistance visits to Rural Reconstruction Movements in other nations and to rural development programs outside the IIRR movement, the expense becomes cost effective.

Dependency and Autonomy. The goal of institutional development is to create independent organizations. There is understandably a great deal of sensitivity surrounding the dependency of the local third world organization on the American (or international) PVO. This seems to be one reason why PVOs who early invested so heavily in training and staff development of their local affiliate, later fail to follow through with the technical assistance regarding management systems, evaluation activities, and proper economic feasibility studies regarding new ventures. An irony is that as local affiliates become more autonomous and sophisticated, the networks and highly specialized technical assistance offered by the parent PVOs becomes more essential. This is especially true regarding activities such as market oriented economic enterprises and realistic approaches to cost accounting. The role of the micro computer becomes essential in these areas.

The types of technical assistance offered by the U.S. PVO becomes ever more sophisticated over time. The case studies provide good examples of this evolution where the U.S.PVO gradually changes its role from that of tutor to partner to resource. If at later stages of the relationship the requests for specific assistance are generated at local affiliate rather than at U.S.PVO headquarters, then the complex of dependency is minimized. This is

especially true when the technical assistance is clearly directed toward enhancing the ability of the local affiliate to generate its own resources and manage its affairs in a more sophisticated and effective way.

Avoiding Isolation. The continued relationship with the US PVO, even at the level of newsletters, sharing of relevant information, and articles, and occasional visits, is a very helpful and cost effective means of helping the local PVO remain flexible and open rather than isolated and static in its program. Conversely, the information, experience, and human skills developed by the affiliate can help the US PVO develop and improve its general program and initiate institutional development work in new locations.

It is often easier for U.S.PVOs to find support to start new programs and create new "autonomous local institutions", than to secure funds to continue the less glamorous long term follow-on activities, even though these relatively inexpensive activities allow the original investment to pay dividends for years.

7. Resource Mobilization and Sustainability

Non-American Funding is Often Available. Non-American funding is often available for local PVO institutions doing good work, provided the institution has a strategic approach to maintaining a diversified portfolio of supporters. The financial requirements of the local PVO affiliates surveyed in this series are relatively modest when compared to the amounts of aid moneys flowing into their countries from diverse sources. Although one can cite the fact that many of the local affiliates long remain dependent on the parent PVO (and hence on AID) for as much as half of their financial support, it is equally important to note that this glass is half full. Other sources are matching the PVO/AID investment on a one to one basis, dollar for dollar. There are also cases where the percentage of direct support from the US PVO/AID is as low

as 25% and even zero.

Two important lessons emerge from this series. One is that the sponsoring US PVO needs to provide technical assistance in the area of resource mobilization right from the start, not when the extension they assumed would come from AID falls through. It is amazing how, on one hand, PVOs and AID have given lip service to the notion of the autonomy of the local created institutions without, on the other hand, providing any serious assistance that would develop the realistic capacity to generate future financial support. Some PVOs in our study have learned from these mistakes and now make resource mobilization the first item on their institutional development agenda.

Another important lesson is to start with as lean and inexpensive a program as possible, so that the local affiliate has a reasonable chance of taking over the majority of the financial responsibility as early as possible. Too often, under the halcyon days of the original AID grant, the PVO establishes a Chevrolet-sized program that needs to be reduced to Volkswagon specifications when the US PVO is forced to cut back its support. Even in cases where the local affiliate survives, this drastic cutback is a negative shot to the morale just when it needs to be boosted. Leanness is a key to financial survival. One secret to the tremendous success of Accion's ADEMI credit organization in the Dominican Republic is that Accion cut all costs to the bone from the start. ADEMI's program provides micro loans to micro entrepreneurs. It does not provide entrepreneurial training, as useful as that may be, because that would make the program too expensive. It does not provide expensive training programs for its loan officers. New loan officers are apprenticed to experienced loan officers, and then turned out to find their own clients in a poor neighborhood of the city. This program is one of two in the series that is now almost 100% financed by local non governmental funds. After a number of years of successful operation and growing local confidence in the ADEMI credit program, it can now consider expanding in ways that will entail higher costs but have greater impact on

the overall economy.

The other field program that survives on local non governmental support is the OIC-Nigeria vocational training center. After AID support was abruptly terminated, it slashed its operating costs to a level that can be covered entirely by contributions from the families of the trainees. The organization suffers a bit from a cycle of an ever increasing trainee/trainer ratio, but by being lean it has survived a difficult period and now stands on the threshold of receiving other local support.

The reader may conclude that the evidence that leanness is important contradicts the evidence on the importance of fancy management systems. However the two go hand in hand. All of the management tools discussed above are aimed at increasing efficiency, controlling costs, and raising money. ADEMI may have a lean staff and minimal training for its field staff and none for its clients. But it keeps excellent records of its program inputs and impacts, monitors the performance of its portfolio, and engages in serious short term planning and medium term strategizing.

Local Resources are Scarce. The availability of local non-governmental resources either in the form of donations or as a result of income generation and cost recovery activities should not be too optimistically anticipated. They rarely account for as much as 20% of a sophisticated and mature local PVO's budget, often much less in these poor countries. On the other hand, that 10% to 20% is of great importance to the extent that it provides the organization with unrestricted funds and flexibility in cash flow situations, as well as ensuring the commitment of local people to the program. Even a small percentage of the overall budget can represent a significant level of support from the community for the principles and program of the local PVO.

Nowhere is the gap between reality and expectations as great as in the area of local PVO operation of economic enterprises. There are good examples

from the survey of situations where the local organization operates an enterprise, keeping the books and records largely separate from its own, and makes a modest profit after several years of investment of time and money. There are more instances in which the local organization operates a micro enterprise, does not fully account for its costs, and mistakenly claims that it is earning a profit that helps support the organization's service program. Most commonly, there is a tendency not to factor the management time of senior personnel, or all of the original investments into the equation. There are even more examples of pipe dreams that people claim will provide a major percentage of the PVOs budgetary requirements in only a few years.

Important technical assistance work in this area is available from PVOs such as Technoserve, VITA, and Accion. Recently AID mechanisms such as the ARIES Project have also come on line. A new manual entitled *Monitoring and Evaluating Small Business Projects: A Step by Step Guide for Private Development Organizations*, has been produced in 1987 and is distributed by PACT. These efforts all need further elaboration and dissemination.

Mission OPGs Play a Small Role. Operational Program Grants from USAID missions have played a relatively minor role in influencing local PVO development. The USAID program budget cycle is difficult for PVOs to access in a timely fashion, and USAIDs are not staffed to provide even the minimal supervision called for in an OPG. The promising approach whereby a USAID mission lets out an overall contract for the management of these "many small grants" as part of a local PVO development strategy has had successes and failures. Problems have arisen when such a contract has been given to a PVO "umbrella" association without significant management experience itself. Cases of successful implementation have involved grants or contracts to strong outside institutions, either non-profit foundations or for-profit firms.

Realistic Time Frames. Cases in which a local PVO became significantly independent, financially or organizationally, within three or four years of

inception are rare. We have stressed throughout this essay the importance of a long evolutionary partnership in which the high up front costs of starting an institution are realistically followed by a long period of less expensive but crucial technical assistance and relationship maintenance. For institutional development, on again off again financial support has very negative effects, especially since it also entails the interruption of the relatively less expensive technical assistance and networking efforts of the U.S. PVO to its affiliate.

Despite our insistence that the institutional development process is slow, the change from intense dependency to relatively solid autonomy can take place surprisingly quickly once it begins. (And could take place more quickly if technical assistance in resource mobilization had been an early priority of the 'parent' PVO.) A financial kick out of the nest and a bit of budgetary shock treatment sometimes help. This medicine has helped the OICs of Liberia, Ghana, and Lesotho to find ways to survive on their own, and even in some cases improve their programs as a result.

FSP/Soltrust in the Solomon Islands is also a stronger institution today than they were just a few years ago because they were forced by USAID budget cuts to strengthen their strategic planning, reconsider seriously their program focus, and creatively seek funding from diverse sources. It is important that in these cases the financial shock treatment was not accompanied by simultaneous withdrawal of networks, technical assistance visits, and moral support of the 'parent' PVO. In these cases, the "parent" PVO still had resources to work with the local affiliates during the transition, to provide technical assistance, training, information, and access to international donors. As a result the local organizations have "graduated", not become orphans.

PVOs Cost Effective? The issue here is another one of those shibboleths regarding PVOs. On one hand, claims are made that "doing development" through PVOs is cheaper than working through AID or World Bank Projects.

PVOs themselves often stress this as they market their services, and it is a claim that sometimes backfires to cut their allocations (especially regarding their indirect costs) below a level where they can effectively deliver on their promises. Also there are those who argue, not without reason, that the inexpensiveness of PVOs is partially illusory since a significant portion of the real costs are hidden under the guise of the voluntary efforts of valuable local talent and international technical assistance that shows up under different budgets.

Our case studies again show a middle ground. PVOs, as we said, make the mistake of claiming to be inexpensive. Auditors and external evaluators, reviewing projects after several years see programs that are as expensive as any when one calculates such items as cost per beneficiary, seemingly more so at that early stage. The evidence from this series shows that the period of "amortization" (longer than the period of technical assistance) in institutional development is often over 10 years for a successful program.

PVOs are not "cheap" vehicles when all inputs are properly accounted for, but if they entail even a partially successful institutional development, they are cost effective in the longer run. If institutional development works, its a bargain because the benefits continue to flow as costs gradually decrease.

8. Conclusions

The PVOs and local affiliates participating in this evaluation series have through trial and error during recent years gradually come to appreciate the complexity, the composite and intricate nature of the institutional development task.

The general conclusion from this study series is that the PVO institutional development process is most effective when it is simultaneously shortened and lengthened. The day of the new institution's assuming majority control

hand, the provision of essentially non-financial types of inputs is fruitfully and profitably continued almost indefinitely.

The Grant Extension Syndrome. For the sake of our conclusion, permit us to set up a straw man, a worst case scenario of institutional development gone astray. There has in the past, been a tendency to view institutional development simplistically, and somewhat dishonestly. For the sake of securing and giving grants, donors and grantees alike pretended that local affiliates would soon be self-supporting, hence this particular grant would neither be aiding the north-south dependency syndrome nor locking in the donors' limited resources for years to come. Three years later, the grant is extended under one pretext or another, but mainly because all parties appreciate that institutional development cannot be completed in such a short time and that financial resources in the poor country are inadequate. Finally, after the first or second extension (or third), the grant must be cut, usually suddenly and drastically, and the institution is finally on its own and is lucky to survive let alone continue providing quality programs of service and development. During all the years of financial support and extensions, surprising little technical assistance and training was provided that was specifically targetted to enhance autonomy and develop the capacity to secure resources on a continuing basis.

Evidence of Improved Approaches. The institutional development approaches manifest throughout the field studies of this evaluation series have moved away from that sort of syndrome. There is technical assistance, training, and encouragement to local groups and community development workers to conceptualize projects and seek local private and public financial support. The development officers of the Kenya YMCA, Church of Kenya, World Vision Relief Organization, and others work at the community level to mobilize resources for micro projects. FUDECO, CODEPLA, the OICs, Soltrust, and SIDT, have become experts in securing significant funding from leading European NGOs.

However the lessons in this area have been learned quite recently. OICI, perhaps the most successful PVO of the group in fostering institutional development, held its first formal workshop on resource mobilization as part of its all African regional conference in 1986. A year later it followed this up with a smaller and more focused resource mobilization workshop for the senior managers of its affiliates. The evaluation team, visiting four country programs only two months after that workshop, saw positive results developing in terms of new, pragmatic, and aggressive strategies and initiatives on the part of field organizations. FSP/Solomon Islands and Soltrust, only within this year, after learning that their USAID budget was slashed, have secured funding from several sources. The percentage of AID support for their program has dropped from 100% to 25%, and the program is technically improved as a result of the competitive search for funding. The funding sources tapped by these local PVOs are not new sources or recently expanded sources. They have been there waiting for indigenous organizations with good programs, sound strategies, and documentation of results to prepare professional proposals.

The evidence shows that local affiliates can achieve more financial independence more quickly if the fund-raising issue receives strong emphasis in the training and technical assistance provided by the "parent" PVO from the start. Following such an approach (combined with starting more modestly sized field programs that keep adequate records), the average "launching" time for new institutions can be considerably shortened.

Partnership for Life. This earlier launching does not end the provision of help from the parent PVO. The PVO/AID resources saved by shortening the period of major financial dependency would serve well by providing for the continuing pattern of periodic technical assistance for sharpening management systems, updating managerial and technical skills, circulating newsletters, performing major evaluation studies, providing seed money for small experimental initiatives, holding regional conferences, and providing access to international networks and information that help a struggling third

world PVO make its way, carry out its program, and grow over the years. This partnership gradually becomes a two way street with established affiliates helping the parent PVO sharpen and develop its program of assistance and providing cost effective technical assistance and training for new institutional development efforts. Such partnerships, "federations," and "movements" characterize the style of relationship consciously developed by most of the PVOs in this series.

Caveats. This rosy picture of the possibilities of the "shorter/longer" approach to institutional development will not make all of the basic constraints and problems go away. The following caveats are important:

There will remain worthwhile programs in some parts of the world for which funding will be very scarce, and the local organizations implementing such programs will deserve continued basic financial support.

The donors to whom the local affiliates in our series have turned are limited in number and do not have infinite resources. Furthermore, they are understandably reluctant to support the basic operating costs of local PVOs. In several cases, the US PVO contributes part of the salary of key personnel who generate program money through grant proposals. It is a standard and imperfect compromise. In other cases, the national government provides a subvention that works in much the same way.

There is more to development than teaching third world PVO professionals to write better grant proposals. Local cost recovery and income generation form an important part of the increased independence of a local PVO, and also for the population it serves.

There is also more to voluntary service than running "businesses" to support the local organization.

The task is, as we stated, composite and intricate. No one facet will be the *deus ex machina* of PVO institutional development. A combination of early emphasis on resource mobilization and a long partnership of technical assistance, moral support, (and partial financial support when necessary) effectively and cost effectively creates and sustains local private voluntary organizations in development service to their country.

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ANNEX 1

PARTICIPATING ORGANIZATIONS

Annex 1: Participating Organizations

Episcopal Church of the USA ECUSA	Church of the Province of Kenya
YMCA of USA YMCA	Kenya YMCA
Goodwill Industries of America GIA	Caribbean Association for the Rehabilitation of the Disabled (CARD) Asociacion Panamena de Industrias de Buena Voluntad (APIBV) Jairos Jiri Institute, Zimbabwe
Save the Children Federation SCF	Fundacion de Desarrollado Comunidad (FUDECO), the Dominican Republic Save the Children, Zimbabwe
World Relief Corporation WRC	Comité de Développement et de Planification: (CODIPLA), Haiti
World Vision Relief Organization WVRO	World Vision Relief Organization (WVRO), the Philippines World Vision Relief Organization (WVRO), Indonesia
International Institute for Rural Reconstruction IIRR	International Institute for Rural Reconstruction, Headquarters and Social Laboratory, Cavité, the Philippines Guatemalan Rural Reconstruction Movement
Foundation for the Peoples of the South Pacific FSP	FSP/Solomon Islands: Soltrust Solomon Islands Development Trust (SIDT) FSP/Tonga; Tonga Community Development Trust (TCDT)

Centre for Development and
Population Activities
CEDPA

CEDPA Alumnae Units, Kenya

CEDPA Alumnae Units, Egypt

PRERANA, India

Accion International

Asociacion Para El Desarrollo de
Microempresas (ADEMI), the
Dominican Republic

Lutheran World Relief
LWR

LWR Andean Regional Office

Centro de Investigacion Education y
Desarrollo (IDEAS), Peru

Centro los Estudios Sociologia and
Solidaridad, Peru

Centro de Investigacion Education y
Desarrollo (CIED), Peru

El Equipo para Desarrollo de
Cajamarca (EDAC), Peru

Opportunities Industrialization
Centers International
OICI

Liberian OIC

OIC-Ghana

OIC-Nigeria

Lesotho OIC

ANNEX 2

EVALUATORS

Annex 2: Evaluators

Carolyn Long Peter Pelham	Episcopal Church of the USA
Carolyn Long <u>Joseph Short</u>	YMCA
John Oleson <u>Heather Clark</u>	Goodwill Industries of America
John Oleson Richard Greene <i>Gary Shae</i>	Save the Children Federation
Richard Greene <u>John McMillin</u>	World Relief Corporation
Carolyn Long Shirley Buzzard <u>Nan Hudson</u> <i>Barbara Choy</i> <i>Nanda Dissanayake</i>	World Vision Relief Organization
John Oleson Sandra Wishner	International Institute of Rural Reconstruction
Richard Huntington John Oleson	Foundation for the Peoples of the South Pacific
Carolyn Long <i>Peggy Curlin</i>	Centre for Development and Population Activities
Richard Greene <i>Rebecca Reichmann</i>	Accion International
Shirley Buzzard <u>Alan Taylor</u> <i>Mario E. Padron C.</i> <i>Pedro Veliz M.</i>	Lutheran World Relief, Inc.
Richard Huntington <u>Stanley Barnett</u> <u>Judith Kroll</u> <i>Quy Nguyen</i>	Opportunities Industrialization Centres International

Underlined names are outside consultants contracted by the PVO.
Italicized names are PVO staff participating in the evaluation.

ANNEX 3

ACCELERATING INSTITUTIONAL DEVELOPMENT
WORKSHOP

Report
on
"Accelerating Institutional Development" Workshop

Prepared by:
Carolyn M. Long

September, 1987

International Science and Technology Institute, Inc.
1129 - 20th Street, NW
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Report on "Accelerating Institutional Development" Workshop

Introduction

On September 23, 1987, the Office of Private and Voluntary Cooperation of the Agency for International Development sponsored a workshop whose purpose was to discuss and explore the implications of the findings and conclusions of the final report, "Accelerating Institutional Development," written about the series of institutional development evaluations of 12 US PVOs. These empirically based assessments examined the role of U.S. PVOs in fostering and strengthening sustainable local institutions that contribute to long-term development in third world communities.

In attendance at this workshop, held at the Department of State, were representatives of the 12 PVOs evaluated, several of the evaluators who conducted the assessments through the International Science and Technology Institute, Inc., (ISTI) the organization contracted by A.I.D./PVC for the series, and several A.I.D. personnel from the PVC office, the regional bureaus and other interested offices of the agency. A list of the participants is attached.

Format of the Workshop

After welcoming remarks by Karen Poe, the Deputy Director of the A.I.D./PVC office, a brief presentation of the findings was made by the author of the report, Richard Huntington, of ISTI. This was followed by a panel discussion in which representatives from three of the PVOs evaluated (Quy Nguyen of Opportunities Industrialization Center International, Jane Watkins of the Overseas Development Office of the Episcopal Church of the USA, and Steve Gross of Accion International) commented on the findings in terms of their organizations' experiences in institutional development. In addition, Steve Bergen, Chief of the Project Development Division of the A.I.D./PVC office gave his office's reactions to the report.

The remainder of the day was spent in small group meetings, discussing the findings and implications of the report. In the morning's small group discussions, participants were asked to respond to the following questions:

1. Does this report reflect the trend of what's happening in institutional development efforts of PVOs?
2. Is this the right direction?
3. How and to what extent is this trend reflected in your organization (or organizations with which you work)?
4. What characteristics of your PVO (or those with which you work) enhance the institutional development process? What are the constraints to this process?
5. What would assist the institutional development process in your organization (or those with which you work)?

In the afternoon's small group discussions, each of the three groups examined one of the three central areas of inquiry which had comprised the scope of work for the evaluations: institutional characteristics; training, staff development and technical assistance; and resource mobilization and sustainability. In all of the groups, the participants were asked to respond to three questions based on the following hypothetical situation:

"A new donor has appeared on the scene, with the mandate to support "cutting edge" institutional development efforts of PVOs. You are responsible for writing the section on (institutional characteristics; training, staff development and technical assistance, or resource mobilization and sustainability) for a proposal to be presented to this donor."

1. Based on the findings of the ISTI final report, and this morning's discussions, what would you put into this proposal that you would not have included six months ago?
2. How would you assess your organization's constraints to carrying out these new proposed activities?
3. What would you need to assist you in overcoming these constraints?

Outcomes of the Workshop

1. Workshop participants endorsed the report's findings: The report's findings were endorsed as reflective of the experience of PVOs in institutional development efforts in third world countries. In doing this, people explicitly acknowledged the importance of institutional development as a central activity of US PVOs in their work with affiliate organizations. Furthermore, they reiterated that autonomy of affiliate organizations is a goal toward which US PVOs are striving, at the same time as they endorsed the report's statement that US PVOs should continue to function as resources to affiliate organizations for the indefinite future.

2. Institutional development is a long-term process: Participants noted the long-term nature of the institutional development process, and the frustration experienced by PVOs in carrying out this work in a donor environment which emphasizes short-term funding and a focus on discreet projects rather than on the process of institutional development which requires technical assistance, training, information sharing, and other such activities for which funding is much harder to obtain.

Workshop participants acknowledged the important role the A.I.D./PVC office has played in supporting the institutional development process, through both the nature and flexibility of its grants. Participants expressed their desire for the A.I.D./PVC office to play a role in educating other offices within the agency, field missions of A.I.D., and other donor organizations about the long-term nature of institutional development, the importance of supporting this process, and the need to have more flexibility in grants made to PVOs.

Although A.I.D. is legally precluded from making grants for a period longer than 5 years, it was suggested that A.I.D. could make their grants of five years or less with a greater recognition that they are supporting a phase of a long-term process -- perhaps as long as 15 years -- rather than with the expectation of seeing a fully sustainable affiliate institution at the end of 5 years. Having said that, participants acknowledged the need for a rigorous evaluation process, with clear, measurable objectives for PVOs to meet in such 5-year periods -- a recognition that there are identifiable benchmarks to be reached along the road to fully autonomous organizations.

3. Sustainability is a complex and multi-faceted achievement:

Participants noted the imprecise way in which the term sustainability is used and the need for a clear definition. People also noted the tendency to put too much emphasis on the financial aspects of sustainability rather than acknowledging the many important elements required to have a fully self-sustaining organization: leadership, a clear development philosophy, rootedness in the community, well-trained personnel, management, information and evaluation systems, linkages to resources and supportive networks, flexibility to changing circumstances -- as well as a diversity of financial resources.

4. There is a growing PVO sophistication in how to carry out institutional development activities: The workshop illustrated that the PVOs evaluated in this series have gained considerable knowledge and sophistication in how to foster and strengthen sustainable affiliate organizations. The PVO participants revealed an appreciation of the complexity of the task and an understanding of the key elements necessary to have in place in order to succeed.

5. PVOs are now more willing to share expertise and experience among themselves: In the past, PVOs have been reluctant to share information about their activities with one another and collaborate in areas of common concern. However, as noted in the workshop, PVOs are now expressing a willingness to share successful strategies, discuss common problems and jointly devise solutions.

In this area, the A.I.D./PVC office is offering timely assistance. A.I.D. has provided part of the funding to launch the Small Enterprise Evaluation Project (SEEP), a group of 24 PVOs engaged in income generation and credit activities, which has produced an excellent workbook on evaluation of small enterprise projects and intends to continue to share information and expertise in this sector with the PVO community.

A.I.D./PVC also provides funding through Private Agencies Collaborating Together, Inc. (PACT) for the creation of learning groups of PVOs focused on particular development issues in different sectors.

6. PVOs identified specific needs for assistance: Two areas that were particularly singled out as those where PVOs need technical assistance were in income generation and credit, and in organizational development subjects such as strategic and long-range planning and management. It was noted that many PVOs had become involved in income generation and some had begun credit programs without the knowledge necessary to successfully carry out such activities.

A compounding problem is that some PVOs are not even aware of technical assistance sources available within the PVO community itself. For example, although the Small Enterprise Evaluation Project (SEEP) is now underway to share expertise regarding income generation and credit, some PVOs were not aware of the group or how to obtain help from it.

The second area of assistance desired is in organizational development skills. This was viewed as needed both in PVO headquarters' offices as well as in their affiliate organizations. Strategic and long-range planning, goal setting, management and information systems are key areas of concern. At least a few PVOs already provide such organizational development assistance to their agencies. In addition, A.I.D./PVC is about to begin to provide such assistance to PVOs through the Experiment in International Living.

Dissemination of Report Findings

Workshop participants discussed the most effective ways to disseminate the findings of this evaluation series. The main recommendations are:

1. Conduct workshops for the PVO community on specific elements of institutional development. An example would be a workshop on resource mobilization which would focus on strategies for local resource development, non-American sources of funding, mission DPGs, linkages with host government funding sources, etc., based on experiences of the PVOs evaluated.
2. Develop written modules on the key elements of the institutional development process to be distributed through the A.I.D. communication channels to the agency's offices and missions, other donors and the PVO community.
3. Write a "primer" on institutional development, based on the findings, to be targetted at PVOs which are newly embarking on this process, outlining the most important elements involved in this work, giving advice on each area, and noting pitfalls to be aware of as they proceed.
4. Write a synopsis of the report's findings to be endorsed and sent out over the names of the 12 PVOs through InterAction's distribution system.

Summary

It can be argued that the institutional development efforts described in this final report are the most important long-term development endeavor in which US PVOs can be involved. The 12 organizations evaluated have made impressive progress in carrying out this task and have important insights and experiences they wish to share with other PVOs. Such information needs to be widely disseminated in the PVO and donor communities. This is an especially timely moment when southern NGOs are increasing their calls for a stronger commitment by US PVOs to capacity building of third world partner organizations and a shift to more of a resource and support role as indigenous organizations become stronger and more autonomous.

A.I.D./PVC historically has played an important leadership role in encouraging and supporting institutional development activities of US PVOs. The PVO community continues to look to, and count on PVC for continuing support and creative leadership in the promotion of such efforts in the future.

List of Participants for A.I.D./PVO Workshop
Loy Henderson Room, Department of State
September 23, 1987

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Richard Greene, ISTI

Steve Gross, Accion, International

Stanley Hosie, Foundation for the Peoples of the South Pacific

Richard Huntington, ISTI

Judith Kroll, Robert R. Nathan Associates

Kirsten Laursen, Episcopal Church of the USA

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Robert O'Brien, International Institute for Rural Reconstruction

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