

PVO Institutional Development Evaluation Series

Accelerating Institutional Development



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Bureau for Food For Peace and Voluntary Assistance
Office of Private and Voluntary Cooperation
U.S. Agency for International Development



In a world where so many factors induce feelings of impotence, indifference or escapism, nongovernmental organizations maintain and publicize a vision of mankind as one and are among those who act to make life more tolerable for more people.

—OECD, Paris

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Executive Summary

This study explains the role of U.S. Private Voluntary Organizations (PVOs) in fostering and strengthening sustainable private institutions in Third World communities.

This review is a fully collaborative effort involving 12 American PVOs working with 28 partner organizations in 18 countries. The affiliates are most commonly either started or supported by the U.S. PVO or constitute a link to established non-governmental organizations of long standing in their country.

Striving Toward Indigenous Institutional Development

Institutional development with Third World affiliate organizations increasingly is becoming a significant component of U.S. PVO activity. In many instances, large investments in human resources development of local organizations have been made; long-term commitments are in place. This is an open-ended process whereby a partnership is established with Third World professionals to shape a viable, autonomous local institution through financial support, dialogue and experimentation with different programs and forms of interaction.

Characteristics of Strong Local Institutions

Certain attributes were found repeatedly to be present in the stronger affiliate organizations reviewed, including:

- Charismatic leadership and the ability to attract and retain good senior staff;

- A community base of support. The community may be a village or hamlet or it may be a network of influential people in a town or city combined with a program to involve citizens, churches or other groups in activities to support the organization in question;
- A communication and connections network with similar institutions in the country, appropriate government entities and international organizations;
- An institutional vision, goals and strategies, coupled with management information systems, however basic, to allow for correction of errors and improvement of programs; and,
- A diversified portfolio of financial support and sources of income (e.g. private funds, the parent U.S. PVO, multilateral and bilateral donors, foundations, home government, philanthropic support). An organization dependent on one source will not readily survive the inevitable changes in shifting funding trends.

The PVO Affiliate Relationship

The complexity of institutional development dominates the findings. Case studies show repeatedly that the task is a multiplex and evolutionary effort. Training for local staff development is to date the single most important contribution of U.S. PVOs. Training has focused on participatory community development approaches, skill building in communication, leadership and decision making. Increasingly, affiliates are requesting and require specialized technical orientation as they become more proficient in carrying out sectoral projects.

In those cases where U.S. PVOs have assisted affiliates to develop management information systems, planning cycles, cost effectiveness criteria and performance tracking, results have been impressive, frequently prompting better strategic decisions and greater effectiveness in securing and using resources.

Evolutionary Relationship: From Tutor to Partner to Resource

As affiliates absorb and utilize proffered training and technical assistance, the nature of the relationship of the U.S. PVO to the affiliate tends to mature from that of tutor to partner to resource. They progressively need less basic help; they generate their own requests for inputs. The time of high up-front expenditure associated with starting an institution is realistically followed by a long period of less costly but crucial technical assistance and relationship maintenance. Here,

continuing communication with U.S. PVOs through newsletters, information sharing, conferences and visits becomes critical in helping affiliates stay connected to new ideas and approaches to development and organizational issues.

U.S. PVOs must recognize early-on that they need to nurture the capacity of partners to generate their own future financial support. Frequently, the early tutorial relationship emphasizes the positioning or refinement of management and program and information systems within the local organization, with less attention paid to the affiliate's ability to generate its own resources in a strategic and systematic manner. The provision of technical expertise in resource mobilization to the local organization is increasingly seen by U.S. PVOs as the *primus-inter-pares* item on their institutional development agenda. Another important lesson learned is to begin with as lean and inexpensive a program as possible so that the local affiliate has a reasonable chance of taking over major financial and fund-raising responsibility within a foreseeable period.

Local resources generated through donations or income generation and cost recovery, albeit not often accounting for more than 10% to 20% of a

local affiliate's budget, provide unrestricted funds and flexibility in cash flow situations and help cement the commitment of local people to the program.

The long-term nature of institutional development and the importance of consistent support to this process needs to be underlined. The period of "amortization" is often over 10 years. Simply stated, PVO institutional ventures are not "cheap" investments when all inputs are properly accounted for, but if they engender even partially successful local institutions, they are cost effective in the long run, given

continued flow of benefits as costs gradually decrease.

Conclusion: Partnership for Life

The role of U.S. PVOs in the promotion of local institutional development is both a short- and long-term task. The period of substantial financial dependency of the affiliate on the U.S. PVO can be dramatically shortened through early assistance aimed at creating the capacity for resource mobilization. The period in which the sponsoring U.S. PVO provides a range of specialized training, technical assistance and networking to the local institution is best when continuous.

The most effective relationships are those in which the U.S. PVO and local institution become partners for life. As the relationship matures, it moves from dependency to equality; the parent and the affiliate become a resource to each other.

The 12 U.S. PVOs reviewed have made impressive progress in carrying out this task and have important insights and experiences to share with others.

Several recent surveys... all clearly suggest the merit of more widespread reorientation of donor NGOs toward nurturing local organizations.

--OECD, Paris

Introduction

The series of evaluations presented here represent an empirically based assessment of the role of U.S. Private Voluntary Organizations (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. This study, a collaborative effort between the U.S. Agency for International Development (USAID) and the participant PVOs, explores the institutional development process of each U.S. PVO and informs USAID and these PVOs of general issues regarding the most effective strategies for advancing sustainable private Third World organizations. The study also provides a framework within which the approaches of PVOs can be compared and analyzed to incorporate lessons learned into a more coherent USAID-PVO relationship.

Descriptive terminology includes "U.S. PVO," "U.S.-based PVC," and "parent PVO" in reference to the 12 participating PVOs, even though no single category correctly characterizes all 12 organizations. Similarly, the field partner organizations are referred to as "local affiliate" or "local PVO" even though not all of them are strictly affiliates and some are national rather than local organizations.

As guided by the collaborating PVOs, the evaluation teams visited 18 countries, six in each of the USAID regional bureaus. The 12 U.S. PVOs are all organizations that are registered as private voluntary organizations with USAID and are either now receiving or have in the past received USAID support. It is important to remember that not all non-governmental organizations (NGOs) or all non-profit organizations qualify for USAID support as PVOs. To obtain Agency certification, an organization must meet eight conditions, as enunciated in the Conditions of Registration. Twenty-eight local affiliates, or field partner organizations, of the U.S. PVOs formed the

primary database for the conclusions regarding institutional development. These local affiliates/organizations can be placed in one of four categories:

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

Established. Two of the partner organizations are old, established institutions in their country, institutions for which the development activity catalyzed 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 U.S. PVO set them up under its matching grant from USAID. The task of the U.S. PVO in these instances is to work with these pre-independence African institutions to help them create a development outreach program complementary to their traditional activities.

Field Offices of U.S. PVOs. Not all U.S. PVOs in the sample set up independent local organizations in the countries studied. In the Philippines, World Vision Relief and Development Organization (WVRD) has a large field office, staffed almost entirely by Philippine personnel. Its development office is part of this organization. In Indonesia, World Vision carries out its rural development programs in conjunction with local entities, usually a church, in each location. At times, the field office is a precursor to setting up an institution. In the case of the International Institute for Rural Reconstruction (IIRR) their international headquarters is in "the field" in the Philippines.

Grass Roots Organizations. In Peru, Lutheran World Relief (LWR) has a regional office that helps a number of small independent grass roots organizations, entities that often develop out of opposition to certain policies or regimes. LWR helps these micro-organizations to build mutually supportive networks among themselves. Although there is a strong tradition of such spontaneous organizations in Latin America, parts of Asia and in the Middle East, grass-roots organizations are adjudged uncommon in Africa.

The 12 U.S. PVOs also vary in the types of programs they carry out in the countries selected for investigation. Six of the PVOs prioritize 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 U.S.-based training, training and employment for the handicapped and combinations of these with rural development.



Non-governmental organizations are significant development actors...In the years ahead, we should help American PVOs both to strengthen their links with local NGOs and to foster the development of local NGOs.

*—New Challenges/New Opportunities
Michigan State University (CASID), 1988*

Evaluation Methodology

The approach to this evaluation series has been influenced in particular by the findings of three previous Bureau for Food for Peace and Voluntary Assistance/Office of Private and Voluntary Cooperation (FVA/PVC)-sponsored studies, evaluations and workshops.

In 1982, USAID commissioned Judith Tendler to review 75 evaluations of PVOs. Her conclusions raised important issues regarding the way PVOs are evaluated. Tendler stressed that PVO evaluations should focus on the nature of their links with government programs and the community settings within which they operate, rather than converge on the management structure of the PVO and its local affiliates. According to Tendler, 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, often unique entity. 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 overriding 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 PVO field programs, testing its approach through four country reviews of the affiliates of two PVOs, International Voluntary Services, Inc. (IVS) and the Institute for International Development, Inc. (IIDI). This scrutiny produced an analytical set of indicators to measure not only the strengths of the institution itself but its effectiveness as a development oriented organization.

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 workshop concluded that although the DAI/Cornell approach provided a good mechanism for carrying out the specific evaluations of International Voluntary Services (IVS) and the Institute for International Development (IIDI), the group was uncomfortable in adopting it as a generic and prescriptive format for future PVO assessments. A number of the workshop observations 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.

This series, undertaken by the International Science and Technology Institute, Inc. (ISTI), begun in January 1986, is a continuation of the process of exploring means of assessing PVO programs to provide some general conclusions about PVO effectiveness, carefully attempting to include a variety of PVOs within a single framework without doing injustice to the unique

properties of each. The report strives to produce general insights through a prismatic scrutiny of 12 individual participating PVOs in a way that maximizes the likelihood that positive results observed would be shared and would impact on 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, building on the results of these prior initiatives, for a series of evaluations of PVO institutional development. It needed to be "generic" and "specific" at the same time, and 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 representatives from the first five participating American PVOs, evaluators and representation from FVA/PVC, the Bureau for Science and Technology (S&T) and USAID regional bureaus. During the workshop, the group held discussions on the relevant issues that affect the long-term institutional development of PVO affiliates in Third World communities and produced a consensus scope of work and plan for the first round of field studies. The participation of a diverse group of PVOs highlighted from the start the difficulty of using too rigid an evaluation format. The workshop itself created a climate of collaboration among USAID, FVA/PVC and evaluators that did much to facilitate the later individual field reviews by keeping them all in a shared mode that allowed for the maximum comparison of results.

This comparison was enhanced by the process set up for review, team preparation and reporting. Each individual field study was preceded by a two or three day structured team planning meeting during which the USAID 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 meetings were able to include directors of the PVOs affiliate organization to be studied. These sessions deepened the cooperative process and allowed the evaluation team to make the most efficient use of their limited time in the field.

Institutional development is not an end in itself, but a means to the goal of more effective and sustainable programs of development and service to poor communities.

Generally, each team spent between two and three weeks in assessing the PVO affiliate program in one country. In six of the 12 studies, however, a team was able to visit programs in more than one country. Teams consisted of from one to three external evaluators.

The nature of the collaboration by the U.S. PVO and local affiliate varied. 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 made largely by the local affiliate in consultation with the evaluation team. Also, to heighten cohesiveness and

continuity, most of the external collaborators served on more than one evaluation team.

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

After completing the first five field studies, presentations and reports, a "taking stock" workshop was held in August 1986 for the teams of evaluators. This review session mapped out a tighter

revised scope of work for the second round of evaluations. Project officers of the seven U.S. PVOs participating in this second round held a one-day orientation and planning workshop in November 1986. The last field study was completed in June 1987.

The completed report is presented in the form of an essay on what has been learned about the difficult process of creating, supporting and sustaining local private institutions dedicated to diverse developmental efforts and service to their communities. Its intent is 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.

Defining Institutional Development

Long-Term Sustainability. At the January 1986 planning workshop, which initiated the evaluation series, representatives from the participating PVOs, evaluators and USAID 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 the confusion on flip charts did not help. Looking back on those discussions, what is striking is that the group 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," the message was clear 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 field evaluations. Most of the institutional development activities of the PVOs are relatively new program thrusts, designed to avoid the past errors that led to the programs not being sustained and the continued dependence of indigenous organizations on the parent PVO. The evaluators were to be faced with looking for indicators of long-term sustainability in programs that were new.

PVOs have evolved rapidly in their approaches to development during the last decade. Evidence points to a trend away from exclusive emphasis on relief and services in favor of 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 Federation/FUDECO in the Dominican Republic or World Relief Corporation/CODEPLA in Haiti recently have altered important aspects of their programs, aimed at further improving developmental impact through and strengthening of local institutional mechanisms.

From "Institution-Building" to "Institutional Development." The dynamism and many-sidedness 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 one often derides 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," a change at least partly due to 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 duplicating a U.S. 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. Opportunities Industrialization Centers International (OICI) ran successful vocational training programs for the urban poor in America, and similar programs were set-up in African cities. In these instances, the model of what was successful in the United States was to be transferred to the developing country. The U.S. organization that had succeeded in the United States provided its own 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 straight structural mitosis.

The newer notion of "institutional development" entails a more open-ended process rather than a

blueprint copy of a known structure. It is a process wherein a U.S. PVO works with Third World professionals in a partnership that is finding 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 open-ended sort of institutional development, in which each local program develops more or less in its own way, pursuing a pattern 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 parent group teaching its offspring how to get to a predetermined and well-understood end. It has become a case of an international organization and a local partner 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 U.S.-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 initiatives that have become unpromising.



Farmers listen intently during a small farmer association meeting in El Salvador.

Characteristics of Local Affiliates

The resultant local institutions and their development and service programs are so varied that they are difficult to compare one to another and are difficult to evaluate against a fixed measure. Nonetheless, during the course of this assessment series, a number of characteristics of strong local institutions were identified such as canons of what is necessary for institutional survival and growth and indicators of what makes an institution vigorous and viable. These characteristics are purposely general and perhaps obvious. But when one puts them all together, it begins to be clear how intricate 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, hamlet or chieftaincy, or it may be a network of influential people in a town or 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 used in a way that allows for the correction of errors, the improvement of programs, the development of promising lines and the dropping of initiatives that have turned unpromising. 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, the parent PVO, multilateral donors, bilateral donors, private foundations, NGOs from different nations, income generating activities, home government support, philanthropic contributions). Given the uncertainties of budget cuts and shifting priorities of donors and national governments, an organization too dependent on one source will not outlive a change in the current fashion, trend or budgetary distribution.

The complexity of the institutional development task dominates the findings throughout the 12 individual evaluations and this final report. The word "complexity" is used 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 its composite nature. The case studies show repeatedly that it is a multiple and evolutionary effort and that it

is often the less expensive facets that get overlooked or neglected.

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 Third World non-governmental 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 that their country, or any country, had 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 including positive incentives offered by private service organizations and the scarcity of other equally attractive alternatives.

Simply stated, 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.

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, yet uniquely different, organization in a Third World country.

For example, the executive director of the Solomon Islands Development Trust (SIDT), 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 the organization with a certain degree of finesse (management information systems, staff development and financial management). He or she 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 an American town. Even the meteorological climate (droughts in Africa, cyclones in the South Pacific) can play havoc with the program or open up needs for unanticipated sources of

development funding. The executive director of CODEPLA in Haiti needs to combine a politically sensitive, theoretical understanding of the factors controlling production, marketing and the distribution of wealth with concurrent involvement and roots in the evangelical churches of Haiti and the United States. Additionally, he

In country after country, the evaluators met people in local PVOs who were undoubtedly among the best and the brightest that their country had to offer.

or she must be capable of the management and oversight of medium size enterprises in the area of processing 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 very special (dynamic, intelligent, internationally sophisticated, educated, politically-attuned) leader is crucial to institutional development. The evaluators returned from their field visits with memories of having met and witnessed the labors of a goodly number of just such extraordinary people. One is tempted to conclude that if an organization doesn't have that person, it shouldn't even try to start a new institution.

PVOs emphasize that they, in comparison to USAID 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 talents and extensive connections of local PVO affiliate leaders, how could they (except in rare instances) be other than elites? The 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 tie-in with the one "charismatic" leader. Small organizations can suffer from the "one indispensable person" malaise. In the 28 local organizations visited, however, this was not considered a problem. A number of cases in the series indicated that the training, conferences, sharing of ideas, management tools and philosophies of the parent PVO provided an important mechanism for avoiding or at least diminishing this "one indispensable person" syndrome. 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. In the two instances where it was found that the local organization was rigid and narrowly under the thumb of either one manager or a small coterie of the board of directors, the relationship with the parent PVO had been almost completely severed years before.

The PVO/Affiliate Relationship

The evaluation teams carefully reviewed the relationship between the U.S. PVO and its local affiliate, particularly the inputs provided by the U.S. PVOs in support of the institutional development of the local partner. Training and staff development is adjudged perhaps the single most important contribution of the U.S. PVO. Emphasis on and assistance to improve management systems is evident. Specialized technical training of affiliate staff and assistance in technical areas are not presently common inputs from the "parent" PVO, but occur occasionally in the area of appropriate technology.

Providing 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 the evaluation was to document whether the training had taken place in-country or overseas, been classroom-type lecture approach or a more interactive approach. Given limited resources, however, the evaluation did not fully assess the training programs. Any evaluations that previously had been undertaken were reviewed; further, the teams met the participants and collected anecdotal information about the nature of the training. Also, the team brought to the assessments a number of professional experiences 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, reviewers 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 more expensive, formal overseas training, executive directors and key board members of indigenous PVOs indeed often require international exposure as an enhancement to success with potential donors from overseas. These individuals have most 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: often, such experience is a pre-

requisite for the position. The extraordinary individuals who head up these local affiliates could hardly do so effectively without these training experiences and networks outside their own countries.

It is possible through training to have an impact on the entire institution and to alter the climate within which individuals work.

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 11 Kenyans to a four-month-long training program at the University of California at Los Angeles (UCLA) as part of their preparation to be district development officers. Another part of the ECUSA program in Kenya focused on providing an American educator to instruct a core group of women trainers in "experience-based Adult Training." This module, developed and refined in Kenya, trains women through "group action" exercises based on real

life experiences. In turn, these trainers have taught hundreds of Kenyan village women. What does it accomplish? It gives confidence to individuals who are unaccustomed to trusting their own judgment, speaking their mind or sharing ideas with others.

At present, ECUSA is realizing that it has given some rather intensive university-based training to mid-level 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 actively involve the church hierarchy. This would be

PVOs seem to be in their natural milieu with human resource development.

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 is presently expanding without expatriate instructors), other activities can benefit from the outside perspective, influence and connections.

Because PVOs normally work with relatively small organizations (usually much smaller than the Church of Kenya), it is possible through training to have an impact on the entire institution and to alter the climate within which individuals work. PVOs can thus largely avoid the problem whereby the newly trained employee returns 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 facilitate assistance in later stages of institutional development.

The YMCA with its Africa Alliance; ACCION International, Save the Children Federation, Foundation for the Peoples of the South Pacific (FSP), and Opportunities Industrialization Centers 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 organization's training workshops in Washington, D.C. The payoffs from these regional workshops, technical assistance exchanges and visits are enormous, and although they are not inexpensive, they are cost effective in comparison to the heavy reliance on expatriate trainers and consultants.

Creating Efficient Management Systems

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

All 12 of the U.S. PVOs in this study have a strong understanding and commitment to the training of management staff, including instilling among staff a people-oriented understanding and ability to operate in a "participatory" decision-making mode. PVOs seem to be in their natural milieu with human resource development. They tend, however, to have less capacity for establishing trenchant management systems for resource control and documentation. In those cases where the U.S. PVO has made a determined effort to

help its affiliate develop management information systems, annual and medium-term planning cycles, cost-effectiveness criteria and performance-tracking systems, the results are impressive. The investment pays off quite literally in the improved quality of strategic decisions and in the ability to secure funding and use resources most competently. The development and support of these systems appears to be less expensive than the cost of the original basic training and staff development. It is this technical assistance input 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 exigent, 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. The U.S. PVOs can provide technical assistance to their affiliates, stressing economical ways to build record keeping activities, deliniating measurable outputs into the original program design. Minimally, the local affiliate needs to generate and maintain baseline data/critical indicators that will allow fruitful analysis as part of an evaluation activity. Regarding systematizing periodic evaluations that are embedded in an on-going program to assess the social, economic and health impact of the PVO programs, few of the "parent" PVOs, in this study either 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 perform substantive evaluations have found them to be worthwhile in terms of strengthening the PVOs ability



A village Thrift and Credit Society in Cameroon, assisted by the World Council of Credit Unions, facilitates loans to men and women for income generation activities.

to support its field affiliates and to more credibly solicit funding.

One PVO in the study, the International Institute for Rural Reconstruction (IIRR), has for many years made evaluation and information feedback 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 attain maximum impact. Costwise, if IIRR's monitoring and evaluation system is viewed as 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 return on investment is many-fold justified.

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 may be one reason why PVOs who early on invest heavily in training and staff development of their local affiliate, later fail to follow through with emplacement and/or upgrading of management systems, evaluation activities and proper economic feasibility studies regarding new ventures. An irony is that as local affiliates become more autonomous and mature program-wise, the offering by "parent" PVOs of networks and highly specialized technical assistance becomes more essential. This is especially true regarding activities such as market-related economic enterprises and realistic approaches to cost accounting where micro-computer guidance can be of substantial help.

In the relationships reviewed here, the types of technical assistance offered by the U.S. PVO

become ever more differentiated over time. The case studies provide good examples of an evolution where the U.S. PVO gradually changes its role from that of tutor to partner to resource. If, at advanced stages of the relationship, requests for specific assistance are generated at local affiliate rather than at U.S. PVO headquarters, then the complex of dependency is further minimized. This is particularly 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 businesslike, professional manner.

Avoiding Isolation. The continued relationship with the U.S. 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 U.S. PVO further develop and improve its general program and encourage institutional development initiatives in new locations. As the partnership between the U.S. PVO and the local affiliate matures, these organizations become resources to each other; dependency is replaced by equality between two sustainable institutions interacting in an expanding international network.

One observed *bête noire* is that 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 perhaps less glamorous long-term follow-on activities, even though these "follow-ons" allow the original investment to pay dividends for years.

Resource Mobilization

Non-American funding is often available for local PVOs doing good work, provided the institution has the necessary know-how to sustain the varied requirements of a diversified portfolio of supporters. The financial needs of the local PVO affiliates surveyed in this series are relatively modest when compared to the amounts of aid money flowing into their countries from varied sources. Although one can cite the fact that many of the local affiliates remain dependent on the "parent" PVO (and hence partially on USAID) for as much as half of their financial support, it is equally important to note that this coffer is only half-filled from the U.S. side. Other sources are matching the U.S. PVO/USAID investment on a one-to-one basis, dollar-for-dollar. There are also cases where the percentage of direct support from the U.S. PVO/USAID has gradually diminished to 25% or less.

Two important lessons emerge at this point. One is that the sponsoring U.S. PVO needs to provide technical assistance in the area of resource mobilization right from the start, not when the funding extension they assumed would come from USAID, falls through. It is constraining to note that PVOs (and USAID) often give lip service to the notion of the autonomy of the local affiliate institution without providing the assistance to develop the real capacity to generate future financial support. Albeit, some PVOs in this study have learned from this shortsightedness and now place resource mobilization as the first item on their institutional development agenda.

The second lesson is to start with as lean and inexpensive a program as possible, so that the local affiliate has a reasonable chance of assuming a major share of financial responsibility as

early as possible. Too often, under the halcyon days of the original USAID grant, the PVO establishes a Mercedes-sized program that needs to be reduced to Volkswagon specifications when the U.S. PVO is forced to cut back its support. Even in cases where the local affiliate survives, drastic financial cutbacks have obvious negative repercussions on morale, precisely at a time when it most needs to be bolstered. Leanness is a key to financial survival.

Leanness Is Key to Financial Survival

One secret to the acknowledged success of ACCION International's ADEMI credit organization in the Dominican Republic is that ACCION cut 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 it is

Starting with a lean and inexpensive program gives the local affiliate a reasonable chance of assuming a major share of financial responsibility as soon as possible.

adjudged that this would make the program too expensive. It does not provide costly 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 poor neighborhoods of Santo Domingo. This program is one of two in the series that is now almost 100% financed by locally generated support. After a number of years of successful operation and growing local confidence in the ADEMI credit program, it now can consider expanding in ways that will entail higher costs but have greater impact on the overall economy.

The other field program that has generated significant local non-governmental support is the OIC-Nigeria vocational training center. After USAID support ended, the center reduced its operating costs to a level sustained 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 additional local support.

The reader may conclude that evidence on how leaness is important contradicts the axiom favoring complete management systems. On the contrary, 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 small staff, minimal training for its field officers 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 comprehensive short-term planning and medium-term strategizing.

Scarce but Valuable Local Resources

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 do not commonly account for more than 20% of a well-established, mature local PVO's budget. However, 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 modest percentage of the overall budget that is locally provided represents a significant endorsement from the community for the principles and program of the local PVO.

Nowhere is the gap between reality and expectation 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 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 organiza-

tion operates a small business, 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 many examples of pipe dreams that people claim will provide a major percentage of the local PVO's budgetary requirements in

only a few years.

References on economic enterprises and important technical assistance work is available from U.S. PVOs such as TechnoServe, VITA and ACCION. USAID mechanisms such as the ARIES Project have been promulgated. A manual entitled Monitoring and Evaluating Small Business Projects: A Step-by-Step Guide for Private Development Organizations, produced in 1987, is distributed by Private Agencies Collaborating Together (PACT). These efforts will continue to benefit from continued analysis and dissemination.

Even a modest percentage of the overall budget that is locally provided represents a significant endorsement from the community of the local PVO's program.

The Traditional Grant Extension Pitfall

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

The most effective relationships are those in which the U.S. PVO and the local institution become partners for life. As the relationship matures, it moves from dependency to equality; the parent and the affiliate become a resource to each other.

self-supporting, hence this particular grant would neither be aiding the north-south dependency nor locking in the donors' limited resources for years to come. Three or more years later, the grant is extended under one pretext or another, mainly because all parties appreciate that institutional development cannot be completed in a short time and that alternate financial resources in the developing country are "as yet" inadequate. Finally, after the first, second or third extension, the grant must be cut, usually suddenly and drastically, and the institution, finally on its own, is lucky to survive, let alone continue providing quality programs of service and development. During all the years of financial support and extensions, surprisingly little technical assistance and training was provided

that was specifically targeted to enhance autonomy and develop the capacity to secure resources on a continuing basis.

Evidence of Improved Approaches

The institutional development approaches manifested throughout the field studies of this evaluation series have moved successfully away from the above grantor-grantee pitfall. Technical assistance, training and encouragement is provided 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 and Development Organization and others work at the community level to mobilize resources for micro projects. FUDECO, CODEPLA, the OICs, SOLTRUST and SIDT have become adept at securing timely 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 reviewed 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, this was followed by 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-SOLTRUST, this past year after experiencing a major budget reduction from the "parent" organization, has secured funding from several sources. The percentage of USAID support for their program dropped from 100% to 25%, yet the program is judged improved as a result of the competitive search for support. Fundings tapped by these local PVOs are neither from new nor recently expanded sources. They have been there waiting for indigenous organizations with good programs, sound strategies and documentation of results to prepare professional proposals.

Cases in which a local PVO became significantly independent, financially or organizationally, within three or four years of its start are rare. This report has stressed the importance of an evolutionary partnership in which the high, upfront costs of starting an institution are realistically followed by an extended 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 because it entails the interruption of the relatively less expensive technical assistance and networking efforts of the U.S. PVO to its affiliate.

Despite this 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 is an early priority of the "parent" PVO). A financial kick out of the nest or a bit of budgetary shock treatment sometimes helps. This medicine has helped the OICs of Liberia, Ghana and Lesotho to find ways to survive on their own and in some cases improve their programs as a result.

It is important to note that the financial shock treatment was not accompanied by simultaneous withdrawal of networks, technical assistance visits and moral support of the "parent" PVO. In the above cited 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 become "graduates," not "orphans."

Partnership for Life

This "launching" toward financial independence should not end the provision of help from the "parent" PVO. The U.S. PVO/USAID resources saved by shortening the period of major financial dependency serve well in facilitating a continuing pattern of periodic technical assistance for sharpening management systems, updating managerial and technical skills, 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 refine its assistance approach and by serving as a source of cost effective technical assistance and training for additional institutional development efforts. Such partnerships, "federations" and "movements" characterize the style of relationship consciously developed by most of the PVOs in this series.

PVOs: Cost Effective?

The issue here is another one of those shibboleths regarding PVOs. Claims are consistently made that "doing development" through PVOs is cheaper than working through bilateral USAID or World Bank Projects. PVOs themselves often stress this as they market their services; 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 because 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.

The case studies show a middle ground. PVOs, as previously emphasized, 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 other when one calculates such items as cost per beneficiary, perhaps even more so at an 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.

Hence, PVO institutional ventures are not "cheap" investments when all inputs are properly accounted for, but if they engender even partially successful local institutions, they are cost effective in the long run. Moreover, as the attempt succeeds, it is a bargain because the benefits continue to flow as costs gradually decrease.

Conclusion

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

The general conclusion is that the role of U.S. PVOs in the promotion of local institutional development is both a short- and long-term task. The period of substantial financial dependency of the affiliate on the U.S. PVO can be dramatically shortened through early assistance aimed at creating the capacity for resource mobilization in the affiliate. The period in which the sponsoring U.S. PVO provides a range of specialized training, technical assistance and networking to the local institution is best when continuous.

The most effective relationships are those in which the U.S. PVO and local institution become partners for life. As the relationship matures, it moves from dependency to equality; the parent and the affiliate become a resource to each other.

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 reminders are important:

- *There will remain worthwhile programs in some parts of the world for which funding will be very scarce, where 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 U.S. PVO contributes part of the salary of key personnel who, in turn, generate program grants. This is a standard yet imperfect compromise. In some instances, the national government provides a subvention that works in much the same way.*

- *There is indeed more to institutional 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 help cement linkages to the population it serves.*
- *There is also more to voluntary service than running "businesses" to support the local organization.*

The task is, as previously 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 and moral support (and partial financial support when necessary) creates and sustains effective and cost efficient local private voluntary organizations capable of substantive development service to their country.



The contribution of those nongovernmental organizations that work for building other NGOs and for organizing people within structures adequate to their culture and focused on achieving joint goals is invaluable.

—Michael M. Cernea
World Bank

Case Study: SCF/FUDECO-Dominican Republic

History of Save the Children in the Dominican Republic

Save the Children Federation (SCF) began working in the Dominican Republic in the late 1960s. In 1972, it undertook its first integrated rural development project in an area of the northwestern part of the country adjacent to the Haitian frontier, approximately five hours drive from the capital of Santo Domingo. In 1974, the activities were legally incorporated into the Foundation for Community Development (FUDECO), a non-profit organization with a Dominican board of directors. During the period of 1975-79, SCF first began to use its community-based integrated rural development (CBIRD) methodology. In 1979, the current executive director of FUDECO was appointed, and the organization expanded its operations to an area in the southwestern part of the country, about five hours from its initial project area.

The focus of FUDECO's operations shifted somewhat from community development to the promotion of agricultural production, and it decided to work nearly exclusively through the system of farmer associations that existed or were developing in both of its areas of operations. Although it continued to receive a large share of its financial support from SCF, in other respects, FUDECO had become a fully independent and self-reliant organization.

FUDECO's Present Program and Methodology

FUDECO's operations now include training, the demonstration of appropriate technologies and improved agriculture techniques, extension visits, the construction of infrastructure projects such as small dams and irrigation and water distribution systems, the operation of plants producing improved animal feed, a high quality breed of pigs and pork products, programs to improve health and nutrition through training, the construction of latrines, Lorena stoves and better rural housing. Since 1983, FUDECO has provided credit for agricultural production and for the purchase and raising of livestock. As an affiliate of SCF, FUDECO continues the traditional program of child sponsorship.

Relationship of SCF and FUDECO

FUDECO represents the evolution of the SCF approach to community development in the Dominican Republic. In the early 1970s, when SCF decided to experiment with a new approach of utilizing all the child sponsorship funds for community projects, Loma de Cabrera was selected as the area because of its need and its isolation from other development efforts. From 1972-75, SCF worked through the indigenous Dominican organization, the Citizens' Committee, directed by a Dominican who had worked for the Committee in its social development program in the late 1960s and early 1970s. Two U.S.

interns sent by SCF in 1975 helped the program to expand geographically and with USAID/DR financial assistance from 1975-79, SCF organized its program efforts more in terms of municipalities (or clusters of communities) rather than intensive efforts in individual villages.

The appointment of the current Dominican executive director in 1979 was an important event. He and SCF shared a vision of creating a SCF affiliate with a Dominican director and board of directors. This vision was implemented, and FUDECO began to play a larger role in development in the Dominican Republic, expanding its program to the southwestern part of the country, shifting its emphasis to promotion of agricultural production and deciding to work almost exclusively with farmers' associations because of their active role in bringing together farmers with similar problems.

Throughout the transition phase to a new relationship, SCF and FUDECO communicated extensively about FUDECO's role and direction. Although now legally autonomous, FUDECO informs SCF of all its efforts, even if the financial resources for the activity come from other sources. FUDECO's director informs SCF of all its proposed activities, and SCF provides technical advice and training opportunities for FUDECO's staff. SCF pays the salary cost of the FUDECO executive director, and prepares his annual evaluation. SCF also provides an annual financial contribution to FUDECO that can be considered as the base

of support for its programs. SCF currently (1986) provides 54% of FUDECO's total resources [SCF support equalled 14% in 1988].

FUDECO follows the participatory methodology, combined with training and community-based projects, characteristic of other SCF programs. What distinguishes the current FUDECO program from most other SCF country programs are the use of a training center (the CAOTACO) and the major emphasis that the organization is placing on providing credit.

Major Strengths of FUDECO

FUDECO has several organizational strengths that have served it well in its development as an institution, including:

- **Quality and Utilization of Staff:** Both SCF in earlier days and FUDECO in the present have placed unusual emphasis on selecting employees who are professionally well-prepared and effective in carrying out the participatory methodology. Staff are willing to live in project areas in a style consistent with those areas; indeed, several are from the areas themselves. Buildup of staff has been slow enough to allow for careful, appropriate selection and training of employees to best meet the needs of the organization.
- **Importance of Leadership:** Although it appreciated the value of participatory approach, SCF recognized the importance of leadership and chose as

FUDECO's director a person who had a vigorous and commanding approach, which could have been perceived as inconsistent with a participatory program. However, SCF put its confidence in him and gave him the leeway to develop FUDECO into the independent organization it is today.

- **Concentration on the Participatory Approach:** SCF, and later FUDECO, placed major emphasis on instilling a good understanding of the participatory approach to development planning and implementation in its staff. This has resulted in an extraordinary capacity on the part of FUDECO staff to listen to communities and their representatives, thereby creating good rapport and accurate information about actual conditions of the communities.

- **Stability and Sufficient Resources:** SCF recognized the importance of having stability in its operations and sufficient resources to support the work of its personnel. While accepting the growing independence of FUDECO, SCF provided the stable financing of the sponsorship system and allowed a major portion of that money to go to meet personnel and administrative costs of FUDECO's operations. This produced confidence in FUDECO's management and employees that they had the resources necessary to do the job and resulted in a frugality in its operations.

- **Permanence of Presence:** FUDECO has made a long-term commitment to each of the regions in which it works and is committed to providing continual training to



An SCF field worker reviews a project with a 300-member women's association in the Dominican Republic.

representatives of farmers' associations who are then expected to share their new techniques with other members of their groups. This long-term approach allows FUDECO sufficient time to assist in making changes in farming practices that lead to soil erosion and deforestation and elicits trust and cooperation from the target population.

- **Integration of Program Elements:** From the beginning, SCF's, and now FUDECO's, integrated community development approach has served the program well. The farmers' organizations see themselves as representatives of community, as well as organizational interests. While the major focus of FUDECO is now increased agricultural production and income, related efforts such as construction of irrigation canals and dams and the use of *arietes* (water pumps) are high priorities. Community water systems, home gardens and raising pigs are encouraged, and the introduction of the credit program is an effort to meet the needs of the farmers who cannot obtain institutional credit. This approach also has moved the focus of the program more toward an emphasis on income-producing activities, rather than community and social development.

Of particular importance to the program has been the integration of the training and demonstration centers with the provision of extension services and other agricultural inputs such as credit.

The training maximizes the probability of farmers properly using the inputs. The training doesn't just cover correct use of seeds or maintenance of the pumps, for example, but encompasses proper soil conservation practices, nutrition and use of organic fertilizer and also creates awareness of the need for tree planting, etc.

The impression is one of an operation in harmony with its environment.

- **Style of Operation Consistent with the Environment:** FUDECO appears to be making the most of its resources. It uses all appropriate local resources through encouraging community participation, recruiting staff from local areas, producing as much food as possible at the CAOTACOs and teaching villagers technologies that use local materials. This has been done through experimenting with the objective of identifying practical technologies at the lowest possible cost that can be transferred to numerous communities.

The physical plants of the CAOTACO and FUDECO offices are modest, functional and well-maintained, including equipment and vehicles. The impression is one of an operation in harmony with its environment.

- **Reputation of the Program:** The FUDECO/CAOTACO program has an outstanding reputation among the associations it serves, and the

farmers have a sense of ownership of the CAOTACO. Government officials, other PVOs and funding sources are impressed with FUDECO's emergence as one of the leading PVOs in the country. Its experiments with appropriate technologies such as *arietes*, Lorena stoves and cinder ram blocks are considered significant contributions by those working in development.

- **Willingness to Experiment:** FUDECO appears to search for new solutions. Perhaps as a result of the fact that it has real independence of action in the SCF system, FUDECO is willing to experiment and innovate. Through this, it has achieved a good deal of self-confidence. It undertook new activities in response to problems arising in the conduct of its programs. For example, it developed the *ariete* hydraulic pump when the cost and maintenance of a diesel fuel pump was not practical or economically feasible. It also has been responsive to suggestions and has been willing to provide advice to others in similar work.

Accomplishments and Challenges

1. **Development and Sustainability of the Institution:** In the past seven years, FUDECO has increased its budget to \$800,000 per year, more than a 600% increase. It has grown from a staff of eight to more than 60 persons. Program activities have expanded to a second area, with other geographical

locations being explored.

FUDECO has secured grants or loans from four external sources beyond SCF, as well as funds from the Dominican Government's Technical Secretariat of the Presidency. The Dominican board of directors is active in making valuable contacts in the government and the private sector to assist the program.

2. Relationships with Other Agencies: FUDECO's work has become well-known in the country, and involvement with other agencies and incorporation of FUDECO techniques into other programs are occurring. Examples: The Dominican Women in Development Agency has incorporated the Lorena stoves into its programs. The Dominican Development Foundation has expressed its interest in learning more about the *ariete*. The Agrarian Bank is lending money for oxen as a result of FUDECO's efforts in this area. Progressiso, a Dominican PVO involved in reforestation, has signed an agreement with FUDECO to implement a joint reforestation project in Matayaya.

3. Improvement in Self-Help Capability of Community Organizations: The Farmer associations identify the project, work with FUDECO's staff in preparing the project plan and contribute all locally available materials and all unskilled labor. FUDECO also requires that infrastructure projects include training at the CAOTACO, which places a burden on the trainees to instruct

their fellow association members on such techniques. FUDECO also has fostered the creation of maintenance committees to keep the projects working. Through these and other methods, FUDECO fosters self-help in the communities.

Recommendations

- FUDECO needs to expand the share of its financial support provided by domestic sources in order to improve the prospects of the sustainability of its programs. Domestically generated resources provide only 5% of the total budget in 1985-86. [SCF reports that 13% was generated in 1988].
- FUDECO should try to collect information more systematically on the benefits achieved through its program and to organize information about its costs in a way that would enable it and others to form judgments on the cost/benefit ratios of its various activities. At present, FUDECO does not consistently quantify the benefits it hopes to achieve in its activities or determine whether those anticipated benefits are being achieved. A more systematic effort should help FUDECO in attracting additional support and enable it and the farmers' associations with which it works to make better choices of the activities to be supported in the future.
- FUDECO needs to sharpen the degree of focus it will have on activities that generate income. FUDECO has not made clear to itself or others the degree to which its program is to focus on activities designed to increase the income of its beneficiaries. Its statement of

objectives, strategy and history place great importance on fostering group cooperation and self-help and achieving improvements in educational opportunities and social conditions of the communities with which it works. However, the Board of Directors of FUDECO want to move the system to greater financial self-sufficiency and to focus on income-generating activities. This ambiguity is reflected in present programs.

This is a time of transition for FUDECO toward a program more consistently focused on income-generating activities, and the organization needs to make the analyses and the decisions necessary to put its program clearly on such a basis. These efforts should include creating a strategic five-year plan, preparing its staff and the associations with which it works and, possibly, modifying the participatory manner of dealing with the farmers' associations to facilitate decision-making with a more economic focus.

- Replication: SCF deserves credit for the success it has had in fostering the development of FUDECO as an independent organization. Furthermore, FUDECO has had enough success to justify having its approach considered for replication elsewhere. However, in any such consideration, great emphasis should be placed on the role of local conditions and the importance of cultural and organizational factors that may be necessary for the approach to work.

Annex 2: Participating Organizations

ACCION International (ACCION)	Association Para El Desarrollo de Microempresses, (ADEMI), Dominican Republic
Centre for Development and Population Activities (CEDPA)	CEDPA Alumnae Units, Kenya CEDPA Alumnae Units, Egypt PRERANA, India
Episcopal Church of the U.S.A. (ECUSA)	Church of the Province of Kenya
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)
Goodwill Industries of America, Inc. (GIA)	Caribbean Association for the Rehabilitation of the Disabled (CARD) Asociacion Panamena de Industrias de Buena Voluntad (APIBV) Jairos Jiri Institute, Zimbabwe
International Institute for Rural Reconstruction (IIRR)	International Institute for Rural Reconstruction, Headquarters and Social Laboratory, Cavité, The Philippines Guatemalan Rural Reconstruction Movement (GRRM)
Lutheran World Relief (LWR)	LWR Andean Regional Office Centro de Investigacion, Documentacion, Educacion, Asesoramiento y Servicios (IDEAS), Peru Centro de Estudios Sociales y de Solidaridad, Peru Centro de Investigacion, Educacion 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

Save the Children Federation (SCF)

Fundacion para el Desarrollo Comunitario
(FUDECO), Dominican Republic

Save the Children, Zimbabwe

World Relief Corporation (WRC)

Comité de Développement et Planification du
CEEH (CODEPLA), Haiti

World Vision Relief and
Development Organization (WVRD)

World Vision Relief and Development Organiza-
tion (WVRD), The Philippines

World Vision Relief and Development Organiza-
tion (WVRD), Indonesia

YMCA of U.S.A. (YMCA)

Kenya YMCA

Countries Surveyed

Africa

Ghana, Kenya, Lesotho, Liberia, Nigeria,
Zimbabwe.

Asia/Near East

Egypt, India, Indonesia, The Philippines, Solomon
Islands, Tonga.

Latin America

Dominican Republic, Eastern Caribbean,
Guatemala, Haiti, Panama, Peru.

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