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THE PVO/NGO INITIATIVES PROJECT
The Studies



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**DESIGNS FOR COLLABORATION:
A STUDY OF PVO/NGO
UMBRELLA PROJECTS IN AFRICA**

by

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PREFACE

The PVO/NGO Initiatives Project (PIP) is a multi-year project funded by the Africa Bureau to promote collaboration and foster closer working relationships between USAID, PVOs, and NGOs. It has sought to do this, in over 20 sub-Saharan countries, by facilitating increased dialogue between them, acting as a catalyst in forming new partnerships, building the technical and institutional capacity of NGOs, and by developing comprehensive informational databases.

An integral part of PIP has been the development of research papers and case studies commissioned for seminars and workshops. All of these have been accomplished by African researchers and form the **research paper series**. Under PIP, two important studies were completed: the umbrella study which examines the design and implementation aspects of umbrella projects, and the registration study which examines the impact of the registration requirements on African NGOs. Finally, the **impact reports** look at the effect of selected project (PIP) and non-project activities on NGOs.

We are very pleased to have been able to publish these and to provide them to you. Please note that the views expressed herein and those of the author(s) and are not necessarily those of the Agency for International Development, nor of Datex, Inc.

DATEX Inc., an international management consulting firm, currently holds several long-term contracts with the Agency for International Development. These include **ENRIC** (Environment and Natural Resources Information Center), **PIP** (the PVO/NGO Initiatives Project), the gender specialist and social analysis portion of **DESFIL** (Development Strategies for Fragile Lands), and the financial and grants management portion of the **Democracy Enhancement Project** in Haiti. In addition, Datex also manages two worldwide IQCs: the **Food Aid Programming and Management IQC**, and the **Health Financing IQC**; a Mission-based IQC with USAID/Haiti; and has recently been selected for the **Monitoring and Evaluation of Policies, Programs, and Projects IQC** and (by the Department of State) for the **Refugee Programs IQC**. Datex has carried out numerous other short and long term assignments for USAID, the World Bank, and for the United Nations, throughout the developing world.

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While acknowledging the generous assistance of these kind people, the authors retain full responsibility for any errors of fact and analysis. Likewise, opinions expressed in this report are the authors' own, and do not necessarily represent the institutional positions or policies of Datex, Inc. or A.I.D.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	3
A. Context	3
B. Purpose, outputs and methodology of this study	4
B.1. Umbrella projects defined	4
B.2. Selection of projects for this study	5
B.3. Sources of information for this study	6
C. Structure of the report and how to use it	7
PART I. OVERVIEW OF TRENDS AND LESSONS LEARNED	9
A. Trends in umbrella project design	9
B. Generic project lessons and recommendations	11
B.1. Project design	11
B.2. Monitoring and evaluation	11
B.3. Institution building for effective community-based action	12
B.4. Innovation and flexibility	13
B.5. Personnel and personalities	13
B.6. Recommendations	14
C. PVO/NGO project lessons and recommendations	15
C.1. PVC/NGO strengths and weaknesses	15
C.2. Funding levels and absorptive capacity	15
C.3. Collaboration and information sharing versus competition	16
C.4. <i>A priori</i> project constraints	16
C.5. Limits to growth and change	17
C.6. Independent agents or extensions of A.I.D.	17
C.7. Intermediary roles	18
C.8. Recommendations	19
D. Umbrella project lessons and recommendations	19
D.1. Project management	20
D.2. A.I.D. staffing and monitoring -- a balance between marginalization and excessive control	20
D.3. Playing the broker role	21
D.3.a. MU - PVO/NGO relationships	21
D.3.b. MU - parent agency headquarters relationships	21
D.3.c. MU staffing	22

D.4. Project Policy Committees	22
D.5. Host government roles	22
D.6. Training and technical assistance for NGOs	23
D.7. Project implementation	24
D.8. Recommendations	24
E. Model of an "ideal" umbrella project	25
PART II. PROJECT DESCRIPTIONS	29
A. Senegal Community and Enterprise Development Project (CED)	29
B. Zaire PVO Economic Support Project (ESP)	30
C. Kenya Rural Private Enterprise Project (REP)	31
D. Sudan Regional Finance and Planning Project (RFP)	31
E. Kenya PVO Co-Financing Project (Co-Fi)	32
F. Chad PVO Development Initiatives Project (DIP)	33
G. Somalia PVO Development Partners Project (PVOP)	34
H. Zaire Small Project Support Project (SPSP)	35
I. Liberia PVO/NGO Support Project	35
J. Mali PVO Co-Financing Project (Co-Fi)	36
K. Senegal PVO/NGO Support Project	37
L. Mozambique PVO Support Project	38
M. Malawi Services for Health, Agriculture, Rural and Enterprise Development (SHARED)	38
PART III. DESIGNING UMBRELLA PROJECTS	41
A. Policy Issues	45
A.1. Consistency of project design with AID/Washington policy	45
A.2. Relation of project to A.I.D.'s country strategy and program activities	50
A.3. Relation of project to host government policies	52
A.4. Participants in the design process	54
B. Conceptual Issues	57
B.1. Definition and role of beneficiaries	57
B.2. Goals and objectives of the project	60
B.3. Goals and objectives of the project with regard to PVOs/NGOs	62
B.4. Rationale for employing an umbrella mechanism	63
C. Project Parameters	67
C.1. Project elements	67
C.2. Life of Project	69
C.3. Sector focus of project activities	71

C.4. Geographic focus of project activities	73
D. PROJECT MANAGEMENT	77
D.1. AID MANAGEMENT OPTIONS	81
D.1.a. Project implementation: within the mission or contracted out	81
D.1.b. Implications for A.I.D. if project implementation is within the mission	83
D.1.c. Implications for A.I.D. if project implementation is contracted out	86
D.2. A.I.D.'S PARTNERS IN PROJECT MANAGEMENT	89
D.2.a. Management functions of an external project implementation unit	89
D.2.b. Staffing issues for an external project implementation unit	90
D.2.c. Host country government functions in project management	92
D.2.d. Management functions of subgrantee agencies	94
D.2.e. Project Advisory Committee functions in project management	96
D.2.f. Monitoring and Evaluation	98
D.3. SELECTION OF EXTERNAL PROJECT MANAGEMENT AGENCY	101
D.3.a. Field for selection for external project management agency	101
D.3.b. Selection mechanism for external project management agency	103
D.3.c. Funding mechanism for external project management unit	105
E. PVO/NGO ISSUES	107
E.1. Needs of potential recipient PVOs/NGOs	107
E.2. Interests of potential recipient PVOs/NGOs	108
E.3. Partnership among PVO/NGOs	110
E.4. Coordination among PVO/NGOs	112
E.5. Role of national PVO/NGO consortia	114
F. MANAGEMENT OF SUBGRANTS	117
F.1. Field for selection of subgrantee agencies	117
F.2. Criteria for selection of subgrantee agencies	119
F.3. Criteria and process for subgrant selection	120

F.4. Size of subgrants	123
G. MANAGEMENT OF OTHER PROJECT ACTIVITIES	127
G.1. Training and technical assistance for PVO/NGOs	127
G.2. Information collection, analysis and dissemination	128
H. PROJECT FINANCING	131
H.1. Project budget	131
H.2. Sources of project funds	134
H.3. Subgrant match requirements	137
I. SUSTAINABILITY	141

TABLE OF FIGURES

Figure 1: Umbrella Projects Studied for this Report	4
Figure 2: Major Documents Studied for this Report	7
Figure 3: Umbrella Project Dollar Budgets and Length of Project	9
Figure 4: Participation of PVO/NGOs in Design of Umbrella Projects	54
Figure 5: Designated Beneficiaries in Umbrella Projects	58
Figure 6: Umbrella Project Elements	68
Figure 7: Sector Focus for Subgrants	72
Figure 8: Project Geographic Focus	74
Figure 9: Staffing Implications for Projects Managed within A.I.D.	84
Figure 10: Project Management with External Management Unit - The Example of Zaire SPSP	85
Figure 11: Project Management with External Management Unit - Senegal PVO/NGO Support Project	89
Figure 12: Summary of Host Government Roles in Project Management	93
Figure 13: Field of Selection for External Project Management Agency	101
Figure 14: Selection Mechanism for External Project Management Agencies	103
Figure 15: Partnerships Between PVOs and NGOs in Umbrella Projects	111
Figure 16: Field for Selection of Subgrantee Agencies	118
Figure 17: The Subgrant Review Process - Liberia PVO/NGO Support Project	122
Figure 18: Internal Project Management - Impact on Dollar Budget Allocations	132
Figure 19: External Project Management - Impact on Dollar Budget Allocations	133
Figure 20: Impact of Counterpart Funds on Budget Components	136
Figure 21: Budget Match Requirements	138

APPENDICES

Appendix A: Acronyms and Abbreviations	144
Appendix B: Databases of Projects Studies	147
Appendix C: Cross-Reference with A.I.D.'s Project Paper Format	155

EXECUTIVE SUMMARY

A.I.D.'s funding and cooperation with PVOs and NGOs have increased considerably in recent years. Most of this growth has been through mission-funded projects. The approach that many missions are using for their expanded PVO/NGO funding is the umbrella project. Umbrella projects allow A.I.D. to help finance activities of a number of PVOs and NGOs under a single funding obligation. They also can reduce A.I.D.'s management burdens.

This study examines the recent track record of A.I.D. supported PVO/NGO umbrella projects in Africa in order to document the diversity of approaches, to identify their successful as well as their less successful or dysfunctional aspects, and to provide the basis for developing strategies with regard to this funding mechanism. The aim is to permit both A.I.D. and its partners in the PVO/NGO community to improve the effectiveness of current and future umbrella projects, and to apply the lessons learned to other forms of A.I.D./PVO/NGO collaboration.

The study concludes that umbrella projects have proven to be a flexible mechanism for enlarging PVO/NGOs' operations, improving these agencies' capacities, and opening possibilities for A.I.D. involvement with beneficiary groups not easily reached by other programming approaches. At the same time, the study found a series of commonly repeated errors in the conceptualization and implementation of umbrella projects that reduce their effectiveness and limit their potential impact.

The report's title points to two aspects of umbrella projects that deserve special attention: design and collaboration. The design phase of an umbrella project is crucially important to its success, and yet lessons from flawed designs do not seem to have transferred widely among missions in the Africa region. To address this information gap, the lion's share of this report is a detailed analysis and reference guide of project design issues.

Umbrella projects need a concerted level of inter-agency collaboration in order to function well. The number of direct stakeholders and the complexity of institutional relationships require structures and approaches that make these linkages as efficient as possible. Thus, process is a key project success factor. This in turn means both investments in local institution building and adjustments in usual A.I.D. management practices.

Traditional donor-contractor modalities and mentalities are inadequate for umbrella projects. Attitudes of control and focus on narrowly defined accountability can be tempered when goals are reframed and innovation is rewarded. Such changes offer new opportunities to respond creatively to A.I.D. policy and program mandates, and to help PVO/NGOs make their unique contributions.

INTRODUCTION

A. Context

A.I.D.'s funding and cooperation with PVOs and NGOs have increased considerably in recent years. In light of A.I.D.'s deconcentration of authority from Washington headquarters to individual country missions, it is no surprise that the most of this growth in PVO/NGO involvement has been through mission-funded projects. The approach that many missions are using for their expanded PVO/NGO funding is the umbrella project mechanism.¹

Total A.I.D. financial commitment in US dollars for the thirteen projects studied for this report, is well over \$150,000,000. At least four more A.I.D. missions in Africa are contemplating new PVO/NGO umbrella projects, and there are a growing number of A.I.D.-funded projects that use umbrella-type methodologies along with other implementation strategies. Some bilateral or regional projects include PVO/NGO subgrants and capacity building components linked to broader policy reforms, for example, the Southern Africa Regional NRMS Project and the Niger Agricultural Sector Development Grant II. Added to all these investments is the distinct possibility that due to continuing operating expenditure (OE) restrictions, future A.I.D. operations in a number of smaller African countries may be handled by PVOs. **Given this critical mass of umbrella project programming, an analysis of experiences to date has been considered a high priority.** (See Figure 1 for list of projects studied.)

This study is part of the A.I.D. Africa Bureau-funded PVO/NGO Initiatives Project (PIP) which is managed by Datex, Inc. Over the last two years, PIP has been a major vehicle for implementing the A.I.D. Africa Bureau PVO/NGO strategy which resulted from extensive consultations with the US PVO community, as mandated in the Development Fund for Africa legislation. Key objectives of PIP are: providing increased opportunities for PVO/NGO/A.I.D. consultation, assessing existing mechanisms for collaboration among A.I.D., PVOs and NGOs, strengthening PVO/NGO partnerships, and improving the capacities of NGOs and other organizations working at the grassroots in Africa. Operating in the US and in numerous African countries, PIP activities include coordinating the PVO Task Force, facilitating PVO/NGO/A.I.D. consultations, organizing seminars and workshops to improve PVO/NGO effectiveness, and conducting evaluations and studies such as this umbrella study, among other activities.

¹ "PVO" refers to agencies registered as PVOs with A.I.D. Washington. Most of these are headquartered in the U.S., although organizations based in other countries can register with A.I.D. as PVOs. In this paper "NGO" usually refers to African NGOs which are typically registered and recognized as NGOs by their governments. Although laws and regulations vary widely among African nations, a distinction is usually made between national NGOs and community-based organizations. In this paper PVO/NGO refers collectively to US PVOs and African NGOs.

Figure 1: Umbrella Projects Studied for this Report

In order of project authorization dates.

Project Name and Number	Project as referred to in this report	Month and year authorized
Rural Private Enterprise 015-0220	Kenya REP	August 1983
PVO Economic Support 660-0097	Zaire ESP	August 1983
Community and Enterprise Development 665-0260	Senegal CED	September 1983
PVO Co-Financing 615-0236	Kenya Co-Fi	May 1985 ¹
PVO Development Initiatives	Chad DIP	June 1985
PVO Development Partners 649-0138	Somalia PVOP	August 1987
PVO/NGO Support 660-0211	Liberia PVO/NGO Support	August 1987
Regional Finance and Planning (PVO phase only) 650-0012	Sudan RFP	August 1987 ²
Small Project Support 660-0125	Zaire SPSP	August 1988
PVO Co-Financing 688-0247	Mali Co-Fi	August 1989
Designed Since Study Began		
PVO Support Project 656-0217	Mozambique PVO Support	June 1990
Services for Health, Agriculture, and Rural Enterprise Development (SHARED) 612-0232	Malawi SHARED	August 1990
PVO/NGO Support Project 685-0284	Senegal PVO/NGO Support	August 1991

¹ Kenya Co-Fi was halted during implementation and significantly redesigned. The PP Amendment for the redesigned project was signed in July 1988.

² Sudan RFP PP Amendment no. 3 signed in August 1987 authorized the start of the PVO phase of this project, which is the only phase reviewed for this study.

B. Purpose, outputs and methodology of this study

This study aims to examine the recent track record of A.I.D. supported PVO/NGO umbrella projects in Africa, to document the diversity of approaches, to identify their successful as well as their less successful or dysfunctional aspects, and to provide the basis for developing strategies with regard to this funding mechanism. The aim is to permit both A.I.D. and its partners in the PVO/NGO community to improve the effectiveness of current and future umbrella projects and to apply the lessons learned to other forms of A.I.D./PVO/NGO collaboration.

B.1. Umbrella projects defined

No formal definition of PVO/NGO umbrella projects exists, although the term has become well established in the lexicon of development over the past decade. As used by A.I.D. it generally connotes a mechanism that provides funding, or subgrants, to a number of organizations under

the "umbrella" of a single A.I.D. project. In most umbrella projects subgrants are made to NGOs and PVCs, although funding to government and private sector entities is not unknown.

In addition to management of subgrants, umbrella projects typically involve other activities with PVOs and NGOs, such as training, technical assistance, information services, and inter-agency coordination. The umbrella concept encompasses a variety of management and implementation models, with many shadings of difference in the tasks, responsibilities and authority shared among various stakeholders. These stakeholders include A.I.D., host country government, the PVO/NGO community, and often a separate project management unit outside A.I.D. itself. Perhaps the common denominator of umbrella projects is simply the capacity to distribute financial resources to a number of agencies under one funding obligation.

B.2. Selection of projects for this study

This study is limited to A.I.D.-funded projects in sub-Saharan Africa. A major criterion for inclusion in the study is projects in which subgrant funding to PVOs and/or NGOs is a discrete activity that is integral to the project design and to the accomplishment of its objectives. A second cluster of criteria concerns identification of a set of umbrella projects that demonstrate the range of models in terms of these parameters:

- project management within the A.I.D. mission versus management outside A.I.D.
- where an outside management unit is used, different types of implementation arrangements
- projects completely focused on umbrella activities versus ones in which the umbrella element was a component of a larger design
- project activities limited to subgrants as compared to various combinations of subgrants and other project activities
- project funding for only US PVOs, only or mainly national NGOs, or some mix of subgrant recipients
- project sectors: single sector, multiple designated sectors, or any sectors of activity
- project orientation: emergency relief, transition after drought or other emergencies, long-term development, institution building, etc.
- project cycle: already completed or terminated, in mid-implementation, or early in implementation

In 1990, sifting through A.I.D. projects, the study team selected ten that fit these criteria. Three newly designed umbrella projects were added during the course of the study because they featured new approaches, or demonstrated use of umbrella projects under special circumstances.

This selection process inevitably left out many projects which some would consider to be "umbrellas". Eliminated were projects that focused on funding agencies other than PVO/NGOs, projects in which PVO/NGOs played a minor part, and projects in which the umbrella components were not easily separated and analyzed on their own. Examples include the Botswana, Zambia and Zimbabwe components of the Southern Africa Regional Natural Resource Management Project, or some of the health/child survival project funded by A.I.D./W or missions in countries like Kenya.

Exclusion from this study does not represent a negative judgement on the appropriateness of umbrella elements in other projects. On the contrary, subgrant funding can be an effective mechanism within a larger project strategy. These criteria were expedient for delimiting a grouping for the purpose of examining umbrella projects in general. Lessons learned from this examination will have application to all projects using umbrella mechanisms, and indeed for most projects working with PVOs and NGOs.

B.3. Sources of information for this study

This study is based on a number of sources. It began with an analysis of selected documents on ten recently completed or ongoing PVO/NGO umbrella projects in Africa, documents such as project papers, project amendments, audits, and evaluations. Documentation for three other umbrella projects that were designed while this study was underway has been included as it became available. Cooperative agreements, work plans, narrative reports, annual reviews and internal evaluations were also reviewed when available, as was documentation on A.I.D.'s umbrella project experiences in the Latin America and Asia regions. (See Figure 2 for major project documents studied.)

The next step was to solicit the opinions of people who have worked or are working on these projects in a wide variety of capacities in different settings over a span of nearly eight years, e.g., A.I.D. mission project officers, PVO management unit chiefs of party and staff, PVO headquarters and field project staff, local NGO staff, etc. These people were asked to verify and up-date information and to contribute their perspectives on umbrella projects. In addition to interviews in the US, field visits in Africa by the study team gave access to the sites of seven of the projects in the study. Three of the other six projects were located in areas where travel is now restricted or impossible. Many of the knowledgeable people involved with these projects were contacted in their current locations.

Figure 2: Major Documents Studied for this Report

Projects in Study	Project Paper	PP Amendment	Midterm Evaluation	Final Evaluation	Audit	Other Documents and Comments
Kenya REP	•		•		•	2 PPs due to overlapping funding
Zaire ESP			•	•		Unsolicited proposal
Senegal CED	•	•	•	•		Two amendments
Kenya Co-Fi	•	•	•			
Chad DIP	•		•		•	
Somalia PVOP	•		Not released			
Liberia PVO/NGO Support	•					
Sudan RFP (PVO phase only)		•				PP Amendment #3; RFA
Zaire SPSP	•					
Mali Co-Fi	•					PP without financial data
Designed Since Study Began						
Mozambique PVO Support	•					
Malawi SHARED	•					
Senegal PVO/NGO Support	•					Draft PP

C. Structure of the report and how to use it

This study report is presented in three parts. Part I reviews the lessons learned with regard to the different options in the design and implementation of PVO/NGO umbrella projects and provides recommendations for improving this funding mechanism. Part II comprises a brief description of each of the projects included in this study. (These narrative descriptions are complemented by boxed database summaries of each project that are located in Appendix B.) Part III, the lengthiest section, analyzes a series of more than forty issues related to umbrella project design and implementation.

Everyone interested in the study's findings and recommendations is encouraged to read Part I. It presents the overall picture of the A.I.D. experience of umbrella projects in Africa, with an

emphasis on the broad outlines of opportunities and challenges. For Readers who want to understand any or all of these issues in more detail, Parts II and III are "required reading".

Part III is intended as a reference guide for the design, implementation and evaluation of umbrella projects. By reading through the report's Table of Contents and the introductory section to Part III, one can identify specific areas of interest. To aid in the process of designing umbrella projects, a cross-reference between the A.I.D. format for Project Papers and the section headings of Part III is offered in Appendix C.

For Readers who want a succinct presentation of the issues detailed in Part III, the authors suggest the following method of perusing this lengthy portion of the report. The presentation of each issue in Part III begins with a brief explanation of the nature and relevance of the issue, and often contains reference to any graphic representation germane to that issue. By reading these brief explanations and looking at the figures in the text, one can grasp the complexities of umbrella projects in short order.

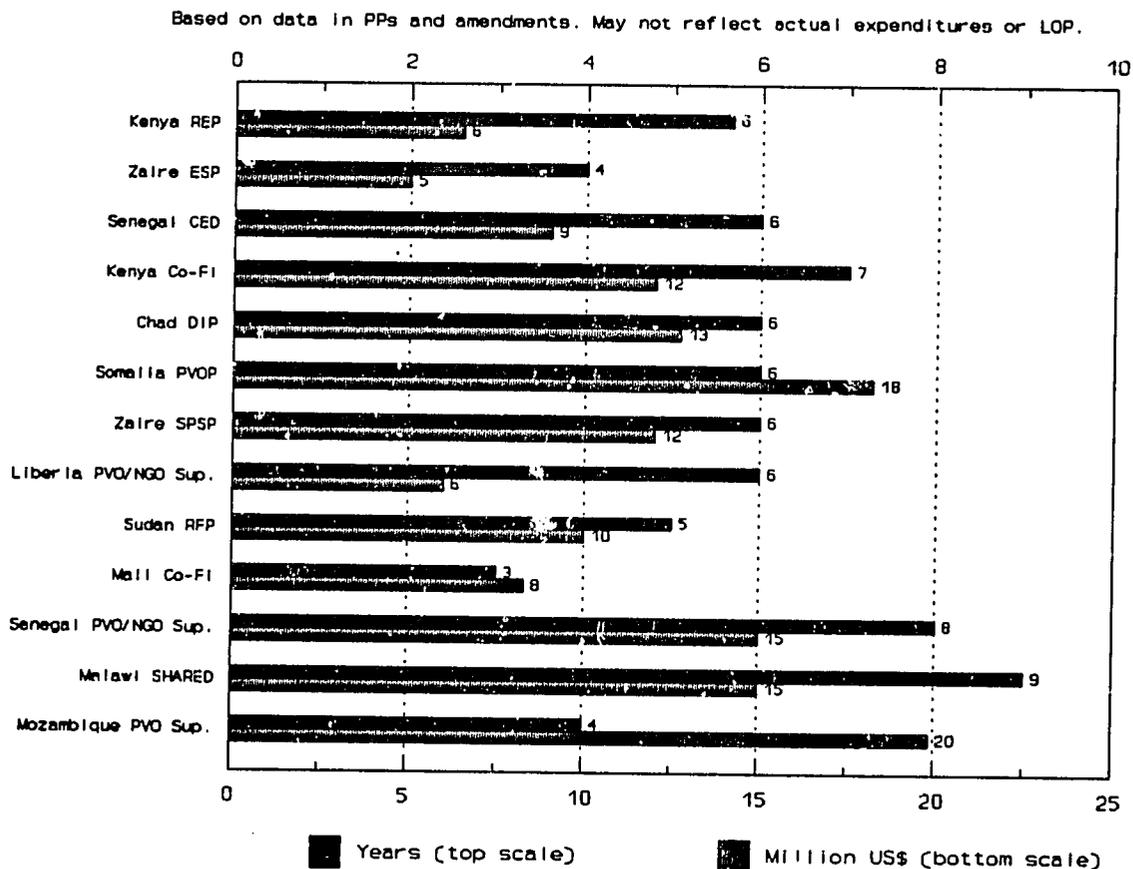
One final note concerns Appendix A, a list of acronyms and abbreviations. It may well help keep track of the bewildering array of terms used in different settings. For example, the intermediary project management or support units that are used in the umbrella projects of this study have been called the Management Unit (MU), Project Management Unit (PMU), Umbrella Management Unit (UMU), Umbrella Support Unit (USU), Management Unit for Support and Training (MUST) and Technical and Advisory Support Unit (TAS).

PART I. OVERVIEW OF TRENDS AND LESSONS LEARNED

A. Trends in umbrella project design

The most obvious "trend" is the lack of trends in many areas of A.I.D. umbrella project design in Africa. There are no clear patterns across projects, for example, in terms of what categories of US PVOs and/or African NGOs are eligible for subgrants, or whether umbrella projects are managed within missions versus management through an external agency. The lack of distinct chronological progression in many areas of project design is exemplified by charting length of projects and dollar budgets. (See Figure 3).

Figure 3: Umbrella Project Dollar Budgets and Length of Project



Recently designed projects include two of the longest, indicating an appreciation of the timeframe required for development of sustainable, participatory activities. Yet, another recently designed project is one of the shortest, as it deals with a period of rapid national transition. Likewise, trends are unclear in terms of projects' size, although small umbrella projects are now the exception. Also, no consistent correlations between projects' lengths and budgets can be observed.

The factors that control how umbrella projects are designed are not subject to any particular progression. It appears that site-specific country conditions and the predilections of A.I.D. mission personnel are determinant factors in many umbrella project design decisions, with regard to issues such as the role of host government or the mix of project elements. Progressive learning for improved project design by various A.I.D. missions across Africa from problems encountered in earlier umbrella projects appears to be uneven. However, a number of more recent designs show application of lessons learned. Examples include the increased length of projects noted above, a recognition of the variety of support services required to assist PVO/NGOs, and a willingness to invest in institutional strengthening. Also, PVO/NGO partnerships between US PVOs and African NGOs are increasingly seen as a tool for improving umbrella project impact.

On the negative side, some dysfunctional design aspects appear more persistent. Expectations of A.I.D. missions for umbrella project time requirements are frequently unrealistic. Underestimation of the time needed to establish an external project management unit, to generate and review subgrant proposals, and to carry out many other facets of project implementation has put pressure on A.I.D.'s partners in umbrella projects to move faster than is prudent or appropriate. In many umbrella projects studied, unrealistic expectations concerning the capacity of PVO/NGOs to absorb A.I.D. funds and to expand their operations have been deleterious to the achievement of project objectives.

The limited degree of project completion should be noted. While the umbrella project experience in Africa is geographically broad, it is not chronologically deep. Only two of the ten projects originally included in this study have been formally completed with a Final Evaluation. Five of the ten have suffered serious disruption for political and/or programmatic reasons, and several will never be completed. In sum, the umbrella project experience in Africa is quite new and still in the formative stage.

The experience base for managing umbrella projects is shallow for both PVOs and A.I.D. Only two active PVOs have been awarded competitive grants or contracts to manage umbrella projects in this study, and just a few other agencies have managed major umbrella projects in Africa. A.I.D. direct hire personnel with hands-on experience in umbrella project administration are equally rare. Although A.I.D. missions can bring in outside expertise for project design and evaluation, and often do contract for day-to-day project oversight, A.I.D.'s own truly in-house knowledge of umbrella project management and implementation is quite limited.

The lessons gleaned from examination of these thirteen umbrella projects are organized on three levels, moving from the more general to the more specific. The first group are generic lessons that have broad applicability to many kinds of development efforts. The second group are lessons that relate to almost any activities involving PVOs and NGOs. The third group are lessons that are specifically germane to PVO/NGO umbrella projects. Many of these lessons are dealt with in more detail in Part III.

B. Generic project lessons and recommendations

The study of PVO/NGO umbrella projects reveals a number of factors affecting project success that appear to have a universal application. Some of these may sound obvious and perhaps even trite because they are oft repeated truisms. Yet, ignoring them has contributed to the failure of multi-million dollar projects.

B.1. Project design

One first cluster of lessons concerns the project design process. Meticulous attention to the basics of project design, including the design process, cannot be over-emphasized. **The involvement in project design of the intended project partners such as PVO/NGOs and of the beneficiary communities or target groups is a lesson that umbrella project experience underscores.** This collaborative approach to design favors a common understanding and agreement among key players as to the objectives, approaches, roles and expected outputs of the project. Lack of such clarity and consensus has handicapped many projects in this study. The supreme importance of appropriate design and design process led the study team to examine in detail project design situations and questions in Part III.

One key lesson concerning project design is the tendency to make overly optimistic projections for project performance. Unrealistic targets in identifying and scheduling outputs are often based on incorrect assumptions and inadequate understanding of needs and capacities among project partners and intended beneficiaries. Attempts to meet these unfeasible projections encourage shortcuts in essential processes and may undermine the human level development that is the greater goal of the project.

Another potential flaw in project design results from the decision to combine disparate components into one project without sufficient logic for coupling them together. Expediencies internal to A.I.D., such as management constraints or limits on the number of projects in a given country portfolio, may make for odd bedfellows in project implementation. This situation demands skillful attention during project design. If such combinations are unavoidable, one important lesson here is to safeguard those components, and project partners working within these components, which are smaller or require slower pacing and/or a different methodology than other components, as is often the case with PVO/NGO activities.

B.2. Monitoring and evaluation

Project design concerns lead to lessons in the areas of monitoring and evaluation. An initial observation is that **the poor quality of project documentation impairs monitoring functions.** While the format and content of Project Papers and other documents used in this study show general improvement over time, essential design elements are not always clearly addressed. Examples of frequent omissions include the rationale for choice of management structure,

designation of beneficiaries, and definition of stakeholders' roles. Shortfalls in documents frequently reflect shortfalls in design. Lack of precision or thoroughness in the building blocks of design may put projects on shifting and contentious ground during implementation.

Inadequate monitoring and evaluation plans in project designs and inadequate attention to their application provide lessons for project implementation. While certain evaluation exercises in the projects studied have been useful, many were circumscribed by deficiencies in data gathering, monitoring mechanisms, and design and timing of evaluations. **Many of the projects in this study did not develop the baseline data and data collection systems necessary for effective evaluations of performance or impact.**

Evaluations, and scopes of work for evaluations, sometimes ignore or render obscure such critical concerns as A.I.D.'s performance in project management or the actual impact on beneficiaries, in favor of attention to more easily measured factors. Evaluations are often not undertaken as originally scheduled, and so are less effective than they might be in suggesting course corrections or informing decisions on follow-on or new project design.

B.3. Institution building for effective community-based action

This study of PVO/NGO umbrella projects yields a cluster of lessons for other projects that deal with community-based activities. A principal observation is that **community-based programs that use participatory approaches require investment in strengthening of institutions.** This implies investment in training in such areas as leadership, literacy and activity management to encourage group accountability, cohesion and dynamism. It also implies follow-up to training, and support for better organization of producer groups and other local entities. Accomplishing these tasks are key factors in project success.

Institution strengthening, a painstaking process, appears essential for long term viability and sustainability of community level activities. Yet, measured by time and resource allocation, it has been frequently undervalued in projects studied. Some umbrella projects focus mainly or exclusively on reaching discrete, measurable, visible objectives. However, assisting the formation and development of local groups is often a prerequisite for attaining such objectives. **The existence of competent and autonomous community groups may well be of more lasting value than the specific physical achievements called for in the project.**

Institution building can be measured and monitored. If indicators of institutional development are identified and baseline data collected as an early part of the project process, tracking and evaluating efforts in this area can be an integral element in projects that depend on development of local or national structures. In fact, for most of the projects studied this has not been done. Evaluation reports point to the lack of criteria and of sufficient or appropriate data from which to draw meaningful conclusions.

A.I.D. has appeared reluctant to acknowledge and value institution building for long term self-reliance as a concomitant objective of project activities or as an end in itself. Lack of a clear commitment to strengthening local institutions has reduced certain projects' effectiveness. The lesson is that process-oriented participatory approaches are time-consuming, essential steps for long term, local level institution building. No one has found a shortcut to sustainability.

B.4. Innovation and flexibility

A common element of umbrella projects and many other A.I.D. projects is that they are innovative, attempting to test, develop and spread new approaches. This spirit of innovation and flexibility is often cited as one of the strengths of PVOs and NGOs and is notable in every project in this study. Important as innovation is to these projects, it is not always directly reflected in the design and implementation of the project. Even when documents acknowledge the experimental nature of activities or methods, projects rarely explicitly encourage risk-taking by project partners. Also, projects are not generally designed to capture the learning from these experiments and assure systematic application of findings.

In the area of innovation it appears from the projects studied that **structural rigidities and application of regulations within A.I.D. often limit flexibility to allow for necessary risk-taking.** Examples include strict interpretation of NGO registration requirements and preoccupation with fiscal responsibilities. Some requirements such as fiscal stewardship are certainly vital. However, these tend to favor established methods and proven partners, while they work against novel approaches and may exclude untested potential partners. A balance is needed to provide reasonable accountability while allowing maneuverability for innovation.

Innovative projects require innovative criteria for evaluation. Beyond standard parameters of assessment, which also deserve careful data collection and scrutiny, innovative projects need to be measured on the quality of their experiments and the ways that experimental results are monitored, analyzed, shared and used. The integration of impact and experimentation in defining and measuring success starts with the project design. The lesson is to encourage innovation by advocating calculated risks, accepting a cycle of testing and some failures, and insisting on thorough documentation of whatever may result.

B.5. Personnel and personalities

Another set of lessons for all projects that emerges from the umbrella projects studied concerns the central importance of people and personalities -- both positive and negative. On the plus side, dynamic, intelligent and dedicated people can make even a mediocre project design work very well, and can overcome many deficiencies and difficulties in project situations. Conversely, small-mindedness, enlarged egos, turf-protecting mentality and bureaucratic mindsets can thwart a good project design and poison a promising situation. In the face of rigid regulations and procedures, or in situations of conflict among project partners, some people

work creatively to find solutions, cut red tape and reach compromise. Such people are unsung heroes of A.I.D. and its partners in development.

The deleterious effect of frequent or ill-timed personnel changes was notable in several projects studied. Especially troublesome were changes in project officers and project managers within A.I.D. Personnel changes in project partners such as PVO/NGOs, the external management unit and host government agencies have also adversely affected project continuity and performance. Positions left unfilled for months or even years mean extra burdens on colleagues and many tasks are postponed or never done. Even when positions are filled promptly, the accumulated project-specific knowledge and working relationships do not transfer with a title. One lesson is **the need to maintain continuity wherever possible, to face candidly the enormous impact of personnel changes and to attempt to arrange inevitable transitions with the minimum disruption.** A related lesson is the importance of ensuring some level of institutional memory through a paper trail, adequate team building and regular consultations involving all of the key parties involved in a project.

B.6. Recommendations

- Recognize that **PROCESS** is the key ingredient for project success and incorporate that understanding in every phase of the project.
- The best way to ensure that A.I.D. and the project design team have adequate information and analysis of potential project participants is to engage in a collaborative design process.
- Make room for institution building: in design, budget, goals, methodology, scheduling, and overall project priorities.
- Find ways of rewarding innovation. This is necessary both on the individual level within A.I.D. and the external project management unit (if one is used), and on an organizational level for the PVO/NGOs working with umbrella projects.
- Develop incentives within A.I.D. for collaborative approaches with partners; place value on human relationships with project partners by emphasizing transparency, negotiation and compromise.
- In project design, ensure consistency between objectives and outputs and clarity with regard to roles and responsibilities of the various parties.
- In project implementation, apply established procedures and criteria consistently but retain a measure of flexibility to allow for course corrections.
- Have a process in place for conflict resolution.

- Follow through on evaluation schedules and use evaluation as a management tool; that is, make sure suggested changes are feasible and are carried out.

C. PVO/NGO project lessons and recommendations

The first group of lessons in this category concerns PVO/NGO strengths and weaknesses in responding to the roles and resources donors propose for them. This leads to a brief inquiry into the nature of PVO/NGO roles in development and the dilemmas this entails. A.I.D.'s perceptions of PVO/NGO roles are referred to throughout this whole section, but in the last group of lessons we look at them directly.

C.1. PVO/NGO strengths and weaknesses

Umbrella projects, and many other donor-initiated efforts to work with PVOs, NGOs and community organizations, are pushing these groups in new directions and asking them to take on new responsibilities. From projects studied it appears that **PVO/NGOs are most successful if they base their programs on activities with which they are familiar and accomplished, and branch out from these in a natural or organic fashion.** If a project places PVO/NGOs in a new geographic setting, working with many more resources than usual, in a sector beyond their experience with a methodology that is new to them, the pressures and demands may distort or hamper their organizational development and may do harm to their potential beneficiaries. New activities, technologies and approaches are best adopted over time in succession.

At the design phase, umbrella projects in this study have consistently over-estimated PVO/NGO capacities. Although PVO/NGOs have recently come to the attention of the entire development community, and are touted as a major new force, taken individually, they are generally small, young agencies with all the problems and constraints of new organizations. The range of tasks required to manage an NGO is daunting, and they are typically handled by one, two or three professionals. Everything from program planning to proposal writing to personnel management to financial accounting to project logistic support to technical skills must be accomplished, often with inadequate resources and little access to specialized training. A major lesson for this study is to carefully assess the status of PVOs and NGOs, and set realistic expectations.

C.2. Funding levels and absorptive capacity

This same principle applies to funding levels, when PVO/NGOs are encouraged to apply for resources beyond their accustomed level of activities in order to please a donor. Such rapid growth in financial resources has proven difficult for many PVO/NGOs to handle efficiently in the context of their pre-existing human and organizational resource base. In some of the projects studied, newer NGOs could not manage the minimum sized grants. What is more, when funds

are allocated in denominations dictated by donor preferences, money rather than actual need and capacity begins to drive the design of development projects.

Once a PVO/NGO accepts large sums of money it may feel pressure to spend it at agreed rates, as this is often used as an indicator of project progress. Beneficiary participation in project design and implementation -- a major factor in project success -- may be cut short in order to meet pre-determined spending targets. **A.I.D. funding may inadvertently discourage the methods, attitudes and collaboration essential for post-project sustainability.** The lesson is to encourage thrift and self-reliance in all PVO/NGO funding, and to work with grantees in developing a diversified donor support base and even entrepreneurial mechanisms for income-generation. Also, leveraging each other's funds, expertise or other resources is a good way to encourage collaboration among PVO/NGOs in project or program implementation. Grantee expenditure levels per se should not be used as a measure of a project's importance or success.

C.3. Collaboration and information sharing versus competition

PVO/NGO communities have the greatest impact when they are encouraged to function in a mutually supportive, inter-active manner: comparing experiences, sharing data, pooling services and collaborating in innovative ways. On their own, individual PVO/NGOs often achieve less than their full potential. However, PVO/NGOs' own sense of territoriality makes them reluctant to use scarce resources for information sharing, reflection and analysis jointly with other organizations with similar interests. They may argue that they are too pre-occupied with more immediate demands. Therefore, **donor encouragement of PVO/NGO investment in collaboration pays off in improved performance and achievement, and provides lessons for donors as well.**

Unfortunately, donor programming can have the opposite effect of throwing PVOs and NGOs into a directly competitive relationship which inhibits information exchange and mutual support. Several projects in this study attempt to emphasize competition among PVO/NGO applicants for funding. In none of the cases has this increased the quantity or quality of proposals, and it certainly has not enhanced collaboration. The lesson is that although it is important to maintain standards of performance, **market place concepts of competition for its own sake are counterproductive in most PVO/NGO settings.** Some balance between competition and collaboration should be sought.

C.4. A priori project constraints

The more restrictive A.I.D. is in the terms and conditions applied to PVO/NGO activities, i.e., pre-determining that a credit program must give loans only for dry-season agriculturally related enterprises in certain communities, the less flexibility the PVO/NGOs and their community clients will have in the face of unforeseen constraints, i.e., locust invasion or market saturation. The lesson is that **unnecessarily restrictive conditions on funding may limit the ability of**

PVO/NGOs to encourage and be responsive to community participation in project design and implementation. Generally, this type of excessive control is not appropriate or constructive in programs that are aimed at sustainable development activities and local institutional development.

C.5. Limits to growth and change

Not all PVO/NGOs can or should grow to fill roles that donors would like them to play. For many PVO/NGOs the transition from a welfare or service provision approach -- a more traditional role, to an intermediary facilitative relationship with local communities to promote long-term development processes, may be very difficult. For example, one situation in which problems of role definition and confused relationships have arisen is in the framework of a credit program that requires PVO/NGOs to act as loan officers. Facilitative roles require extensive confidence building and transparency and this may conflict with "policing" roles required by the structure of certain projects. For some agencies, redefining their institutional mandate and methodology may be too high a price to pay for participation in an umbrella project. The lesson for projects outside PVO/NGOs' normal mode of operation is to investigate and anticipate the impact such a transition may have on potential project partners, and especially to consult with the organizations concerned ahead of time so as to avoid false assumptions about their willingness to participate.

C.6. Independent agents or extensions of A.I.D.

The channeling of PVO/NGOs by A.I.D. or other donors into specific roles raises thorny questions. Are PVO/NGOs independent partners or service providers? To what degree are PVO/NGOs considered by A.I.D. mainly as a means to achieving A.I.D.-centric objectives of the project (such as providing certain rural services, testing a development hypothesis or expanding U.S. presence), and to what degree does A.I.D. conceive of a partnership in which PVO/NGOs are encouraged to present priorities and modalities that have evolved out of their work with beneficiary groups? An appreciation of PVO/NGOs as development partners, independent agencies with mandates and activities completely apart from those of A.I.D., openly conflicts with the donor-recipient, control-oriented relationship which is more familiar and comfortable for many A.I.D. staff. **Without understanding and appreciating the trade-offs involved, A.I.D. will continue to struggle against PVO/NGOs' independence, lessening the effectiveness of its investments in PVO/NGOs.**

There is no formula for reconciling these opposing tendencies. However, the choice of emphasis should be recognized as a major design decision. By attempting to channel PVO/NGOs too narrowly A.I.D. may compromise some of the flexibility, risk-taking, community orientation and other innovative qualities that make PVO/NGOs attractive partners in the first place.

On the PVO/NGO side, though they recognize this situation for what it is, they are generally unwilling themselves to push for change. **Due to their dependence on donors, in particular US PVOs' dependence on A.I.D., PVO/NGOs acquiesce to donors' interpretations of PVO/NGO roles and functions.** Some have learned to play their assigned roles very well and are rewarded with grants and contracts. A handful refuse to take A.I.D. funding, in part to maintain their independence, and another small group of PVO/NGOs manages to diversify funding as a means of dissipating the control donors try to exert. However, one can cite cases where A.I.D. and PVO/NGOs have come together to understand each other and harmonize their interactions on a somewhat equal footing. This coming together requires difficult and time-consuming effort by determined people who overcome the prevailing institutional relationships.

C.7. Intermediary roles

Another aspect of this question of PVO/NGO roles is the importance of PVO/NGOs as intermediaries. In developing more pluralistic and open societies in Africa, the private non-profit or "independent" sector plays an increasingly large and complex role as a bridge among different parties. PVO/NGOs often link A.I.D. or another major donor, with specific populations such as community-based organizations, women entrepreneurs, small farmers or other segments of the rural and urban poor.

A key factor that enables PVO/NGOs to perform this role is their sense of accountability to their local clients or partners, and these populations' acceptance of them as trustworthy advocates. In performing this linking function **PVO/NGOs often find themselves in an uneasy situation of balancing the needs of two very different constituencies: A.I.D. as funding source and local populations as clients.** In design and management of all PVO/NGO projects, **A.I.D. needs to recognize and respect this dichotomy of constituencies.**

These observations and questions concerning the nature of PVOs and NGOs underscore the importance for A.I.D. of a clear understanding of the PVO/NGO community with which it seeks to collaborate. That comprehension seems to be a weak point in a number of umbrella project designs. In some cases it was apparently assumed during the project design phase that A.I.D.'s knowledge of PVO/NGOs and their milieu was adequate, and so no new information or input was gathered. When pre-project surveys were carried out, the findings have not always focused on key issues, like PVO/NGOs' absorptive capacity, technical needs or areas of interest; nor have survey findings always been integrated into project designs. These problems in information gathering, analysis and use have contributed to the failure of projects to achieve their objectives.

Umbrella projects, especially when intermediary management units are employed, offer at least partial solutions to these issues. A.I.D. can set the overall objectives and general parameters, and still permit the PVO/NGOs to respond with their own insights and approaches. This is especially true when the project design is the result of a collaborative process. As explored in the next section, **an outside management unit seems to provide a useful buffer or filter**

between A.I.D. and the PVO/NGO community, allowing the two to come together in a mutually beneficial relationship.

C.8. Recommendations

- **Ensure that in-depth assessments of the PVO/NGO community are carried out prior to making assumptions about their management and technical capacities, their areas of interest, their constituencies, and their absorptive capacity for funding.**
- **Be prepared to accept that PVO/NGOs may not be willing to play all roles which donors propose.**
- **A.I.D. and PVO/NGOs should be open about their expectations of each other prior to embarking on a collaborative venture, as with any partnership.**
- **Accept that PVO/NGO strengthening and inter-agency coordination is best viewed as a necessary condition to attainment of other A.I.D. performance objectives in PVO/NGO project, and not an optional luxury that is too costly in terms of both money and staff time.**
- **Emphasize training for PVO/NGO staff and overall organizational capacity building, and identify specific activities on the basis of in-depth needs assessments.**
- **Encourage sharing of information, resources and lessons learned among PVO/NGOs and donors.**
- **Develop short-term training programs for PVO/NGO liaison officers, Project Officers and other A.I.D. staff, to discuss processes and guidelines for working collaboratively with PVO/NGOs and to provide them with practical documentation for use in the field.**
- **Encourage umbrella-type funding with intermediary management, and consider moving towards independent endowments and foundations that cut the umbilical cord with A.I.D. and allow for maximum responsiveness to and empowerment of the local communities.**

D. Umbrella project lessons and recommendations

Areas for comment regarding PVO/NGO umbrella projects begin with general management of this type of project, before moving to staffing issues for A.I.D. The complex roles of the intermediary agencies that often manage umbrella projects on behalf of A.I.D. is reviewed next, followed by the potential roles of a project policy committee and of the host government. The importance of project services for partner agencies is next, and the section ends with notes on implementation issues.

D.1. Project management

The first decision for management of an umbrella project centers on whether A.I.D. will manage it directly or will employ an intermediary management unit outside the A.I.D. mission. The main advantages of external management are reduction in A.I.D. management burden, the flexibility and ease of operations afforded by funding through a grant mechanism, the creation of a buffer between PVO/NGOs and A.I.D.'s regulations, and the provision of services by a specialized unit with links directly into the PVO/NGO world. These advantages make external management units attractive in cases where: an array of project activities are planned in addition to grant making; responsiveness to NGO community needs and to targets of opportunity requires a certain freedom of action on the part of project management; and intended grant recipients include NGOs or other agencies not registered or eligible for registration with A.I.D. **With an intermediary agency taking fiduciary responsibility, subgrants can be made to local NGOs that A.I.D. cannot fund directly.**

Potential negative effects of an intermediary management unit compared to direct A.I.D. management include a somewhat slower start up time, possibly higher management costs (but with more extensive services provided), and less control by the A.I.D. mission over daily operations. Direct management might make sense when a very rapid project launching is vital, where project activities are limited to grant making, or where a difficult or risky work environment makes it preferable for A.I.D. to have tight control over operations, e.g., in the context of emergency or relief assistance.

Given the combination of factors to be weighed, each country situation has to be judged individually. As a general statement, **direct A.I.D. management appears to present many more constraints than advantages when compared to employing an intermediary management unit.** These constraints are being compounded by increasing demands on limited A.I.D. direct hire staff, given hiring ceilings and increased monitoring responsibilities.

D.2. A.I.D. staffing and monitoring -- a balance between marginalization and excessive control

For a variety of reasons, umbrella projects are often considered to be marginal within A.I.D. in terms of staffing, monitoring, and impact assessment. On the personnel level, Personal Service Contractors (PSC) with little relevant experience or interest are often given major management responsibility, especially if an exterior management unit is used. These PSCs often lack the A.I.D. institutional status necessary to obtain timely decisions on management or other issues, and they often lack the confidence or access required to advocate effectively for the project's needs. Even where direct hire A.I.D. staff have been involved, sometimes decisions with regard to PVO/NGO umbrella projects fall to the bottom of the priority pile.

For umbrella projects in this study, **the level of A.I.D. monitoring, support and supervision of external management agencies often arose as an issue, though to varying degrees.** The

issue seems to have been either too much involvement, or not enough. In several cases, differences in interpretation of appropriate levels of involvement became a significant point of contention between the management unit (MU) and A.I.D. Even where responsibilities had been clearly delegated to the MU in the Cooperative Agreement or in early management decisions, A.I.D. staff have later tried to reassert control. Perhaps the lesson is that both sides should strive early on to build mutual understanding of and confidence in the respective roles and relationships, and to establish monitoring systems that are not burdensome to any of the parties involved.

D.3. Playing the broker role

An agency that is selected to help A.I.D. manage an umbrella project sets up a project management unit which, in turn serves many functions, as detailed in Part III of this study. Here we look at three general areas of concern for these project management units and their parent agencies.

D.3.a. MU - PVO/NGO relationships

Problems of trust and confidence may exist between the management unit (MU) and PVO/NGO community, and later in project implementation, between the MU and subgrantee agencies. The projects studied revealed an initial reaction among PVO/NGOs that the MU was interfering with their organizations, i.e. financial systems, specific kinds of activities or locations, and project timetables. Some PVO/NGOs felt that the MU creates a layer of bureaucracy between them and A.I.D., while somewhat paradoxically, distrusting the MU as "A.I.D.'s boy" -- not really advocating or assisting PVO/NGOs, but primarily accountable to A.I.D. Although this problem was eventually mastered in most projects, building trust is nonetheless a necessary and time-consuming aspect of umbrella projects. The lesson is to begin working on it in the design phase by meaningful involvement of all stakeholders.

D.3.b. MU - parent agency headquarters relationships

Home office support of an MU by its parent agency is one of those things not noticed or commented on when going smoothly, but which becomes all too obvious when inadequate. About half of the projects studied experienced some difficulties in this area. The lesson is to spell out roles and establish procedures very early on, including provision for considerable field contact for headquarters' financial and other backstopping staff.

D.3.c. MU staffing

The organization and staffing of the umbrella project external management unit must be very carefully thought out in the design stage. Implementation of several projects have suffered because of inadequate staffing patterns in original designs. Another error has been to increase MU workloads without adding staff. **In many cases, A.I.D. has over-ridden MU's requests for more staff in order to economize, with negative impacts on project performance if subgrantees or community groups are unable to get the assistance they need to implement viable subprojects.** The lesson is to recognize that these PVO/NGO support projects are staff-intensive and to be willing to adjust staffing patterns as needs change over the life of the project. Cost-saving options include locally hired professionals, phased presence of international personnel, and judicious use of short term consultants. Development of a cadre of local consultants is an approach which will support sustainability of national NGOs and their programs in the long run.

D.4. Project Policy Committees

Several umbrella projects have established project steering or policy committees, or advisory boards, that may include representatives of A.I.D., the host country government, NGOs, and others. In some cases excessive involvement of these committees in project decision making has slowed and complicated implementation. A contrasting example is the independent committee of one project which has evolved into the board of a new national institution that will assure the long term continuation of the project's services as a national program.

An independent project committee, carefully constituted and oriented, can be a great asset to an umbrella project. It appears to work best if committee members serve as individuals, not as representatives of an organization or ministry, and if they are balanced by profession, interest and other critical factors. Another success factor is a separation of responsibilities and authority such that the committee's tasks deal with setting of policy, approval of project procedures, and overall guidance through review of periodic reports and evaluations, and not with day-to-day management of the project.

D.5. Host government roles

A.I.D. and the PVO/NGO community are not the only stakeholders in umbrella projects. Host governments play a variety of roles in the projects studied, ranging from the relatively passive formality of signing memoranda of understanding, to controlling partner and co-implementer. Governments' attitudes also vary, from actively supporting the project, to competitive and obstructionist behavior. **Direct host government involvement in umbrella project management decisions has in a number of cases impeded project implementation.** Sometimes, improvement in NGO-government relationships or promotion of a so-called "enabling environment" is an explicit objective or anticipated output of the project. The lesson

from umbrella projects in this study is that ideally government involvement should be limited to assuring project compatibility with overall national development policies and playing a participant-observer role in mid-term and final project evaluations. Such guidance and periodic monitoring, rather than daily management tasks, can meet government's legitimate interests without hampering implementation. Channeling umbrella project funds directly through the government is to be avoided.

The interface between African governments and the PVO/NGO community is often difficult and delicate. Umbrella projects should not impose relationships on PVO/NGOs that have not already been negotiated by the parties themselves. For example, a requirement to work with certain government services regardless of their compatibility or competence may place unnecessary burdens on PVO/NGOs and complicate their critical relationships with constituent communities. Some degree of collaboration at the local and regional levels should be encouraged to avoid duplication and increase chances for sustainability and replication. A lesson from this study is that positive incentives for joint PVO/NGO - government action, such as funding regional seminars to discuss development priorities and programs and to encourage coordination, are more likely to have a positive impact than formal requirements for *a priori* collaboration.

D.6. Training and technical assistance for NGOs

Strengthening of the capacities of national and local institutions has been a key success factor in the best umbrella projects, and the saving grace in several mixed performance projects. Levels of PVO/NGO capacity in project design, proposal writing, financial management, technical aspects of project implementation, and other areas are frequently assumed to be higher than in reality. This can result in setbacks in project timing and additional work for intermediary implementing agencies. PVO/NGO institutional strengthening needs must be faced honestly and openly in project design and addressed early in project implementation, rather than waiting until project performance problems uncover what pre-award assessment could have diagnosed.

In some umbrella project designs US PVOs are called upon to team up with national NGOs or local organizations in order to provide institutional strengthening to the indigenous partners. This can be very useful, reflecting the reality that northern PVO/NGOs are historically the main source of external support for young African NGOs. However, it can also become a proforma requirement forced on both partners as one more donor "hoop" to jump through to obtain funding. In such cases, knowledge transfer may be minimal.

In planning services that provide PVO/NGO institutional support, activities should not be limited to group training sessions. One-to-one, hands-on technical assistance tailor-made to an individual PVO or NGO may be required, along with diligent follow up. Another lesson of the projects studied is that training should extend beyond preparing PVO/NGO subgrantees to meet A.I.D.'s proposal submission and grant reporting requirements.

D.7. Project implementation

Few umbrella projects plan for adequate set up time. It takes at least one year for new umbrella project management unit to find its feet: build relationships, establish procedures, assess the PVO/NGO community, make some trial moves and some mistakes, shake out systems, define on-the-ground rules and systems with A.I.D. and other parties. This should not be viewed as lost time, but as part of the entire process of setting in motion a complex system that will directly involve hundreds of people.

Projects studied were unrealistic in several common dimensions: the number of PVO/NGOs that would receive subgrants, the speed with which subgrants would be submitted and approved, and the amount of money that could be allocated. All of these point to inadequate pre-project assessments, a lack of understanding of the PVO/NGO community and the milieu in which it functions, and a failure to plan accordingly.

Subproject review and approval procedures were overly long in many of the projects studied, often involving multiple tiers of decision-makers. This situation appears all the more ironic in projects meant to aid decentralization. Delegation of approval authority to the external implementation agency for proposals of small and average size, or approval by a frequently convened selection committee are options to deal with this problem.

When the approval process is complex and A.I.D. wants to move money, PVO/NGOs have a disincentive to design the smallest practical projects, but instead are encouraged to submit inappropriately large proposals. The imperative of obligating funds is potentially corruptive of institutions, contrary to goals of long term viability, and is likely to lead to waste.

Providing different levels of subgrant funding for NGOs and community organizations at different levels of experience and capacity makes a lot of sense. In order to meet a goal of assisting newer, weaker groups the multi-tiered funding systems must also have streamlined, quick-release approval procedures, and be prepared to provide support services to the evolving agencies.

D.8. Recommendations

- Across national boundaries, linkages among umbrella projects and A.I.D. missions that design and manage them is poor, so cumulative learning has been less than it might be (hence this study!). Regional seminars or other exchanges of experiences are needed to share successes and work together on common problems.
- Limited communications and insufficient attention paid to settling problems early in project implementation may lead to major delays and protracted disagreements. A potential solution is to engage in extensive team building work early on, linking up the A.I.D. project officer and

manager and the management unit and to some degree the project steering committee, to build clear common agreement on roles and responsibilities and to build mutual support.

• If a goal is sustainability of the umbrella management unit, evolving eventually into an independent, locally-controlled NGO support unit, early attention must be paid to factors such as (a) institutional: sense of identity and mission, NGO community acceptance and support of it, government recognition; (b) financial: non-A.I.D. grants and fundraising, fee-for-services research and consulting, loans with interest, endowments, national fundraising, nationalization of staff. The concept of sustainability itself needs to be defined during project design.

• If an umbrella project design calls for more experienced PVO/NGOs to work with newer local NGOs or community groups, there must be appropriate incentives to encourage them to do so, and monitoring safeguards to ensure that partnership does not mean domination or cooptation.

E. Model of an "ideal" umbrella project

In order to illustrate the key findings of this study we propose below the design of an "ideal" umbrella project. This requires making some explicit assumptions, both for the sake of verisimilitude and to reduce the permutations of possible scenarios.

For this model-building exercise, we will assume that A.I.D. wants to use an external project management unit (MU) and decides to use the flexibility of a Cooperative Agreement to procure the services of a US PVO to do this work. Another assumption is that the host country has an indigenous NGO community, albeit a young and relatively inexperienced one, as well as a number of active US PVOs. A.I.D. would like to include both PVOs and NGOs in the project, with an emphasis on strengthening national NGOs. We will also assume that A.I.D. has decided on two or three sectors of activity for subgrant funding under the umbrella project, i.e. not restricted to a single sector, but not overly broad either.

Our ideal project begins in the design phase with a participatory process that involves PVOs, NGOs and community groups in the definition of needs, beneficiaries, and determination of methodology. This is done through workshops, field visits, studies to fill gaps in A.I.D.'s knowledge, and other consultative techniques. Government officials responsible for NGO affairs and for the sectors concerned will also be included in design consultation exercises. Other donors funding NGO programs are also consulted to avoid duplication and to coordinate approaches.

Thanks to the collaborative design process, the project will be able to work with NGOs and community groups based on their actual capacities, the state of their institutional development and their self-defined mandates. Realizing the crucial importance of capacity building, our hypothetical A.I.D. mission has decided that local and national institutional development will figure as objectives and the project will be designed accordingly. For example, **the life of project will be set at eight to ten years in order to allow adequate time for the emergence**

of genuine leadership within beneficiary groups and for the building of self-reliant institutions capable of sustaining project activities and addressing community needs in the future. Also, levels of subgrant funding will be geared to actual needs and absorptive capacity. Smaller, newer local NGOs can receive starter grants for institutional development through training, technical assistance, and core infrastructure or staff support. This will permit them to gradually build experience implementing projects. **US PVOs applying for funding will be strongly encouraged to partner with local NGOs for mutual benefit and learning.**

In terms of subgrant funding procedures, the MU will work closely with prospective PVO/NGO recipients to ensure that they involve target groups in their project planning and that they carry out necessary feasibility studies on proposed activities. This may require small amounts of pre-award funding from the MU to PVO/NGOs that submit promising concept papers. Where appropriate, the MU will provide incentives for thoughtful experimentation by PVOs and NGOs in subgrant activities, with an eye to developing and disseminating new methodologies or conducting field trials on new technologies or approaches.

The responsibility for project oversight will be shared among several entities. A.I.D. will continue to have its mandated monitoring responsibilities, to be carried out by a PSC project manager. The PSC will report directly to a direct hire project officer who takes an active interest in the project's progress and chairs an internal A.I.D. project committee that meets regularly to discuss policy issues, review progress and, in conjunction with other project partners, make necessary course corrections during implementation.

A Project Policy Committee (PPC), outside of A.I.D., includes members from A.I.D., the PVO/NGO community, the host government and several coopted members from donors and the private sector. The PPC's main purpose is to offer overall guidance to the MU in its management of the project, to approve subgrant requests over the size limit established for direct MU approval and to address project policy issues.

Host government involvement in the project is that of a partner with A.I.D. in the design, along with other parties mentioned above. The government's involvement at the national level is mainly through the PPC, although key officials may receive progress reports on a regular basis. At the regional and local levels, PVOs and NGOs will be encouraged to interact with government officials to share ideas and resources where appropriate, and to engage in ongoing policy dialogue. This interaction will hopefully build a pattern of collaboration between government and PVO/NGO field agents.

Major responsibilities and authority for day-to-day management and implementation are delegated to the US PVO that sets up the MU through a Cooperative Agreement. The tasks of the MU for the first year of the project will center on recruiting and orienting staff, setting up systems and procedures, and leading a process that brings a clear understanding of the project to all stakeholders: A.I.D., host government, PVO/NGO community, and the Project Policy Committee. **Careful work on role definition and trust building early in the project will pay off in improved team work and overall project functioning.**

The MU will have a tight personnel configuration, but one that is adequate to the multiple tasks of making and managing subgrants, providing training and technical assistance to PVOs and NGOs, facilitating inter-agency collaboration, and carrying out some research on issues of central concern to PVO/NGOs and A.I.D. While the lion's share of the project's budget will be allocated to subgrant funds, most of the MU's time and energy will be allocated to institutional strengthening and support rather than grants management.

Up to an established ceiling amount, perhaps \$100,000 or \$200,000, the MU will have authority to make decisions on subgrant requests that fall clearly within the project objectives and subgrant criteria. This will streamline subgrant approval, and reinforce the MU's involvement with the PVO/NGO community. Likewise, once the MU's workplans for training and technical assistance are approved by A.I.D. and the PPC, day-to-day operational decisions and implementation will be administered by the MU without additional review.

The project design includes a long range vision of establishing a post-project freestanding national institution to carry on the supporting role of the project, a kind of foundation that can receive and administer funds from various sources. Given this vision, PPC members will serve as individuals more than representatives of organizations or ministries. During project implementation a conscious process will prepare the PPC to function as the board of trustees for this foundation, i.e. providing orientation to members and setting the legal framework for an independent institution. Likewise, any MU expatriate staff will be slowly phased out as they train the core national staff of the MU who will eventually become the secretariat of the new NGO foundation.

PART II. PROJECT DESCRIPTIONS

This chapter presents a thumbnail sketch of each project reviewed for this study. These descriptions include brief summaries of such factors as project origins, purpose, timeframe, management roles and relationships, elements, sectors, zones, and procedures. For projects that have been terminated prematurely or completed, or that are well into their implementation phase, some indication of accomplishments are given. For quick reference, another version of key design data on individual projects is found in the boxed databases in Appendix B. In addition, charts and other graphic presentations throughout the report allow for comparisons of specific project descriptors among the projects studied.

A. Senegal Community and Enterprise Development Project (CED)

CED was among the earliest umbrella projects in Africa, and was USAID Senegal's first major project for funding PVO/NGOs. Although its design originated as long ago as 1979, it was not authorized until mid-1983 and only started in early 1985. CED was actually a combination of two distinct components. The SSE component of CED, which is not part of this study, provided credit to individual entrepreneurs.

The second component, which is studied here, was an umbrella mechanism. It provided funding for PVO/NGOs and village organizations (VOs) to promote group enterprises at the VO level. The overall goal of the project was to encourage decontrol and commercialization of rural agricultural production. CED was originally meant to run six years until September 1989, but was extended several times, with the PVO component ending in December 1990 and the SSE component transformed into a nation-wide project and extended through 1993.

Project implementation was carried out under a Cooperative Agreement with New TransCentury Foundation which won a competition among US non-profits and commercial firms. A Management Unit (MU) was established in the project zone at Kaolack. A National Project Committee (NPC) composed of A.I.D. and government representatives was originally designed to give policy oversight, but the NPC took on subproject approval responsibilities. Local and regional government involvement included review and approval of subgrant activities on several levels. A.I.D. assigned a Project Manager and Deputy Project Manager to monitor Cooperative Agreement compliance.

Through a multi-layered and lengthy process, PVOs and NGOs negotiated subgrants to work with VOs, which in turn received both grants and loans for agriculturally-related income-generating activities. A major activity that was added by the MU was the Village Education Project which provided VO leaders with training in literacy, numeracy and project management.

Project outputs which were based on unrealistic design assumptions were adjusted downward at the time of the mid-term evaluation in 1987 to reflect the slower than anticipated pace of implementation. Overall eight PVOs and NGOs received subgrants, and worked with 58 VOs.

Although successful in some respects, design flaws in CED and to a lesser extent management problems hampered implementation and reduced project achievement levels. The follow on umbrella project, Senegal PVO/NGO Support Project, is also in this study (see II.K.).

B. Zaire PVO Economic Support Project (ESP)

Started in 1983, ESP was the earliest umbrella project in this study and the only one to go through its life cycle basically as scheduled, an anomaly which is partly explained by the unusual circumstances of its design and authorization. Under pressures from Congress and under tight time constraints, ESP was designed in a few days in Washington. It combined several existing NGO funding proposals and was originally viewed as a straight forward commodity procurement project in support of these pre-selected subgrantees' activities. ESP was approved without normal documentation and review procedures just days before the end of the fiscal year. ESP ran its anticipated four years, ending in 1987.

Based on an unsolicited proposal, A.I.D. awarded a sole-source Cooperative Agreement to the American ORT Foundation, a US PVO active in Zaire. ORT set up a project management unit in Kinshasa, which included a chief of party and subproject coordinators for each of three subprojects in the sectors of health, rural road maintenance, and mini-hydroelectricity. The project management unit expanded the focus to include institutional strengthening. An A.I.D. Project Manager was responsible for assuring compliance with grant agreements. The government of Zaire (GOZ) had no structural role in the project.

Two of the three subprojects were apparently pre-selected from existing funding requests. The third one was selected and approved within a year of project start-up. The subgrantees were all church-related local agencies, with two of the three being expatriate-managed missionary-based groups and the third a Zairian-managed diocesan development service.

The project was judged to be broadly successful in both mid-term and final evaluations, with the management unit performing at or beyond expectations, largely within the project's limited timeframe, and under difficult conditions. A significant level of tension is noted between A.I.D. personnel who wanted the project to focus on rapid disbursement of funds to purchase US commodities, and ORT personnel who wanted to emphasize long term impact of the project on institutions and beneficiaries through management training and technical assistance to subgrantees. A second cause of tension, especially in the early years of the project, was disagreement between A.I.D. and ORT over the appropriate level of A.I.D.'s involvement in project management decisions. Zaire ESP was followed by another PVO/NGO umbrella project, Zaire Small Project Support Project (see II.H.).

C. Kenya Rural Private Enterprise Project (REP)

Authorized in September 1983 and started in mid-1984, REP is the longest continuing project in this study. The PVO/NGO component of REP, which is the portion that this report considers, is a separately managed part of a much larger project that also includes grants and technical assistance to commercial banks. In fact, the PVO component was only included in the project design in an attempt to reach informal sector entrepreneurs not served by other credit institutions.

The project aims to increase rural production, employment and income by establishing and expanding rural private enterprises. The PVO/NGO component does this through a mixture of credit funds, business management assistance, research and development. Originally due to end in 1989, REP's PVO/NGO activities have received additional A.I.D. funding through 1994, and will probably become a permanent national program after that.

The project was originally implemented through a Cooperative Agreement with World Education (WEI) which was selected by competition among US PVOs. World Education set up REP offices in Nairobi and established a Board of Kenyan professionals that also includes A.I.D. representation. That Board was the basis for the founding of a separate Kenyan company, WEREP. WEREP was awarded the 1987 follow-on Cooperative Agreement, with WEI providing management consultant services until mid-1992. A.I.D. has assigned a Kenyan Project Manager to assure compliance and facilitate project decisions within the mission. There is little official government of Kenya involvement in project decisions.

In the original Cooperative Agreement, NGOs and PVOs received subgrants and funds for loans. They in turn provided assistance and credit to individuals and group enterprises. Subgrant sectors are not limited but activities must be outside Nairobi. In the second Cooperative Agreement, funds to PVOs and NGOs are provided by WEREP as loans with interest.

WEREP itself has developed its own direct services to entrepreneurs in order to experiment with informal sector credit provision. WEREP also carries out research and consulting services. In many respects the project has performed very well after a slow start caused in part by the need to provide intensive training and technical assistance to PVO/NGOs. It is widely considered a model PVO/NGO credit program for the informal sector in Africa and is being adapted in other countries.

D. Sudan Regional Finance and Planning Project (RFP)

The PVO umbrella portion of RFP was the last phase of a project begun in 1979 which was intended to support regional decentralization and increased capacity of regional governments. Stymied for political and other reasons, the project was transformed by A.I.D. into a PVO-funding mechanism by Amendment no. 3 in September 1987. This Amendment revised the project's government-oriented methodology by using US PVOs as a channel to reach villagers

directly. Several other project activities not directly involving PVOs were retained. The PVO phase of RFP was to last just three years, but activities ended abruptly some months early in a general evacuation caused by political instability.

The project was managed directly by A.I.D., without an intermediary management unit. The government of Sudan (GOS) Project Director related to the project through a Project Manager in A.I.D. and an expatriate Project Coordinator in Khartoum, who in turn was supposed to be aided by two Regional Coordinators in the project area. Local and regional government entities were involved in subproject approval by District Councils and in project oversight through two Regional Technical Councils set up by the project. The Agricultural Bank of Sudan was also supposed to provide credit to individual villagers.

According to the design, four to six US PVOs were to be selected by competition to negotiate individual Cooperative Agreements to work in selected districts of Darfur and Kordofan. Using mainly or exclusively national staff, these US PVOs were to support village-level activities in sectors such as agriculture, water resources, agroforestry and rural roads. PVOs were not meant to implement activities themselves, but to facilitate villagers' management of subprojects and to use contracted services, including competitive bidding, for larger tasks.

Four Cooperative Agreements were offered, but one US PVO declined to participate when A.I.D. wanted it to work in an area other than that proposed by the PVO. Three US PVOs attempted activities. Even before the evacuation that ended the project prematurely, implementation of the PVO phase of RFP suffered from the complexity of institutional relationships, the multiplicity of players, and the logistical difficulties of functioning in isolated regions during a period of political upheaval and civil strife. It also was hampered by an unrealistically short lifespan.

E. Kenya PVO Co-Financing Project (Co-Fi)

Kenya Co-Fi has had two distinct phases. It was stopped, re-designed and re-started due to difficulties between A.I.D. and the intermediary implementing agency selected for the first phase. The project's original purpose of increasing the development impact of PVO/NGO activities was essentially retained, but the management structure and scope of project services and activities were altered in the re-designed project. Co-Fi started in June 1985 with a five year life, was stopped at the end of 1987. It was re-started in mid-1988 with a new completion date of April 1992 that was subsequently extended.

Without competition, A.I.D. awarded a Cooperative Agreement to the Kenyan NGO support agency, Voluntary Agency for Development Assistance (VADA), to implement an ambitious program of subgrants management, technical assistance and training, and information services for PVOs and NGOs. When VADA, a small and inexperienced agency, did not perform up to A.I.D.'s expectations, its Cooperative Agreement was terminated.

In the subsequent re-design of the project A.I.D. retained all management responsibility within the mission: making subgrants to PVOs and Kenyan NGOs, arranging international training opportunities for a small number of NGO personnel, and providing limited technical assistance through a local contract with a consulting firm. Government of Kenya involvement on a national level is limited to being informed of project subgrants, although subgrantees may need to get District Development Committee approval as well.

The project's new design emphasizes competition among potential PVO and NGO grantees whose names are drawn from a pool. In reality the number of applicants has been severely restricted by the time-consuming process for Kenyan NGOs to register with A.I.D., which is necessary since direct grants from A.I.D. are involved. Subgrants approval is internal to A.I.D.'s project committee, after a lengthy and thorough review by project staff.

The mid-term evaluation of the re-designed Kenya Co-Fi in mid-1991 concluded that the project was a going concern, but noted that the pace of implementation was far slower than planned, for example in terms of the number of subgrants made. It also noted the slow and management-intensive proposal review process within A.I.D. Evaluators recommended that the internal A.I.D. project management unit, the Co-Financing Unit, be allowed to operate more autonomously, and that A.I.D. focus the project more directly on institutional strengthening of national NGOs.

F. Chad PVO Development Initiatives Project (DIP)

DIP was designed in partial response to drought and civil disruptions that plagued Chad in the 1980s. At a time when the level of A.I.D. activities was low, DIP's umbrella approach was meant to use US PVOS to help demonstrate possibilities for future involvement in agriculture. Its purpose was to assist small farmer food production and private sector activities in the Sahel zone. The project began in 1985 with a four year life, but has been extended until mid-1995.

DIP is managed internally by A.I.D. Making and managing subgrants was virtually the only project element, with little of the training, technical assistance, coordination or other elements common to most umbrella projects. The design called for no new structures within the mission for project management. A planned PSC position of Project Manager was not filled for a number of years, leaving several direct hire staff members to share management responsibilities. The government of Chad (GOC) was required to review and counter-sign an individual Cooperative Agreement for each subgrantee, a responsibility that was reportedly taken seriously.

In response to a call for proposals early in project implementation, five proposals were received, of which four were funded. Three of the four subgrantees, all of which were US PVOs, were active in Chad already and were essentially pre-selected by A.I.D. In addition to GOC approval, the subgrant approval process involved a technical and policy review by A.I.D. and REDSO/WCA.

In the current second phase of the project the focus has shifted from agricultural production to marketing. A fifth subgrant with a US PVO has been negotiated, and one PVO now has two subgrants. In terms of management, A.I.D. recruited a PSC project manager in 1990. This has resulted in a consolidation of management responsibilities within the mission. DIP, as all other development efforts in Chad, is obliged to function in an environment of political and social instability.

G. Somalia PVO Development Partners Project (PVOP)

The design of PVOP showed the signs of a struggle between A.I.D. and the government of Somalia (GSDR). While A.I.D. reportedly wanted a classical umbrella project design with an intermediary agency taking management responsibilities, GSDR wanted to retain government control over the project. The result was a hybrid of project management, with a US agency providing technical assistance to a government unit that supported the ministry which in turn essentially managed the project.

The project purpose was to expand the programs of PVOs and to develop the capacities of Somali NGOs. PVOP's six-year life span began in 1985, but the project ended prematurely in 1990 with a general evacuation of expatriates occasioned by political turmoil.

The management of PVOP was largely in the hands of the Ministry of Interior, which chaired the project's Proposal Review Group (PRG) that made project policy. PRG also reviewed subgrant funding proposals before passing them on for further review by the Ministry and A.I.D. A Management Unit for Support and Training (MUST) was created to serve as secretariat to the PRG, to provide training for government personnel and PVO/NGOs, and to assist with monitoring, procurement and other tasks.

A contract to provide technical assistance to MUST was competed among US firms and awarded to the Experiment in International Living (EIL). A.I.D.'s management tasks included approval of subgrants, technical monitoring of subgrant activities and participation on the PRG. An A.I.D. Project Manager was responsible to oversee project progress, grant compliance of GSDR, and MUST performance.

Subgrants in the form of operational program grants (OPGs) directly from A.I.D. were available to US PVOs and the few Somalia NGOs that existed or were being created. In addition to larger subgrants a second category of Community Action Grants (CAGs) was meant to encourage community level groups to work with PVO/NGOs on short term activities. In retrospect, problems in project design and implementation greatly reduced PVOP's effectiveness and impact. A.I.D. requirements for registration of Somali NGOs proved a major hurdle. The subgrant review process was lengthy and demanding, discouraging submission of smaller CAG grant proposals and effectively excluding Somalia NGOs.

EIL's contract for technical assistance to the MUST was allowed to lapse after two years. Tensions between GSDR and A.I.D. over project control, the complexity of relationships within the project, and disagreement over the MUST's scope of activity all contributed to reduced project performance and accomplishment. In the last year of the project some progress was made in planning for future restructuring and streamlining of PVOP, a process that was cut short by the evacuation.

H. Zaire Small Project Support Project (SPSP)

A.I.D./Zaire is the first mission in Africa to have designed a second generation umbrella based on a completed earlier one. Like the preceding umbrella project, SPSP employed an intermediary implementing agency. The project aimed to increase support for community-based small scale development activities in rural areas. Authorized in August 1988, it was intended to run for six years until September 1994, but was cut short by a general evacuation in September 1991 that was caused by political instability.

According to the project design, implementation was in the hands of an Umbrella Management Unit (UMU), set up by a competitively selected US agency. After some debate within A.I.D., the competition was limited to PVOs. The Experiment in International Living was awarded the Cooperative Agreement and set up the UMU in Kinshasa with a sub-office in Shaba. In addition to managing subgrants to PVO/NGOs the project also included funding for a Peace Corps fishery project, which was administered by the UMU. A.I.D.'s management was handled by the PSC PVO Liaison Officer, who also sat on an internal A.I.D. Project Committee. The government of Zaire did not have a direct role in the project implementation.

Subgrant activities were meant to focus on existing community organizations to render their activities more effective. An intended geographic focus on two zones was expanded during implementation to various regions of the country. Originally subgrantees were to be Zaire-based agencies like the missionary groups funded under ESP, but the UMU enlarged the pool of recipient agencies to include truly Zairian groups and US PVOs. The project, like the entire A.I.D. program, suffered major disruptions with the sudden ending of local currency funding in 1990. Nonetheless, SPSP continued to fulfill some of its commitments until the political upheavals of 1991 forced a premature end to the project.

I. Liberia PVO/NGO Support Project

The project was designed during difficult times of the Doe administration, when both government of Liberia (GOL) and external support had been cut back to the NGOs. For decades local NGOs have provided much of the up-country social and educational services.

The project's purpose was to assist PVO/NGOs to sustain and improve their services in the areas of health, education and community development, especially community enterprise development.

Authorized in August 1987, the PVO/NGO Support Project was intended to have a five year life, but it was abruptly terminated in the summer of 1990 by the civil war which overtook Liberia.

Major project implementation responsibility was delegated to a lead PVO, selected competitively from among a short list of US PVOs. The Experiment in International Living was awarded the Cooperative Agreement and set up offices in Monrovia. Its dual role was to act as A.I.D.'s implementor for all aspect of the project, and to be a development resource for local NGOs to improve their skills and access to other funding. Lead PVO tasks include subgrants management, technical assistance and training for NGOs, information gathering and exchange, and promoting inter-agency collaboration. A.I.D. monitoring responsibilities were assigned to a PSC Project Manager. The GOL had limited formal ties to the project as chair of the PVO Council, but no direct project responsibility.

Given the hundreds of NGOs in Liberia and the fact that most of them could not meet requirements for subgrants which included 40% funding match and registration with A.I.D., the lead PVO opted to focus subgrant attention on a series of "apex" organizations that serve NGOs working in various sectors and geographic zones. Also, one US PVO was pre-selected by A.I.D. to receive project funds.

The project had not been formally evaluated prior to its premature termination. However, from interviews with people involved, the impression is that certain misunderstandings and disagreements which had initially slowed project implementation were being overcome in 1990. It also appears that the project's basic design and EIL's implementation strategy were proving to be appropriate, and that the PVO/NGO Support Project was poised to make an important contribution to the nation's rural service structure.

J. Mali PVO Co-Financing Project (Co-Fi)

Co-Fi was designed during a period of budgetary expansion for A.I.D. in Mali. The project design borrowed certain concepts from an unsolicited proposal for an umbrella project submitted by a US PVO, although significant changes were made when A.I.D. opted to retain project management within the mission. These changes included a decision to make subgrants only to US PVOs and to reduce training and technical assistance elements.

The purpose of Co-Fi is to use PVOs to promote and support A.I.D. strategic objectives through improved outreach in child survival, natural resource management and small private enterprise development. The project was authorized in 1989 and has a six year life span.

Project management and implementation responsibilities are centered in a PSC Project Manager and an Assistant Project Manager who constitute a Project Management Unit within the General Development Office of A.I.D.. The head of GDO chairs the internal A.I.D. Project Committee which has responsibility for selection of subgrant proposals. Recommendations are made to the A.I.D. Director. For each of the three project sectors a "lead sector PVO" is meant to provide

data collection points and documentation services. The government of Mali is not directly involved in management, yet is welcome to participate in project evaluations.

US PVOs wishing to receive subgrants are strongly encouraged to develop partner relationships with national NGOs. PVOs are to provide learning opportunities for their partner NGOs and for local groups with which they work. Subgrant proposals must be in the project's three sectors, although activities can be located anywhere in the country.

The project has not yet been evaluated, but interviews indicate that after a slow start Mali Co-Fi is running smoothly. A number of subgrants have been made and more requests are under consideration.

K. Senegal PVO/NGO Support Project

This is A.I.D.'s second PVO/NGO umbrella project in Senegal, building on the experiences of the CED project outlined in II.A. above. Like CED, this project design calls for an intermediary organization for implementation. Unlike its predecessor, this project is nation-wide and does not restrict PVO/NGO subgrantees to working with village organizations on income-generating activities. Also unlike CED, the PVO/NGO Support Project is not one component in a larger project. The project does put considerable emphasis on institutional support to a wide range of NGOs and NGO associations.

The project purpose is to enable local NGOs and NGO associations and community groups, with PVO assistance, to plan, design and carry out sustainable development activities. The project was designed in 1990 and started its eight year life in August 1991.

Senegal PVO/NGO Support is being implemented by an intermediary agency selected by competition among US PVOs and non-profit organizations. Unique among projects in this study that have intermediary management agencies, the funding mechanism is a contract, rather than a grant mechanism. It was awarded to New TransCentury Foundation. In September 1991, the contractor established an Umbrella Management Unit (UMU) in Dakar with responsibility for subgrants management, training, and technical assistance.

A.I.D. monitoring and management is handled by a Senegalese Project Officer. As was the case for CED, a National Project Committee (NPC) chaired by the Ministry of Planning provides policy oversight to the project, and local development committees must approve subgrant activities.

In addition to regular subgrants to established PVO/NGOs, the project offers micro-grants which are intended to reach out to smaller regional and community based NGOs. Sectors of activity for both types of subgrants are agriculture, natural resource management, small and micro-enterprise development, primary health care and family planning. The UMU may approve subgrants up to \$200,000, with A.I.D. and NPC approval required for larger grants. By mid-1992 the first round of subgrant proposals were being reviewed.

L. Mozambique PVO Support Project

This project was designed during the prolonged period of insurgency that has totally disrupted normal life in many areas of the country. It is intended to finance a limited number of US PVOs to provide basic humanitarian assistance and to facilitate the transition from emergency to rehabilitation. This context helps explain its short life span of less than four years, its internal A.I.D. management, and its lack of emphasis on training and institutional development of local NGOs, all factors which differ from other recent umbrella project designs.

The purpose of the project is to reduce vulnerability to absolute poverty, induced by the rural insurgency, within targeted population groups of Mozambique. The project was approved in June 1990 and is due to end in March 1994.

The project will be managed internally within A.I.D. by a team comprised of a project development officer, rural development specialist and an activity monitor all engaged as PSCs. A Project Committee that is comprised of this team and senior A.I.D. personnel reviews subgrant proposals and makes funding recommendations. A PVO Issues Committee is meant to meet six times yearly to discuss pertinent issues and facilitate coordination among activities funded by this project and other sources such as PL 480 and OFDA. The government of Mozambique will not play a direct role in project management, but recipient PVOs must have a signed Country Agreement with the government and GOM approval for their proposed activities.

Subgrant review and approval is handled by the project management team and other mission staff. Eligible subgrant activities fall into three categories: relief efforts aimed at efficient and timely distribution of food and emergency supplies; social welfare services for displaced and other seriously affected persons such as primary health care, family planning, water and sanitation facilities; economic activities for targeted groups in order to restore agricultural production and generate employment.

A limited number of PVOs with ongoing programs were eligible for FY 1990 funding. Thereafter the Project Committee makes funding decisions on an annual basis in March. As of early 1992 ten grants had been made to US PVOs. Also in 1992 the life-of-project funding was increased from \$19,850,000 to \$50,000,000.

M. Malawi Services for Health, Agriculture, Rural and Enterprise Development (SHARED)

SHARED is the newest of the umbrella projects in this study and in many ways shows the "state-of-the-art" in its design. It employs an intermediary implementing agency, it emphasizes institution building through training, technical assistance and partnerships, it has two tiers of subgrants, and its relatively long life span allows for necessary evolution in support to NGOs.

The Malawian NGO community is very small and young. Most of the project's funding is aimed at supporting and enhancing this community, even in cases where US or other international PVOs are used to provide assistance through partnerships with Malawian organizations. The project's purpose is to expand the amount and increase the impact of development activities of PVO/NGOs in Malawi, and to strengthen the capacity of Malawian NGOs to provide services. The nine-year project was authorized in August 1990.

The design calls for a US PVO or US Cooperative Development Organization to establish and manage the project through a Project Management Unit (PMU). The competitively-selected implementing agency is the Experiment in International Living which was awarded the Cooperative Agreement, and which has set up a PMU office in Lilongwe.

A.I.D.'s management role is handled primarily by a PSC project manager who works with the PMU to facilitate A.I.D. approvals and concurrences among other tasks. The government of Malawi will not directly participate in project decisions, but subgrantees must be registered with the government and must obtain written government approval of their proposed activities.

Two types of subgrants are possible. Relatively small institutional development grants for Malawian NGOs will be up to two years long with a focus on training and technical assistance for organizational strengthening. Much larger, three to five year development activity subgrants are available for US PVOs and Malawian NGOs, with the caveat that funding to US PVOs must have a significant component of institutional support for one or more Malawian NGOs. Also, subgrant resources are to be balanced among the country's three geographic regions and the sectors indicated in project title.

Tensions between PMU staff and A.I.D. that clouded early project implementation have reportedly been resolved with personnel changes. By mid-1992 six subgrants were approved, mostly institutional development grants to Malawian NGOs, and seven more requests were under active review.

PART III. DESIGNING UMBRELLA PROJECTS

Contents and organization of this section

This section of the report is a discussion of some three dozen central issues that are pertinent to umbrella project design. In order to present this diversity of issues, **this section is organized around clusters of concerns. The perspective is that of a project design team which is mandated to plan an umbrella project.** The idea is to lead this design team through the actual process of considering these concerns in the approximate order that they are faced in reality.

The design team logically begins with overall policy considerations, which form Section A. This group of issues deals broadly with the overall policy context of an umbrella project. The first issue is a review of policy factors at the A.I.D./Washington level, factors which relate to congressional mandates, agency-wide policies and those policies that are particular to the Africa Bureau. Next attention turns to mission-level strategies and programs in relation to umbrella projects. Thirdly, the policies of the host government are considered as they influence umbrella project design and implementation. The last policy issue concerns which roles various stakeholders play in umbrella project design.

From policy considerations in Section A, the design team turns to conceptual issues in Section B. In this cluster of issues are found the overarching elements that define an umbrella project's intended beneficiaries, its aims and its essential logic. The first issue concerns those groups or individuals identified as the beneficiaries of the umbrella project. The next two look at goals and objectives, first in an overall sense and then with regard to the PVO/NGO community. The last issue in this cluster discusses why an umbrella project is best suited to these project goals and beneficiary groups.

Project parameters are the next stop on our design team's tour of core issues, in Section C. This cluster of issues asks the questions that define the overall shape of an umbrella project: what, where and when? It begins with a consideration of the various elements an umbrella project might contain and then discusses the appropriate length for the project. The what and where questions are posed in the next two issues dealing with sector and geographic foci, respectively.

Next our hypothetical design team moves on to the broad range of **management options and functions for the project - often the most complex and troublesome set of issues.** Section D is divided into three sub-sections. The first subsection, D.1., addresses the fundamental question of whether project implementation is to be handled within the mission or through an external implementing agency. Separate issues deal with the implications for A.I.D.'s management in each case.

The second management subsection, D.2., focuses on A.I.D.'s partners in project management. It reviews the management functions of each type of agency that might be called on to work with A.I.D. in management of an umbrella project. The first two issues look at management

functions for an external implementing unit (if one is used) and at the staffing issues of such a unit. The next three issues consider possible management roles and responsibilities for the host country government, PVO/NGO subgrantees, and a Project Policy Committee that may be set up within the project. This subsection ends with a discussion of monitoring and evaluation functions which are shared among all of the partner agencies involved in project management.

The last subsection of the management section, D.3., concerns the selection of an external agency to provide project management in the case that project management is not handled within the mission. First the possible field from which an implementing agency might be chosen is outlined; then attention turns to the means of making the selection. Finally options with regard to the funding mechanism are discussed.

Following this review of management concerns, the design team is invited to contemplate issues that provide insights into the PVO/NGO community itself, in Section E. The first two issues examine the institutional needs and interests of PVO/NGOs as they apply to umbrella projects. The next two issues deal with major characteristics of relations among PVOs and NGOs, namely the importance of working partnerships and of inter-agency coordination. The fifth and final issue looks at an umbrella project's relationship to PVO/NGO associations, especially at the national level, which are often called PVO/NGO consortia.

Our design team turns to consideration of specific matters of managing subgrants in Section F. This cluster of issues begins with a consideration of the field of PVOs and/or NGOs to which subgrants are to be made, and then looks at two parallel eligibility issues: criteria that help umbrella projects select subgrantee agencies, and criteria for the selection of subgrants themselves. This cluster ends with the issue of the appropriate size of subgrants.

Complementing the review of subgrants management in Section F is a consideration of management for other project activities in Section G. In this section we focus on two of these activities, first training and TA for PVO/NGOs, followed by information collection, analysis and dissemination.

In Section H our indefatigable design team arrives at project financing. The three issues here are project budgets, sources of project funds and the match requirements. Finally in Section I we focus on the post-project issue of long term sustainability.

Such a lineal description intentionally oversimplifies the complex and iterative process of designing an umbrella project; yet, the general outline allows one to view at a glance the relationships among these various design concerns. In order to compare these issues directly with the organizational requirements for an A.I.D. Project Paper, Appendix C provides a cross-reference between the issues discussed in this report and the project headings and format required by A.I.D. Handbook 3.

Presentation of Issues

Each of the design issues is presented in a format that first defines and briefly explains the relevance of the issue. Next, each issue is examined through a series of illustrative points that show how this issue has affected the umbrella projects included in our study and how it was handled in different contexts. The presentation of each issue concludes with a series of questions that this issue raises for project designers, managers, PVO/NGO personnel, evaluators and other interested parties.

By presenting data as illustrations and questions rather than in the form of prescriptive solutions, the authors wish to underscore the prime importance of site-specific analysis. An idealized model project design was suggested in PART I; but African realities are far too variable for uniform approaches. Still, some general methodological principles do emerge from studying these thirteen project designs and their application. These are offered as "Have you thought about ..." queries, rather than "You must ..." directives. Some questions appear more than once in different guises, such as those concerning whether A.I.D.'s project designers have adequate knowledge, understanding and sensitivity to proposed project partners and the project environment. Recurring questions indicate particular areas for careful consideration during design.

Caveats

In most if not all projects studied, the reality of what ensued during project implementation varies greatly from what the designers intended. **For Part III of the report the spotlight remains on the design process and design decisions, both at the design phase and as the design evolved during the life of the project.** In certain cases where subsequent developments during project implementation shed light on the wisdom of design decisions, or on how original design choices were altered, this information is also provided.

It is readily acknowledged that information on the projects studied is rapidly out-dated, and that specific observations or problems may no longer be current by the time this report is widely circulated. **However, it is the existence of these situations regardless of when they occurred that interests us in this study.**

In drafting this report it was a challenging task to place into appropriate timeframe events that took place over the course of a decade, events that were planned but never occurred, and events still projected into the future. At times design processes long concluded are described in the present tense, while conditional phrasing is often used to discuss design intentions that were not carried through later. In each case that idea is to convey the immediacy of design decisions that are usually made under considerable time constraints based on imperfect knowledge by overly busy people.

Using evaluations, audits and other written sources as well as interviews with personnel from participating agencies, this study seeks to examine both positive and negative aspects or

consequences of umbrella project designs. The study team is aware that a project which looks troubled at one point in time may later prove to be largely successful. While it is not the purpose of this report to present a balanced review of each project, misrepresentation of any project is equally unintended.

A. Policy Issues

- A.1. Consistency of project design with A.I.D./Washington policy**
- A.2. Relation of project to A.I.D.'s country strategy and program**
- A.3. Relation of project to host government policies**
- A.4. Participants in the design process**

A.1. Consistency of project design with AID/Washington policy

A.I.D. policy considerations in many different areas directly affect the design of projects. Umbrella projects are no exception, and have their own particular policy considerations. Guidelines regarding broad issues of PVO/NGO policy come from the Office for Policy Planning and Coordination (PPC) and the Office for Private Voluntary Cooperation (FVA/PVC), while the Africa Bureau also has its own policy priorities, currently determined primarily by the language in the appropriations legislation passed by the US Congress, creating the Development Fund for Africa.

Some specific reference points for these policies include:

"The A.I.D. Policy Paper on Private and Voluntary Organizations" (September 1982), which is still the basic document guiding A.I.D. approaches (though it is to be updated soon), emphasized the complementarity between A.I.D. and PVOs. It acknowledged that "PVOs, because of their heterogeneity and ability to work effectively at the grassroots level with small-scale projects, contribute to an extension of A.I.D.'s own effectiveness and scope of activity". It continues by saying that "A.I.D.'s support for PVOs has two major dimensions. A.I.D. deals with PVOs both as intermediaries in conducting A.I.D.'s programs and as independent entities in their own right...A.I.D. views PVOs as its development partners...".

The Development Fund for Africa legislation contains strong language urging the Africa Bureau to work closely with US PVOs and especially African NGOs. The overall purpose of assistance under the DFA is said to be: "...to help the poor majority of men and women in sub-Saharan Africa to participate in a process of long-term development through economic growth that is equitable, participatory, environmentally sustainable, and self-reliant". The legislation devotes a special section to "Private and Voluntary Organizations" which stresses that "[A.I.D.] shall take into account the local-level perspectives of the rural and urban poor in sub-Saharan Africa, including women, during the planning process for project and program assistance under this section. In order to gain that perspective [A.I.D.] should consult closely with African, United States, and other private and voluntary organizations that have demonstrated effectiveness in or commitment to the promotion of local, grassroots activities on behalf of long-term development...". The language also instructs that "Local people, including women, shall be closely consulted and involved in the implementation of every project under this section which has a local focus".

In the DFA legislation, Congress defines "private and voluntary organizations" broadly to include not only those "entities traditionally considered to be private and voluntary organizations", but also "cooperatives, credit unions, trade unions, women's groups, non-profit development research institutions, and indigenous local organizations which are private and non-profit".

Congress also sets percentage targets for overall levels of funding for PVO/NGO activities as well as for specific sectors. These targets often play a role in determining the sector emphases of individual umbrella projects. The current version of the DFA details certain types of activities under these sector headings which it would like to see increased, and many of these fall within the expertise of PVO/NGOs. This is also likely to encourage A.I.D. missions in Africa to seek more PVO/NGO partners.

Conversely, Congress has imposed strict regulations, primarily for the purpose of financial accountability, requiring A.I.D. to register any PVO/NGOs to whom it wishes to make direct grants. In some African countries, the registration process seriously hinders A.I.D.'s ability to work directly with African NGOs which often do not meet the registration requirements. Sometimes this is a function of the NGO's capacity or lack thereof, but sometimes it is because the required documentation does not exist due to different legal contexts. For example, NGO status in certain African countries does not in itself entitle an organization to tax exemption, which is one of the requirements for A.I.D. registration. The A.I.D./Washington process of approving African NGO registration is sometimes so slow that it discourages both NGOs and missions from attempting it, even where the NGO would qualify. This registration requirement highlights one of the advantages of umbrella projects implemented through an intermediary agency. When funds are granted to an intermediary (which then takes fiduciary responsibility), the African NGO subgrantee is not required to be registered with A.I.D.

On the Africa Bureau's side, the DFA legislation was translated into policy guidelines through the DFA Action Plan. The document for FY89-91 cites four strategic objectives:

1. Improving management of African economies by redefining and reducing the role of the public sector and increasing its efficiency.
2. Strengthening competitive markets so as to provide a healthy environment for private sector-led growth.
3. Developing the potential for long-term increases in productivity.
4. Improving food security.

It also sets out three management objectives:

1. Concentrating resources in programs which are performing well.

2. Tying routine management actions to DFA policy and program priorities.

3. Putting A.I.D.'s resources to work with others' resources.

Some of these A.I.D./Washington strategic and management objectives are reflected in all of the PVO/NGO umbrella projects studied, especially those which have been designed since the DFA was passed. Although these objectives may be implicitly acknowledged in project designs, often there is no explicit discussion in the project papers of the extent to which these objectives are appropriate to the specific country and project context.

ILLUSTRATIONS:

- Somalia PVOP traces its underlying concepts to Section 102 (b)(8) of the Foreign Assistance Act, "which provides that the United States cooperation in development should be carried out, to the maximum extent possible, through private sector institutions such as private and voluntary organizations... A.I.D.'s partnership with local level groups is also mandated by the Foreign Assistance Act. Section 102 of the FAA of 1961, as amended, directs A.I.D. to involve the poor effectively in development by working through 'local-level' institutions. Also, A.I.D.'s assistance in the areas of agriculture, rural development, and nutrition is to be carried out in part by 'creation and strengthening of local institutions' linked to regional and national organizations (Section 103).

Accordingly, the project's purpose was to "foster the sustained economic and social development of Somalia by building a base for increased productivity at the grassroots, local level. The Project has two purposes: (1) to expand the programs of PVOs in development sectors and areas consistent with A.I.D. and GSDR strategy and priorities, and (2) to develop the capacity of Somali non-governmental organizations (NGOs) and local groups to actively participate in the development process."

- The Zaire SPSP PP cites several reasons for the "use of NGOs as development partners":
 - "- NGO projects have proven to have a high degree of success in the Zairian environment where there are many community-based activities supported by missionaries and PVOs. Predecessor project activities financed by USAID also support this conclusion.
 - NGO-support projects are recognized as legitimate and viable by Congress and within USAID.
 - NGO projects are less expensive than projects which require high levels of USAID personnel, time and outlay for project infrastructure.

- NGO projects reduce the management burden on A.I.D., and are likely to employ people with extensive knowledge of local conditions and of the constraints to and methods for getting a task accomplished."

The project will "stress community development and progress toward sustainability. The goal of the project is to raise the standard of living of rural dwellers in those regions [Bandundu and Shaba], specifically, improving the income and welfare of rural cultivators, increasing their access to quality, affordable health care and potable water, and opening up channels of communication and training opportunities for community development groups."

- The Liberia PVO/NGO Support Project intended to provide support to NGOs in order "to assist the Government of Liberia to:

- reduce the potential loss of private development resources;
- complement ongoing government-to-government support with effective grassroots programs;
- encourage local initiatives which reduce dependence on external (central government or donor) assistance;
- enhance in the long run the quality and reach of social services in Liberia."

The goal of the project was to "raise the standard of living for Liberia's rural and urban populations." Its purpose was to "assist private and voluntary organizations in Liberia to sustain and improve services in health care, basic education, and community development, especially enterprise promotion."

Also, "a major focus of the assistance to be provided will be the long-term sustainability of the benefiting organizations. This concern will be addressed by (1) determining an end to USAID assistance before it begins; (2) targeting management assistance and training on improving operational efficiency and making wise programming choices; and (3) helping PVO/NGOs to develop additional revenue sources."

In terms of management, the A.I.D. mission chose the option of a lead PVO to implement the project under the guidance of a PSC project manager because "this approach enables two-thirds of the project funding to go directly to the Liberian beneficiaries; provides a high degree of subproject management; and guarantees a similar developmental orientation to the local organizations."

- The Project Paper for the Mali PVO Co-financing Project has a section headed: "Conformance with AID/AFR Regional and USAID/Mali strategy". It refers to the PID for the Africa Regional PVO Initiatives Project (698-0526) which states that "promotion of a closer A.I.D. partnership with PVOs/NGOs should result in:

1. An effective broadening of the base of development efforts to more areas of Africa than A.I.D. could possibly achieve on its own or through African governments;
2. More effective mobilization of Africans' resources in sustained support of their own development initiatives; and
3. More effective understanding of the development challenges faced by African nations and people and the generation of new ideas and approaches to dealing with them.

This A.I.D. outreach strategy outlined in the AFR Regional PID can best be implemented on a country level through regular Mission collaboration with the PVO/NGO community to target specific national development objectives and potentially at risk beneficiary populations most in need of A.I.D./PVO interventions. Another important objective of closer cooperation between A.I.D. and the PVO/NGO community is a more informed and more realistic comprehension of the development strategies and operational procedures of each of the partners."

- The strategy of the PVO/NGO Support Project in Senegal will focus on:
 - "(1) long-term, systematic support for institutional development on a program rather than project basis to the wide range of NGOs and PVOs in Senegal;
 - (2) provision of sub-project support for sustainable community activities that correspond to the beneficiaries' needs and situations;
 - (3) systematic support to the NGO movement in general, focusing on networking, local-level PVO/NGO collaboration and coordination and development of institutional mechanisms for fund-raising; and
 - (4) promotion of a participative approach at all levels in project design and implementation."

QUESTIONS:

- What is the mission's understanding of the current A.I.D./W policy with regard to PVO/NGOs?
- Are there particular A.I.D./W sector priorities which need to be taken into account in a new project design?
- Are there local conditions which make it problematic for the mission to implement any particular aspects of A.I.D. policy or the DFA mandate? If yes, what are they and how can this problem be resolved?

- Since the DFA legislation places considerable emphasis on consultative processes with local NGOs and other grassroots groups, what can the mission do to ensure that this approach becomes part of the design and implementation of their country program?
- How does the mission define its partnership with PVO/NGOs? Is the mission looking to work with PVO/NGOs as intermediaries i.e., service deliverers, or independent entities or both? Why? What are the implications of these different approaches?
- What are the practical implications of the Africa Bureau's DFA strategic objectives with regard to PVO/NGO programs? What about the management objectives?
- Is the mission considering a PVO/NGO umbrella project simply in order to meet sector funding targets or other short-term goals imposed by Washington? If so, how can the mission ensure that any project it develops will still be consistent with broader PVO/NGO policies?

A.2. Relation of project to A.I.D.'s country strategy and program activities

Generally umbrella projects, like all other A.I.D. projects, have some defined relationship to the mission's on-going or planned program as articulated in the CDSS or CPSP, Action Plan and ABS. Activities of some umbrella projects have been designed to relate in direct ways to on-going A.I.D.-supported activities; in other cases the umbrella projects represent a new direction for the mission and may be set up quite independent of other A.I.D. projects. Whichever path is selected it will have implications for many other design decisions.

ILLUSTRATIONS:

- In a number of umbrella projects, Kenya REP, Kenya Co-Fi and Liberia PVO/NGO Support, among others, the projects are part of A.I.D.'s strategy to create or encourage low-cost alternatives to government-led development.
- The rationale for several umbrella projects is based in part on an A.I.D. strategy of assisting governments to decentralize their administrations and/or to decontrol development planning functions. Examples of such projects are Sudan RFP, Zaire SPSP, and Senegal CED, among others.
- Complementing and overlapping both of the bulleted items above is the connection drawn between many umbrella projects and A.I.D. missions' policy of support for the private sector. In umbrella projects this policy has at times provided the rationale for support for for-profit entrepreneurs as in Kenya REP and Senegal CED, support for non-profit service providers as in Liberia PVO/NGO Support and Zaire SPSP, and support for the non-governmental agencies as in Somalia PVOP and Kenya Co-Fi. The PP for Malawi's SHARED project refers to support for the "non-commercial private sector".

- The design for Zaire SPSP stipulates both geographic and sectoral linkages between the umbrella project and on-going A.I.D.-supported projects: "A subgoal of the project is to fund activities which will complement and build on other USAID activities in the two regions."
- The PP for the newly designed Mozambique PVO Support Project notes that the CPSP "specifically outlined the use of PVOs and this project as a key component..."
- To spotlight one umbrella project's linkage to mission policy and resources, A.I.D.'s policy in Chad in June 1985 at the time of the design of DIP was "to devote the largest part of its development assistance over the next decade, at least, to food production. ... But the condition of Chad's infrastructure, governmental systems and societal fabric does not permit an immediate large-scale or long term commitment in agriculture." Budgetary and personnel constraints limited the mission's programming to one new start. Although A.I.D. strategy targeted individual small farmers and providers of agricultural inputs, its analysis concluded that, "Neither AID/Chad nor the GOC has the capacity to work on a day-to-day basis at this level....PVOs do." An umbrella approach would allow the mission to fund multiple PVO subprojects thus treating various aspects of small scale agriculture simultaneously under one new project that, "is intended to be the centerpiece of A.I.D.'s agricultural development assistance for the next three years."

QUESTIONS:

- Given that PVOs/NGOs are considered strong in relatively small scale activities at community level, what are the strategic objectives of the mission that can be achieved through intervention at this level?
- Is the mission interested in directly linking umbrella project activities to other A.I.D.-supported projects? If this is envisioned, what does this mean for the design of the umbrella project in terms of zones, sectors, potential PVO/NGO partners, and other project parameters?
- If PVOs/NGOs have been previously involved in A.I.D.'s country program, what does this experience indicate about correlations between these agencies' capacities and the mission's focus?
- If PVOs/NGOs were simply not available, how would the mission achieve the goals and objectives of the umbrella project?
- How did the mission come to consider PVO/NGOs as appropriate partners? Was it based on previous in-country experience with PVO/NGO projects? If the impetus has come from mission staff members' experiences with PVO/NGOs in other countries, are conditions analogous in the country where A.I.D. is contemplating an umbrella project?

- How would a major shift in country strategy affect umbrella project priorities? Where is the mission in its strategy cycle, and are any major revisions of AID country strategies or priorities envisioned?

A.3. Relation of project to host government policies

Like any development program, umbrella projects must correspond in some way to host government policies, priorities and goals. Under structural adjustment and decentralization programs, many African governments are reducing and redefining their governance roles, processes which in some cases open new opportunities and make new demands on PVO/NGOs. At the same time, PVO/NGO endeavors such as those undertaken through an umbrella project are heavily influenced by government's policies, regulations and practices. **These are two closely related considerations: government development strategies especially concerning areas of PVO/NGO intervention, and the political space that the government permits the non-governmental sector.** These concerns are directly linked to the issue discussed in D.2.c, government's role in umbrella project implementation.

ILLUSTRATIONS:

- Until the political and economic upheavals of the 1980's, Liberia's government had contributed significantly to the funding of private agencies providing health and education services in rural zones not reached by public agencies. The PVO/NGO Support Project was designed to help these non-profit social service providers bridge the transition to a new post-subsidy funding environment.
- The Senegalese government's decision to reduce its involvement in certain areas of the rural economy under its structural adjustment program was part of the logic for the CED Project's focus on non-governmental options for providing credit and services to rural enterprises. More recent GOS policies giving more responsibility to rural producers are directly reflected in the new PVO/NGO Support Project design that places heavy emphasis on community initiative and decision-making in subproject activities.
- In Kenya, government registration of newly-arriving international PVOs reportedly has been cut off for some time. PVO/NGO partners under the Co-Fi project are thus effectively limited to agencies already registered in Kenya, except for the possibility that an unregistered PVO could work informally through a currently registered PVO/NGO partner agency.
- Decentralization as a government policy objective played a leading part in the Sudan RFP Project. For the PVO/NGO phase of this long and interrupted project, decentralization had to be significantly redefined from strengthening of regional governmental structures to include community initiated activities. Likewise in Somalia, decentralization in the sense of promoting local initiatives was a government objective that was meant to be promoted in the PVOP Project.

- In several countries, Kenya and Zaire among others, governments have periodically attempted to tighten or even eliminate duty-free import privileges of PVO/NGOs. Likewise, governments attempt in various ways to exert new controls on non-governmental agencies, for example, by unilaterally revising agreements, changing registration requirements, or creating governmental oversight entities. These are factors which influence a PVO/NGO's ability to function effectively in a country and such questions need to be addressed in any PVO/NGO project design.

QUESTIONS:

- What is the government's policy towards PVOs and NGOs? Are registration procedures straightforward and applied fairly? Are the standard privileges for duty-free entry of goods for PVOs/NGOs accorded by the government? Are PVO/NGO procedures for reporting to government clear, and are they generally followed?
- What is the government's practice towards PVOs and NGOs? Have PVOs or NGOs been denied registration? Has the government revoked or threatened to revoke registration? Do PVOs/NGOs participate on local, regional or national coordinating or planning bodies with the government, donors and/or other development players? Are periodic encounters held between government and the PVO/NGO community?
- If A.I.D. does not have detailed knowledge of government relations with the PVO/NGO community, or adequate comprehension of government practices and policies towards the non-governmental sector, how can the design phase of the umbrella project rectify this situation?
- If government relations with the PVO/NGO community are problematic, how does that impact on umbrella project design? Does A.I.D. through this project want to influence government opinions or policies regarding PVOs/NGOs? If so, what are the key improvements required and how can these changes be effected?
- Does the mission envision PVO/NGOs or the PVO/NGO umbrella project itself in advocacy roles vis-à-vis government, or helping to demonstrate the need/possibility for policy changes? If so, how might the umbrella project be designed to promote such roles?
- Is the government undertaking or contemplating major revisions of its policies that will influence the umbrella project design or the PVO/NGO community in general? If the government changes policies after umbrella project start-up, how might the project deal with such changes?

A.4. Participants in the design process

Designing an A.I.D.-funded umbrella project is fundamentally A.I.D.'s responsibility, yet there are major benefits to be derived from sharing this function with others. Most obvious is the rationale for implicating the PVO/NGOs which will play major roles in project implementation. Umbrella projects by their nature involve a variety of players, from grassroots beneficiary groups to PVOs/NGOs to host government agencies to A.I.D. mission offices to REDSO, and so forth. The level of involvement of these parties in the identification and design process for umbrella projects will have an impact on their understanding of needs, interests and capacities, on mutual expectations, and on the various stakeholders' sense of ownership. Figure 4 summarizes PVO/NGO participation in the design of the umbrella projects studied for this report.

Figure 4: Participation of PVO/NGOs in Design of Umbrella Projects

The project design roles, if any, of PVOs and NGOs are not always clear from the Project Papers of the umbrella projects studied for this report. This table summarizes the evidence given in the documents studied.

Projects in Study	Participation of PVO/NGOs in Project Design
Kenya REP	No mention of direct involvement; PP refers to PVO/NGO experience in credit management.
Zaire ESP	No formal participation, although design was partially based on NGOs' proposals to USAID.
Senegal CED	Considerable USAID-PVO/NGO discussion over several years during design.
Kenya Co-Fi (original design)	PVO Sector Survey; no direct consultation on project design is indicated.
Chad DIP	No mention of consultation; project funded three PVOs already funded by USAID in Chad.
Somalia PVOP	PVO Advisory Board grew out of extensive USAID-PVO/NGO discussion during project design.
Zaire SPSP	Extensive field consultations by design team.
Liberia PVO/NGO Support	Study of NGOs; PVO/NGO design input unclear.
Sudan RFP (PVO phase only)	No design input mentioned in PP Amendment.
Mali Co-Fi	Extensive field consultations by design team.
Designed Since Study Began	
Mozambique PVO Support Project	Consultation on project procedures and criteria with US PVOs that are the intended grantees.
Malawi SHARED	Pre-design studies; no mention of PVO/NGO design input.
Senegal PVO/NGO Support	Extensive consultations, needs assessment, multi-country study tour, group meetings among USAID, NGOs and PVOs.

ILLUSTRATIONS:

- Zaire ESP in 1983 had no formal design by A.I.D., originating instead as an unsolicited proposal from a US PVO. This was expedient under severe time pressures imposed by internal A.I.D. fiscal deadlines. However, both A.I.D. and PVO personnel have suggested that the lack of a thorough PID/PP design phase may have contributed to conceptual differences and to resulting tensions between the mission and the PVO implementing agency.
- For the second Zaire umbrella project in 1988 the design team contracted to prepare the PP for Zaire SPSP included a Financial and Management Specialist, a PVO Specialist, an Economist, and an Anthropologist, among others. The team contacted many PVO/NGOs in the field during their design effort.
- In a war-torn and drought-stricken environment in 1985, Chad DIP was apparently designed by mission staff with little or no input from others. The project design as presented in the PP makes little mention of the social and cultural dynamics of the rural communities meant to benefit from this umbrella project. The Audit of the project, conducted in 1989, indicates that the project design failed to consider adequately the constraints faced by the intended PVO subgrantees in designing and implementing community-level subprojects.
- As part of the design for the new Senegal PVO/NGO Support Project, A.I.D. Senegal sponsored a study tour for personnel from two national NGOs, one US PVO, the national NGO consortium, and the Senegalese government ministry responsible for NGO relations, to visit other umbrella projects around Africa. This tour allowed the participants to understand better the parameters of A.I.D.-funded umbrella projects, and to provide A.I.D./Senegal with informed advice in the project design process. Follow-up feedback sessions were held including several meetings with the general PVO/NGO community to discuss the project design. The mission also solicited opinions from PVOs and NGOs on a preliminary project document, and incorporated many of their suggestions into the Project Paper.
- In preparing the PID and PP for the Mozambique PVO Support Project, the mission held meetings with US PVOs to gain insights regarding drafts of proposal guidelines, criteria and the process for proposal review, and types of eligible activities. According to the PP, this input helped to ensure that the requirements and process are "realistic".
- The most participatory process that the study team found was in Namibia, although the projects under preparation are too early in their design phase to be included in this study. A.I.D. is preparing two umbrella projects for start up in 1992 with the assistance of two working groups of government and NGO personnel plus a few people from other donors, the university and the private sector. These groups and their sub-committees meet regularly and have worked directly with PID and PP consultant teams in designing the projects.

QUESTIONS:

- **What cross-section of expertise is needed on the design team? Who is in the best position to provide this expertise? What is the optimal level of mission participation on the design team?**
- **What cross-section of stakeholders should be involved in the design, such as PVOs, NGOs, PVO/NGO associations, beneficiary groups, host government, various offices within the mission, REDSO? For each stakeholder group, should its participation be at the level of decision-making or rather providing input for decision-makers? In other words, for each stakeholder group: should it participate as a design team member, part of a review group, or be consulted and informed in some other fashion?**
- **How well understood are institutional factors affecting the project, such as national policies towards PVO/NGOs, or regulations concerning community-based groups? What kinds of other studies, e.g., sector specific analyses, should be commissioned to assist with project design, and by whom should they be done?**
- **How can the design of umbrella projects be made flexible enough to allow for necessary adjustments in the early project implementation period?**

B. Conceptual Issues

B.1. Definition and role of beneficiaries

B.2. Goals and objectives of the project

B.3. Goals and objectives of the project with regard to PVO/NGOs

B.4. Rationale for employing an umbrella mechanism

B.1. Definition and role of beneficiaries

Frequently umbrella projects mention as beneficiaries certain groupings of the population such as small farmers or microentrepreneurs. In some cases the PVO/NGO community itself is also designated as a beneficiary group in recognition of the importance of building capacity in the non-profit sector. Some umbrella projects have attempted to mandate important roles for beneficiary groups, while others appear to leave such methodological issues to the PVO/NGO subgrantees. In general, the designation of beneficiaries and their involvement has direct significance for both EOPS and for evaluation at institutional and community levels. Figure 5 summarizes the beneficiaries designated in the projects studied.

ILLUSTRATIONS:

- Zaire SPSP targets existing community groups that are in a position to make important participatory contributions to subproject activities supervised by national NGOs. Emphasis is on small-scale activities "identified and managed at the level of the direct beneficiary" who are defined as rural dwellers organized as fish farmers' groups, village health and water committees, women's cooperative farming groups, and agricultural cooperatives, among other groupings. Concerning indicators of project progress, "The primary unit of measurement for this impact will be the community group."
- The scant documentation of the hastily designed Zaire ESP lists as beneficiaries those "Zairois who are dependent on PVO implemented projects ... this project could reach up to twenty PVOs with client population of several millions."
- For the original Kenya Co-Fi, "The intended primary beneficiaries of this project are the community of private voluntary organizations [PVO/NGOs] working in Kenya and their constituents, the rural and urban poor." The PP clearly indicates beneficiary status of PVOs, NGOs and even the project's external management agency, VADA. In the redesigned Co-Fi project beneficiaries' roles are emphasized through subproject selection criteria that require evidence that "the project design reflects input from the beneficiary group, promotes participation during project implementation, and ensures that participants benefit from the process."

Figure 5: Designated Beneficiaries in Umbrella Projects

Not all project design documents indicate in clear terms the intended project beneficiaries. This table summarizes beneficiary data from Project Papers and Amendments.

Projects in Study	Participation of PVO/NGOs in Project Design
Kenya REP	Small scale entrepreneurs; self-employed poor.
Zaire ESP	Zairois dependent on PVO-implemented projects.
Senegal CED	Village organizations and rural entrepreneurs.
Kenya Co-Fi (original design)	Community of PVO/NGOs working in Kenya, and their constituents, the rural and urban poor.
Chad DIP	Men, women and children of rural households, long-term residents and displaced persons; loan recipients in N'Djamena.
Somalia PVOP	Members of local groups such as cooperatives, religious groups and water user groups.
Liberia PVO/NGO Support	Local PVO/NGOs receiving subgrants, PVO/NGO staff getting training, and PVO/NGOs' clientele.
Sudan RFP (PVO phase only)	Community groups working with PVOs.
Zaire SPSP	Members of existing community groups, such as, fish farmers, village health and water committees, and women's farming groups.
Mali Co-Fi	Rural and urban poor women, families and men; Malian NGOs and local-level associations.
Designed Since Study Began	
Mozambique PVO Support Project	Persons displaced or otherwise severely affected by the insurgency.
Malawi SHARED	Malawi's rural poor. NGOs will "benefit" as intermediaries.
Senegal PVO/NGO Support	Rural and urban poor participating in community groups; local NGOs and NGO federations.

- The part of Kenya REP that works with PVO/NGOs (which is the only part of that project dealt with in this study) has small-scale entrepreneurs as beneficiaries, particularly informal sector enterprises of a very small size, "the self-employed poor who lack access to conventional support mechanisms." PVO/NGOs are the delivery system for services and loans, and though they will receive needed administrative support and strengthening, they are not project beneficiaries.

- For Liberia PVO/NGO Support, "The direct beneficiaries of the project will be: 1) the local PVO/NGOs receiving the subprojects; 2) the PVO and NGO staff attending the workshops and training programs on better management and technical issues; and 3) the PVOs' and NGOs' direct clientele. Secondary beneficiaries will be the residents of the communities served by the participating PVOs and NGOs. Finally, the wider communities will benefit indirectly from the overall effects of sustained or expanded social services."

- Most of the projects studied mentioned women as beneficiaries, although with varying degrees of specificity. Sudan RFP directs that all activities, "should be designed in light of the key role women play in private agriculture ... and seek to enhance their productivity and contributions to the rural economy." In discussing past failures to allow "women to compete adequately ... and to earn equitable income from their labor," the PP notes that, "women as intended beneficiaries have not been consulted, and so their actual needs and wants have not always been fully recognized, or addressed." The PP provides a series of illustrative subproject ideas involving women, such as revolving credit, horticultural marketing, and animal husbandry, and it mandates provision of training for women.

- The Somalia PVOP mandated that all subgrants, "will be implemented by the PVO/local group partnership." Such beneficiary groups as cooperatives, religious groups and water user groups were noted. One way the project design attempts to encourage beneficiary involvement is through Community Action Grants which can be initiated by communities themselves and presented for sponsorship through PVOs or NGOs.

QUESTIONS:

- Are PVOs and/or NGOs beneficiaries of the project, or are they more appropriately seen as partners with A.I.D. in project implementation for the benefit of local communities?
- Are the project's local beneficiary groups identified on the basis of the current activities of prospective PVO/NGO subgrantees, or is their identification based on the project purpose, objectives or other criteria? In other words, are the beneficiaries selected independent of the likely PVO/NGO participants or as a function of these agencies' programs and capacities?
- It is difficult to pinpoint beneficiaries if the location, size, sector and other parameters of subproject activities are not specified in the design phase. In such cases should the intended mix of beneficiaries be indicated by gender, economic class, age, occupation or other descriptors? If women or other specific beneficiaries are identified, how can the project design and implementation assure their involvement?
- How well understood is the social, cultural and economic environment of the designated beneficiary groups? How could Rapid Rural Appraisal or other participatory research methods be used during the project design phase to ensure that the project corresponds to needs and priorities of the beneficiaries themselves?
- If community organizations are important to the achievement of project goals, what kinds of project activities will serve to strengthen or help create self-reliant local groups?
- How well understood are existing relationships among PVO/NGOs and beneficiary groups? What evidence confirms that PVO/NGOs really do understand and represent the interests of the

project's intended beneficiary groups? If this knowledge is not available, what studies are needed in the project design phase and who is best situated to conduct them?

- What improvements might be made in the way PVO/NGOs currently work with community groups? What positive stimulation from A.I.D. would encourage PVO/NGO subgrantees to maximize the growth and development of independent beneficiary groups?

B.2. Goals and objectives of the project

In both this issue and the following one umbrella projects' goals, purposes and other broad statements of intent are explored. While these statements are common to all A.I.D. projects, **umbrella projects have the particular commonality of objectives that explain the involvement of PVOs and/or NGOs in the project.** Umbrella projects may have the expectation of testing or demonstration by PVO/NGOs. Sometimes a PVO/NGO umbrella project may actually be a component of a larger project. Two broad categories of project objectives include those that address specific and pre-defined development problems and those that seek to respond to targets of opportunity presented by the PVO/NGOs themselves.

ILLUSTRATIONS:

- The goal of Kenya Co-Fi Project is to increase the income, quality of life and self-reliance of the rural and urban poor. Its purpose is to increase the development impact of PVO/NGO activities in Kenya. Achieving this purpose will in turn assist local community organizations to achieve their aims and to manage and sustain their own development.
- Both Kenya REP and Senegal CED had PVO/NGO umbrella project activities as components of larger projects. While the umbrella project components in both cases were linked to the larger project by the objective of supporting private enterprise, the umbrella components each had implementation strategies distinct from the rest of the project. The PVO/NGO component of Kenya REP was implemented completely apart from the rest of that project. The Midterm Evaluation of the CED project indicates that until activities were separated, considerable difficulty was caused by the joint implementation of somewhat overlapping components working in the same sector and zone.
- Chad DIP's goal of increasing food production and availability leads to its purpose of assisting small farmer production and private sector activities and its objectives of doing so broadly and quickly enough to contribute significantly in settling displaced persons while demonstrating approaches adoptable for longer term programs. PVOs are seen as "primary vehicles for design, implementation and monitoring" of pilot efforts which will inform future AID program development. Chadian community organizations are not explicitly part of the design.

- The original goal of Sudan RFP was to promote decentralized development. This was subsequently altered, "to make regional governments more autonomous..." In its final PVO phase, the project goal was "to make community, village and local organizations more autonomous and to increase the development impact of local level projects."
- In the CED project A.I.D./Senegal was testing the effectiveness of PVO/NGOs as delivery systems for cost-effective rural credit and enterprise development services to a series of rural organizations. Mali Co-Fi also refers to testing models of PVO/NGO interventions that can be applied more broadly in the future.
- The purpose of Zaire SPSP is to increase support for community-based small-scale development activities which can be sustained by the local population. Rather than funding pilot schemes, this project aims to build on already successful community efforts towards expansion and sustainability. It is the proven capacity of locally-based NGOs to work with community groups that explains these NGOs' project role as "important conduits for resources and expertise."
- Projects with target-of-opportunity objectives are typified by Kenya Co-Fi and Somalia PVOP, while the opposite extreme of focussed objectives are found in Kenya REP and Senegal CED. Most umbrella projects in this study combine these two approaches, having both a level of specificity in, say, sectors of activity and a responsiveness to PVO/NGO defined initiatives.

QUESTIONS:

- Given that PVO/NGOs in Africa to date have mainly been engaged in community level interventions of a relatively small scale, what goals and purposes for umbrella projects are commensurate with PVO/NGO capacities? On the other hand, which of A.I.D.'s overall objectives might better be approached through program modalities other than an umbrella project?
- Are several diverse objectives or project strategies being cobbled together under the umbrella project that are not necessarily compatible for implementation purposes?
- Does the umbrella project design call for testing particular strategies or hypotheses? Are PVO/NGOs expected to demonstrate certain approaches or to carry out pilot projects? What are the assumptions behind such testing or demonstration efforts? Is A.I.D. prepared to accept the possibility of failure or inconclusive results in such experimentation? What are the risks for beneficiary groups involved in such experimentation? Will they understand and accept the tentative nature of the exercise?

B.3. Goals and objectives of the project with regard to PVOs/NGOs

A major consideration in designing an umbrella project is the role envisioned for the PVOs and NGOs who will be involved with subgrant funding and usually other project activities as well. PVO/NGOs are sometimes considered as an efficient means to reach an A.I.D. objective, at other times as a partner agency with A.I.D. and the host government. Sometimes umbrella projects view the strengthening of the PVO/NGOs as an objective in itself. A project's goals and objectives statement defines whether PVO/NGOs are the project's "means" or "end" -- or perhaps a combination of both.

ILLUSTRATIONS:

- The purpose of the Liberia PVO/NGO Support Project is, "To assist private voluntary organizations in Liberia to sustain and improve services in health care, basic education, and community development, especially enterprise promotion." Long term sustainability of the subgrantee PVO/NGOs is a major focus of project activities. (See Section I.1. on this issue.)
- The Mali PVO Co-Financing Project purpose is variously stated as, "To use [or "to assist ..."] non-governmental organizations to promote and support Mission strategy objectives through improved outreach ..." in selected sectors.
- The purpose of the new Senegal PVO/NGO Support Project is "to enable local NGOs, NGO associations and community groups, with PVO assistance, to plan, design, and carry out sustainable development activities."
- The Somalia PVOP's twin purposes are, "1) to expand the programs of PVOs in development sectors and areas consistent with AID and GSDR strategy and priorities, and 2) to develop the capacity of Somali NGOs and local groups to actively participate in the development process." Outputs include PVOs better prepared to work with Somali communities, trained government personnel, and GSDR, PVO/NGOs and A.I.D. working together to improve local development efforts.
- The new Malawi SHARED Project also has two purposes in that it seeks to expand the impact of PVO/NGO activities in key sectors, and to strengthen the capacity of Malawian NGOs to provide services. "The strengthening of NGOs is intended as a means of expanding the opportunity of Malawi's rural poor."
- The Sudan Regional and Financial Planning Project, "proposes to use PVOs as a vehicle toward decentralization" after earlier efforts to promote regional decentralization of the host country government had failed.

- The purpose of Kenya REP is to establish and expand rural private enterprises, which, if achieved, will contribute to the goal of increased rural production, employment and income. PVO/NGOs are part of the implementing strategy for supporting small scale entrepreneurs.

QUESTIONS:

- What are the reasons for involving PVO/NGOs in the project? Is the umbrella project designed starting from A.I.D.'s mandate to work with PVOs/NGOs, or are PVOs/NGOs perceived as the most appropriate partners to help A.I.D. reach its strategic objectives?
- If the latter is true, what are the characteristics that make PVO/NGOs the most appropriate partners for A.I.D. in this case? How can the project design play to those strengths?
- Is the project intended to involve PVO/NGO subgrantees mainly as "vehicles" for accomplishing A.I.D.'s objectives?
- Or, is the enhancement of PVOs/NGOs' capacities in itself an objective of the umbrella project, perhaps helping them to attain greater managerial or technical competence?
- Can PVO/NGOs be perceived as both project "means" and "ends", and if so, how are these roles distinguished in the project objectives, activities and evaluation?
- Should the project only work with PVOs/NGOs which already have the necessary skills to implement A.I.D.-selected activities, and not deal with those PVO/NGOs which are not yet completely competent in terms of AID's expectations? (Further discussion of this is found in F.1.)
- Are national NGOs potentially a vital segment of the nation's private sector and therefore worth strengthening in their own right through the umbrella project? Do the project goals and objectives include expanding and up-grading NGOs as part of the nation's "development capital" or human resource base?
- How can A.I.D. treat PVOs/NGOs in an umbrella project as partners instead of just implementing vehicles? How can the umbrella project be formulated so as to achieve field level objectives while also strengthening PVOs and/or NGOs as implementing agencies?

B.4. Rationale for employing an umbrella mechanism

The logic for selecting the umbrella mechanism rather than using other programming options varies considerably with the project's goals and environment. Factors contributing to definition of umbrella project rationale statements have included reducing mission management burden, congressional policy concerning assistance to specific governments and

perceptions of efficiency through grouping management of small PVO/NGO projects. Less clearly stated in writing is the often acknowledged impact on mission budgets, in that umbrella projects can shift management costs off of the mission's operating budget. The relative weighting of different rationales has a direct influence over management options discussed in Section D.1.

ILLUSTRATIONS:

- Umbrella projects in which an intermediary organization assumes project management responsibilities are sometimes employed by A.I.D. in countries where congressional mandates restrict use of other A.I.D. funding mechanisms. Such has been the case in Zaire and Liberia, when curbs have been placed on direct A.I.D. funding to governments.
- The PP for Chad DIP states that "the PVO 'umbrella' structure of the project will minimize the management burden of AID and the GOC." This expectation is echoed in Somalia PVOP, Kenya Co-Fi and other projects.
- In Senegal CED the umbrella structure was used to enable A.I.D. to reduce the quantity of project management units by consolidating its PVO activities, thus meeting an internal A.I.D. objective.
- Zaire SPSP is the earliest of the "second generation" umbrella projects in Africa, i.e., a follow-on umbrella project designed after completion of Zaire ESP. Rationale for the SPSP umbrella structure includes reduction of A.I.D. direct involvement in small project management, streamlined subproject selection, consistent management of diverse activities and "one voice" to interact between the mission and the PVO/NGOs.
- The 1990 design for Malawi SHARED notes from other umbrella projects in Africa that "an umbrella approach managed by a non-profit firm...groups and focusses the mission's PVO/NGO assistance activities, permitting economies in management and training and magnifying the benefits of the subgrant and technical assistance functions. It enables feedback and linkages among subprojects and institutions."

QUESTIONS:

- Are there special considerations that play into the choice of an umbrella mechanism such as congressional restrictions on working through certain governments?
- Is meeting A.I.D. targets for involvement with PVOs the major logic for selecting the umbrella? What other reasons external to the project itself, i.e. other than achieving specific development goals, are in the rationale?

- If the rationale for using the umbrella mechanism is based largely on such external reasons, what is the impact of this extra-project rationale on design of the project? How does this affect mission staff perceptions about the project? If the mission staff views the project as more or less imposed on them from outside, how will they treat the project differently?
- If reducing management burden on the mission is a major part of the rationale for the umbrella project, what does that suggest about the scope and intensity of A.I.D.'s involvement in the project's implementation? What steps can be taken in the design phase that will ultimately help mission staff reduce their workload while fulfilling their monitoring responsibilities in umbrella project implementation and management?

C. Project Parameters

- C.1. Project elements**
- C.2. Life of project**
- C.3. Sector focus of project activities**
- C.4. Geographic focus of project activities**
- C.5. Project budget**

C.1. Project elements

Like other project parameters, design decisions concerning project elements are based on an interpretation of project goals and objectives in the light of the project's environment. In addition to being a subgrant funding mechanism, umbrella projects usually include complementary elements such as management and technical assistance to PVO/NGOs, inter-agency collaboration, and research on PVO/NGO issues. These complementary activities have been absent or minimal in some umbrella designs, yet they appear to be an important success factor. Figure 6 summarizes project elements of the projects in this study.

ILLUSTRATIONS:

- Zaire ESP was originally conceived as a congressionally acceptable commodity procurement scheme, but the external implementing agency placed increasing importance on training for subgrantees. Both Midterm and Final Evaluations cited this shift to institution building as key to the project's success.
- Two umbrella projects, Senegal CED and Kenya REP, contained provisions for credit funds to rural entrepreneurs in tandem with PVO/NGO subgrants to manage this credit. The Midterm Evaluation indicated that training in this sector provided to NGOs by Kenya REP staff was a major factor in that project's success. According to its Midterm Evaluation, the Senegal CED project initially underestimated the need for PVO/NGO training and technical assistance prior to developing viable credit programs. The result was slow project start-up.
- New components of research and consultation were added to Kenya REP in the second Cooperative Agreement four years after the project began. These services in Kenya and nearby countries have become a source of profit for the project's managing company WEREP.
- The Somalia PVOP design included training for NGOs and for government personnel. Because of the significant involvement of Ministry of Interior (MOI) personnel in project implementation, the design called for training MOI staff in monitoring and evaluation.
- In addition to dozens of training programs for executives and staff of NGOs in the major areas of project development, organizational development and financial management, the original

Figure 6: Umbrella Project Elements

Summary of project elements from Project Papers and Amendments

Projects in Study	Subgrants	PVO/NGO Training	PVO/NGO Technical Assistance	PVO/NGO Coordination	Research and/or Information Services	Other
Kenya REP	•	•	•	•	Second Cooperative Agreement	Loans; training for entrepreneurs
Zaire ESP	•	•	•			Commodity procurement
Senegal CED	•	•	•			Loans; training for local organizations
Kenya Co-Fi (original design)	•	•	•	•	•	
Ciud DIP	•					
Somalia PVOP	•	•	•	•		Training for host government
Liberia PVO/NGO	•	•	•	•	•	
Sudan RFP (PVO phase only)	•		•			
Zaire SPSP	•	•	•			Commodity procurement
Mali Co-Fi	•				•	
Designed Since Study Began						
Mozambique PVO Support	•			•		
Malawi SHARED	•	•	•		•	Assist formation of new NGOs
Senegal PVO/NGO Support	•	•	•	•		

Kenya Co-Fi design envisioned an advisory service for selected NGOs. At the rate of ten per year, over the six year LOP some 60 NGOs were each to receive approximately 30 days of technical assistance tailored to their specific needs in organizational development and financial management.

- Several project designs such as Liberia PVO/NGO Support and Mali Co-Fi place considerable emphasis on information services to help PVO/NGOs with access to technical and other data.

QUESTIONS:

- Given the project objectives, the needs of the potential PVO/NGO participants and the environment for the project, what mix of elements is required? Is the combination of subgrant funding, training, TA, information services and inter-agency coordination appropriate?
- What are other donors doing in the areas of PVO/NGO programming? What have been their experiences in terms of combining financial support with other resources, such as TA and exchanges among agencies?
- If some of the PVO/NGO community's needs for support services are already being addressed by other projects or agencies, how can the umbrella design reinforce these efforts rather than "reinventing the wheel" of PVO/NGO services?
- If TA and training for PVOs or NGOs is not included in the project design does this *de facto* limit access of some newer or smaller agencies to the subgrants provided by the umbrella project?

C.2. Life of Project

The planned LOP of umbrella projects in Africa has varied from three to ten years. Of those projects that are far enough along to judge, most are running behind schedule, and extensions are common. Scheduling estimates in umbrella projects have often proven to be unrealistic during implementation. Delays have been caused by A.I.D. and host government procedures and requirements, recruitment difficulties and frequent turn-over of key personnel, the rate and quality of PVO/NGO response, civil disturbances and other political situations, procurement and logistical problems, and a lack of comprehension of the pace required for participatory processes, institution strengthening and community development work, among other causes. Figure 3 presents both LOP and project budget data in graphic form.

ILLUSTRATIONS:

- Several projects have made subgrants at a far slower pace than anticipated. After four years Somalia PVOP had made just one subgrant to a Somali NGO and had made no subgrants from its quick-release Community Action Grant fund. The original Kenya Co-Fi made no grants at all in two and one-half years before it was halted for restructuring, having taken all that time to gear up for implementation.
- In Chad DIP, even though three pre-selected US PVOs were already active in the sectors and zones selected for the umbrella project, it was 15 months before the mission received the first acceptable proposal. In part this delay was due to the application of standard field-level criteria for approval of Cooperative Agreements including environmental and other assessments.

- The design team for Zaire SPSP expressed reservations about the project's "relatively short duration" of six years. "And about the time that the proposal-generating skills are properly honed, funding will terminate." These reservations revolved around anticipated project start-up difficulties such as eliciting acceptable proposals from inexperienced NGOs.
- The Zaire ESP, with pre-selected recipient agencies, was implemented on schedule. However, subgrantees eventually ran into delays in implementing their activities. The Final Evaluation recommended an extension of PACD.
- Two umbrella projects designed in 1990, Malawi SHARED and Senegal PVO/NGO Support, have LOPs of eight and nine years respectively.
- To turn the spotlight on one umbrella project's timing, the concept for the Senegal CED project was first developed by A.I.D. and the government of Senegal in 1979, with the PID submitted in December 1982 and approved in May 1983. The PP was authorized in September 1983, the Project Agreement (with a six year LOP) was signed in January 1984, and a Cooperative Agreement with the implementing agency was signed in August 1985, 32 months after PID approval. Nine months later A.I.D. approved the management unit strategy plans in April 1986, and six more months passed before the first PVO/NGO subgrants were approved in October 1986, more than three years after the PP was signed. The Midterm Evaluation in June 1987 noted that only one PVO "is fully operational as a project grantee," just three years before PACD. Since that evaluation the original PACD has twice been extended. Factors contributing to these delays appear to include changes in project design within A.I.D., the pace of the mission's subproject approval process, management problems in the start-up of the implementation phase, and incorrect assumptions about NGO capacity and interest in participating in the project.

QUESTIONS:

- Since preparation of subgrant proposals and the procedures for selecting them often causes delays, how can the project design mitigate these time problems? How can the proposal processing procedure be simplified? Would an intensive input of TA be helpful at this stage?
- Given the time it takes to get a series of discrete PVO/NGO activities planned, approved and implemented, what LOP is appropriate?
- If the LOP is too short, will that encourage hasty decisions in order to meet financial spending targets? For example, might PVO/NGOs feel pressured to skip crucial steps of community involvement in subproject design and proposal preparation in order to be responsive to project deadlines?
- Does the project timetable reflect the time that it takes to develop and implement participatory subprojects, especially if potential subgrantees need TA?

- What are the trade-offs of a 7-year, 8-year or longer project time frame? What are the political considerations or other motivations for A.I.D. or the PVO/NGO community to agree to a wildly optimistic PACD, rather than establishing realistic expectations for the completion of the project?

C.3. Sector focus of project activities

An umbrella project may concentrate investments in one or several sectors of activity, or it can leave the choice up to the subgrantees. Factors in delimiting sectors have included A.I.D. policy and country strategy and host government priorities and capabilities. Another key factor is the capacities of the intended PVO/NGO participants both in specific sectors and overall institutional development. Finally, both PVO/NGO's and beneficiaries' interests in the proposed sector(s) contributes to the decision. Figure 7 summarizes activity sectors in the projects studied.

ILLUSTRATIONS:

- Senegal CED targeted off-season agriculture-related enterprises working with small groups that received loans and TA from the project's subgrantees. At the level of the participating rural community groups this has led to a concentration on vegetable gardening, animal fattening and a limited number of other activities. Few NGO subgrantees had adequate technical capacity in these sectors, and community groups were unfamiliar with loan-based programs.
- For Kenya REP the overall sectoral focus was provision of credit and TA to rural enterprises, which led to support of a broad spectrum of activities, such as tailoring clothes, flour milling, bee keeping and agricultural equipment rental. NGO subgrantees required extensive training in management of credit programs and in small-scale enterprise promotion. The Audit of the project criticized early subgrant loans for agricultural activities which were not included in the selected sector range.
- The original Kenya Co-Fi did not limit sectors, but the redesigned project specifies agriculture, health, income generation, among others. One million dollars of subgrant funds was targeted for natural resource management activities, apparently in response to the Congressional mandates. This target has not been reflected in subproject funding, as acceptable proposals in NRM have yet to be generated.
- Chad DIP subprojects were focused on food production and food-related small enterprises. This involved both growers and tool suppliers.
- Designers of Malawi SHARED recognized that few NGOs are active in project focus sectors such as agriculture and off-farm employment. For the project to encourage work in these areas might "warrant efforts to attract or generate some new NGOs in Malawi".

Figure 7: Sector Focus for Subgrants

Summary of sectors for subgrant activities as indicated in Project Papers and Amendments.

Projects in Study	Agriculture	Health	SSE	NRM	Rural Roads	Other Sectors
Kenya REP			•			Loans for off-farm SSE
Zaire ESP		•			•	Hydroelectric
Senegal CED	•		•			Loans for AG related SSE
Kenya Co-Fi (original design)						Open
Chad DIP	•		•			AG related SSE
Somalia PVOP						Open
Liberia PVO/NGO Support		•				Basic ed; CD
Sudan RFP (PVO phase only)	•				•	Water; forestry; energy, etc.
Zaire SPSP	•	•			•	
Mali Co-Fi		•	•	•		
Designed Since Study Began						
Mozambique PVO Support	•	•	•		•	Food aid support; water and sanitation; trauma treatment
Malawi SHARED	•	•	•	•		
Senegal PVO/NGO Support	•	•	•	•		

AG = Agriculture
 CD = Community Development
 NRM = Natural Resource Management
 SSE = Small scale enterprise

• Multiple sectors are common in umbrella projects. Liberia PVO/NGO Support included health, education and community development. Mali Co-Fi lists child survival, natural resource management and small enterprise development. Zaire SPSP focusses on health, agriculture and related transport infrastructure. Mozambique PVO Support defined three categories of activity based on different levels of targeted populations' needs, with sectors varying accordingly from basic emergency management, to social welfare, to agriculture and "regeneration of the marketing system."

QUESTIONS:

- Are specific sectors of activity suggested by the project goals, or by policy considerations?

- Is the umbrella project envisioned by A.I.D. as an opportunity to encourage PVO/NGOs to expand their sectoral skills into new areas? If so, what are the implications of this for the project start-up timeframe, for the mix of project elements in terms of training, TA, and information services, and for the project's staffing and other cost considerations?
- If the sector(s) selected are new for many of the PVO/NGOs, is there likely to be long-term support for PVO/NGO involvement in the sector beyond the LOP? Does A.I.D. understand why PVO/NGOs are not active in this sector already, and what constraints they will face developing capacities in this sector?
- How has A.I.D. determined the level of PVO/NGO interest in the selected sector(s)? How has A.I.D. determined if this sector is a priority for the intended beneficiary groups? If this question and those noted above have not been carefully researched prior to project design, how can the design phase compensate for this?
- For sectors important to A.I.D. strategy that are not included in the project, are alternative A.I.D. resources available, or are other donors funding PVO/NGO interventions in these sectors?
- If the sectoral limit for the umbrella project is narrowly defined, will that mean that some NGOs or PVOs which are worthy and in need of support will be excluded from the project because their interests and focus lie outside this sector? Might it force financially strapped agencies to overreach their organizational capacities or to distort their institutional mandates in order to qualify for funding? What impact might this have on beneficiary groups?
- If sectoral choice is left completely open to subgrantees, might that pose problems in terms of providing technical support over a broad range of subprojects? What technical resources are available for anticipated PVO/NGO needs in likely sectors of activity? Might an unrestricted approach lessen the aggregate impact of subgrant activities?

C.4. Geographic focus of project activities

Umbrella projects sometimes target a project zone or several zones for subgrant activities. Others are not concentrated in this way. Geographic limitations have been used in order to link project activities with other A.I.D.-supported projects, or to work in a high potential area, among other reasons. Conversely, some umbrella project designs call for less restricted or unrestricted zones because of A.I.D. or host country priorities. Each approach has ramifications for other design issues. Figure 8 summarizes the geographic focus for the projects studied.

Figure 8: Project Geographic Focus

Regional focus of umbrella projects based on data in Project Papers and Amendments.

Projects in Study	Geographic Focus
Kenya REP	Outside of Nairobi
Zaire ESP	Not Limited
Senegal CED	Sine Saloun Region
Kenya Co-Fi (both designs)	Not limited
Chad DIP	Sahel Zone
Somalia PVOP	Not limited
Liberia PVO/NGO Support	Not limited
Sudan RFP (PVO phase only)	Darfur and Kordofan Regions
Zaire SPSP	Shaba and Bandundu Regions
Mali Co-Fi	Not limited
Designed Since Study Began	
Mozambique PVO Support Project	Not limited
Malawi SHARED	Not limited, balance among regions preferred
Senegal PVO/NGO Support	Not limited

ILLUSTRATIONS:

- Kenya REP was clear but broad in its geographic designation: outside of Nairobi. A lot of subproject activities take place in secondary cities as well as smaller towns and rural areas.
- Senegal CED specified the Sine Saloun region for subprojects, an area where agricultural credit could have an impact. Few NGOs were previously active in this zone, and as a result most subgrantees had to set up new operations there in order to participate in the project.
- Mali Co-Fi and Liberia PVO/NGO Support are country wide. The Mali umbrella project PP says that, "The Project will assist the Mission, through PVO interventions, to expand USAID activities, because of the potentially diverse geographical areas in which the Project activities could be located ..."
- Chad DIP was concentrated in that country's Sahel zone, because of its underutilized agricultural potential. Three pre-selected PVO subgrantees were active in this zone at the time of the project design.
- Zaire SPSP specifies two zones, one near the capital and the Shaba region at the other end of the country. Because of the great distance, the project design calls for a sub-office of the

project implementation unit in Shaba. The prospective subgrantee agencies are locally-based NGOs already working in these zones.

- Sudan RFP takes place at the village and district levels within two regions located far from Khartoum, Darfur and Kordofan. A Regional Coordinator is to be stationed in each regional capital, with a Project Coordinator in Khartoum. Given the great distances and poor infrastructure, A.I.D. Sudan was to, "arrange for monthly transport to the regions and help establish a communications system linking Khartoum, the Regional Coordinating offices and the PVOs." None of the subgrantee PVOs were previously operating in the project zone.
- Malawi SHARED is intended to reach all regions of the country. In fact, the design calls for "some regional balance based upon such factors as population size and relative needs."

QUESTIONS:

- Are geographic target areas suggested by the project goals, or by policy considerations, such as a desire to integrate the umbrella design with mission strategy and with its other programs? Does the mission prefer to reinforce existing A.I.D.-supported projects, to extend its reach into new areas, or to leave open the possibility for both of these scenarios? What are the trade-offs of each approach?
- If the project is focussed geographically, is there a sufficient PVO/NGO presence in the selected areas, or would some agencies have to move operations currently based elsewhere? If the latter, what are the implications for project timing and financing of such relocations?
- If PVO/NGOs would have to relocate to project zone(s) to participate in the project, has A.I.D. determined that agencies are interested and willing to make such moves? Does the mission know why these agencies are not currently in this zone and the constraints they would encounter in relocating? Is there a risk of encouraging PVO/NGOs to spread themselves out beyond their capacities to coordinate dispersed interventions?
- If the project's activities are not limited to certain zones, especially in a large country or one with poor infrastructure, what are the ramifications of geographically dispersed subprojects for implementation and management tasks such as monitoring of subgrants? What are the impacts on coordination, on inter-agency exchange, and on overall project costs for communications, travel, and staffing requirements?
- For regions of the country important to A.I.D. strategy but outside umbrella project zones, are alternative resources of A.I.D. or other donors available for PVO/NGO activities? How important a factor is this in delimiting project zones?

- **If A.I.D. country priorities change, might a very tight umbrella project focus result in a concentration of A.I.D. investment outside future areas of involvement? How likely are changes in priorities, and how can the project design anticipate them?**

D. PROJECT MANAGEMENT

No area of umbrella project design is more demanding than that of project management. With the multiplicity of participating agencies and the complexity of management functions, even categorizing and ordering the management issues for logical consideration is a major task in itself.

The following list illustrates the range of management tasks that have been noted in various umbrella project documents. The tasks are allocated among A.I.D. and various partner agencies involved in project management at different levels. Not all of them are in the scope of work of each umbrella project. The list is far from exhaustive, and many functions take place on several levels. Some of the items are full-time jobs in themselves.

Project set-up and start-up

- recruit, orient and train staff
- draft project implementation workplans and schedules
- draft project procurement procedures
- draft subproject procurement procedures
- establish project advisory committee
- establish project reporting schedules and requirements
- establish subproject reporting schedules and requirements
- establish project financial control and reporting systems
- draft criteria for subgrant agency selection
- draft criteria for subgrant proposal selection
- establish subgrant application procedures
- establish subgrant selection process

Oversight and supervision

- provide overall policy direction for project
- review and approve key personnel
- review and approve project implementation workplans and schedules
- review and approve project procurement procedures
- review and approve criteria for selection of subgrant agencies and proposals
- oversee budgets and funds disbursement
- oversee procurement of commodities and services
- assure compliance with A.I.D. regulations
- assure compliance with project guidelines and agreements
- review all financial reports to assure compliance with cooperative agreement provisions
- review and approve all major contracts
- ensure accounting and auditing requirements are met
- convene the project advisory committee
- provide secretariat for project advisory committee

- ensure government release of local currency contributions
- ensure subgrantees meet reporting requirements
- oversee functioning of project administrative system

Needs and resources assessments

- assess needs, capacities and interests of beneficiaries
- assess needs, capacities and interests of PVO/NGO community
- ensure that baseline data surveys are completed
- identify subgrantees' key technical and managerial training needs
- identify sources for technical assistance to PVO/NGOs
- provide subgrantees with lists of private sector TA resources

Subgrant preparation and approval

- assist PVO/NGOs with host government registration
- assist PVO/NGOs with A.I.D. registration
- publicize project to generate PVO/NGO interest and understanding
- solicit and review concept papers and/or subgrant proposals
- discuss concept papers and/or proposals with applicants
- assist subgrant applicants in improving concept papers and/or proposals to bring them up to criteria standards
- provide preproposal TA on financial and management systems
- arrange for technical reviews of subgrant proposals
- convene proposal review committee
- prepare materials for proposal review committee
- review and approve all proposals over (or under) given amount
- negotiate terms of grant agreements
- prepare A.I.D. grant/subgrant documents

Reporting

- draft annual workplan for each subproject and update them regularly
- develop individual evaluation plan for each subproject
- account for all subgrant funds
- submit financial reports on quarterly basis
- submit 90-day cash advance requests
- report on subproject activities on quarterly basis
- prepare composite report on project and subprojects for A.I.D./Washington
- prepare a final report within 60 days of subproject completion
- arrange for annual audit of project
- arrange for audit of all subgrants over certain amount

Monitoring and evaluation

- establish mechanisms to monitor and evaluate projects
- ensure that funds are set aside for this purpose at beginning of project
- monitor each subgrant with regard to progress towards goals (specific expected outputs agreed at outset)
- monitor each project component with regard to same
- make regular field visits to subproject sites
- participate in periodic evaluations of each subproject
- draft scope of work for mid-term evaluation of project as whole
- identify and contract with consultants for mid-term evaluation
- participate in mid-term evaluation
- discuss possible project amendments resulting from evaluation recommendations
- follow-up on actions required by mid-term evaluation
- conduct beneficiary impact studies
- conduct annual project reviews
- share results of evaluations and impact studies among subgrantees, project and A.I.D. staff
- draft scope of work for final evaluation of project as whole
- identify and contract with consultants for final evaluation
- participate in final evaluation
- prepare recommendations for possible extensions or follow-on activity

Training and technical assistance

- develop training plan for PVO/NGO subgrantees
- develop training plan for NGOs that are not subgrantees
- develop training plan for beneficiary groups
- develop training plan for government staff involved in project
- publicize training opportunities to generate interest among above target groups
- contract or subcontract for specialized TA for project management unit
- contract or subcontract for specialized TA for PVO/NGOs
- contract or subcontract for specialized training programs
- encourage PVO/NGOs to share specialized training staff (both in-country and Africa regional)
- conduct or oversee in-country training
- solicit and review requests for international/third country training
- process awards for international training
- make arrangements for recipients (identify courses, arrange travel, etc.)
- facilitate institutional collaboration and learning among A.I.D./PVOs/NGOs

Information services

- collect and analyze data on PVO/NGO activities

- collect and analyze data on technical and financial resources
- share data and analysis with PVO/NGOs
- coordinate inter-agency information exchanges among PVO/NGOs
- establish and maintain database and information system regarding PVO/NGOs
- maintain small reference library of materials relevant to the project and to PVO/NGO policy and activities
- commission research on PVO/NGO activity, e.g. on specific sectors, methodological issues, policy, etc., of concern to PVO/NGOs, A.I.D. or government
- make recommendations on A.I.D. overall PVO/NGO strategy
- assist with improvement of government regulations concerning control and monitoring of PVO/NGOs
- organize annual workshops for project staff and subgrantees to discuss issues of mutual concern
- publish umbrella project quarterly newsletter
- develop handbooks and manuals based on training and TA under project
- act as repository for A.I.D. knowledge and experience on PVO/NGOs
- respond to A.I.D./Washington inquiries regarding PVO/NGO activities

Coordination

- organize a PVO/NGO consultative committee for the project to provide regular dialogue and coordination among A.I.D., project management, and PVO/NGOs
- ensure regular communication among mission offices with an interest in the project
- ensure linkages with other A.I.D. missions or A.I.D./Washington supported activities
- ensure that information is passed regularly to A.I.D./Washington where appropriate
- liaise with host government ministries and technical services, especially those specifically set up to relate to NGOs
- liaise with PVO/NGO consortia in-country
- liaise with REDSO, Regional Legal Advisor, and Contracts Officer as necessary
- coordinate outside visitors and missions to project

Some of these tasks are the mandated responsibility of A.I.D. or clearly belong to one of the other partners in the umbrella project management plan. Others could be assigned in various combinations. This section on project management addresses the questions of who takes on which tasks and how those responsibilities are negotiated.

D.1. AID MANAGEMENT OPTIONS

D.1.a. Project implementation: within the mission or contracted out

D.1.a. Implications for A.I.D. if project implementation is within the mission

D.1.a. Implications for A.I.D. if project implementation is contracted out

D.1.a. Project implementation: within the mission or contracted out

Given the large range of potential management functions indicated above, A.I.D. missions often ask themselves if it is appropriate and/or necessary for mission staff to take on full management responsibility for all of these. Missions do have a choice among various alternatives which are variations of the basic dichotomy between contracting to an agency that sets up a project implementation unit external to A.I.D., as contrasted with managing the project entirely from within the mission. Salient points in this discussion were raised in the issue on umbrella project rationale, B.4.

ILLUSTRATIONS:

- An external project implementation unit under the leadership of a US agency was used in five of the ten projects originally selected for this study: Zaire ESP and SPSP, Liberia PVO/NGO Support, Senegal CED and Kenya REP, plus two newly designed projects, Malawi SHARED and Senegal PVO/NGO Support. Reasons for employing an external implementation structure included: reduction of A.I.D.'s management burden, inadequate staffing within the mission, confidence that private agencies might be better placed to work with subgrantees, and for the more recently designed projects, the perceived success of this model in earlier projects.
- An external project implementation unit under the leadership of a Kenyan agency was used in the original Kenya Co-Fi project. Because of implementation difficulties experienced in the first phase, the revised version of the project called for implementation to be retained within the mission, with separate contracts for certain services, e.g., institutional strengthening, evaluation. Under the revised in-house management phase, grants to Kenyan NGOs have been made at a much slower pace than planned, due in part to difficulties these NGOs experience in meeting A.I.D.'s registration requirements.
- A.I.D. missions have kept implementation responsibility in-house for Chad DIP and Mali Co-Fi. Unfortunately, in neither case does the PP explain the rationale of this choice. Certain information gathering and dissemination activities in Mali Co-Fi are to be contracted out to "lead sector PVOs."
- Designers of the new Senegal PVO/NGO Support project opted for an umbrella structure managed by a US PVO or non-profit firm for many reasons including: "...streamlined approval

and financing [of] activities; to bring consistent and collaborative approach to local NGO institutional development; to link operationally in one structure the enhancement of NGO capacities...to minimize the management burden on the USAID Mission...to serve as buffer between USAID rules and procedures and local NGOs."

- In the case of the Mozambique PVO Support Project, the mission "felt that direct management was preferable, given the nature of the potential activities, the need for monitoring and evaluation, and the centrality of the project to the Mission's strategy and GOM policy." The designers did, however, consider various other options. Contracting out project management was rejected "due to the higher costs and lengthy contracting process... and the desire of the Mission to maintain a close working relationship with grantees." Funding PVOs through "an already overburdened Government apparatus" was likewise rejected. No indigenous NGO capable of this task was identified and selecting a lead PVO from among those operating in country seemed too problematic.
- Somalia PVOP is a hybrid with major implementing responsibility and authority in the Ministry of Interior, which is supported by a Management Unit for Support and Training (MUST). The MUST in turn receives technical support under an A.I.D. contract to a US PVO.
- The PVO component of the Sudan RFP is managed within the mission, with a major role for the GOS "counterpart agency". It does not employ an intermediary agency for implementation. It does place A.I.D.-contracted personnel in key support locations, while delegating approval of village subprojects, oversight of PVOs and other management functions to governmental entities at various levels.

QUESTIONS:

- Do special circumstances dictate project implementation within the mission, such as was the case in the Kenya Co-Fi revised project design? Or, conversely, are there overriding reasons for not retaining these implementing functions in the mission? Are there any technical requirements, such as extensive training and technical assistance, that indicate a preference for implementation choices?
- If the umbrella project's rationale includes the reduction of mission management burden, what impact does that have on implementation choices? What assumptions are being made about mission management burdens under each of the two basic management options for umbrella projects?
- In view of project parameters and level of effort required, what is the financial trade-off between an external implementation unit and implementation within the mission? Are there other budgetary considerations that indicate a preference?

- Who can best perform the tasks called for in the project design? If PVO/NGO training, coordination and/or research are essential, are these tasks best contracted out to a project implementation unit?
- Are there circumstances that would make an intermediary implementing unit preferable, such as attitudes or relationships between A.I.D. and the PVO/NGO community or the negative impact of A.I.D.'s Operating Expense budget constraints on in-country travel for monitoring? Might an intermediary agency play a useful role as "buffer" between A.I.D.'s regulatory environment and PVO/NGOs, especially vis-a-vis emerging national NGOs not yet prepared to meet A.I.D.'s full management requirements?
- An intermediary agency that sets up an external project management unit can make subgrants to NGOs that are not registered with A.I.D. A.I.D. can only make direct grants to PVOs and NGOs that are registered with A.I.D. How might the requirements of the AID registration process constrain effective collaboration with national NGOs if A.I.D. implements the umbrella project directly?
- Would an intermediary implementing agency be able to use different, more flexible criteria in the selection of proposals than A.I.D. is required to apply to grants it makes directly?
- Given the rapid staff turn-over rate within missions and the crucial importance of human relationships in umbrella project implementation, might an outside implementing agency provide more continuity and have a better institutional memory over the LOP than a mission could provide?
- Positive aspects of in-house management may include increased A.I.D. familiarity with and confidence in PVO/NGOs; improved A.I.D. responsiveness to needs of PVO/NGOs; and better access to in-house AID expertise. How important are these possible advantages weighted against disadvantages?
- Should a long-term umbrella project have a management plan that evolves over time to become a less expensive monitoring structure in the project's later years, when certain tasks such as new subgrant proposal processing and perhaps TA needs may be diminished?

D.1.b. Implications for A.I.D. if project implementation is within the mission

If, rather than contracting out for an external project implementation unit, the mission decides to take on these responsibilities itself, this option leads to certain design decisions, particularly with regard to staffing. While no mission-managed umbrella project has been completed to date, indications are that this approach has certain management difficulties. Figure 9 summarizes staffing implications for mission-managed projects in this study, and Figure 10 charts one model of mission-managed umbrella project relationships.

Figure 9: Staffing Implications for Projects Managed within A.I.D.

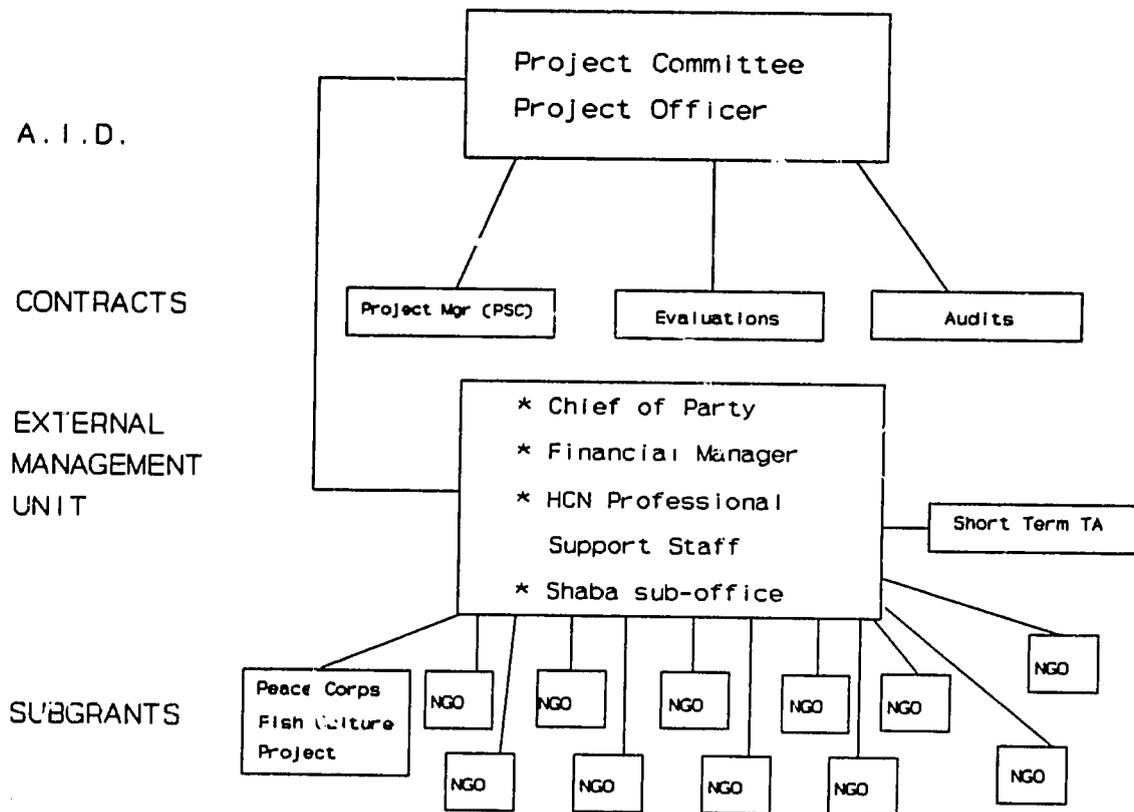
Based on Project Papers and Amendments, these are the personnel configurations envisioned for mission managed projects.

Projects in Study	Direct Hire Staff	Non-Direct Hire Staff	Other Assistance
Chad DIP	Supervisor: Chief, Project Development Office	1 expatriate Project Manager	TA; monitoring and evaluation assistance by REDSO staff
Kenya Co-Fi (revised design)	Supervisor: Chief of HRD office, plus 3 officers of unspecified status	1 expatriate and 3 national project personnel	Institutional contractor for TA to NGOs, proposal technical review etc.; evaluation contractor
Sudan RFP (PVO phase only)	1 Project Manager (office not specified in PP Amendment)	1 expatriate Project Coordinator, 2 National Regional Coordinators	Contracted short term TA to PVO subgrantee; TA by REDSO staff
Mali Co-Fi	Supervisor: Chief, General Development Office aided by technical staff	FSN Project Officer, expatriate Project Manager, national Assistant Project Manager	3 "Lead Sector PVOs" for data resources and collaboration within sectors
Designed Since Study Began			
Mozambique PVO Support	Supervisor: Chief, General Development Office	Project Development Officer, Rural Development Specialist, Activity Monitor	Contracted TA: IQCs, buy-ins and PIP, Regional Legal Advisor and Contracts Officer and REDSO

ILLUSTRATIONS:

- The design for Chad DIP called for implementation in-house, managing three to four subgrants of \$2,000,000 to \$4,000,000 each. A PSC project manager was envisioned and recruitment efforts made, but that position was not filled for several years. Subgrantee agencies were to function with minimal support and coordination from A.I.D. Within the mission, responsibility for the project was eventually split among several direct hire staff. Among the critiques in the Audit of this project are: insufficient field supervision of subprojects, a lack of timely response to subgrantees' requests for decisions and assistance, and a lack of coordination among mission personnel working on the project. Although A.I.D./Chad rebutted some of these assertions, a PSC project manager was recruited after the Audit, and improvements have been reportedly made in these areas of concern.
- The Mali Co-Fi is designed to be implemented directly from GDO with one locally hired PSC. In addition to serving as project manager for eight or nine subgrants to US PVOs, the PSC has a series of other tasks that appear to have been taken directly from the scope of work for a team of people in the PP for Liberia PVO/NGO Support. The project design calls for limited inter-agency coordination and no training from the direct implementation personnel.
- The redesigned Kenya Co-Fi is implemented by A.I.D. directly. It calls for no more than 15 subgrants under management at the same time. It is one of only two mission-managed

Figure 10: Project Management with External Management Unit - The Example of Zaire SPSP



projects in this study which directly funds national NGOs, the other being Somalia PVOP. The Kenya Co-Fi design allows for an institutional contract to take care of TA needs of the PVOs/NGOs. Three to four full-time local hire PSCs are responsible for daily management and four direct hire staff members are involved in supervision and subgrant selection on a part-time basis. Together they form a project team to carry out other related tasks from the HRD office.

- Mozambique PVO Support calls for a project management team of three PSCs that "will be responsible for the design and implementation of the project". A Project Committee will make annual funding recommendations and a PVO Issues Committee meets every two months.

QUESTIONS:

- Given most missions' personnel constraints, if management is in-house how can the project's implementation plan cover essential responsibilities for the subgrant process and other project elements? If PSC positions are envisioned to perform management tasks for the mission, are candidates with necessary skills and experience available? Are host country nationals or other local hire people willing to do this work?

- If grants to PVO/NGOs are made directly from the mission rather than through an external management unit, what does this mean for the work load of mission staff with regard to the level of sophistication in subgrant proposals, pre-award assessment of prospective subgrantees' managerial capabilities, monitoring financial reporting and subgrant progress, field visits and liaison with the PVO/NGOs, and in general, mission supervision and control?
- Without an external project unit the distinction between project implementation and A.I.D. management oversight is blurred. What internal systems can ensure that the mission's own performance as well as that of the subgrantee agencies is monitored and evaluated objectively, and that necessary course corrections are made?
- If a mission-managed umbrella project includes such elements as inter-agency coordination among PVOs/NGOs, research on PVO/NGO issues, information services, TA and training for PVO/NGO personnel, should these labor-intensive tasks be contracted out?

D.1.c. Implications for A.I.D. if project implementation is contracted out

Using an external implementing agency for an umbrella project has certain ramifications for the mission which still must exercise oversight of the project. These oversight functions, required for any A.I.D.-funded project, have been problematic in several umbrella projects. Areas of difficulty include lack of agreement on roles and responsibilities, the level of control/autonomy accorded by A.I.D. to the implementing agency, and the level of priority given to the project within the mission.

ILLUSTRATIONS:

- The Zaire ESP, although considered successful in many ways, was marked by ongoing tensions between the external project implementation unit and some mission personnel over the level of involvement and control exerted by the mission. Evaluators seemed to agree with the contractor that the intensity of A.I.D.'s supervision was excessive and not cost-effective. Several PSCs served as Project Managers and changes in staffing adversely affected continuity in A.I.D. management of the project.
- Among the factors causing the failure of the original Kenya Co-Fi design that were noted in the Project Paper Amendment for the revised design was conflict between A.I.D./Kenya and the implementing agency, VADA, over the level and intensity of A.I.D.'s involvement in the early stages of the project start-up. Given VADA's newness, A.I.D. wanted to exercise a level of control and involvement beyond that which VADA felt appropriate.
- In Liberia PVO/NGO Support, differences of opinion on A.I.D.'s role in project management as well as problems in communication seem to have contributed to the rejection by an internal

A.I.D. review panel of eight of the eleven subprojects developed and supported by the project's external implementation unit.

- In the implementation of Kenya REP, USAID/Kenya monitored developments quite carefully at first, and there was some tension around this. Once the mission was convinced that the external management unit had established adequate systems of control and was handling the project well, it allowed the management unit and the project's independent board wide latitude. All parties speak well of the mutual respect and sense of reciprocal responsibility that has evolved among project stakeholders.

- A.I.D.'s "substantial involvement" under the cooperative agreement for Malawi SHARED is outlined as: (1) review and approval of substantive provisions of proposed subgrants; (2) involvement in the approval of key personnel of the US PVO managing the PMU; (3) close collaboration in project implementation, principally through the Annual Work Plan and its quarterly reviews and updates.

QUESTIONS:

- What are the legally required management functions for A.I.D. in any project that it supports? Is there a greater or lesser need for A.I.D. scrutiny of externally managed umbrella projects than for other kinds of projects? In what areas?
- What are the psychological barriers which cause A.I.D. to hesitate to cede control and responsibility over a complex umbrella project to an external management unit? How can they be addressed?
- How should the "substantive involvement" clause of a cooperative agreement, which is used to describe A.I.D.'s relationship with the project and with the external project implementation unit, be defined in the agreement and in practice? What level of reporting and concurrence is adequate for A.I.D.'s requirements while avoiding unnecessary burdens for either mission or project implementation unit? The same questions should be asked of any similar stipulation under other funding arrangements.
- Which of the mission offices is most appropriate to manage the umbrella project? What level of seniority is appropriate for the project officer of an umbrella project? If one or more PSC(s) is used as the missions' project manager(s), who should supervise him/her/them? Where in the mission hierarchy does the Project Manager stand, for instance in terms of getting decisions made promptly and getting priority treatment of issues when this is necessary?
- What kind of project committee within the mission is needed to help track the project? What course correction mechanisms can be used with regard to project implementation?

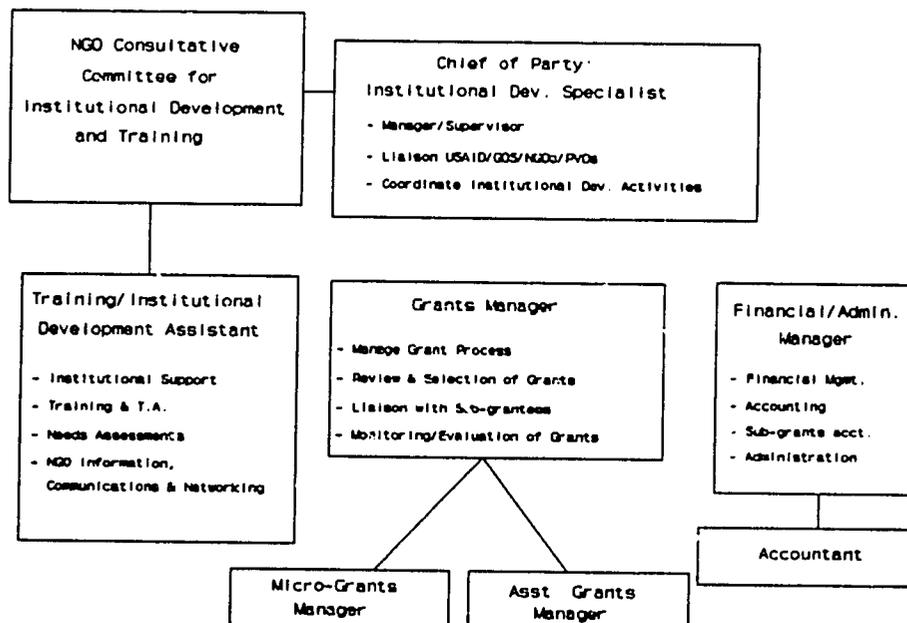
D.2. A.I.D.'S PARTNERS IN PROJECT MANAGEMENT

- D.2.a. Management functions of an external project implementation unit
- D.2.b. Staffing issues for an external project implementation unit
- D.2.c. Host country government functions in project management
- D.2.d. Management functions of subgrantee agencies
- D.2.e. Project Advisory Committee functions in project management
- D.2.f. Monitoring and Evaluation

D.2.a. Management functions of an external project implementation unit

The project implementation unit must perform numerous oversight functions. These typically include monitoring subgrantees' financial and program progress, managing subcontracts, recruiting and fielding consultants, conducting internal evaluations, among many other tasks. A major concern in defining the external implementation unit's functions includes the level of authority delegated from A.I.D. Figure 11 demonstrates the relationships involved in one umbrella project.

Figure 11: Project Management with External Management Unit - Senegal PVO/NGO Support Project



ILLUSTRATIONS:

- Tasks of the lead PVO detailed in the PP for Liberia PVO/NGO Support Project include developing detailed workplans and budgets for implementation, setting up and managing a

subgrants program, promoting information exchange among local NGOs, developing and presenting a training program for local NGOs, data gathering and analysis for A.I.D., regular reporting to A.I.D. and the PVO Council, and helping NGOs with A.I.D. registration. In the politically charged Liberian situation, when this project was virtually the only A.I.D. field activity, the mission opted to retain complete control of subproject approval.

- For Malawi SHARED, the Project Management Unit (PMU) to be established by a US PVO under a Cooperative Agreement has three major areas of responsibility: (1) overall management of the Project and the resources made available by A.I.D.; (2) administration of subgrants to NGOs and PVOs; (3) coordination and provision of technical assistance for institutional strengthening of Malawian NGOs.
- Kenya REP calls for the implementing PVO to serve as an administrative and financial intermediary between A.I.D. and NGOs, as a communications and coordinating entity among NGOs, as a provider of technical assistance to both NGOs and client enterprises, as a provider of credit capital to NGOs' credit programs, as a supervisor of those credit programs, and as a monitoring and evaluation organization, among other functions.

QUESTIONS:

- What level of supervision by the project implementing agency is required for subgrant monitoring? Is this more supervision than would be required if A.I.D. itself were making direct grants to these PVO/NGOs?
- Under what circumstances would issues or problems in subgrant implementation be discussed with A.I.D.? How much flexibility should subgrantees be given in financial and program terms?
- To what degree should A.I.D. consolidate management functions in one external project implementation unit versus a multiplicity of such partners? Should certain functions such as evaluations or subproject auditing be handled separately?
- In terms of post-project sustainability, would it be better to design the project activities so that inter-agency coordination and exchange among PVO/NGOs are not dependent on the external management unit?

D.2.b. Staffing issues for an external project implementation unit

If implementation responsibility is contracted out to an intermediary agency, this option presents certain design decisions concerning staffing and functions. The implementing agency itself will at times require assistance in the form of short term consultants and possibly other contracted support.

ILLUSTRATIONS:

- For Zaire ESP the project implementation unit staffing pattern evolved, eventually including a technically qualified subproject manager for each of the three subprojects, each of which was a large technical project in itself. The umbrella implementation agency also engaged short-term consultants for a total of 25 consultancies.
- According to the PP for Somalia PVOP, the A.I.D. contractor will provide technical support to the MUST. The draft scope of work calls for five years of the Chief of Party, three years of a Training Coordinator, plus 24 person-months of short term technical assistance.
- The Midterm Evaluation of Kenya REP recommended adding several professional members to the existing staffing pattern of a US Project Director, three Kenyan Deputies, and a Training Advisor. That project has also relied heavily on local consultants.
- The original Kenya Co-Fi design called for a small staff of a new agency, VADA, to implement a very ambitious program. This staff was augmented by several kinds of adjunct professional assistance. To assist VADA at project start-up to develop its own capacities, "institutional contractors" were to help with financial and procurement systems. Also, 50% of the training and technical assistance work load was to be carried out by outside consultants managed by the project's Training and Advisory Services unit.
- The newly designed Senegal PVO/NGO Support Project envisions an Umbrella Support Unit (USU) led by a Chief of Party/Institutional Development Specialist. Other professional staff will include a Financial/Administrative Manager, a Training/Institutional Development Assistant, and a Grants Manager. In addition, there will be an Accountant and two assistants for the Grants Manager. (see Figure 11).

QUESTIONS:

- In light of the management functions to be performed in the project, what skills are required for the external implementation unit?
- Which staff positions on the implementation unit, if any, will probably require international personnel? Given the high cost of bringing in expatriate staff, are candidates of a high level of professional competence available in-country?
- For staff positions on the implementing unit that are to be filled by host country nationals, are candidates of appropriate levels of competence available? Some umbrella project designs call for certain staff posts to be "nationalized" during the course of the project. What is required in staff development and other inputs to make this feasible?

- What level of technical expertise must the project implementation unit have on staff and what skills can be obtained on a short term basis as needed? How are these short term skills best procured: through contracts with local or expatriate consulting firms, with individual consultants, with both?
- If extensive use will be made of short-term consultants rather than on-staff expertise, what does that indicate about the managerial skills required of the permanent staff? For example, a highly skilled stand-up trainer may not perform equally well if his/her major task is managing the deployment of other trainers.
- What consultant skills, training resources and other sources of assistance with project implementation are available in-country?
- What kind of home office backstopping is required for effective implementation of umbrella projects? What level of monitoring and control should be exerted from the implementing agency's home office? Conversely, how much authority should be delegated by the implementing agency to the staff it assigns to the implementing unit in the field? Are these concerns that A.I.D. needs to address, or are they more appropriately left to the policies and practices of the implementing agency itself?

D.2.c. Host country government functions in project management

Finding the appropriate level of government involvement is a crucial issue in umbrella project design. Host country governments play an assortment of roles in umbrella projects, from participation in subgrant selection and evaluation, to co-financing subprojects and, in one project, co-implementation. Government involvement often takes place at district or regional levels as well as the more obvious national level. In some cases exclusion of government from active roles has been necessary for political reasons. In other cases, too much government involvement has proven detrimental by creating too many layers of authority and decision-making. Host government roles are summarized in Figure 12.

ILLUSTRATIONS:

- The Somali government acted as a co-implementer of the PVOP. The Ministry of the Interior is in charge of all major decisions, supported by the Management Unit for Support and Training. In part because of the complexity of relationships, and especially because of differences between the government and A.I.D. the project had come to a virtual halt at the time of the Midterm Evaluation. The key role of government in project implementation seems to be a major cause of conflict among project partners.
- Liberia PVO/NGO Support and Zaire ESP and SPSP do not call for host government input into project policy, although both host governments were meant to make financial contributions

Figure 12: Summary of Host Government Roles in Project Management

Based on data in project papers and project amendments.

Projects in Study	Host Government Role
Kenya REP	No direct role.
Zaire ESP	No direct role, GOZ approves CPF contributions.
Senegal CED	Ministry of Plan chairs GOS-USAID National Project Committee to set policy and criteria, review progress, and approve subgrants; local and regional government approval of subprojects.
Kenya Co-Fi (both designs)	Ministry of Finance reviews bi-annual list of proposed PVO/NGO activities; District Development Committee approves PVO/NGO activities.
Chad DIP	Ministry of Plan and Reconstruction approves and counter-signs each PIO/T for Cooperative Agreement with PVOs.
Somalia PVOP	Co-implementation by Ministry of Interior; MOI disburses CPF, monitors progress, and chairs Proposal Review Group to approve subgrants.
Liberia PVO/NGO Support	No direct role; Ministry of Planning and Economic Affairs advises on GOL policy and chairs PVO Council; some GOL co-funding of subgrantees.
Sudan RFP (PVO phase only)	GOS Project Director in Ministry of Finance and Economic Planning participates in PVO selection and CPF allocations, and with USAID oversees project administrative system; District Councils approve local activities; Regional Technical Committees monitor and advise PVO subgrantees.
Zaire SPSP	No direct role; GOZ approves CPF contributions.
Mali Co-Fi	No direct role.
Designed Since Study Began	
Mozambique PVO Support	No direct role.
Malawi SHARED	No direct role.
Senegal PVO/NGO Support	Similar to Senegal CED above.

CPF = Counterpart Funds

to subprojects. Likewise, the Kenya REP design does not appear to call for any ongoing government role in project implementation. Several projects in this study do require the governments to sign off on counterpart contributions to the projects.

- In Malawi SHARED the government will not play a direct role. However, in light of historical limitations on NGOs in Malawi, "SHARED should also contribute to the NGO dialogue with government to ensure a more enabling environment for NGO contribution to national development."

- The national, regional and local governments all play a role in Sudan RFP. The Director for Regional Development in the central Ministry of Finance and Economic Planning (MFEP) serves as the Project Director for RFP, and as such shares with A.I.D. responsibility for overseeing the project. In each of the two project zones, a Regional Technical Committee consisting of

representatives from the regional government, A.I.D. and MFEP was to "oversee, monitor and advise on PVO workplans, quarterly reports and subproject implementation" among other tasks. District Councils had the major responsibility for approving subproject activity proposals that the PVOs present on behalf of their community partners.

QUESTIONS:

- What are the political considerations affecting host government roles, either restricting these roles, for example, US Congress mandates, or expanding them, in the case of host government demands for participation?
- If increasing host government's acceptance of the private sector, and of the non-profit PVO/NGO sector in particular, is one of the project's objectives, how can government involvement in the project be structured in such a way as to expose officials to the PVO/NGO community without compromising the independence of the non-governmental organizations involved?
- Government relations with PVO/NGOs are often sensitive in the areas involving control and accountability. How direct should government's role be in a project aimed at the PVO/NGO community? What are the opinions of the PVOs/NGOs on this point?
- Some umbrella projects have been obligated as grants to host governments; in others the obligation is made directly to an implementing agency. What are the benefits and disadvantages of each approach?
- Are there problems in the government's relationship to PVOs and NGOs that the project might help address, or that it should avoid?
- A final key question that is discussed further in F.3. is whether government has the right of approval on each subgrant. At what level does government usually approve PVO/NGO project activities? How well/fast do these existing procedures operate? How can/should they be incorporated into the project design? How can political confrontation and bureaucratic delays be avoided?

D.2.d. Management functions of subgrantee agencies

Along with the obvious tasks of implementing their subprojects, the PVO/NGOs participating as subgrantees in umbrella projects also have management functions in relation to the overall project administration. Chief among these are monitoring, evaluation and reporting requirements. They encompass a host of specific concerns for oversight and responsibility, such as whether the US government should have access to subgrantees' financial books. Subgrantees'

management functions are usually more extensive for direct mission management of an umbrella project, compared to projects with an external implementing agency.

ILLUSTRATIONS:

- In Sudan RFP, according to the PP Amendment, four to six US PVOs are to work under individual Cooperative Agreements which call for them to develop a series of subprojects in collaboration with community level beneficiary groups. Each PVO is required to design and submit proposals for community subprojects, establish accounting systems for each subproject, assist its local counterpart organization(s) in contracting for technical assistance, and advise the local groups in their implementation of the subprojects. Each PVO also arranges for short-term TA for subprojects, establishes monitoring and evaluation mechanisms for subprojects, and designs and presents in-field training programs for villagers. Reporting requirements for each US PVO include drafting a three-year work plan and annually up-dated work plans, a three-year training plan, up-dated annual training plans, and a training plan for each subproject, quarterly progress reports, and a final report at the project's conclusion.
- Concerning the responsibilities of PVO/NGOs receiving subgrants, the PP of Liberia PVO/NGO Support lists in part, "... The recipient PVO will agree ... to establish and follow the accounting and reporting procedures required by the project; to maintain in good state any facilities and equipment provided by the project, even after the direct assistance ends; ... to ensure that the subgrant funds are used solely for the purposes intended ..." It also stipulates that each subgrant proposal contain a monitoring plan and schedule and an evaluation plan and schedule.
- PVO/NGO subgrantees in Senegal CED were required to fit their individual financial systems into an A.I.D. approved model. "PVOs and other organizations implementing activities under this project will receive assistance from the MU [Management Unit] in making adjustments necessary in their accounting systems to provide quarterly financial reports to the MU." The end-of-project Audit raised the issue of how far the US government audit can or should go at the level of the subgrantee.
- Each subgrant proposal for Somalia PVOP requires, "a plan that considers how the PVO/NGO will monitor: procurement, delivery and installation of resource inputs; adherence to implementation plans; compliance with required standards and procedures; achievement of planned targets; handling of constraints that are limiting progress. The plan will also indicate how this information will be collected and reported." PVO/NGO subgrantees' proposals must also have a detailed evaluation plan including data on evaluation(s) timing, methodology, cost, and participants. Once subgrants are approved, the subgrantee is responsible for collecting baseline data in line with its monitoring and evaluation plans.

QUESTIONS:

- What level of reporting by subgrantees does A.I.D. require in order to fulfill its own oversight responsibilities?
- If implementation of the umbrella project is contracted to a lead agency, how should monitoring tasks be allocated between the implementing agency and the individual subgrantees? Are subgrantees primarily responsible for self-monitoring and reporting, or does the project implementing agency bear the major responsibility for directly monitoring subgrantee progress?
- Is it necessary that all subgrantees re-arrange their individual accounting systems to conform to a standard model imposed by A.I.D.? If PVO/NGOs have several major funding donors contributing to project activities, and each donor insists on its own style, format and frequency of financial reporting, does this not impose an excessive management burden on the subgrantees?
- Some umbrella projects have set aside special funds to document interesting case studies or to carry out research into PVO/NGO issues. How can the project design encourage subgrantees and the beneficiaries with which they work to consider the reflection and analysis of monitoring and evaluation as a positive, learning element of their development?

D.2.e. Project Advisory Committee functions in project management

Umbrella projects have created an array of project committees involving mission personnel, host government officials, representatives of PVO/NGOs and private sector, among other parties. These groups have been called on for policy advice, technical assistance, subproject selection and other functions. These project-specific bodies should not be confused with independent PVO/NGO consortia which are discussed below in issue E.5.

ILLUSTRATIONS:

- Senegal CED has a National Project Committee (NPC) which is comprised in large part by officials from a variety of ministries. The committee's role has been to help set project policy, to participate in subproject proposal review and to participate in periodic project reviews. The Midterm Evaluation noted that the positive influence of the project on many Senegalese functionaries' attitudes towards PVO/NGOs was due in part to their involvement on this committee. However, changes in GOS representation on the committee during 1990 made this structure problematic by the end of CED's PVO/NGO component.
- Senegal's new "second generation" umbrella project, PVO/NGO Support, will have mission, GOS and NGO representation on the new NPC. Its role will be much the same as for CED, as well as serving as a forum for coordination among GOS, A.I.D. and the NGO community. The project will also establish an NGO Consultative Committee for "feedback and liaison with the

NGO community", especially for institutional development and training activities. See Figure 11.

- The PVO Advisory Board of Somalia which is open to all PVOs and NGOs was apparently formed during the design phase of the PVOP. This *ad hoc* association, according to the PP, was slated to play a consultative role in project implementation. Tasks of this PVO/NGO grouping include recommendations on topics for training and seminars, participation in the annual project reviews and nomination of two representatives to the Project Review Group. The Project Review Group, made up of representatives from government, A.I.D., Somali private sector and the PVO Advisory Board, makes recommendations on subgrant proposals to the Ministry of Interior.
- The PVO Council set up under Liberia PVO/NGO Support consists of representatives from A.I.D., the general donor community on a revolving basis, and the Ministries of Planning and Economic Affairs, Health, and Education. The lead PVO, i.e., external implementing agency, is a non-voting member. The Council's roles are to provide advice and guidance in questions relating to PVO and NGO operations and to be a forum for exchange of information and discussions on mobilizing PVOs and NGOs. It does not have any decision-making role in the project.
- The organization of a supportive body is not specifically mentioned in the PP for the Kenya REP. However, the US PVO managing the project proposed establishing a local committee. By the time of the Midterm Evaluation, a REP Board was set up consisting of the REP Director and a group of professionals with wide experience in Kenyan business, development, social services, accounting, foreign affairs, law and jurisprudence. From their earlier role in selection of subprojects, the Board members' role expanded with REP's registration as a Kenyan non-profit company, WEREP, and the negotiation of a Cooperative Agreement directly with this Kenyan organization. While the Midterm Evaluation noted some tensions among A.I.D., the Board and the lead PVO, it concluded that progress is being made and that the Board, "brought strength and credibility to the organization."
- Projects in this study for which there appear to be no project advisory groups include Zaire ESP and SPSP, Chad DIP, Mali Co-Fi and Kenya Co-Fi.

QUESTIONS:

- What are the specific functions appropriate to a Project Advisory Committee? What less tangible objectives are there for a committee, such as lending credibility to the project or encouraging communications outside usual channels?
- In light of the objectives for the committee, what mix of membership makes sense?

- Are there any other bodies in-country where PVO/NGOs, donors, and government meet regularly with a specific agenda? If so, how do they function?
- What level of responsibility is appropriate for the committee, from limited advice and information exchange to full control of decision-making? If the committee is given substantial responsibilities, what implications does that have for its membership and the level of A.I.D. participation?
- Some project advisory committees seem to have been set up for a number of reasons beyond the obvious functions they perform, for example, as a convenient but limited involvement for the government in project affairs. What is the rationale for setting up a project advisory committee? What does this mean for the committee's membership and function?
- If the committee or board is meant to have a life after the project, as in the case of REP Kenya, how can this be anticipated in the design?
- What are the management implications of convening and participating on a committee? What are the management implications of sharing decision-making and other responsibilities?

D.2.f. Monitoring and Evaluation

Monitoring and evaluation take place on several levels in an umbrella project: subprojects, other project activities such as training and technical assistance, the performance of the external implementation unit (if one is used) and/or other contractors, and A.I.D.'s performance in project oversight and management. In various projects the major monitoring responsibility has been placed on different partners: subgrantees, external management unit, or the mission. The grid of monitoring and evaluation functions and responsibilities is rendered complex in umbrella projects by the number of parties involved. The Reader is also referred to discussions of umbrella projects' information systems in Section G.2.

ILLUSTRATIONS:

- The PP for Zaire SPSP notes that the monitoring and reporting systems are based on information needs for specific decisions, which in turn points to the primary importance of information gathering. "The UMU [umbrella project's external management unit] will have primary responsibility for collecting information on subproject progress, financial accountability and impact of funded activities undertaken by NGOs and PVOs... The UMU will collect baseline information on beneficiaries and targets for each subproject with the NGO at project start-up. These will supplement pre-project impact studies done by Zairian researchers." The PP also calls for an annual portfolio progress report by the UMU to A.I.D., and an annual examination of each subgrantee's strategic plan by the UMU. Two or three subprojects will have independent impact assessments, in addition to overall project midterm and final evaluations.

On a financial level, monitoring will include UMU taking responsibility for subgrant funds, at least one independent audit of each subgrant, and annual audits of the UMU. A.I.D.'s role in monitoring and evaluation as mentioned in the PP includes: the PSC project officer's responsibility for submitting Project Implementation Review reports to AID/Washington, and A.I.D.'s responsibility for semi-annual implementation reviews and external evaluations.

- In Somalia PVOP, the major responsibility for monitoring of subprojects belongs to the PVO/NGO subgrantees themselves. Their proposals must include both a monitoring plan and an evaluation plan. Subgrantees are also responsible for ensuring that initial baseline data are collected. A.I.D. has direct responsibility for overall project monitoring and evaluation, including technical officers' review and approval of subgrantees' quarterly financial reports of Operational Program Grants (OPGs), the Project Manager's review of subgrantees' progress reports on both OPGs and smaller Community Action Grants, and the Project Officer's coordination of two independent evaluations of the overall project. The Ministry of Interior, whose staff will receive training in monitoring and evaluation from the MUST, will undertake its own review of subgrantees' reports. Participating in annual project reviews are A.I.D., the PVO Advisory Board, and the Ministry of the Interior.

- Monitoring functions in Mali Co-Fi are basically A.I.D.'s responsibility according to the PP. The FSN Project Officer is charged with day-to-day monitoring of project implementation, while the PSC Project Manager is responsible for preparation of the project's evaluation plan and will monitor the US PVOs' subprojects. The tasks of the internal mission Project Committee also include project implementation monitoring.

- The Midterm Evaluation of Zaire ESP attempted to deal with conflicts between the mission and the external project management unit which was staffed by a US PVO under a Cooperative Agreement. While the evaluation noted that "USAID monitoring of project implementation has been very thorough" and PVO "management of the project is basically sound", it concluded that "frictions between USAID and [the PVO] would be lessened and time and money saved if USAID monitoring of project implementation were to more closely resemble that under an Operational Program Grant (OPG). It is questionable whether the benefits achieved by such careful USAID monitoring as this project has been subjected to equal its costs."

QUESTIONS:

- What are the specific monitoring and evaluation functions indicated by the project design? For each of these functions, what partners in addition to A.I.D. should take responsibility?

- For each monitoring function, what information base is required? Who will decide what constitutes the necessary baseline data and at what stage in subproject development will it be collected? Who will collect this information, and how will it be communicated to those charged with monitoring?

- Who will be responsible for ensuring that the results of monitoring and evaluation will be shared among participants in the overall project so that lessons learned are incorporated into future activities and experiences are shared among subgrantees?
- Since reducing A.I.D.'s management burden is often part of the rationale for employing an umbrella structure, what is the appropriate level of mission involvement in project monitoring?
- When course corrections are indicated by data analyzed in the project monitoring process, what mechanisms does the project design provide for the mission and/or for the external project management unit to use in making such changes? Does the design provide adequate benchmarks, or at least provide for the elaboration of benchmarks during project implementation, to guide the monitoring process?
- For each kind of evaluation -- independent ones such as midterm and final, the annual or semi-annual project reviews, and evaluations of individual subprojects: what is the appropriate involvement of various parties such as A.I.D., host government, the project advisory board, the project's external implementation unit, subgrantees, and beneficiary groups?
- Monitoring and evaluation activities are sometimes viewed by PVO/NGOs and other grant recipients as necessary evils imposed by donors. Given that evaluations themselves are a crucial phase in the learning process, how can participatory methods be used to enhance learning for all concerned? Likewise, how can monitoring functions be delegated, and monitoring activities conducted, in ways that reinforce an understanding of the positive and necessary role monitoring plays in good management?

D.3. SELECTION OF EXTERNAL PROJECT MANAGEMENT AGENCY

- D.3.a. Field for selection for external project management agency
- D.3.b. Selection mechanism for external project management agency
- D.3.c. Funding mechanism for external project management agency

D.3.a. Field for selection for external project management agency

The field of agencies from which the external project management agency is selected has been delimited in various ways. Sometimes only US PVOs have been permitted to play the role of external implementing agency in managing umbrella projects, while in other cases a different definition of the field was used. At issue in deciding the selection field is what capabilities are sought and what experience is relevant for the management assistance required. Figure 13 summarizes fields of selection.

Figure 13: Field of Selection for External Project Management Agency

Eligibility by type of agency for the task of external project management has been defined in various ways.

Projects in Study	US PVOs Only	National NGO Support Agency	US PVOs and other US Firms
Kenya REP	•		
Zaire ESP	•		
Senegal CED	•		
Kenya Co-Fi (original design)		•	
Somalia PVOP (for MUST contract)			•
Liberia PVO/NGO Support	•		
Zaire SPSP	•		
Designed Since Study Began			
Malawi SHARED	•		
Senegal PVO/NGO Support			•

Somalia PVOP did not use an external management unit for grant management functions. The MUST contract only provided support to the Ministry of Interior. It is a hybrid approach of joint A.I.D.-GOS implementation.

ILLUSTRATIONS:

- The RFA for Liberia PVO/NGO Support Project was sent to a selective list drawn from registered US PVOs. The FVA/PVC office in Washington was asked to provide a list of possible PVOs based on their experience in Africa and other criteria.

- The management of Kenya Co-Fi was originally awarded to the Kenya NGO support agency VADA on the basis of a desire to strengthen Kenyan capacities to work with Kenyan NGOs. Although the Mission had the positive experience of a US lead PVO implementing Kenya REP, the mission felt strongly that the Co-Fi Project could be the vehicle to build up an indigenous NGO support agency. US PVOs were therefore not considered.
- For Zaire SPSP, the mission originally issued an RFA for project design and implementation which allowed bids from PVOs, non-profit firms, and for-profit firms willing to forego their profits for this contract. A for-profit firm was awarded the project design. However, following completion of the design, due to political pressure from the US PVO community, the mission competed the implementation function among US PVOs only.
- US PVOs were the selection field for the external project management agency in Senegal CED, Kenya REP, Zaire SPSP and Malawi SHARED.

QUESTIONS:

- Are there particular advantages or disadvantages to having a PVO rather than a for-profit or non-profit firm as external project management agency? For example, it is sometimes assumed that a PVO lead agency will have a closer affinity with the PVO/NGO community than a for-profit firm, or that for-profit firms have more professional management than do PVOs: does the evidence support either of these assumptions?
- Do PVOs rather than for-profit or non-profit firms present disadvantages as the field for selecting implementing agencies, for example the concentration of leadership in the hands of a very few PVOs? To date only four US PVOs have been lead agencies implementing umbrella projects in Africa for A.I.D. One of these agencies is no longer a PVO and another was selected without competition. This means that there are only two active PVOs which have successfully competed in Africa for implementation of A.I.D. umbrella projects and four of five competitive proposals have been won by a single agency.
- As the number of umbrella projects expands and their size and length grows, is there a risk of overloading the relatively small group of PVOs which have demonstrated the interest and developed the skill to take on such complex management roles?
- Is it possible to get the best of both PVOs and for-profits by encouraging joint proposals? Are there particular functions best performed by one type of agency as opposed to another, or should this be determined on a case-by-case basis?
- As umbrella projects proliferate across Africa, is it in A.I.D.'s interest to broaden the base of possible contractors familiar with implementation of this kind of project? Or, how can the existing expertise be built upon?

- Under what circumstances might host country organizations be appropriate as umbrella project implementing agencies?
- Under what conditions should U.S. bidders, be they PVOs or other firms, be encouraged to include host country organizations as partners in their proposals?

D.3.b. Selection mechanism for external project management agency

External project management agencies for umbrella projects have been selected both competitively and as sole source. The project objectives, political considerations and time constraints of both the U.S. and host country have played a role in the choice of a selection mechanism. Figure 14 summarizes projects' selection mechanisms.

Figure 14: Selection Mechanism for External Project Management Agencies

Among the projects using external management units various mechanisms have been employed to select agencies to do this work.

Projects in Study	Competition under Request for Applications	Competition under Request for Proposals	Sole Source
Kenya REP	•		
Zaire ESP			•
Senegal CED	•		
Kenya Co-Fi (original design)			•
Somalia PVOP (for MUST contract)		•	
Liberia PVO/NGO Support	•		
Zaire SPSP	•		
Designed Since Study Began			
Malawi SHARED	•		
Senegal PVO/NGO Support		•	

ILLUSTRATIONS:

- VADA was selected by the mission to implement the original Kenya Co-Fi Project on the basis of being the most appropriate Kenyan agency for the job. The selection mechanism was an A.I.D. decision on criteria based on project objectives, an informal review of possible agencies and an internal mission decision. There was no open competition.
- The competitive process was used to select an implementing agency in Senegal CED, Zaire SPSP, Kenya REP and Liberia PVO/NGO Support Projects.

- For Zaire ESP a US PVO submitted an unsolicited proposal and was selected without competition to manage the project. This was done under severe time pressures and under strict congressional insistence on channeling funds through non-governmental agencies. The use of a sole source was supported by the logic that only one US PVO had both the range of skills and experience and the in-country presence required to be the lead agency.
- Somalia PVOP does not use an external management unit that makes subgrants. Although the major responsibility for project decisions rests with the Ministry of Interior in Somalia PVOP, the MUST contract for an array of technical services provides the essential back-up support for that ministry. The contract for these services was competed among US agencies.
- Of the thirteen projects included in this study, six umbrella project designs do not call for an external project management agency: Sudan RFA, Mali Co-Fi, Chad PID, Somalia PVOP, the redesigned Kenya Co-Fi, and Mozambique PVO Support.
- Although not selecting the single project management agency for the whole project, the process used in Sudan RFA to select field-level PVOs is enlightening. The selection of four to six US PVOs involved a series of narrowing steps starting with a request for expressions of interest from a shortlist of 29 US PVOs. This field was pared down and invitations issued to ten agencies to attend a workshop in Sudan, before final proposals were submitted. Eventually, four proposals were approved. One PVO opted not to accept the mission's terms and only three PVO grants were made.

QUESTIONS:

- In view of the project elements and the project environment, what specific capacities and experience are sought in an implementing agency?
- Do particular selection factors such as long experience in country and/or in a technical area point to just one agency? Do other factors of policy or practice justify limiting competition?
- Is the mission looking for a broad range of choices in an implementing agency? Are new approaches and further design input sought that only a competitive process will provide? Does this also suggest the widest possible range of competitors and implementation options?
- In the selection of a project management agency, how important is familiarity with the country?
- How do the Gray Amendment and 8-A regulations affect decisions on the selection process?

D.3.c. Funding mechanism for external project management unit

A.I.D. has utilized both Cooperative Agreements and contracts for various project management services. As a Cooperative Agreement is a form of grant it can only be used to procure services from certain non-profit agencies and PVO/NGOs. Under a Cooperative Agreement A.I.D. can stipulate a "substantial involvement" clause for itself but still allow the recipient agency considerable leeway in implementing the funded activity. Contracts, on the other hand, clearly and specifically define services to be performed and permit little contractor flexibility. Decisions about which type of funding mechanism to use involve a series of both practical and philosophical questions.

ILLUSTRATIONS:

- Cooperative Agreements are the most common method of funding PVOs for external project management services in umbrella projects in Africa. It was the funding mechanism in Kenya REP, the original Kenya Co-Financing Project, Zaire SPSP and ESP, and PVO/NGO Support Project in Liberia, among others.
- The new Senegal PVO/NGO Support project will be managed under a contract. It was originally designed to be a Cooperative Agreement, but the Regional Contracting Officer decided that A.I.D.'s degree of specificity in the scope of work went beyond that appropriate for "substantive involvement" of a CA and necessitated a contract instead. Rather than alter the scope of work to fit a CA level of involvement, the mission agreed to this change to a contract.
- Technical services for the MUST under the Somalia PVOP were obtained through a contract. This was necessary since the competition included for-profit firms which are not eligible for a Cooperative Agreement. The MUST, however, was only a support unit, not a full-fledged project management unit.
- No OPGs have been used for obtaining services of a lead implementing agency for umbrella projects in Africa. However, OPGs have been used by A.I.D. missions in procuring management services for two umbrella projects in Central America. In both cases the OPGs resulted from unsolicited proposals.
- In several African umbrella projects that are directly managed by A.I.D. missions without an external project management unit, OPGs are the funding mechanism for subgrants. This includes Sudan RFA and Mali Co-Fi. Cooperative Agreements were used in Chad DIP. The subprojects under Somalia PVOP were funded through individual OPGs on the rationale that, "OPGs provide PVOs with maximum independence in implementation and reduce A.I.D. and GSDR management burden. The OPG mechanism also reduces A.I.D. and GSDR control over subproject implementation, which heightens the importance of establishing a sound proposal review, monitoring and evaluation process." Mozambique PVO Support leaves open the option of funding PVOs through grants, CAs, or contracts, depending on the nature of the activity.

QUESTIONS:

- One advantage of Cooperative Agreements over regular grants (e.g. OPGs) is the level of control that A.I.D. retains under a CA. Does AID want or need to exercise a high level of involvement in project implementation? What is the effect of this "substantial involvement" in terms of costs both for A.I.D.'s management and for implementation?
- Contracts rather than grants must be used for for-profit firms, while certain non-profits and PVOs can receive grants as well as contracts. Contracts allow A.I.D. a higher level of control than that offered through a CA, but the oversight of a contract may be more labor intensive for A.I.D. and may defeat the purpose of having an external management unit. Under what circumstances might a contract be advantageous in umbrella projects?

E. PVO/NGO ISSUES

- E.1. Needs of potential recipient PVO/NGOs**
- E.2. Interests of potential recipient PVO/NGOs**
- E.3. Partnership among PVO/NGOs**
- E.4. Coordination among PVO/NGOs**
- E.5. Role of national PVO/NGO consortia**

E.1. Needs of potential recipient PVOs/NGOs

PVO/NGOs are often in need of specific kinds of resources to reach their potential under an umbrella project. These needs may include project design assistance, sector-specific training, access to information, management skills development, etc. In a successful project design these requirements are usually ascertained through a needs assessment of PVO/NGOs and the results are reflected in the project elements, implementation plan and budget.

ILLUSTRATIONS:

- **Because the subgrants of Chad DIP were made as individual Cooperative Agreements, they were subject to the rigors of all A.I.D. procedures and standards for field approval of projects. Even though the umbrella project was designed with existing PVO activities in mind, the applicant PVOs had to carry out extensive pre-project studies and other proposal preparations. The mission therefore provided selected PVOs with pre-award funding to assist with technical design issues.**
- **The PP for Kenya REP notes assessments that show a checkered track record of PVO/NGOs in managing credit programs. Because of this the Kenya REP project put special emphasis on upgrading PVO/NGO skills in loan management, analysis of client needs and other areas of credit management.**
- **The studies commissioned by A.I.D. in preparation for Liberia PVO/NGO Support indicated, among many other findings, that national NGOs have little access to management services to improve their performance, have uncertain legal status in many cases, and have established few linkages among themselves to exchange information. The umbrella project design calls for substantial training and technical assistance in management, research into government relations with NGOs and into government registration and regulation, and an information network of PVOs and NGOs in Liberia.**
- **The Midterm Evaluation of Senegal CED found that assumptions made at the time of the project design about the strength of NGOs' financial systems and these agencies' capacities to manage credit systems were simply not accurate. The evaluators concluded that generalized group training would not remedy the situation." Isolated workshops on planning, organization,**

and financial matters do not suffice. Instead, one-on-one, hands-on training of individual PVOs [i.e., national NGOs] by MU [the project's Management Unit] is required."

- Recognizing the need for TA for NGOs, the redesigned Kenya Co-Fi project called for an "institutional contractor" to provide applicant PVO/NGOs with management support, among other services. This IQC-type as-needed service agreement has been used sparingly to help a few NGOs prepare for A.I.D. registration and to carry out feasibility studies.

QUESTIONS:

- Does A.I.D. have the necessary information on the needs and capacities of the PVO/NGO community, especially with regard to the sector(s) and activities envisioned for the umbrella project, or are assessments required to assist in the project design phase?
- If PVOs/NGOs do not appear to have all the requisite technical or managerial capacities, what project inputs will be required to fill these gaps? Does the design take into account the need for technical assistance during the project, such as sectoral seminars or individualized managerial assistance?
- Since PVOs and particularly national NGOs often have common needs in areas such as organizational development, how can the umbrella design optimize the sharing of technical assistance among these agencies?
- It is sometimes said that PVO/NGOs may be their own best source for expertise, especially in areas where some PVO/NGOs have considerable experience such as rural development methodologies, or low-cost village technologies. How can the project design encourage inter-agency learning? Will resources be available for study tours, case studies, preparation of practical manuals and other source materials, among other learning tools?

E.2. Interests of potential recipient PVOs/NGOs

PVOs and NGOs often have sectoral, geographic, methodological or other self-mandated parameters of specialization that define their interests. **The vision statements of a PVO/NGO, even if not formally charted, are related to the circumstances of its founding, constituency and institutional history. The resulting perceptions of core interests are not altered easily in response to outside pressure, such as donor-determined priorities. This sense of purpose and strength of conviction are part of what make PVO/NGOs valuable in developing pluralistic societies. Design of A.I.D. umbrella projects requires appreciation and sensitivity to the individual and collective interests of the potential PVO and NGO participants.**

ILLUSTRATIONS:

- The Senegal CED called for national NGOs to act as intermediaries in providing loans to rural organizations for income-generating activities. Several NGOs declined to participate in part because they wanted to work with communities on more broadly-defined activities that were not necessarily credit-worthy, or they did not want to have the kind of loan agency relationships with community groups required by the project. For this and other reasons many NGOs did not consider the CED project to be in their own interests, and the project had difficulty attracting a minimum number of subgrantee applicants.
- The PP for Zaire SPSP points to the interest of NGOs in receiving funding at a level they feel is appropriate. "Guidelines for the size of subgrants set \$100,000 and \$1 million as the lower and upper limits. Most of the NGOs we contacted had their sights calibrated for smaller game; they needed 5, 10, 20 thousand, not 100." A partial solution suggested by the project design team, which was apparently confronted with a pre-determined minimum subproject size set by the mission, was to encourage NGOs, "to 'think big,' and to design bigger projects or bundles of projects that fit the intended size-of-grants pattern." This is a clash between A.I.D.'s interest in limiting management burden with a few sizable subprojects, and NGOs' interest in receiving resources at a level commensurate with their capacities and with the needs of the community groups they serve.
- Based on interviews with PVOs and NGOs in country, project design consultants for Mali Co-Fi attempted to interest the mission in a design that focussed on strengthening the emerging national NGO community and the coordinating role of the Malian PVO/NGO consortium, CCA-ONG. The final design, as modified by the mission, called for all subgrant funding to go to US PVOs, although it did encourage partnership relations with Malian agencies. Likewise, certain umbrella project coordinating functions were put in the hands of US "lead sector PVOs".

QUESTIONS:

- Is A.I.D. assuming a high level of PVO/NGO readiness to collaborate in the umbrella project without actually determining this? Has A.I.D. undertaken needs assessments or other surveys of the PVO/NGO community to determine its interests and its willingness to participate in the umbrella project?
- What project parameters are pre-determined by the mission at the time of the design such as sector, zone or subgrant size, as was the case in the examples cited above? Do any of these appear to be in conflict with certain PVO/NGO interests? If the project designers conclude that such restrictions might jeopardize the full participation of the PVO/NGOs targeted for the umbrella, what kind of analyses will help all concerned to take this into account during the design?

- Some NGOs and PVOs are interested in certain zones, sectors, groups of beneficiaries, approaches to development, and/or roles for their agency. Among host country NGOs, these may be membership organizations based in a specific region, or they may be NGOs chartered for specific purposes. Are these the agencies A.I.D. wants to have participate in the umbrella project? If so, has A.I.D. surveyed their interests and is A.I.D. willing to accommodate their particular requirements?
- If the umbrella project is meant to attract PVOs from outside the country, i.e., US PVOs not currently active in the country, how can the level of interest of such agencies be gauged during project design?

E.3. Partnership among PVO/NGOs

PVO/NGOs from North America and Europe often form partnership relations with African NGOs. In fact, "northern" PVO/NGOs are a major source of financial and technical resources for "southern" NGOs. These partnerships also aid external PVO/NGOs to improve their understanding of the national and community environments, their cultural sensitivity and their approaches to working with local populations. PVO/NGO partnerships help all parties reach objectives of national institutional strengthening. An extensive north-south dialogue is exploring the terms of these relationships, as both sides move towards greater equality in partnerships.

In some umbrella projects and in other efforts, A.I.D. has recognized the vital importance of supporting PVO/NGO partnership. An example of this on the Africa regional level is the PVO/NGO component of the Natural Resource Management Support (NRMS) Project which is based on PVO/NGOs coming together to form NRM Working Groups in participating African countries. Another example is the PVO/NGO Initiatives Project (PIP) which included in its scope of work a variety of activities intended to promote partnership. For example, PVO/NGO partnership seminars are being facilitated by PIP in focus countries in Africa in order to encourage better mutual understanding with regard to organizational objectives and programs. PIP is also responsible for managing the Partnership Initiatives Fund -- a small grants fund to support joint PVO/NGO initiatives to form new partnerships and strengthen existing ones. Designers of umbrella projects need to understand the partnership dynamics, both actual and potential, within the PVO/NGO community in order to maximize the positive impact of the project. This sensitivity includes the potentially divisive effect of competition for funding. Figure 15 summarizes partnership elements of projects in this study.

ILLUSTRATIONS:

- Several umbrella projects have either encouraged or mandated partnerships between PVO subgrantees and other organizations. Sudan RFP calls for US PVOs to work with Sudanese partner agencies, NGOs if possible. Somalia PVOP envisioned local Somalia "NGOs", a term

Figure 15: Partnerships Between PVOs and NGOs in Umbrella Projects

Encouraging PVO-NGO partnerships has been a keystone of some project designs, while it is ignored in others. Based on documents studied, this table summarizes the role of partnerships in umbrella projects. Note that partnership elements have become more common in recently designed projects.

Projects in Study	Participation of PVO/NGOs in Project Design
Kenya REF	No partnerships among subgrantees.
Zaire ESP	No partnerships among the three "indigenous" NGOs that were funded.
Senegal CED	No partnerships among subgrantees.
Kenya Co-Fi (original design)	No partnerships among subgrantees.
Chad DIP	No partnerships among subgrantees.
Somalia PVOP	Strong emphasis on PVO subgrantees working with "local NGOs" which included community groups, resource user groups, etc.
Liberia PVO/NGO Support	No one-on-one partnerships, but emphasis on networks for information and support of "apex" NGO membership groups.
Sudan RFP (PVO phase only)	No subgrantee partnerships.
Zaire SPSP	No partnerships among subgrantees.
Mali Co-Fi	Strong emphasis on US PVO subgrantees working with national NGOs.
Designed Since Study Began	
Mozambique PVO Support Project	No subgrantee partnerships.
Malawi SHARED	Criteria for subgrants to US PVOs of "an NGO collaborative element" with NGO partner(s).
Senegal PVO/NGO Support	Clear intent to encourage partnerships, including set-aside of "collaborative" subgrants to US PVOs for joint activities with national NGOs.

which is used in the PP to include cooperatives, religious groups, water user groups, etc., working in conjunction with US PVOs. In neither of these projects would the host country agencies receive project funds directly, although if Somali NGOs became registered agencies they could become eligible to receive subgrants.

- Malawi SHARED will provide subgrants to national NGOs as well as US or international PVOs. For foreign PVOs, each subgrant "must have a significant component consisting of support of institutional development of one or more Malawian NGOs." These partner relationships are intended to result in measurable improvements in the national NGOs' "capacity to plan, design, manage and implement sustainable development projects."
- During investigations for the design of Mali Co-Fi, the Malian NGO community expressed a strong interest in exploring possibilities for establishing direct partner relationships with US PVOs. This concept had been tested successfully in several north-south projects in Mali and is a major element of the CIDA-funded Solidarité-Canada-Sahel NGO program. Although the final design of the Co-Fi project did not provide for subgrants to Malian NGOs, it does stipulate the

critterion for US PVO subgrant applicants to have a partner relationship with an NGO counterpart. The desired nature of those "partnerships" is not spelled out.

- The 1990 design for Senegal PVO/NGO Support is to "support and encourage collaboration and institutional strengthening relationships between US PVOs and local NGOs or community associations through selected subgrants, increased contacts, and networking."
- In newly independent Namibia the government and national NGOs are wary of a potential invasion of foreign interests, donors and NGOs alike. The 1991-1992 design efforts for two proposed umbrella projects have placed major emphasis on building national capacities. Some level of subgrant funding to US PVOs which establish strong links to Namibian agencies and stress institutional strengthening is likely.

QUESTIONS:

- What kinds of partnership relationships or approaches would be optimal to strengthen PVO/NGO capacity and performance? How can the umbrella project encourage these?
- If a partnership involves joint implementation of a subproject, should both US PVO and host country NGO receive a portion of the funding? If only the US partner has financial responsibility and control, does this foster continued dependence? What are the management implications of dual funding?
- If umbrella projects mandate PVO/NGO partnerships in subgrant proposals, might this lead to "forced marriages" and nominal partnerships in order to access funds? How can the project design and implementation encourage mutually beneficial partnerships?

E.4. Coordination among PVO/NGOs

PVO/NGO coordination takes place on many levels, from informal exchanges of information and assistance among personnel from different agencies in the field, to *ad hoc* committees of PVO/NGOs dealing with common problems, to seminars and other learning events, to formal PVO/NGO consortia and associations (discussed in E.5.). Especially among African organizations, PVOs and NGOs depend on each other for mutual support and cooperation. This is not to say that competition is absent. Nonetheless, it is arguable that PVO/NGO effectiveness is reduced when coordination is lacking.

Some umbrella projects have encouraged cooperation among PVO/NGOs, while others have ignored this approach to their detriment. In some A.I.D. umbrella projects a sense of competition has been encouraged in the subgrant selection process, with uncertain impact on PVO/NGO willingness to share openly and cooperate. Competition may be positive and perhaps inevitable in some situations, such as awarding of contracts to carry out A.I.D.-defined tasks like

those of the external management unit. On the other hand, an emphasis on I-win-you-lose competition in supporting the emergence of new NGOs in Africa is not likely to reinforce collaboration and inter-agency exchange of information.

ILLUSTRATIONS:

- Mali Co-Fi has taken a sectoral approach to inter-agency coordination by contracting with "lead sector PVOs" in each of the project's priority sectors. According to the PP, "Each lead sector PVO will promote the exchange of information and collaboration among PVOs and NGOs working in its sector, both in solving technical and programmatic problems and in cooperating to improve their programs' effectiveness and sustainability. Much of this promotive activity will be informal, as the lead sector PVO discovers common problems or innovations among PVOs and NGOs working in the sector that might be worthy of replication by others."
- Mozambique PVO Support calls for periodic PVO "roundtables", informal reviews to share experience and expertise. Other roundtables will cover specific topics suggested by PVOs, such as WID/gender issues, or financial recordkeeping and reporting.
- Several umbrella project designs, notably Mali Co-Fi and the redesigned Kenya Co-Fi, have emphasized competition among agencies applying for subgrants. In Mali, the "lead sector PVOs" were also to be selected by competition. The Kenya Co-Fi project eventually dropped the grouping of proposals for direct competition in selection of subprojects as an unworkable and unproductive step in the approval process.
- The Audit of Chad DIP found that "there was little coordination among the PVOs. ... Yet the diversity of the implementing organizations and the similarity of their activities suggested the need for close coordination. Without such coordination, an opportunity was missed for an exchange of information on common concerns of the PVOs. ... In short, the lack of purposeful coordination prevented the common sharing of both functional information and 'lessons learned' under the project." Since the Audit A.I.D./Chad has facilitated more regular contacts and exchanges among subgrantees.
- Although inter-agency coordination was not an element of the redesigned Kenya Co-Fi, project staff in the mission report a keen interest among subgrantees in more exchanges. The annual workshop held under the project does not seem to meet this need.
- On a January 1990 tour of subproject sites in the Senegal CED project it became clear that staff members of PVO/NGO subgrantees were unaware of each others' technical problems and innovations even though they were working on identical issues at sites less than one-half hour apart. Collaboration among subgrantees had not been addressed in the project design. Other than incidental exchanges of information among subgrantees little concentrated effort has been made to deal with the common problems that were causing considerable difficulty for subgrantees and rural organizations.

QUESTIONS:

- What are the existing and planned PVO/NGO coordination activities in the country?
- What levels and kinds of coordination are appropriate for the overall project design?
- Can this coordination best be carried out informally among subgrantees, or is it desirable to institute some kind of forum for coordination and exchange? Are there existing coordination entities that the project might strengthen and promote, rather than creating new ones?
- If inter-agency coordination is deemed valuable within the project, how can it be established and encouraged so as not to be management intensive? Should these efforts only be targeted to subgrantees, or should it include the larger PVO/NGO community?
- What useful role might competition play in an umbrella project? What do leaders within the PVO/NGO community think of donor-induced competition as a development modality?

E.5. Role of national PVO/NGO consortia

In most African countries PVOs and NGOs have established one or more associations or coordinating bodies to serve their needs for information exchange, coordination and in some cases, other functions as well, such as speaking with one voice to the government on matters of common concern. In some cases these groupings are by sector or geographic region, in others they are national and inclusive of all PVO/NGOs. At times they are set up primarily to serve as networks for information sharing, and then evolve into distinct organizations with more extensive roles.

Like the NGO communities that give them birth, these consortia are often full of promise, yet organizationally young and even vulnerable. **If certain factors are present PVO/NGO consortia can become strong, and play important roles in national development. These factors include a national policy environment that permits or encourages PVO/NGO collaboration, and an appreciation among PVO/NGOs of the benefits to be gained by forming such groupings.** The possible relationship of PVO/NGO consortia in an umbrella project and the impact of the umbrella project on such consortia are design considerations.

ILLUSTRATIONS:

- By virtue of a decision taken by the external management unit, Liberia PVO/NGO Support focussed much of its energy on strengthening "apex" NGO associations that each serve dozens of small NGOs in different sectors, such as health, coops, and education.

- In Kenya, the NGO support agency VADA was intended to grow into a kind of PVO/NGO membership grouping. When VADA became the implementing agency for the original Co-Financing Project, this aspect of VADA was never developed because of the enormous difficulties of getting the A.I.D.-funded program started.
- The PVO/NGO national consortium in Senegal, CONGAD, was not involved in the first A.I.D. umbrella project, the CED Project. However, in the 1990 design of the new umbrella project, PVO/NGO Support, the mission has called on CONGAD for assistance, and CONGAD may select several members of the National Project Committee.
- The Mali Co-Fi design includes no role for the dynamic PVO/NGO consortium, CCA-ONG. Discussions between the mission and CCA-ONG leadership early in the design phase revealed that CCA-ONG did not consider it to be within the overall mandate of the consortium to play a leading role in the management of one bilateral donor's funding of certain PVOs. At that time, the mission was not willing to discuss other possible roles more consistent with CCA-ONG's established functions within the PVO/NGO community, and the final PP made only passing reference to the consortium.
- Staff of Zaire SPSP are assisting an attempt to organize regional and national groupings of NGOs. This attempt at NGO coordination was reportedly hampered by the direct involvement of government.

QUESTIONS:

- Is strengthening or helping launch a PVO/NGO coordination group an important objective or output for an umbrella project? If yes, is this best accomplished through financial support, organizational development or other interventions? At what stage in a consortium's development are the resources of an umbrella project most appropriate?
- What roles can such associations play in support of the project, such as advising the mission, convening encounters with the PVO/NGO community, or perhaps contracting for provision of certain services?
- For a PVO/NGO consortium or association, especially one that serves all non-governmental organizations in development, does working on the management of an A.I.D.-funded umbrella project present conflicts with its overall mandate? For example, might this appear to compete with the consortium members' own roles, or might working closely with one bilateral donor unbalance the consortium's international neutrality?
- Several consortia in Africa have run into difficulty when participating in the administration of competitively selected grants for PVO/NGOs, such as funds provided by BandAid or other donors. How can the relationship of a consortium to the umbrella project be structured to avoid or minimize this problem area?

- **How will the financial weight of the umbrella project influence PVO/NGO consortia? On one hand, is there a danger that participation in the project, such as contracting for certain services, might distort the consortium's overall plan of activities, or inflate its size in a way that is not sustainable? On the other hand, if an association of PVO/NGOs is not involved in such a major PVO/NGO project, does this weaken the association's ability to provide coordination?**

F. MANAGEMENT OF SUBGRANTS

- F.1. Field for selection of subgrantee agencies**
- F.2. Criteria for selection of subgrantee agencies**
- F.3. Criteria and process for subgrant selection**
- F.4. Size of subgrants**

F.1. Field for selection of subgrantee agencies

The field of possible PVO/NGO recipients of umbrella project subgrants is defined differently in each umbrella project depending on the goals of the project and the envisioned activities, among other factors. Sometimes the subgrantees have been partially or completely pre-selected. Figure 16 summarizes the fields for selection of subgrantees.

ILLUSTRATIONS:

- National NGOs as well as US PVOs are eligible for subgrants in Senegal CED, Liberia PVO/NGO Support, and Kenya Co-Fi and REP.
- In Chad DIP only US PVOs were allowed to submit proposals, the first three of which were PVOs already active in Chad. The rationale for preselecting these subgrantees was based on getting rapid results and on the proven effective operation of these US PVOs. Local and national NGOs were not considered in the PP. In late 1991 A.I.D. commissioned a study of Chadian NGOs as a precursor to possible future program development with these agencies.
- First year funding under Mozambique PVO Support will go only to PVOs already active in the country. This is also a function of the difficulties and costs of setting up operations in Mozambique under present conditions. The mission will consider proposals from other PVOs in the second round of funding, but even in this context will encourage collaboration among new PVOs and those already in country.
- The three recipients of subgrants in Zaire ESP, which were termed "indigenous PVOs" in the PP were actually locally registered, church-related agencies under expatriate leadership. Neither international, i.e., US PVOs, nor completely Zairian NGOs were apparently considered within the field of potential subgrantees. In the PP for the follow-on umbrella project, SPSP, these "indigenous PVOs" are praised as employing long-term resident expatriates attuned to local conditions, and as agencies with ongoing ties to non-US Government financial support. Several US PVOs and Zairian national NGOs eventually received funding under SPSP.
- The Somalia PVOP earmarked most of its subgrant funds for US PVOs, with emerging Somali NGOs eligible as long as they could meet PVO registration requirements. Only one local NGO was able to qualify. A set-aside for Community Action Grants was meant to involve

Figure 16: Field for Selection of Subgrantee Agencies

Eligibility by type of PVO/NGO, as indicated in Project Papers and Amendments.

Projects in Study	US PVOs Only	National NGOs Only	US PVOs and National NGOs	Comments
Kenya REP			•	
Zaire ESP		•		Locally registered, church related agencies with considerable expatriate influence.
Senegal CED			•	
Kenya Co-Fi (original design)			•	Redesigned version on Kenya Co-Fi is the only mission-managed umbrella funding national NGOs.
Chad DIP	•			
Somalia PVOP			•	Only one national NGO received funding.
Liberia PVO/NGO Support			•	
Sudan RFP (PVO phase only)	•			Local partners of PVOs received their own "subgrants" from CPF budget.
Zaire SPSP			•	US PVOs became eligible when new dollar funds were allocated.
Mali Co-Fi	•			PVOs overtly encouraged to have national NGO partners.
Designed Since Study Began				
Mozambique PVO Support	•			
Malawi SHARED			•	Earmark of funding to be available for national NGOs; International non-US PVOs are also eligible.
Senegal PVO/NGO Support			•	

CPF= Counterpart Funds

diverse local organizations through partnerships with PVO/NGOs.

- In Mali Co-Fi only US PVOs are eligible to receive funding. However, PVOs are encouraged to work in partnership with national NGOs that, according to the PP, the mission has determined do not "possess the institutional or programmatic capacity to successfully administer an AID funded grant."

- In allocating subgrant resources Malawi SHARED targets two-thirds for Malawian NGOs, an amount which should include the portions of US or other international PVOs' subgrants that are aimed at strengthening national NGOs.

QUESTIONS:

- What guidance do the CDSS, A.I.D. policy and the project goals statement provide concerning categories of recipients? Is there any logic on this level to limiting recipient groups?
- How strong and large is the existing PVO/NGO community? Is this group an accurate match with the scope and volume of activities envisioned? Will the project designers want to encourage either the emergence of new national NGOs or the arrival of US PVOs not currently in-country? What are the advantages/disadvantages of such strategies?
- Should PVOs and NGOs play different roles in the umbrella project? What purpose might be served by restricting funding to only US PVOs, or to only national NGOs, or some other categorical exclusivity?
- Several A.I.D. missions already provide funds to PVO/NGOs that are not based in the US or the host country. What about such third-country or regional PVO/NGOs: should they have access to project funds and services? If inter-agency coordination or strengthening of the national PVO/NGO association is an element of the project, does it make sense to exclude non-US or non-national PVO/NGOs?

F.2. Criteria for selection of subgrantee agencies

Each umbrella project applies a set of eligibility requirements and criteria in selecting PVOs and/or NGOs for consideration as subgrantees. This selection process for agencies may take place before review of agencies' proposals or it may be done concurrent with the subgrant selection process.

ILLUSTRATIONS:

- In Liberia PVO/NGO Support the eligibility criteria include registration with A.I.D./Washington or certification by A.I.D. as eligible to receive US government funds, ability to contribute the required 40% match in kind or cash, current activities in target sectors, financial soundness or capability of becoming so, and substantial capital and program investment in Liberia, among others. More on match requirements is found in H.3.
- The redesigned Kenya Co-Fi calls for A.I.D. to compile a data base on PVO/NGOs and then to "select a pool of PVOs from which to solicit concept papers" on a semi-annual basis. Criteria

for selection include: legal registration in Kenya, ability to reach community groups, successful track record in Kenya or elsewhere, demonstrated financial and administrative capacities, and "positive recommendations from other PVOs and/or donors," among other criteria. The most difficult hurdle for Kenyan NGOs has been registration with A.I.D., particularly the strict interpretation of the requirement to prove tax-exempt status - something which is not provided for in Kenyan law as it is in the US.

- Subgrantee eligibility listed in the PP for Kenya REP include these criteria: private, non-profit, registered in Kenya and with A.I.D., administrative soundness or capacity to improve its management, involvement with the rural poor, and substantial prior experience with small enterprise assistance. The issue of subgrantee registration with A.I.D. was troublesome at first, but eventually a waiver was given on the grounds that the PVO intermediary agency had developed its own standards for ensuring subgrantee financial accountability. These standards were both rigorous and realistic.
- In recognition that "quite often in Malawi NGOs have originated from a Ministry 'parent'," the PP of Malawi SHARED envisions the possibility of funding "erstwhile parastatals reconstituting themselves as NGOs."

QUESTIONS:

- In establishing and applying criteria for subgrantee agencies, how much emphasis should be put on prior experience, track record and existing capacities? If such measures of proven capacity are used, will this disadvantage newer NGOs or PVOs from qualifying for subgrants?
- If the project goal and objectives emphasize institution building for newer or weaker NGOs, what subgrantee selection criteria will serve to help identify those with the capacity to make fairly rapid improvements?
- What are the pros and cons of a two-step approach of pre-selecting subgrantees and then reviewing their proposals? Would this approach have particular advantages in umbrella projects where considerable pre-award technical assistance is indicated in order to improve potential subgrantees' capacities and/or proposal presentations? What are the management workload implications of a two-step selection process?

F.3. Criteria and process for subgrant selection

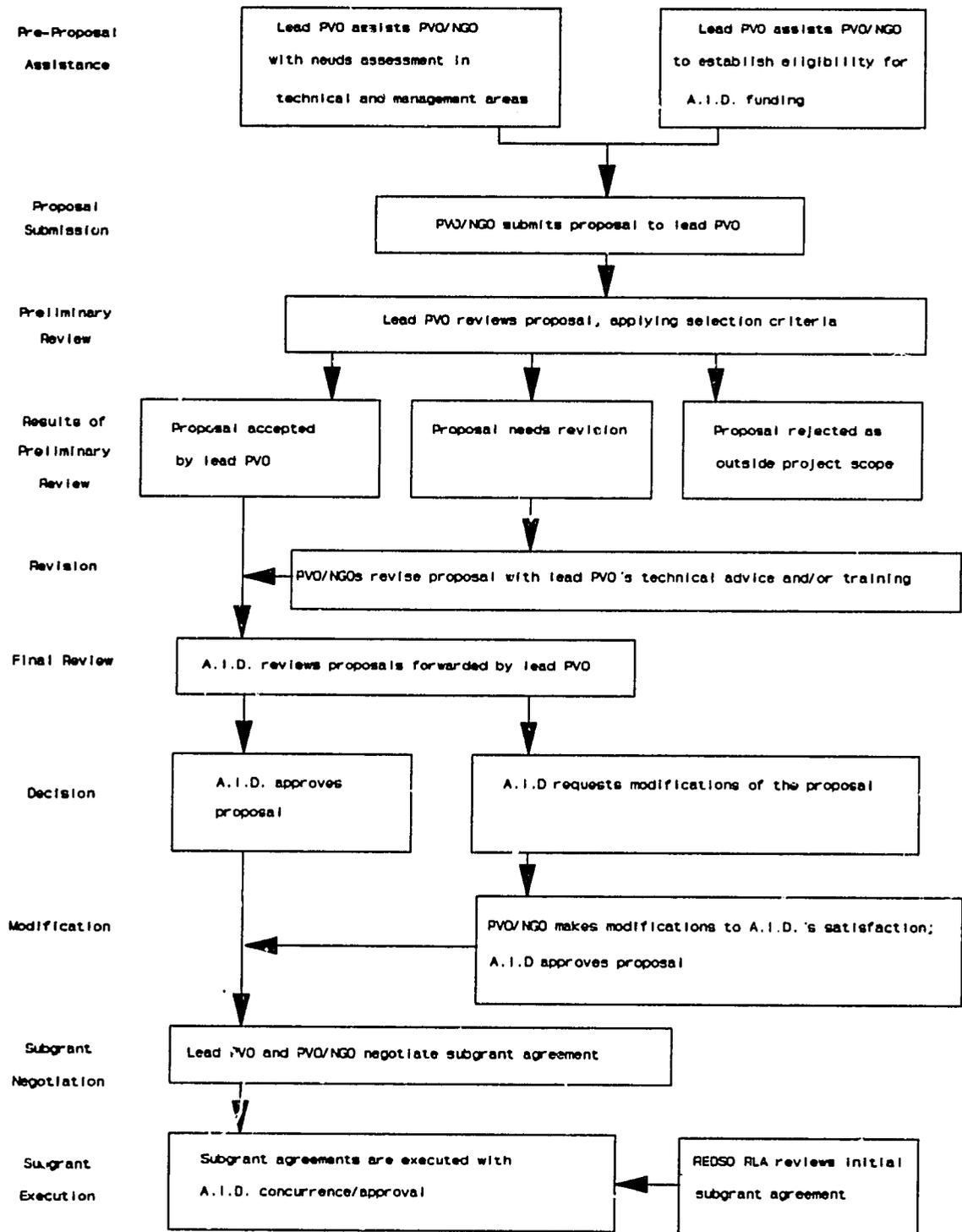
The methods for reviewing proposals for subprojects and the approval process vary among umbrella projects, with different players involved in a range of structures. Sometimes the process requires submission and review of a concept paper before an applicant agency drafts the final proposal. A common problem is the duration of the decision-making process. In cases where communities have been involved in developing proposals, long delays can often be

very discouraging and result in a loss of confidence in the PVO/NGO proposing to work with them.

ILLUSTRATIONS:

- The flow chart of a project's subgrant review process is shown in Figure 17. Liberia PVO/NGO Support did not have a concept paper first stage, while Kenya Co-Fi did.
- In the new Senegal PVO/NGO Support project, the lead PVO's USU can approve subgrants up to \$200,000. Above that amount, the National Project Committee, which includes A.I.D., GOS, and NGO representatives, will approve subgrant requests.
- In Somalia PVOP the Proposal Review Group, which includes two representatives from the PVO Advisory Board, reviews concept papers. If these are accepted, full proposals are submitted for a second review by the Ministry of Interior, before sending them to A.I.D. for another review by an internal A.I.D. committee, and final approval. This system has proven very slow and ineffective. A different, faster-acting process was to be set up for the smaller Community Action Grants. However, since CAGs are also OPGs made directly by the Mission, they were subject to the same level of scrutiny as the larger grants.
- In the Mali Co-Financing Project, a Project Committee within the A.I.D. mission reviews dossiers of subproject proposals that have been prepared by the PSC Project Manager. The Project Committee makes recommendations, but the decision belongs to the mission director.
- In the Sudan Regional and Financial Planning Project, the village level "subprojects" that have been prepared by US PVOs are approved at the level of the District Councils in each district where the project is active, with no higher approval required. The US PVOs themselves are funded directly by A.I.D.
- The PP for Kenya REP indicated that the subgrant procedures would "be developed as part of the intermediary PVO's submission." It does, however, stipulate formal A.I.D./Kenya approval of all subgrants over \$100,000.
- In Senegal CED, PVO/NGOs submitted concept papers to the Management Unit, and if these were accepted they could receive funding for proposal development. The complete subproject proposal would then pass through local and regional government channels for multiple approvals, receive a review by the Project's Management Unit, and then be forwarded to the National Project Committee made up of government and A.I.D. representatives. Although intended as a ten week process, it actually took four to thirteen months.

Figure 17: The Subgrant Review Process - Liberia PVO/NGO Support Project



Note: Chart is based on information in the project paper.

QUESTIONS:

- Given that direct participation of local, regional and national governments in proposal review is a very time-consuming effort, how can these structures be appropriately involved without bogging down the approval process? For example, might it suffice to have government approval of a PVO/NGO's overall activities rather than involve government directly in the subgrant process? (This question was also discussed in A.3. and D.2.c.)
- What role does A.I.D. need (or want) to maintain in subproject approval beyond assuring the normal conformity to A.I.D. regulations and to project-specific criteria?
- If the project is managed by an external project management unit, what level of control does A.I.D. want to delegate? If an umbrella project has a small grants fund, can approval authority be delegated? (See next issue, F.4., on subgrant size.) What are the management costs to A.I.D. of retaining an active participation in subproject review?
- What role, if any, in subproject review should be accorded to the PVO/NGO community? For instance, if there is a project review or selection committee exterior to A.I.D., should PVO/NGO representatives sit on it?

F.4. Size of subgrants

The limits of subgrant amounts vary substantially among umbrella projects. Considerations in deciding appropriate subgrant size include length of subgrants, number of PVO/NGOs subgrantees to be assisted, absorptive capacities of potential subgrantees, and workload implications for management and implementation. Umbrella project objectives often indicate an interest in strengthening the national NGO community which may have little or no experience managing A.I.D. funds. In order to work with smaller and newer NGOs, or to be able to release funds for certain kinds of activities quickly, umbrella projects may have a small grants fund in addition to the regular subgrants program.

ILLUSTRATIONS:

- The original Kenya Co-Fi design called for a LOP total of 30 subgrants, or an annual subgrant approval rate of 15 larger subgrants averaging \$130,000 and five smaller subgrants averaging \$30,000.
- The redesigned Kenya Co-Fi project is projected to make five grants per year, averaging three years in length, which means a maximum of fifteen grants under management at any one time. The average subgrant size is estimated at \$325,000 for a five-year total Grants Fund of \$8,100,000. In view of the elimination in the redesign of the provision for direct grants to

smaller NGOs, the criteria for subproject selection is weighted to encourage larger PVOs to work with smaller Kenyan agencies.

- The main subgrants for Senegal PVO/NGO Support will be from \$50,00 to \$1,500,000. Up to twenty-six will be funded. To reach small local NGOs a micro-grants program of up to twenty short term subgrants in the \$5,000 to \$50,000 range will be funded for small-scale community initiatives.
- Zaire SPSP stipulates a \$100,000 minimum size for subgrants and anticipates a \$1,000,000 maximum size. The minimum size, while acknowledged in the PP as larger than most potential subgrantees want or need for their individual activities, was apparently imposed by A.I.D. in light of concerns for grants management workload.
- Somalia PVOP design has two kinds of subgrants. An estimated 15-20 OPGs of over \$50,000 for two-three year subprojects, and quick-release Community Action Grants up to one year long and under \$50,000. The Community Action Grants which, like the OPGs, may be awarded to both US PVOs and Somali NGOs, are intended for short-term activities, such as community-initiated development actions around refugee resettlement. Several other umbrella projects also have arrangements for two-tiers of grants, or are planning to introduce them.
- The Malawi SHARED design envisions two kinds of subgrants. Up to twenty Malawian NGOs will receive one year institutional development subgrants to provide tailored TA in such areas as financial and program management, organizational self-assessment, and strategic planning. Up to sixteen Malawian NGOs and up to eight PVOs will receive three to five year development activity subgrants, ranging from \$100,000 to \$750,000 for NGOs and \$500,000 to \$1,000,000 for PVOs.

QUESTIONS:

- What factors internal to A.I.D. dictate or indicate the subgrant size for the umbrella project?
- How well is the absorptive capacity of the PVO/NGO community understood by A.I.D.? What indicators can be used to determine this?
- If there is a contradiction between the absorptive capacities of the PVO/NGO community and the funds designated for subgrants, can this be resolved by altering the funding commitment, the LOP, field for selection of subgrantees, or other project parameters? If funds exceed apparent absorptive capacities of the existing PVO/NGO community, what project activities might contribute to an expansion of this capacity?
- How many subgrants can be effectively handled by the implementation structure envisioned, and what impact does this limitation have on subgrant size?

- If the minimum subgrant size exceeds the needs or capacities of many smaller NGOs that the project design would like to reach, is it practical to have a two-tiered system of subgrants? What are the management implications of a two-tiered system?

G. MANAGEMENT OF OTHER PROJECT ACTIVITIES

G.1. Training and technical assistance for PVO/NGOs

G.2. Information collection, analysis, and dissemination

G.1. Training and technical assistance for PVO/NGOs

Most of the umbrella projects in this study included training and technical assistance for PVO/NGOs, although the importance of this activity to achievement of project objectives is not always appreciated. Management of training and technical assistance is handled by the A.I.D. mission in directly managed projects, or by the external project management unit when one exists. In either case, private contractors are often employed to carry out specific tasks, both to augment the capacities of full-time staff and to help develop local resources for such training and technical assistance.

ILLUSTRATIONS:

- **The most ambitious training and technical assistance program among the umbrella projects studied was the design for the original Kenya Co-Fi. It called for training some 500 PVO/NGO staff members in project development, providing all Kenyan NGO "executives" with organizational development seminars, reaching 360 PVO/NGO staff members with technical and sectoral training, plus informing 350 managers about financial management. This group training was in addition to individual technical assistance for 60 agencies at 30 days each. The work was to be managed by a Training and Advisory Service, at the project management agency, which would procure about half the needed services from outside sources. While the envisioned scale of this enterprise was never reached, considerable preparation work was done in this area before the project was redesigned.**
- **In the redesigned Kenya Co-Fi, without an external project management unit, training and technical assistance is considerably reduced. Some international training opportunities are available through A.I.D. For most short-term TA, an "institutional contractor" (a Kenyan private firm) is contracted at a level of 17 person-months per year on an as-needed basis to help with such tasks as management training for subgrantees and design of evaluation plans for subprojects. The PP specifically mentions the possibility of training for NGOs as components of their individual subgrant proposals or a subgrant uniquely for the provision of TA and training to other PVO/NGOs. Neither of these options has been developed to date.**
- **Three umbrella project designs that do not have training elements are Chad DIP, Mali Co-Fi and Sudan RFP. All of these projects make grants only to US PVOs, and all are managed in-house by AID missions.**

- The PP for Liberia PVO/NGO Support called for short-term sessions for local agencies -- both subgrantees and other national agencies -- based on needs to be identified later. It also recognizes the importance of promoting information exchange and collaboration among agencies as a means of "solving technical and problematic problems." The lead PVO was to establish a resource roster and to use in-country resource persons as much as possible.
- The designs for two umbrella projects underestimated training and technical assistance needs: Senegal CED and Zaire ESP. Both of them had more staff added and duties reassigned during implementation to increase the level of training for NGOs.

QUESTIONS:

- In view of project goals concerning institutional strengthening, and in view of the needs of PVO/NGOs in this area, how vital is technical assistance and training to achievement of project objectives? Is this importance reflected in the emphasis training and technical assistance receive in the design of project management?
- Who should receive training? Should it be limited to only national NGOs, host country nationals working for PVOs and NGOs, or only staff of subgrantees and potential subgrantees?
- What is the best balance between training sessions that group personnel from several agencies as contrasted with technical assistance aimed at individual agencies? What is the optimal mix of training among, for example, technical or sectoral skills, financial management skills to meet A.I.D. reporting requirements, and broader organizational development?
- When an external project management unit is used, who should provide the training and technical assistance: the unit staff or purpose-specific contractors hired by the unit? What are the management and budget implications of various options?
- Should the project design encourage the agency responsible for the project implementation unit to subcontract with organizations in-country for training or other services? For instance, is it a project objective to build linkages between national training organizations and NGOs?

G.2. Information collection, analysis and dissemination

Umbrella projects have information needs beyond the data required for basic monitoring and evaluation. Those needs may include increasing A.I.D.'s knowledge base, providing support to PVO/NGOs, and/or simply contributing to improved project implementation through exchange of experience and ideas. Given the diversity and potentially large numbers of participating agencies, the identification of information needs and the management and use of information systems requires careful thought at the design stage.

ILLUSTRATIONS:

- Recognizing the gaps in its knowledge during the design of Liberia PVO/NGO Support, A.I.D. included in the project activities a specific component for information gathering, analysis and dissemination. Two areas of interest involve: development of a detailed institutional inventory of PVOs and NGOs active in Liberia, and research into Liberian Government relations with PVOs and NGOs, such as forms of official recognition, government means of control and coordination, etc. In addition to serving the information needs of A.I.D., this service was also intended to improve linkages within the PVO/NGO community.
- The PP for Chad DIP saw data collection by PVO subgrantees on rural production systems as an important "by-product" of subproject implementation. Although this effort was intended to help inform future A.I.D. programming decisions in agriculture and rural development, it apparently was not organized or vigorously pursued. The Audit noted that little systematic collection or analysis of data from the field had taken place, and assertion that was made in several other projects' evaluations.
- The first design of Kenya Co-Fi, which had its origins in activities sponsored by the Ford Foundation, included a separate unit for information and evaluation. Among the information services envisioned was a quarterly newsletter of general interest to PVO/NGOs and donors, a computerized data base on PVO/NGOs in the country which would lead to a comprehensive directory, a small collection of written resource materials for PVO/NGOs, and a series of studies on the role and function of PVO/NGOs as part of an on-going dialogue among interested parties.
- During the preparation of Mali Co-Fi, the design team made extensive use of the Sahel Information System, a four-country NGO information service which in Mali is housed at the NGO consortium CCA-ONG. The final design for the project calls for information gathering and analysis to be performed by a "lead sector PVO" in each of the project's three priority sectors. Each lead sector PVO is to research on PVO/NGO activities within its sector, to provide information to interested US PVOs and to compile an institutional inventory of PVO and NGO activities, among other tasks.
- Similarly, the Sahel Information System database at the NGO consortium CONGAD in Dakar was very useful in preparing the design for the new 1990 Senegal PVO/NGO Support Project.

QUESTIONS:

- What are the available information resources on PVO/NGOs for use in the project design phase? Are there relatively short-term studies or research efforts which could be conducted to provide A.I.D. with sufficient knowledge of the non-governmental sector prior to design of the project? Who is best placed to provide such information collection and analysis?

- **What are the gaps in A.I.D.'s knowledge of the PVO/NGO community and its relations with government, beneficiary groups or other development entities that could be filled by project activities?**
- **Above and beyond normal project monitoring, are there issues that A.I.D. would like to examine, or potential changes in policies or performance regarding PVO/NGO roles in national development that A.I.D. would like to track? How can these activities be written into the umbrella design?**
- **How well does A.I.D. understand the information needs of potential participating agencies? For example, where do national NGOs go for technical information or for data on funding sources? What efforts are currently underway to provide information services among and for PVO/NGOs, and how well are these efforts working? If such services exist, how can the project encourage their long-term viability? If they do not yet exist, how can the project promote the process?**
- **Within the project implementation and management structures, what are the envisioned requirements for information services? How can the various players, from dozens of PVO/NGO staff members, to government officials, to A.I.D. personnel receive the information they each require on a timely and efficient basis?**

H. PROJECT FINANCING

H.1. Project budget

H.2. Sources of project funds

H.3. Match requirements

H.1. Project budget

The funding levels of umbrella projects in this study have varied from \$5 million to \$30 million for the A.I.D. budgeted dollar inputs. The local currency contributions vary among these projects from zero to over \$20 million. Likewise, the proportion of the budget allocated to various activities within the project has varied greatly. Figures 18 and 19 illustrate the impact on budget allocations of internal versus external project management. Because training, TA and other project services of the management unit are not distinguished from administrative tasks in these budgets, this may give an unfairly inflated impression of the proportion of budgets allocated to external management.

Some of the projects seem to be considerably underspent; some have funds added to them. Typically, umbrella projects' overall budget is set long before the detailed design effort takes place, leaving the designers with the task of fitting the project to resources rather than vice-versa. Budget levels, therefore, do not always correspond to PVO/NGO needs and absorptive capacities.

ILLUSTRATIONS:

- Chad DIP had only expended \$4.6 million out of \$12.725 million at the time of an audit six months before the planned PACD for this five-year umbrella project.
- Zaire ESP was about on target at the time of the Final Evaluation, having expended about \$4.5 million out of its \$5 million authorization with six months to go in a four-year LOP. Of the \$5 million total authorization, about \$4 million was used for subgrants, and the rest for technical assistance, training, monitoring, evaluation and other implementation and management costs.
- The original Kenya Co-Fi Project called for the nascent Kenyan agency VADA to implement a seven-year project using \$12 million of A.I.D. funding. The process of gearing up to handle such a large budget, and to do so under tight oversight constraints imposed by A.I.D., proved beyond VADA's capacities.
- The Liberia PVO/NGO Support Project design requires a lead PVO to implement a program that includes lots of technical assistance, information gathering, and other NGO support services

Figure 18: Internal Project Management - Impact on Dollar Budget Allocations

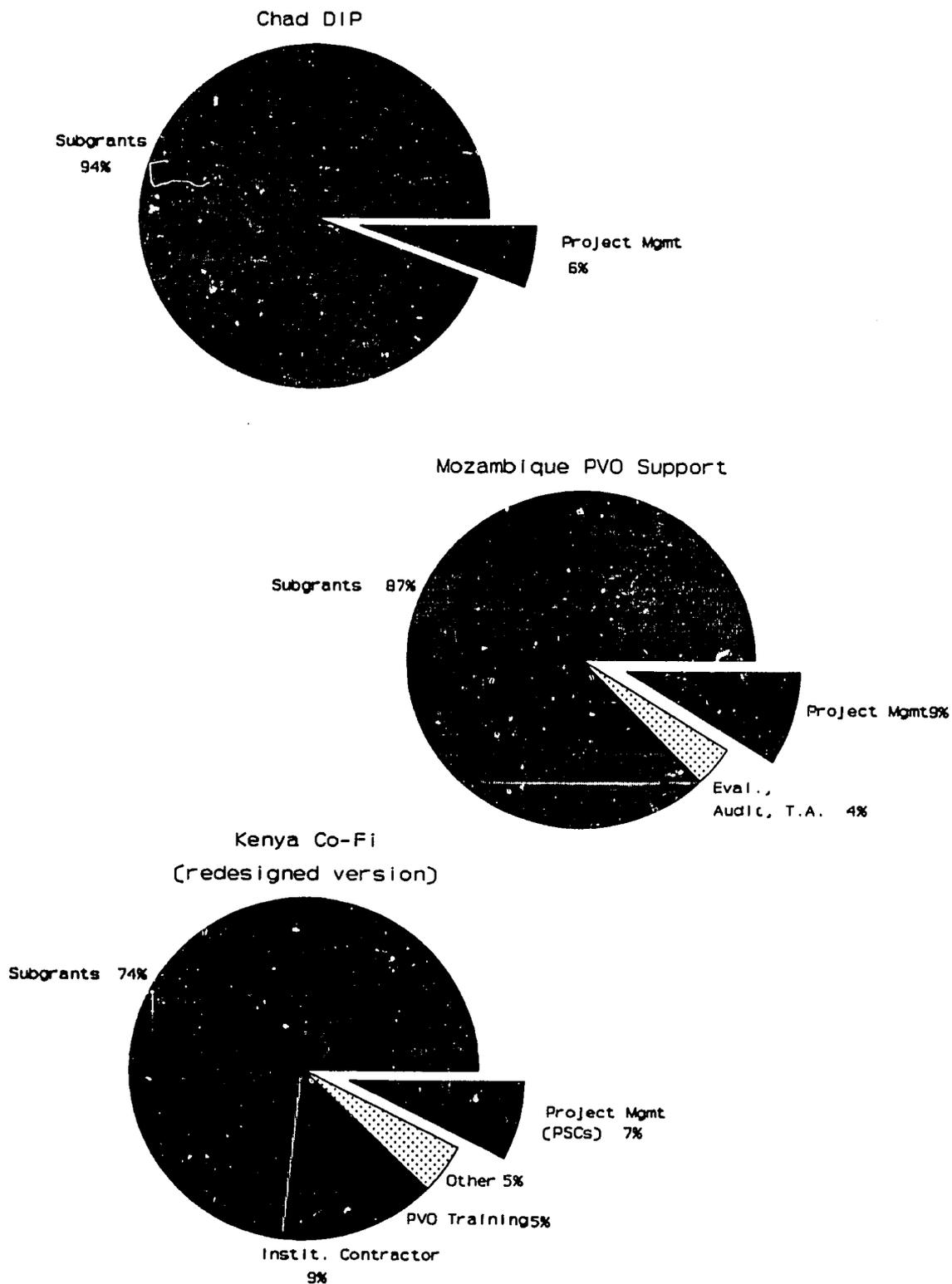
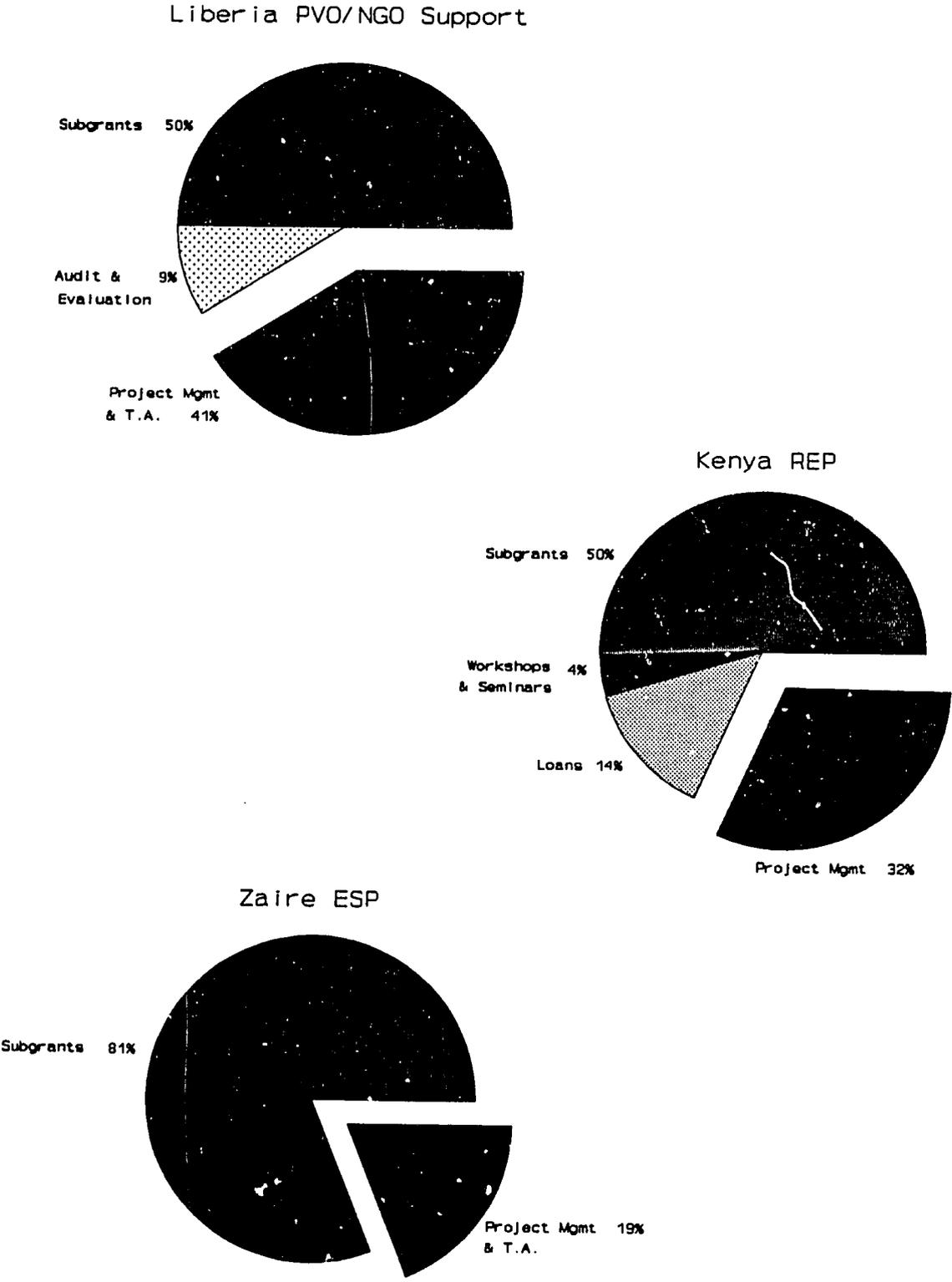


Figure 19: External Project Management - Impact on Dollar Budget Allocations



as well as subgrants. The Financial Plan in the PP calls for the A.I.D. budget of \$10 million to be divided into three broad categories: Project Management/ Technical Assistance (\$4.125 million), Operational Subgrants (\$5 million), and A.I.D. Monitoring, Evaluation and Audit (\$0.875 million).

- Chad DIP was designed to be implemented within the mission. It had no project elements other than subgrants. The Financial Plan in the PP calls for the A.I.D. budget of \$12.725 million to be divided between: Subgrants to PVOs (\$12 million), and A.I.D. Administration (\$0.725).
- Among the projects that have received additional A.I.D. funds during the LOP are Liberia PVO/NGO Support and Zaire ESP and SPSP, Chad DIP and Mozambique PVO Support.

QUESTIONS:

- On what basis are A.I.D. funds being allocated to the umbrella project? If a predetermined total budget amount is given, how does this amount correlate with the planned LOP, with PVO/NGO capacities, with the project elements and other parameters?
- Is it likely that more funds will be made available during LOP? If so, what impact does that have on project design?
- How well do anticipated resources correspond to the needs and absorptive capacities of the PVO/NGO community and of the local beneficiary groups with which subgrantee agencies would be working?
- If it appears that too much money is being allocated in light of the project partner agencies' capacities and needs, how can the umbrella project design mitigate the negative impact of this situation?
- Although the costs of basic implementation and management cannot usually be separated with accuracy from the costs of providing services to PVOs/NGOs in an umbrella project, how much funding should be allocated to PVO/NGO services and support? Do project objectives require a relatively high level of investment in technical assistance to PVO/NGOs?
- In light of the desired mix of project elements in the design, what portion of the A.I.D. budget should be allocated to subgrants?

H.2. Sources of project funds

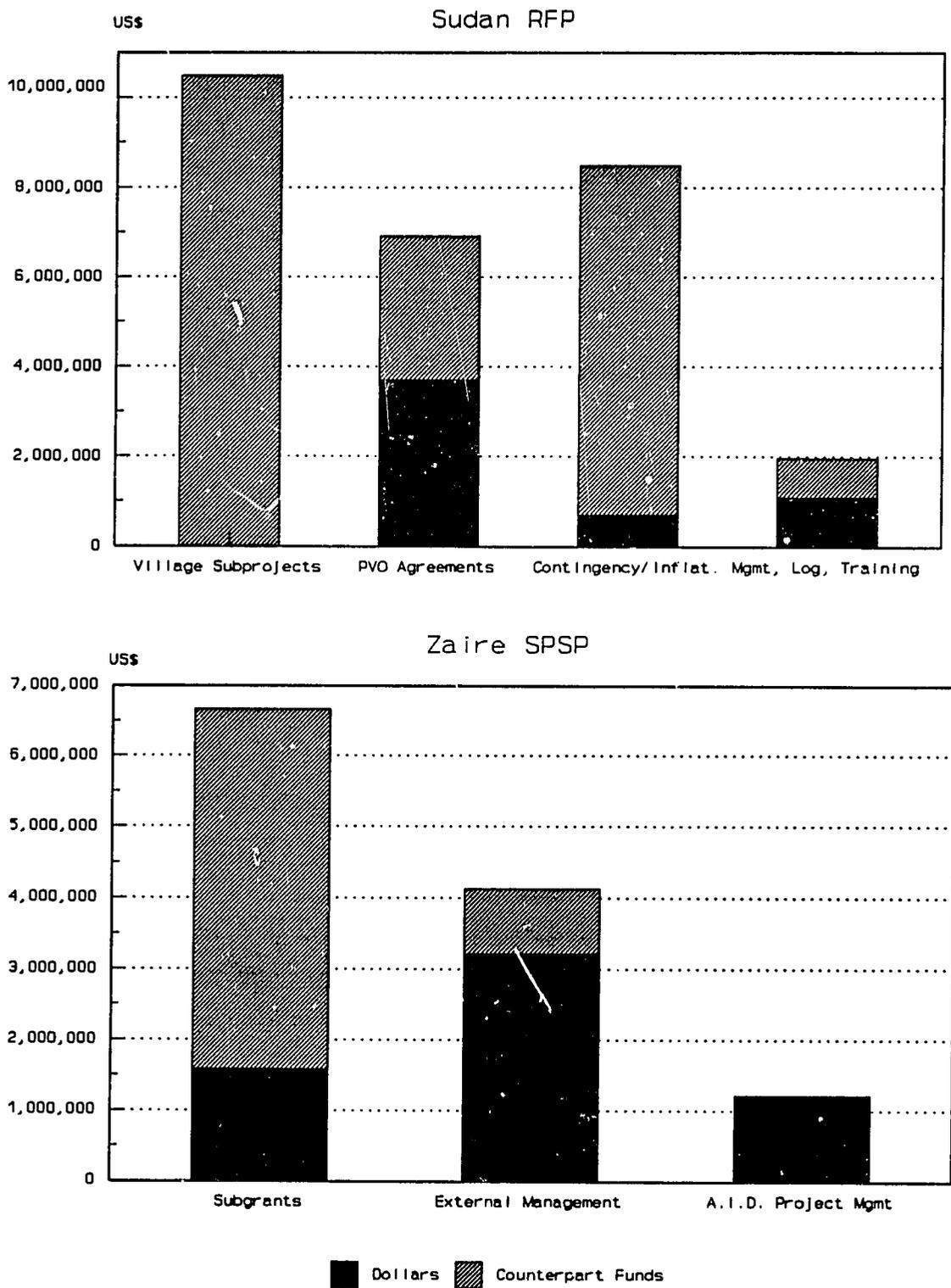
Most umbrella projects receive funds from several sources, such as regular dollar accounts and local currency accounts from commodity import programs and other sources. **Budgets in the**

various umbrella projects' documents express contributions in different ways, making direct comparisons difficult. Local currency contributions are often not assured at the time of project design and are not always available in the time frame and amounts desired. Non-A.I.D. funds, such as grants from other donors or fee-for-service revenues, are sometimes budgeted in umbrella projects. PVO/NGO matching funds are treated in H.3. Figure 20 shows the impact of counterpart funds on two projects' budgets.

ILLUSTRATIONS:

- In keeping with the government's pattern dating back to the 1950s of subsidizing PVO/NGO activities in health and education, Liberia PVO/NGO Support budgeted \$1,000,000 in support to PVO/NGO subprojects from the GOL Development Budget. Although noted as contributions to the project, these funds would go directly to PVO/NGO subgrantees, not through the project's accounting system.
- The \$34,000,000 total budget for Somalia PVOP included \$6,800,000 in Somalia shillings contributed by the government, almost 80% of which was budgeted for subgrants. Devaluations and host government control of local currency greatly complicated grant making and managing
- The budget of Kenya Co-Fi started with \$12,000,000 from A.I.D. plus \$1,240,000 to be contributed by the implementing agency VADA. Also contributing was the Ford Foundation with \$335,000 for technical assistance and general support to VADA. PVO/NGOs were expected to pay \$4,755,000 in fees for training and other services and in contributions to their subprojects.
- Zaire SPSP had \$6,000,000 from A.I.D. in dollars and the expectation that an equal amount would be available from PL480 sales. The PP noted that if commodity sales were insufficient, "it will be necessary to finance some local costs by converting dollars to zaires." Counterpart funds (CPF) were listed as a government contribution, most of which was earmarked for PVO/NGO subgrants and the Peace Corps fisheries project. Like other USAID projects in Zaire, SPSP experienced a drastic reduction of resources when CPF suddenly became unavailable in late 1990, and the Mission was obligated to finance local costs with dollars. The SPSP's ability to make subgrants might have ended abruptly but for the mid-project allocation of new dollar funds from the Global Warming Initiative in the amount of \$6,000,000 over three years.
- For Sudan RFP, considering only the budget additions made for the PVO/NGO umbrella period of that long project, the new A.I.D. dollar commitment of \$5,100,000 was augmented by an anticipated \$22,158,000 in Sudanese pounds from new PL 480 sales. Over \$10,000,000 of this local currency funding was for village level "subprojects" which do not receive any funding from the dollar budget. Reportedly, the government refused to release these funds as promised. See Figure 20.

Figure 20: Impact of Counterpart Funds on Budget Components



QUESTIONS:

- What part of the total project budget funds must be in hard currency and come from A.I.D.'s dollar budgetary sources?
- If donors other than A.I.D. and the host country are expected to participate, what is their contribution likely to be? How well do these donors' interests, time frames and funding mechanisms coincide with those of A.I.D.? How will differences be resolved and donor coordination be assured?
- As to host government's financial contribution to the umbrella project, what has been A.I.D.'s experience in other projects requiring such inputs? Has this government been able and willing to fulfill its commitments in a timely manner? How will government funds be channeled and accounted for in the project? What project activities are most appropriate for government financial inputs? If government fails to meet its commitments would this threaten project implementation?
- For commodity import program contributions to the umbrella project budget, whether or not they are calculated as a host government contribution, what is known of the accuracy of projected contributions in terms of amount, timeliness and availability? If such funds are line items in project budget calculations and then fail to materialize, is A.I.D. prepared to contribute the shortfall from other sources? If, on the other hand, these funds are treated only as an add-on to be included when/if available, what does this mean for project management burdens and for project planning?

H.3. Subgrant match requirements

Umbrella projects require PVO/NGO subgrantees to provide a percentage of the funding for their subproject activities as a matching contribution. In most cases the match can be in cash and/or in-kind. The amount of the match varies among umbrella projects. Figure 21 summarizes the projects' treatment of match requirements.

ILLUSTRATIONS:

- In a number of umbrella projects, such as Kenya REP, Zaire ESP and Chad DIP, PVO/NGO subgrantees are required to make a 25% match for subgrant funding. In the case of Somalia PVOP, the combination of PVO/NGO and local community contributions was budgeted at \$9,000,000.
- Chad DIP called for a 25% match for each of the subgrant OPGs, or a total of \$3,000,000 to match the \$12,000,000 in subgrants. The PP notes that waivers would be sought "if the 25% requirement cannot be met, and we determine that [it] is appropriate to undertake the project."

Figure 21: Budget Match Requirements

Proportion of subgrant funds to be matched by subgrantees and beneficiaries, as noted in Project Papers or Amendments.

Projects In Study	Match Requirement by % of Subgrant	Explanations, Comments
Kenya REP (first phase)	25%	A portion of the second phase sub-funding is in the form of low interest loans to PVO/NGOs
Zaire ESP	25%	Subgrant contributions plus fees and user charges
Senegal CED	25%	Village groups contribute 25% of investment costs
Kenya Co-Fi	33%	
Chad DIP	25%	Waiver may be requested
Somalia PVOP	25%	
Liberia PVO/NGO Support	40%	Subgrants match raised to 40% to reach 25% of entire project budget
Sudan RFP (PVO phase only)	Not indicated in PP Amendment	
Zaire SPSP	10%	
Mali-Co-Fi	25%	Waiver may be requested on case-by-case basis
Designed Since Study Began		
Mozambique PVO Support	25%	Waiver may be requested
Malawi SHARED	Not mentioned in PP	
Senegal PVO/NGO Support	10%	

The PP indicates that this can be done "by the Chad AID Representative if the interests of United States policy in Chad so warrant."

- In Liberia PVO/NGO Support subgrantees are required to contribute 40% of the total funding sought for their subprojects. This relatively high match requirement results from a desire to achieve an overall match of 25% of the whole project budget, including the costs of project management. Since the PVO selected to set up the external project management unit was not required to make a matching contribution, the subgrantees' match percentage had to meet that cost as well. Thus, the match in this case is considerably higher than in other umbrella projects.
- Similarly, in the redesigned Kenya Co-Fi, the Mission wanted to cover part of the cost of its PSC management structure through PVO match contributions. Therefore, the match requirement was set at one-third of subgrant funding, or a total of \$4,065,000.
- For agencies receiving subgrants under Zaire SPSP, a minimum match of 10% is required, for an estimated total match of all agencies of \$666,000. The 25% match requirement, normally

imposed for all A.I.D. grants to PVOs, was waived by the mission Director.

QUESTIONS:

- What is the main rationale for match requirements in umbrella project design: to comply with A.I.D. regulations, to lever additional resources, to prove a PVO/NGO's private or voluntary character, or to discourage subgrantees' dependence on A.I.D., among other possibilities? What level of match is appropriate to the match requirement's purpose?
- Since match requirements have been interpreted in different ways, what level of subgrant match is actually required by A.I.D. regulations? Who decides how this will be interpreted? What kinds of contributions can be counted against the match -- cash, labor, in-kind, etc.? How are values assigned?
- If a high percentage PVO/NGO match is required, might this discourage or even discriminate against agencies that are less able to raise such funds, especially small, local NGOs? Allowing in-kind contributions might help in this regard, but how familiar are national NGOs with the concepts and calculations for in-kind contributions? Under what conditions might a waiver of match requirements be appropriate?
- What are the management implications of monitoring and auditing subgrant match requirements?

I. SUSTAINABILITY

Several projects have made long-term sustainability a major objective. The definition and criteria for sustainability include not only economic elements, but also institution building aspects. Sustainability can be considered on various levels: subproject activities, village organizations, PVO/NGOs, intermediary management and support services, etc.

ILLUSTRATIONS:

- Zaire ESP, which made just three subgrants, focused considerable attention on the issue of economic sustainability of subproject activities. Each project contained a self-financing aspect; however, only the hydro-electric facility was considered likely to be completely self-financing. The rural health subproject enhanced sustainability to a lesser extent by establishing user fees, but the roads subproject made no progress in becoming self-financing because of GOZ policies and attitudes about delegating authority.
- CED Project in Senegal put considerable emphasis on the importance of subgrantees identifying economically viable activities to sponsor in partnership with rural organizations. As this was a credit program, these activities were meant to generate income for loan repayment and continued operation after the project ended. Also, the rural organizations were meant to "graduate" to relating directly to other credit institutions.
- Kenya REP Project Midterm Evaluation concluded that the very nature of the clients served by PVO/NGOs, i.e. very poor micro-entrepreneurs, meant that full coverage of the costs of providing loans and business advice could not be recovered from user fees. Attempting to push this purely economic measurement could reduce services that are experimental or which attempt to reach higher risk clients. The evaluation noted a measure of sustainability in the PVO/NGOs becoming "more effective delivery systems for informal sector assistance," and as such more competent and more attractive to donors. The long-term viability of the project management unit was also a concern, and a Kenyan company was founded which has attracted other donors. In this case, the sustainability of the intermediary unit has become an issue, and significant progress is being made toward this goal.
- In a fashion somewhat similar to Kenya REP's experience, the vision of an independent post-project institution has been proposed in the design of a new umbrella project in Namibia that is focussed on natural resource management. In this case the Project Steering Committee would eventually evolve into the board of trustees for a foundation to support community-based management of natural resources.
- The Liberia PVO/NGO Support Project was directed at preserving and enhancing the long-term viability of non-governmental social service organizations. Training and information to increase self-financing, to improve management effectiveness, and to gain access to funding sources was offered both to subgrantees and other NGOs. The logic was that this project's

temporary assistance will aid them over the transition period resulting from the 1980 coup and subsequent disruptions of financial and technical assistance. Unfortunately, the project has not survived the 1990/91 civil conflict.

- The new Senegal PVO/NGO Support Project focuses on sustainability at the level of subproject activities. "The key element of sustainability is choice ... A community should be given the opportunity to choose which benefits it wishes to sustain and what tradeoffs it will make to sustain them." Long-term strengthening of NGOs includes "increasing capacity of NGOs to attract other donor funds, developing programs for fundraising and income generating, charging for services, and instilling a more entrepreneurial spirit among NGOs."

QUESTIONS:

- How should sustainability and long-term viability be defined for the purposes of this project?
- Will community-based organizations or committees at other levels be created in the course of the project? What project approaches will improve their chances of becoming self-reliant or remaining useful after the project ends?
- Is the focus on the sustainability of subgrant activities, meaning that the communities and their PVO/NGO partners can carry on after A.I.D. support ends, or on participating PVO/NGOs themselves as agencies strengthened in their effectiveness and efficiency?
- Is the sustainability of the project management unit or the umbrella functions themselves an objective? Is it a project goal to invest in the development of a long-term mechanism for support of PVO/NGOs, or, in the words of the Zaire SPSP PP, "we are designing a project that is essentially disposable: to be used once and then discarded, like a Kleenex."
- The draft PP for the new Senegal PVO/NGO Support Project refers to the possible creation of a foundation or other mechanism to perpetuate the umbrella services which is to be considered during the last phase of implementation. How can the design envision or encourage the evolution of a post-project entity such as a foundation, endowment or other intermediary to carry on certain functions in support of the private non-profit sector?

APPENDIX A

Acronyms and Abbreviations

Projects Studied for this Report:

<u>Acronym</u>	<u>Project Name</u>
Chad DIP	PVO Development Initiatives Project
Kenya Co-Fi	PVO Co-Financing Project
Kenya REP	Rural Private Enterprise Program
Liberia PVO/NGO Support	PVO/NGO Support Project
Mali Co-Fi	PVO Co-Financing Project
Senegal CED	Community and Enterprise Development Project
Somalia PVOP	PVO Development Partners Project
Zaire ESP	PVO Economic Support Project

Projects Designed During 1990 (and Referenced in this Report):

<u>Acronym</u>	<u>Project Name</u>
Senegal PVO/NGO Support	PVO/NGO Support Project
Malawi SHARED	Services for Health, Agriculture & Rural Enterprise Development
Mozambique PVO Support	PVO Support Project

Other Acronyms and Abbreviations Used in this Report:

<u>Acronym</u>	<u>Project Name</u>
ABS	Annual Budget Submission
CA	Cooperative Agreement
CAG	Community Action Grant
CCA-ONG	Comité de coordination des actions des organisations non-gouvernementales au Mali
CDIE	Center for Development Information and Evaluation
CDSS	Country Development Strategy Statement
CP	Concept Paper
CPF	Counterpart Funds
CPSP	Country Program Strategy Plan
CONGAD	Conseil national des organisations non-gouvernementales d'appui au développement
CDP	Chief of party
CIDA	Canadian International Development Agency
DFA	Development Fund for Africa
EOP	End of Project
EOPS	End of Project Status
FSN	Foreign Service National
FVA/PVC	Food and Voluntary Assistance Bureau
GDO	General Development Office

GOC	Government of Chad
GOK	Government of Kenya
GOL	Government of Liberia
GOM	Government of Malawi (or Mozambique)
GOS	Government of Sudan (or Senegal)
GOZ	Government of Zaire
GSDR	Government of Somalia
HCN	Host Country National
HRD	Human Resource Development
IQC	Indefinite Quantity Contract
LOP	Life of Project
ME	Midterm Evaluation
MFEP	Ministry of Finance and Economic
MOI	Ministry of Interior
MOU	Memorandum of Understanding
MU	Management Unit
MUST	Management Unit for Support and Training
NGO	Non-governmental Organization
NPC	National Project Committee
NRM	Natural Resource Management
NRMS	Natural Resource Management Support Project
OD	Organizational Development
OE	Operating Expenses
OPG	Operational Program Grant
ORT	Organization for Rehabilitation through Training
PACD	Project Anticipated Completion Date
PC	Project Committee
PID	Project Identification Document
PIO/T	Project Implementation Order/Technical Services
PIP	PVO/NGO Initiatives Project
PDO	Project Development Officer
PMU	Project Management Unit
PP	Project Paper
PPC	Project Policy Committee
PSC	Personal Services Contract(or)
PVO	Private Voluntary Organization
PVO/NGO	Collective term for both PVOs and NGOs
REDSO/ESA	Regional Economic Development Services Office/East and Southern Africa
REDSO/WCA	Regional Economic Development Services Office/West and Central Africa
RCO	Regional Contract Advisor
RLA	Regional Legal Advisor
RFA	Request for applications
RFP	Request for proposals
SSE	Small-scale enterprise (or entrepreneur) (depends on context)
TA	Technical Assistance
TAS	Training and Advisory Services Unit
UMU	Umbrella Management Unit
USU	Umbrella Support Unit
VADA	Voluntary Agency for Development Assistance

VO
WEREP

WID

Village Organization
Kenyan company now managing second phase of Kenya REP under
CA with USAID
Women in development

APPENDIX B

DATABASES OF PROJECTS STUDIED

These brief summaries of key information on each project were originally prepared as an aid to organizing the research for this study. They are included here as a kind of "crib sheet" for the Reader who wants to quickly check out some aspect of these projects.

For the most part the data presented in these boxes was taken from Project Papers. Thus, it represents the design intent for these projects, which, as we have seen in many examples, varies considerably from what actually happened during implementation. These databases of project design are meant to complement the thumbnail written sketches of each project's history that are found in Part II.

Community & Enterprise Development Project (CED)**Senegal****685-0260**

Documents available for desk study: *PP, 2 PP amendments (4/89 & 8/89), Midterm Evaluation*
Authorization: 9/6/83 **Start up:** 8/2/85 **PACD:** 9/30/89 **Life of Project:** 6 yrs.
Budget by source: *A.I.D. \$9M originally, raised to \$11M 4/89, then \$13.729M 8/89*
Funding mechanism: *Grant to GOS 1/84; Coop. Agreement for external project management unit 8/85*
A.I.D. Management: *Dir.-hire Proj. Mgr., Dep. Proj. Mgr. in A.I.D./ Senegal; Asst. Pro. Mgr. in Kaolack*
Purpose: *Encourage decontrol & commercialization of rural agricultural production*
Elements: *PVO/NGO component: TA, subgrants to PVOs/NGOs; Village Organization (VO) credit fund*
Selection of implementing agency: *Competition among U.S. non-profit & commercial organizations*
Implementing agency: *New Transcentury Foundation; subcontract: Management Systems International*
Tasks: *PVO/NGO component: manage subgrants, PVO/NGO staff development. literacy for VOs, monitoring*
Implementing structure: *Management unit in Kaolack with Credit and Training Sections*
International implementing staff: *PVO/NGO part: COP, Financial Manager/Credit Specialist, PVO Specialist*
Host country implementing staff: *PVO/NGO part: Counterpart PVO Specialist, Training Specialist*

PVO Economic Support Project (ESP)**Zaire****660-0097**

Documents available for desk study: *Unsolicited proposal, Midterm and Final Evaluations*
Authorization: 8/25/83 **Start up:** 9/30/83 **PACD:** 9/30/87 **Life of Project:** 4 years
Budget by source: *A.I.D. \$5M (FY83)*
Funding mechanism: *Cooperative Agreement for external project management unit*
A.I.D. Management: *Project Manager (PSC) supervised by Design, Evaluations & Capital Projects Office*
Purpose: *Support self-sufficiency in basic foods and access to health services for rural population*
Elements: *Provision of commodities, subgrants, training for PVOs to improve institutional capacity*
Selection of implementing agency: *Sole-source, unsolicited proposal was basis for Coop. Agreement*
Implementing agency: *American ORT Federation*
Tasks: *Subproject-presenting, monitoring, commodity procurement; training for subgrantees*
Implementing structure: *Project management unit in Kinshasa*
International implementing staff: *Proj. Mgr., Health Coord., Mgmt. Specialist, Tech. Coord., Engineer*
Host country implementing staff: *Management Trainer and support staff*
Subgrant sectors: *Health, rural road maintenance, mini-hydroelectric* **Amounts:** *\$1M to \$1.7M*
Selection process: *Pre-selected by A.I.D. ; supposedly based on ORT staff recommendations*
Selection criteria: *Pre-selected subprojects in A.I.D. priority locations and sectors*

Rural Private Enterprise Project (REP)

Kenya 615-0220

Documents available for desk study: *PP, Midterm Evaluation*

Authorization: 8/11/83 Start up: PACD: 3/31/89 Life of Project: 5 yrs., 8 mos.

Budget by source: *A.I.D. \$24M loans + \$12M grants; \$6.486M for PVO component; PVOs \$1.174M match*

Funding mechanism: *PVO/NGO part: Cooperative Agreement for external project management unit*

A.I.D. Management: *Not clear from PP; Mgmt. & Tech. Contractor; Project Monitoring Contractor*

Purpose: *To establish and expand rural enterprises in Kenya*

Elements: *PVO/NGO part: Credit funds and business management assistance; PVO subgrants*

Selection of implementing agency: *PVO/NGO part: Competitive among U.S. PVOs*

Implementing agency: *PVO/NGO part: World Education*

Tasks: *PVO/NGO part: handle subgrant funds; TA to PVOs and entrepreneurs; coordinate PVOs/NGOs*

Implementing structure: *PVO/NGO part: project management unit in Nairobi*

International implementing staff: *2 U.S. "Advisors"*

Host country implementing staff: *4 Kenyan "professionals"*

Subgrant sectors: *Income-generating, off-farm, outside of Nairobi Amounts: Not specified*

Selection process: *Formal A.I.D.-GOS review if over \$100,000; recommendation of project management unit*

Regional Finance and Planning Project (RFP)

Sudan 650-0012

Documents available for desk study: *Project Amendment No. 3 – data based on that document*

Authorization: 8/9/87 Start up: PACD: 8/22/90 Life of Project: 3 yrs., 11 total

Budget by source: *LOP totals: A.I.D. \$8.3M, GOS (including P.L. 480) \$30.585M; PVO match not mentioned*

Funding mechanism: *Amended 1979 agreement with GOS; A.I.D. Coop. Agreements to selected U.S. PVOs; A.I.D. Management: Project Manager (status unclear); A.I.D.-contracted Proj. Coordinator reporting to GOS*

Purpose: *Increase capacity of regional govts. in financial & project mgmt.; support GOS decentralization*

Elements: *Funding U.S. PVOs, village subgrants, loans; TA and training for regional govt and local groups*

Selection of implementing agency: *A.I.D. & GOS manage project; U.S. PVOs selected by competition*

Implementing agency: *A.I.D. & Ministry of Finance and Economic Planning (MFEP); PVOs at district level*

Tasks: *GOS & A.I.D. at three levels: approve subgrants, oversee PVOs; PVOs: advise, train local partners*

Implementing structure: *Layers of roles for govt. entities and A.I.D.; PVOs assigned by district*

PVO Co-Financing Project (original version)**Kenya 615-0236**

Documents available for desk study: *Project Paper*
Authorization: 5/29/85 **Start up:** 6/1/85 **PACD:** 4/30/92 **Life of Project:** 7 years
Budget by source: *A.I.D. \$12M; Ford Foundation \$0.335M; PVO/NGOs \$4.755M (1/3 match)*
Funding mechanism: *Cooperative Agreement for external project management unit*
A.I.D. Management: *Project Manager direct-hire Chief, Human Resources Development Office*
Purpose: *Increase the development impact of PVO activities*
Elements: *Subgrants, NGO institutional strengthening; information-gathering and exchange*
Selection of implementing agency: *Selected by A.I.D. without competition*
Implementing agency: *Voluntary Agency for Development Assistance (VADA)*
Tasks: *Manage the Development Fund; provide TA and training to NGOs on fee-for-service basis*
Implementing structure: *Devel. Fund, Advisory & Training Services, Information & Evaluation Units*
International implementing staff: *Nationality not noted; Exec. Dir., Assoc. Dir., & 2 Program Officers*
Host country implementing staff: *Assoc. for Devel. Fund; Officers for Mrketing., Program Admin.*
Subgrant sectors: *Projects improving lives of the rural and urban poor* **Amounts:** \$1,000 - \$50,000+
Selection process: *Project Selection Committee of Kenyans & A.I.D., approval after VADA review*
Selection criteria: *Registered PVO/NGO; well-planned proposals with high internal rate of return*
Subgrant recipients: *U.S. PVOs & Kenyan NGOs: 15 per year (\$130,000 avge.), 5 per year (\$30,000*

PVO Co-Financing Project (redesigned version)**Kenya 615-0236**

Documents available for desk study: *Project Paper Amendment*
Authorization: 7/1/88 **Start up:** 6/1/85 **PACD:** 4/30/82 **Life of Project:** 10 years
Budget by source: *A.I.D. \$12M; PVOs/NGOs \$4.3M (match)*
Funding mechanism: *Project within A.I.D.; MOU with GOK; each grant & contract obligated separately*
A.I.D. Management: *Project Officer is direct-hire Chief, Office of Human Resource Development*
Purpose: *Provide PVOs/NGOs financing for development activities; institutional strengthening*
Elements: *Primarily subgrants; limited international training; OD for NGOs if written into their proposals*
Selection of implementing agency: *A.I.D.-decided, aided by survey of PVO/NGOs after initial failure*
Implementing agency: *USAID/Kenya, Project Committee within A.I.D.; one "institutional contract" for TA*
Tasks: *Manage the Grants Fund; assess and assist PVOs/NGOs submitting proposals; oversee contractors*
Implementing structure: *HRD Office "project team" with assistance from REDSO & contractor*
International implementing staff: *Nationality not indicated: 3 officers and one secretary*
Host country implementing staff: *(See above)*
Subgrant sectors: *Agriculture, health, income generation, others* **Amounts:** *Avge. of \$.325M*
Selection process: *Proj. Comm. picks pool of PVO/NGOs, solicit proposals, tech. review, mgmt. assessment*

PVO Development Initiatives Project (DIP)**Chad 677-0051**

Documents available for desk study: *Project Paper, Midterm Evaluation, Audit*
 Authorization: 6/6/85 Start up: PACD: 9/30/89 Life of Project: 4 years
 Budget by source: *A.I.D. \$12.725M; PVOs \$3M (match in-kind), possibility of Food for Work inputs*
 Funding mechanism: *Grant to GOC; Subprojects funded as individual Cooperative Agreements*
 A.I.D. Management: *Project Manager (PSC) supervised by Project Development Officer*
 Purpose: *Assist small farmer food production and private sector activities in Sahel zone*
 Elements: *Subgrants; TA to PVOs for project design; possibly Food for Work inputs*
 Selection of implementing agency: *USAID/Chad selected in project design phase*
 Implementing agency: *USAID/Chad with REDSO technical support*
 Tasks: *Elicit and review subgrant proposals; fund, monitor and evaluate subprojects*
 Implementing structure: *No additional structure within USAID/Chad office managing project*
 International implementing staff: *PSC Project Manager (not hired); direct-hire staff shared management*
 Host country implementing staff: *Assistant Project Manager position created but not filled*
 Subgrant sectors: *Food production and food related small enterprises* Amounts: *\$2M-\$4M (2-4 years)*
 Selection process: *Same steps as any other A.I.D. authorization, review by USAID/Chad, REDSO, GOC*
 Selection criteria: *Corresponds to USAID priorities; financially & technically sound; demonstration of*

PVO Development Partners Project (PVOP)**Somalia 649-0138**

Documents available for desk study: *Project Paper*
 Authorization: 8/29/85 Start up: PACD: Life of Project: 6 years
 Budget by source: *A.I.D. \$18.2M; GSDR \$6.8M (P.L. 480, commodity sales); PVOs/NGOs \$9M (match)*
 Funding mechanism: *Grant to GSDR, managed by Ministry of Interior; A.I.D. contract for MUST services*
 A.I.D. Management: *Direct-hire Project Manager located in Project Office assisted by Technical Officers*
 Purpose: *Expand the programs of PVOs; develop the capacity of Somali NGOs*
 Elements: *Subgrants; TA and training for PVOs/NGOs and Ministry of Interior staff; commodities*
 Selection of implementing agency: *For MUST contract: competition among PVOs & for-profit firms*
 Implementing agency: *Overall: Ministry of Interior; MUST contract: Experiment in International Living*
 Tasks: *MUST contract: secretariat for proposal review & subproject monitoring; training; coordination*
 Implementing structure: *Management Unit for Support and Training (attached to Ministry of Interior)*
 International implementing staff: *COP, Training Coordinator/Administrative Assistant*
 Host country implementing staff: ?
 Subgrant sectors: *not specified* Amounts: ?
 Selection process: *Ministry of Interior & A.I.D.-approved (based on Proposal Review Group recommendations)*

Small Project Support Project (SPSP)**Zaire****660-0125****Documents available for desk study: Project Paper****Authorization: 8/23/88 Start up: PACD: 9/30/94 Life of Project: 6 years****Budget by source: A.I.D. \$6M (FY88-89); GOZ \$6M (CIF & P.L. 480); \$0.666M (subgrantees in-kind match)****Funding mechanism: Cooperative Agreement with U.S. PVO for external project management unit****A.I.D. Management: Project Manager (PSC) reporting to GDO****Purpose: Increase support for community-based small-scale development activities in rural areas****Elements: TA (long- & short term), subgrants, training for NGOs and farmers, commodities and equipment****Selection of implementing agency: Competitive selection from among U.S. PVOs****Implementing agency: Experiment in International Living; Subcontract: Management Systems International****Tasks: Subproject recommendation, monitoring; TA to NGOs; procurement; overall coordination****Implementing structure: Umbrella Management Unit (UMU) administered by contracted U.S. PVO****International implementing staff: UMU COP, Finance Mgr., Peace Corps Liaison Officer****Host country implementing staff: UMU Shaba Representative, Accountant, Bookkeeper and Support****Subgrant sectors: Agriculture, rural transport infrastructure, health; Amounts: \$0.1M to \$1M****Selection process: A.I.D. project selection committee, based on assessment of NGOs and review by UMU****PVO/NGO Support Project****Liberia****669-0211****Documents available for desk study: Project Paper****Authorization: 8/25/87 Start up: PACD: 9/30/92 Life of Project: 5 years****Budget by source: A.I.D. \$10M; GOL and PVO/NGO subgrantees \$3.4M (40% match)****Funding mechanism: Cooperative Agreement for external project management unit****A.I.D. Management: Project Manager (PSC) in Special Projects and Project Development division****Purpose: Assist PVO/NGOs to sustain, improve services****Elements: Subgrants, information-gathering, TA and training****Selection of implementing agency: Competition among short list of U.S. PVOs****Implementing agency: Experiment in International Living****Tasks: Approve and monitor subgrants; TA and training for PVOs/NGOs; data-gathering and exchange****Implementing structure: Project Management Unit (PMU) in Monrovia****International implementing staff: COP, Management/Training Specialist, Financial Officer****Host country implementing staff: Program Assistant, Administrative Assistant, Accountant****Subgrant sectors: Health, basic education, community development Amounts: Max. \$0.3M each/year****Selection process: A.I.D. approval based on PMU recommendation**

PVO Co-Financing Project (CO-FI)

Mali

688-0247

Documents available for desk study: *Project Paper*

Authorization: **Start up:** **PACD:** **Life of Project:** *6 years*

Budget by source: *A.I.D. \$8M, PVOs: 25% match for subproject grants*

Funding mechanism:

A.I.D. Management: *Project Manager (PSC) supervised by GDO; Project Committee of A.I.D. office reps*

Purpose: *Assist PVOs to promote A.I.D. strategic objectives through improved outreach in key sectors*

Elements: *Subgrants; information-gathering and exchange*

Selection of implementing agency: *A.I.D./ Mali to manage within mission during project design phase*

Implementing agency: *A.I.D./ Mali; 3 contracts for data services and coordination to "lead sector PVOs"*

Tasks: *Select "lead sector PVOs"; review and approve proposals; monitor and evaluate subprojects*

Implementing structure: *Project Management Unit in GDO*

International implementing staff: *Project Manager (local hire)*

Host country implementing staff: *Assistant Project Manager*

Subgrant sectors: *Child survival, NRM, micro and small enterprise*

Amounts: *not specified*

Selection process: *Proj. Mgr. prep. dossier; A.I.D. Director decides based on Proj. Comm.*

PVO/NGO Support Project

Senegal

685-0284

Documents available for desk study: *Draft Project Paper without appendices*

Authorization: **Start up:** *6/1/91* **PACD:** *6/1/99* **Life of Project:** *8 years*

Budget by source: *A.I.D. \$15M; \$1.5M match from subgrantees and beneficiaries*

Funding mechanism: *Contract for external project management unit, Umbrella Support Unit (USU)*

A.I.D. Management: *FSN Project Manager supervised by Chief, Project Development Office*

Purpose: *Enable NGOs, NGO associations & community groups to plan, design and carry out devel. projects*

Elements: *Institutional support to NGOs & NGO assoc.; subgrants to U.S. PVOs, NGOs & PVOs/NGOs jointly*

Selection of implementing agency: *Competition among U.S. PVOs and non-profit agencies*

Implementing agency: *To be selected by April 1991*

Tasks: *Manage subgrants program; provide TA & training; facilitate PVO/NGO/GOS/donor coordination*

Implementing structure: *USU with 3 units: Financial, Grants Mgmt., Institutional Dev. & Training*

International implementing staff: *COP/Institutional Devel. Specialist & Financial Manager (3 years)*

Host country implementing staff: *Institutional Devel. Asst., Fin. Mgmt. Asst. & 3 in subgrant mgmt.*

Subgrant sectors: *Agricult., NRM, SSE, primary health & family planning*

Amounts: *\$5,000 -*

?

PVO Support Project**Mozambique****656-0217****Documents available for desk study:** *Project Paper***Authorization:** *6/6/90***Start up:****PACD:** *3/31/94***Life of Project:** *3 years***Budget by source:** *A.I.D. \$19.85M***Funding mechanism:** *No funds obligated to GOM; direct A.I.D. grants for each subproject***A.I.D. Management:** *Chief, General Development Office supervises Project Mgmt. Team; Project Committee***Purpose:** *Reduce vulnerability to absolute poverty induced by the rural insurgency, within targeted population***Elements:** *PVO grants and selected short-term technical assistance***Selection of implementing agency:** *Decision during project design to manage project within mission***Implementing agency:** *A.I.D. mission directly through in-house Project Management Team***Tasks:** *Coordinate review of proposals; monitor grantees' progress; chair PVO Issues Committee***Implementing structure:** *No external implementat. structure, Project Management Team within mission***International implementing staff:** *Project Devel. Officer, Rural Devel. Specialist, Activities Monitor***Host country implementing staff:** *Not indicated in Project Paper***Subgrant sectors:** *Agricult., health, SSE, NRM, rural infrastructure, trauma treat.* **Amounts:** *No specified***Services for Health, Agriculture, & Rural Economic Devel. (SHARED) Malawi 612-0232****Documents available for desk study:** *Draft of Project Paper***Authorization:** *5/1/90***Start up:****PACD:****Life of Project:** *9 years***Budget by source:** *A.I.D. \$15M***Funding mechanism:** *Cooperative Agreement for external Project Management Unit (PMU)***A.I.D. Management:** *One PSC under supervision of Project Development Office***Purpose:** *Expand amount & increase impact of PVO/NGO devel. activities; strengthen capacity of nar'l NGOs***Elements:** *Two kinds of subgrants; training and TA for institutional development***Selection of implementing agency:** *Competition among U.S. PVOs***Implementing agency:** *Experiment in International Living***Tasks:** *Manage project financial resources including subgrants; TA and training***Implementing structure:** *Project Management Unit***International implementing staff:** *Project Director and Financial/Administrative Officer***Host country implementing staff:** *2 Program Assistants, Accountant, Administrative Assistant, etc.***Subgrant sectors:** *Agriculture, health, off-farm economic development* **Amounts:** *\$10,000 - \$1M***Selection process:** *PMU (and maybe advisory committee) review concept paper & proposal, A.I.D. concurs*

APPENDIX C

CROSS-REFERENCE WITH A.I.D.'s PROJECT PAPER FORMAT

As an aide to those wishing to locate the issues discussed in this report within the format that A.I.D. requires for presentation of Project Papers (PP), we have cross-referenced the PP requirements with the contents of our study. On the left is the PP outline. On the right are the corresponding issues from this report. In some cases, specific design issues seem germane to several PP sections and are therefore listed against more than one section heading.

A.I.D. Project Paper	Design Issues in this Report
<i>I. PROJECT ELEMENTS</i>	
A. Strategy and objectives	B.2 Goals and objectives of the project B.3 Goals and objectives with regard to PVO/NGOs
B. Rationale and setting	A.1 Consistency of project design with A.I.D./W policy A.2 Relation of project to USAID's country strategy and program activities A.3 Relation of project to host government policies B.4 Rationale for employing an umbrella mechanism I.1 Sustainability
C. Principal "Actors"	A.4 Participants in the design process B.1 Definition and role of beneficiaries D.1.c Implications for USAID if project implementation is contracted out D.2.a Management functions of an external project implementation unit D.2.b Staffing issues for an external project implementation unit D.2.c Host country government functions in project management D.2.d Management functions of subgrantee agencies D.2.e Project Advisory Committee functions in project management
D. Structure	D.1.a Project implementation: within the mission or contracted out
E. The Activity	C.1 Project elements C.3 Sector focus of project activities C.4 Geographic focus of project activities E.1 Needs of potential recipient PVO/NGOs E.2 Interests of potential recipient PVO/NGOs E.3 Partnership among PVO/NGOs E.4 Coordination among PVO/NGOs E.5 Role of national PVO/NGO consortia F.1 Field for selection of subgrantee agencies F.2 Criteria for selection of subgrantee agencies F.3 Criteria and process for subgrant selection F.4 Size of subgrants

**II. RESOURCE ESTIMATES
(and sources)**

- H.1 Project budget
- H.2 Sources of project funds
- H.3 Match requirements

III. MANAGEMENT AND IMPLEMENTATION CONSIDERATIONS

A. Pre-implementation

- C.2 Life of project
- A.4 Participants in the design process
[Almost all issues might be referenced here.]

B. Solicitation, selection of intermediary

- D.3.a Field for selection of project management agency
- D.3.b Selection mechanism for external project management agency
- D.3.c Funding mechanism for external project management agency

C. Implementation/Management

- D.1.a Project implementation: within the mission or contracted out
- D.1.b Implications for USAID if project implementation is within the mission
- D.1.c Implications for USAID if project implementation is contracted out
- D.2.a Management functions of an external project implementation unit
- D.2.b Staffing issues for an external project implementation unit
- D.2.c Host country government functions in project management
- D.2.d Management functions of subgrantee agencies
- D.2.e Project Advisory Committee functions in project management

D. Monitoring and Evaluation

- D.2.f Monitoring and evaluation

IV. SPECIFIC PROJECT ANALYSIS (detailed back-up for I-III)

A. Technical

- D.3.c Funding mechanism for external project management agency
- E.1 Needs of potential recipient PVO/NGOs
- E.2 Interests of potential recipient PVO/NGOs
- E.3 Partnership among PVO/NGOs
- E.4 Coordination among PVO/NGOs
- F.5 Role of national PVO/NGO consortia
- H.3 Match requirements

B. Financial and Economic

- H.1 Project budget
- H.2 Sources of project funds
- H.3 Match requirements

C. Social Soundness

- I.1 Sustainability

D. Administrative

- D.1.a Project implementation: within the mission or contracted out
- D.1.b Implications for USAID if project implementation is within the mission
- D.1.c Implications for USAID if project implementation is contracted out
- D.2.a Management functions of an external project implementation unit
- D.2.b Staffing issues for an external project implementation unit
- D.2.c Host country government functions in project management
- D.2.d Management functions of subgrantee agencies
- D.2.e Project Advisory Committee functions in project management
- F.1 Field for selection of subgrantee agencies
- F.2 Criteria for selection of subgrantee agencies

D. Administrative (cntd.)

F.3 Criteria and process for subgrant selections
F.4 Size of subgrants