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Practical Approaches to PVO/NGO Capacity Building

Lessons from the Field

1. *Approaches for Capacity Building Programs*
2. ***Activity Design and Development***
3. *Activity Monitoring for Sustainable Results*
4. *Financial Management*
5. *Institutional Development*

Senegal PVO/NGO Support Project
USAID Project #685-0284

USAID

Monographs by:

TERA

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A Description of the Monograph Series

"Practical Approaches to PVO/NGO Capacity Building" is a five-monograph series, which is intended to help the program manager in identifying and supporting sustainable development activities while also building the capacity of implementing organizations - both at the community level as well as with the intermediary nongovernmental organization (NGO). It is based on the experiences of the New TransCentury Foundation Umbrella Support Unit (USU), managers of the USAID/Senegal PVO/NGO Support Project. NTF has been assisted by Yirawah International in providing international short-term technical assistance to the Project. The five monographs include:

1. Approaches for Capacity Building Programs
2. Activity Design and Development (including rapid and participatory appraisal techniques, and logical framework)
3. Activity Monitoring for Sustainable Results
4. Financial Management (including financial analysis, budgeting, and financial systems and procedures)
5. Institutional Development (including participatory institutional diagnosis, and institutional development plan)

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Acronyms & Terminology

CC	Consultative Committee
CONGAD	"Conseil des ONG d'appui au developpement" Council of NGOs in Support of Development
DAF	Administrative/Financial Department (of USU)
DIF	Institutional Development/Training Department (of USU)
IRR	Internal Rate of Return
MARP	"Méthode Accélérée de Recherche Participative" or Participative Rapid Appraisal
NGO	Non-governmental Organization
NPC	National Project Committee
NPV	Net Present Value
NTF	New TransCentury Foundation
The Project	The Senegal PVO/NGO Support Project
PVO	Private Voluntary Organization
RRA	Rapid Rural Appraisal
USAID	United States Agency for International Development
USU	Umbrella Support Unit (managers of the Project)

1. Context of Activity Design and Development Monograph

1.1. Purpose of this Monograph Series

A series of five monographs has been developed to describe the key elements in instituting a comprehensive program of sustainable development which includes capacity building of the local institutions involved. The series is based on the methodologies and tools developed and/or modified by the managers of the USAID/ Senegal-funded PVO/NGO Support Project, the New TransCentury Foundation's Umbrella Support Unit (USU).

Definition

Capacity building programs are intended to strengthen an organization's ability to provide quality and effective services, while being viable as an institution. This means supporting an organization to be *programmatically* sustainable (providing needed and effective services), as well as *organizationally* (with strong leadership and having the necessary systems and procedures to manage by); while assuring that it has sufficient *resources* (human, financial and material) which are utilized well. Finally, this support must help the organization understand the external environment (political, economic, and social) it operates in, and to develop a relationship with it that is sufficiently stable and predictable

Sustainable development is achieved when local institutions are able to strengthen their beneficiaries' ability and capacity to handle programs using their own "know how". USAID, through their reengineering activities, has reemphasized their commitment to development that is sustainable, as well as designed and implemented in a participatory fashion. There are, as a result, an increasing number of projects with the objective of increasing the organizational capacity of client groups, at the community level as well as with intermediary NGOs.

1.2. Objectives of the Activity Design and Development Monograph

This monograph, Activity Design and Development, has five principal objectives:

1. To address a key constraint to successful local development: weak project design;
2. To present a common framework for the development of feasible community-based activities;
3. To identify and explain the key tools for implementing this framework;
4. To clarify the types of decisions that need to be made in deciding how to use the framework and tools and potential trouble spots in their application; and
5. To present examples of the impact and lessons learned from the utilization of this framework.

At the time the PVO Project was designed, the demand for NGO services far outpaced their capacity. Statistics compiled from the Government of Senegal in the late 1980s illustrate the realities of NGOs in Senegal: nearly 70 percent of all NGOs had been created or arrived in-country within the last 10 years; over 40 percent had annual budgets of less than $150,000 (approximately 4.000.000 F CFA at the time); and approximately 90 percent of the financing of national NGOs came from outside the country.

2. Activity Design

2.1. Activity Design Approach

In the past, many NGOs have commonly used "ad hoc" methods of designing activities. They have reacted to beneficiaries requests or donor requirements without clearly identifying the overall objectives or developing action and financial plans for implementing various activities. The Project's approach supports NGOs and beneficiaries in developing and strengthening their ability to more objectively design an activity by considering all factors that will affect its implementation such as financial, organizational and institutional concerns. These factors, when taken into consideration during the identification and planning phases of an activity, will greatly improve the likelihood of long term sustainability and impact on the community.

The activity design approach, presented in Table 1, includes six different steps. These steps are listed in chronological order, starting with the diagnostics of the setting and concluding with a summary and review of project elements. Each step has a corresponding tool that NGO project managers utilize to achieve the desired outcome. These project design tools are described in detail with illustrative examples in the following chapter of this monograph.

> Between December 1992 and January 1994, PVO/NGO Support Project received 115 grant proposals from NGOs operating in Senegal. Nineteen grants were submitted between February 1994 to April 1995 and during the reformation period (February 1994 to April 1995), 76 grants were received. To date, the National Policy Committee (NPC) has approved 29 grants to NGOs in Senegal.

A thorough grant review process can assist NGOs in activity design. For the USU, this process consists of an internal review of the proposal followed by site visits to assess the viability of the proposed activity and the capacity of the NGO to manage it. Different departments within the Project are responsible for assisting the NGOs with organizational aspects of the activity design. During redimensioning, the Grants Management department assists the NGO clarify objectives, strengthen the technical feasibility and specify the indicators for the end of project status.

Table 1: Activity Design Approach

Project Design Steps	Tools	Outcomes
1. Diagnostics of Setting	Participatory Rapid Appraisal (MARP)	Identification of Constraints and Opportunities
2. Identify and Rank Constraints	Problem Tree	Analysis of the relationship between cause and effect
3. Identify and Rank Objectives	Objective Tree	Ends/Means analysis
4. Determination of Actions	Criteria for choosing actions	Actions to undertake
5. Timing and costing of actions	Analysis of Alternatives Resource Analysis	Time tables of activities Budget
6. Summary and review of project elements	Logical Framework	Finish Project Design

DIF, the capacity building and training department within the Project, helps NGOs to develop intermediate indicators to assess implementation progress. DAF, the financial department within the Project, consults on budget format requirements and again to help strengthen the financial planning section of the activity design. This assistance may occur after the initial field assessment of the activity goals and objectives, as well as during redimensioning. After the activity has started, workshops on logical framework and monitoring and evaluation are held, and DIF provides assistance to the NGO to review and finalize their logframe.

2.2. Results from Using the Activity Design Approach

This approach to activity design has been utilized by the NGO community since May 1992 when the first of regular activity design workshops was offered. The results from using the approach have been encouraging.

Better Quality of Proposals: The USU staff reports that NGOs utilizing this design approach submit better structured proposals, with more realistic budgets and workplans.

Now more of the proposals submitted include the essential components required for implementing a development project and the ideas submitted are more realistic in terms of communities needs. The improvement in project design has been most pronounced among locally-based NGOs who, prior to the project, had very limited experience in designing projects seeking financial support.

Time Savings: One of the most noticeable outcomes from using the approach has been the reduction in time that NGOs must spend to develop and redefine activity designs. After training, NGOs are able to more efficiently define their activity objectives and develop better structured budgets and workplans in a shorter period of time. PVO/NGO Support Project personnelreport that for the last generation of activities receiving grants, the review and redimensioning process was reduced from two to five months to only 45 days. This reduction in time is directly linked to NGOs' improved organizational and planning preparations as a result of training and the technical assistance they received from the PVO/NGO Support Project. Reduced time spent in project design, of course, also translates into a savings in cost for the Project, NGOs and participating communities.

Multiplier effect: Another positive outcome has been the increase in number of persons who have either directly or indirectly learned and are using the tools advocated in the activity design approach. To date, the Project reports that 150, or half of the registered NGOs in Senegal, have been trained in this approach. Many of these NGO representatives have gone on to teach others in the NGO community on this approach. In at least one case, a participant has become a project design training consultant to other NGOs on how to develop effective budgets, logical frameworks and project proposals.

Success Stories: Of the 150 NGOs who have received training and technical assistance since mid 1992, more than 20 percent have gone on to receive grants from other international donors. One local NGO has been successful in designing a project that received a grant from a Belgium development agency. The proposal was developed without the assistance of an outside consultant. Another local NGO, whose initial proposal to the PVO/NGO Support Project was rejected, went through the training programs. The following year they succeeded in receiving not only a grant from the Project, but also from another international development agency.

An increase in the number of grants awarded does not necessarily guarantee that NGOs will go onto successfully implement sustainable, community-based projects. It is, however, an indication that they are becoming more aware of the key elements to include in an activity design.

3. Tools Used For Activity Design

This section describes the five tools that have been selected and adapted by the USU to assist NGOs in developing activity designs. It is important to note that these tools are interdependent and, although they are described separately below, they must be used collectively to assure a sound activity design. In addition, the tools are constantly being tailored by Project staff to more closely address the needs and local conditions of NGOs and beneficiaries in Senegal. They have also been adapted to more effectively meet changes in proposal and project management requirements of the donor community and government sponsors.

For each activity design tool, the authors have provided a general description, content and procedures, strengths and weaknesses and adaptations over time. Tables are included which summarize the key characteristics and functions of each tool. Success stories provide illustrative examples of how the tools are being applied.

3.1. Participative Rapid Appraisals (MARP)

Description: Participative Rapid Appraisals, or "Méthode Accélérée de Recherche Participative" (MARP) as it is called in French, is an intensive and rapid research method oriented towards gaining a better understanding of conditions of both rural and urban populations. MARP is similar to Rapid Rural Appraisals (RRA), utilizing small multidisciplinary teams that employ a variety of methods, tools and techniques in order to obtain a more comprehensive understanding of targeted areas during the activity design phase. A particular emphasis is placed on accessing the knowledge of local populations and combining this knowledge with modern analytical techniques.

This participative approach has not become a cure-all but rather a guideline for ways of working with local populations in collecting key background information. The USU activity design seminar includes a session to familiarize participants with the methodology of MARP. MARP is also used by the Project during field studies prior to awarding grants, to evaluate the potential impact of development activities, the degree of involvement of beneficiaries in identifying expressed needs, their experience and planned involvement in the implementation and management of programmed activities.

Content and Procedures: The most distinguishing characteristic of MARP is its interactive approach. It puts emphasis on continual participation of local populations by utilizing specially adapted tools and techniques. These tools, when used together, improve the quality of information obtained.

Table 2 presents the four objectives of MARP (exploratory, thematic, evaluation and participative planning) and the tools used by team members to accomplish these objectives. Table 3 presents a summary of the primary tools used during MARP. The approach is organized to incorporate the following steps:

1. identification of activities;
2. site selection;
3. selection of multi disciplinary team;
4. collect and review of secondary data;
5. elaboration of objectives of field studies;
6. planning of field activities;
7. field activities; and
8. data analysis and writing reports.

Strengths and Weaknesses of MARP: There are many advantages to using MARP as a research tool. MARP incorporates several different types of tools and techniques while taking into consideration the behaviors, competence and procedures necessary for interdisciplinary team work. Local population's participation in the research allows the activity

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Table 2: Participatory Rapid Appraisals (MARP) Applications

	Exploratory	Thematic	Evaluative	Planning
Objectives	• Collect data on general problems • Concentrate on priority problems	• Deepen the understanding on the specific identified theme, generally through an exploratory MARP	• Evaluate the results of a program or an action	• Involvement of the population in the planning and the readjustment of action that affect them
Results	• Develop a preliminary hypothesis that can guide further research	• Development of specific hypotheses • Recommendations for an action to implement	• Revision of base hypothesis • Readjustment of the program	• An identified program or plan and put in place by the population themselves
Examples	• Studies of agrosystems in a given zone. • Identify the priority needs for a given community	• Studies on health problems • Studies on villagers' knowledge of agro-forestry	• Evaluation of a new technology in the zone • Evaluation of a project activity	• Participative action for the development of a management plan of local resources

design team to rapidly collect good and pertinent information within a reduced time period. In comparison to traditional research methods, MARP is a better optimization of benefits/costs.

The informality and flexibility of MARP favors interactions directly with the local population, which in turn, encourages their support and participation during future phases of the activity. Due to the relatively short time period taken to collect information, more time can be spent on analyzing the data which should lead to a stronger activity design.

Although there are many advantages for using MARP during design, it also has several shortcomings. One of the greatest difficulties of MARP is developing an appropriate team composition and working relationships. Members often have very differing beliefs and attitudes that must be reconciled during the course of the study. In some cases, it is difficult to find members with the appropriate knowledge and background. Some experts have criticized this type of study, stating that the information is not collected in a scientific manner. But, due to time and financial constraints, it is increasingly becoming a preferred assessment tool.

The USU has faced several implementation difficulties in using MARP for activity assessments. For example, it has been difficult to anticipate the time required to complete assessments. Some data collection takes less time than anticipated, while other types of information may take longer to obtain. Another problem is that, in some circumstances, it has been difficult to maintain the continued involvement of the community during the course of the research.

Adaptations made: There have been several adaptations developed by the Project to respond to the specific needs of the NGOs and the USU. From the NGO standpoint, MARP has been adapted during design activity to include more community participants. Efforts continue to incorporate the suggestions and recommendations of a diverse cross-section of beneficiaries in design activity.

During field assessments, the USU uses MARP tools in conjunction with a set of criteria

Table 3: Summary of Tools Used in Participatory Rapid Appraisals (MARP)

What? (tool)	Why?	When?	Where?	How?	By whom?
Historical profile	General information on the major earlier events, significant for the objective of the research	At the beginning of the survey	At the village level and/or with a village elder	A semi-structured interview	The villagers or elders
Maps	• Perception and representation of the setting for the population themselves • Available resources, housing, and infrastructure (management, uses, etc.) • Social tendencies, problems, opportunities, and possible solutions	End of the first day	Preferably at the meeting place at village level or in any other public place	Depending on the capacity of the villagers in the field or on paper	One of several villagers
Transect/cross section	Knowledge of the setting and the overall environment	The earliest possible	In the village and surrounding area	ISS and by foot if possible	Team accompanied by some villagers
timetables	Sensitivity of different cultures and the availability of work patterns and the annual employment of time	During the studies- to decide in the field	In the village	ISS Team if possible	With people from the village
Diagrams		Depending on the opportunity	An assembly/ meeting	In writing, semi-structured interviews	Team assisted by villagers
Prioritization classification	Knowledge of beneficiaries prioritize between different alternatives	Depending on the opportunity	In the village	Semi-structured interviews-system of comparison	Team assisted by villagers
Classification of living standards (prosperity level)	Take into account the point of view of the poorest and verify the impact of the project on the living conditions	Depending on the opportunity	In private	Definition of prosperity by the villagers and interpretation based on results from three groups	By team and three informants selected from three groups
Secondary data	Review of the data and existing documents on the zone or on the subject of the study	Before going to the field, preparatory phase	In place of the team meeting	Collection and analysis of studies or documents in the interest of the object of the study	By the NGO or the team
significant remarks	Understanding of the village customs and the uses of proverbs	During the entire MARP		Stay attentive to messages and/ or codes used by villagers	By the team
Restitutions	Verification of information collected, of diagnostics and primary conclusions	At the end of the MARP	In the village	Discussions and exchange from villagers' feedback	By the team
Semi-structured interviews (ISS)	Appreciation of knowledge, relation priority choice and needs of groups or in the community	During the whole study-function of availability of informants	To be determined by the informants	Informal discussions based on a flexible checklist	Team and community in general

which vary depending on the size of the grant. Large grants have more stringent requirements than the smaller-sized grants. Another adaptation is that teams now use MARP techniques to assess urban as well as rural development activities.

Success Stories: The Senegal PVO/NGO Support Project has been successful in training over 200 people from 45 NGOs, as well as resource people (consultants and Project personnel) in MARP and used MARP for impact assessments of 47 activities. At least 25 percent of these organizations have used this methodology for design of their sub-projects. Certain NGOs have begun to attach their findings from the MARPs to their project proposals.

Another success has been the creation of the "Integrated Network of Support and Development". This network, composed of individuals who participated in one of the Project MARP workshops, provides technical assistance to member organizations using MARP as a tool for evaluating beneficiaries needs. This network solicited a grant for institutional support from the USU.

3.2. Problem/Objective Trees

Description: Problem and Objective Trees are tools used at the onset of an activity design to illustrate graphically the hierarchy of problems in a community and their possible corresponding solutions. Problem Trees are developed prior to objective trees using input from MARP to analyze the causes and effects of a particular problem or problems in community. For example, if low incomes are identified as a problem, design teams can then trace the root of the problem to its base level. The low incomes might be a result of poor health which in turn, can be partially attributed to diseases in a community. These stages or " branches" can then be presented in a tree diagram to show the various levels of the challenge facing a community (See Figure 1).

An Objective Tree, on the other hand, takes a positive and proactive approach to determine the types of interventions a community can implement to overcome the problems. Results from this exercise enable the NGO and community to select the objectives of their proposed activity. The process of developing an Objective Tree involves first identifying a goal, then objectives, and then the results and subsequent development activities that a community can implement. An example of this might be a goal of achieving food self-sufficiency. An objective might be to improve the potential of producing enough cereal. The corresponding results and activities, would then be to provide farmers with enough improved seed in order to increase cereal production. An example of an Objective Tree is illustrated in Figure 2.

Content and Procedures: The Problem and Objective Trees provide the research design team a method to evaluate problems and identify possible actions. The procedures used in the development of the trees involve four steps:

1. developing the tree;
2. determining the homogeneity/levels of each objective;
3. verifying the independence of each objective grouped at the same level; and
4. verifying the degree of contribution of each objective with higher levels on the tree.

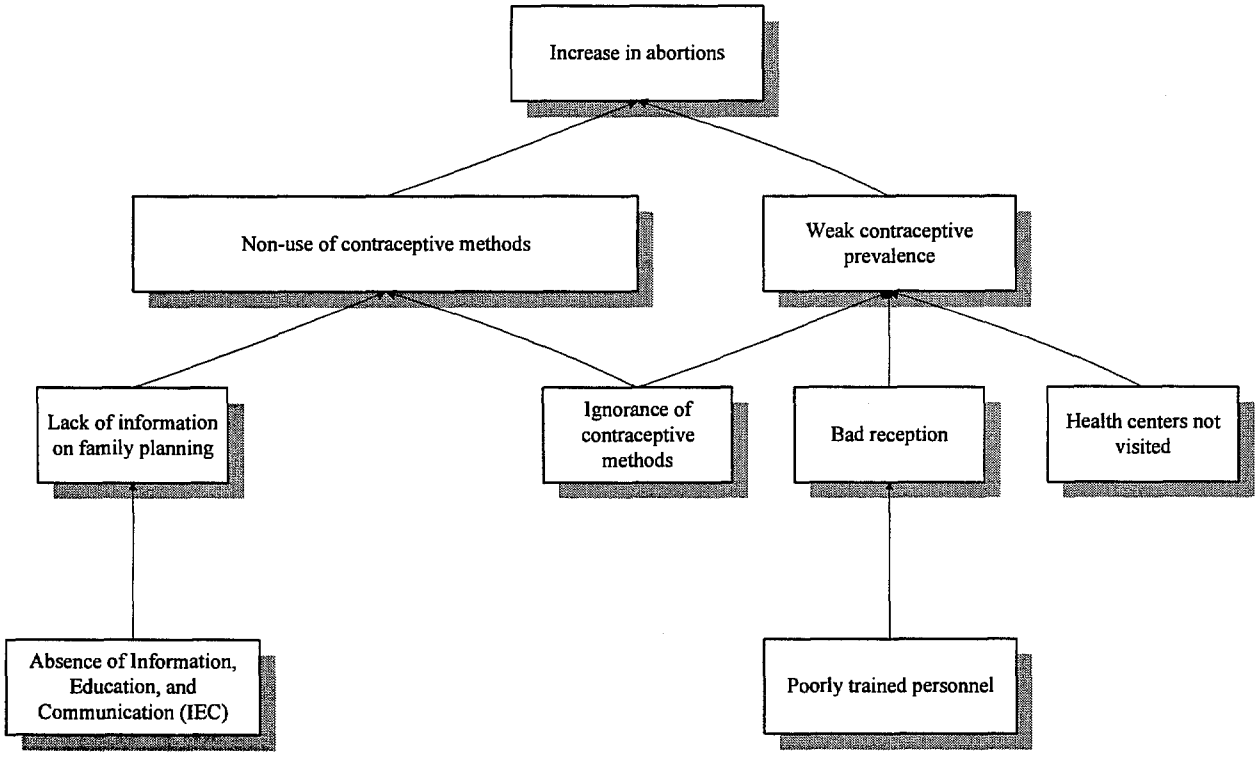
Brainstorming is often used to initially develop the elements on the tree.

Strengths and Weaknesses of Using Trees: One of the greatest advantages of these tools in activity design is that they are simple to use and understand. The trees provide a good starting point for identifying development activities and are a relatively fast and uncomplicated way for a research team to communicate and present their ideas in a graphic format. Although they identify problems and propose potential actions or interventions, the trees do not take into account the financial viability of the proposed project nor the time involved to complete development activities. Therefore, they should be used in conjunction with other design tools such as logical frameworks, financial analysis and budgeting.

For Problem Trees, many NGOs have difficulties understanding the difference between the cause and effect of certain problems. A frequent difficulty with Objective Trees is distinguishing between the purpose, objectives and sub-objectives. Some NGOs have also had problems understanding the inter-dependence between objectives on the tree. Although the trees often show the vertical relationships between stages, NGOs sometimes fail to examine the horizontal relationships between objectives that are on the same level.

Adaptations made: To overcome the application difficulties, the Project has modified their activity design training program. First of all, training no longer follows a case study approach, but instead calls upon NGO participants to work in groups to develop their own problem and objective trees based on problems that they have encountered in their communities. Each group must then present their findings to the other groups and explain not only the cause and effect relationships and their project's objectives and goals but the horizontal relationship and interdependence among the objectives and actions. As a result of these adaptations, NGO participants develop location-specific examples of how they can use these tools in their own communities.

Figure 1: Problem Tree



Source: USU Training Manual

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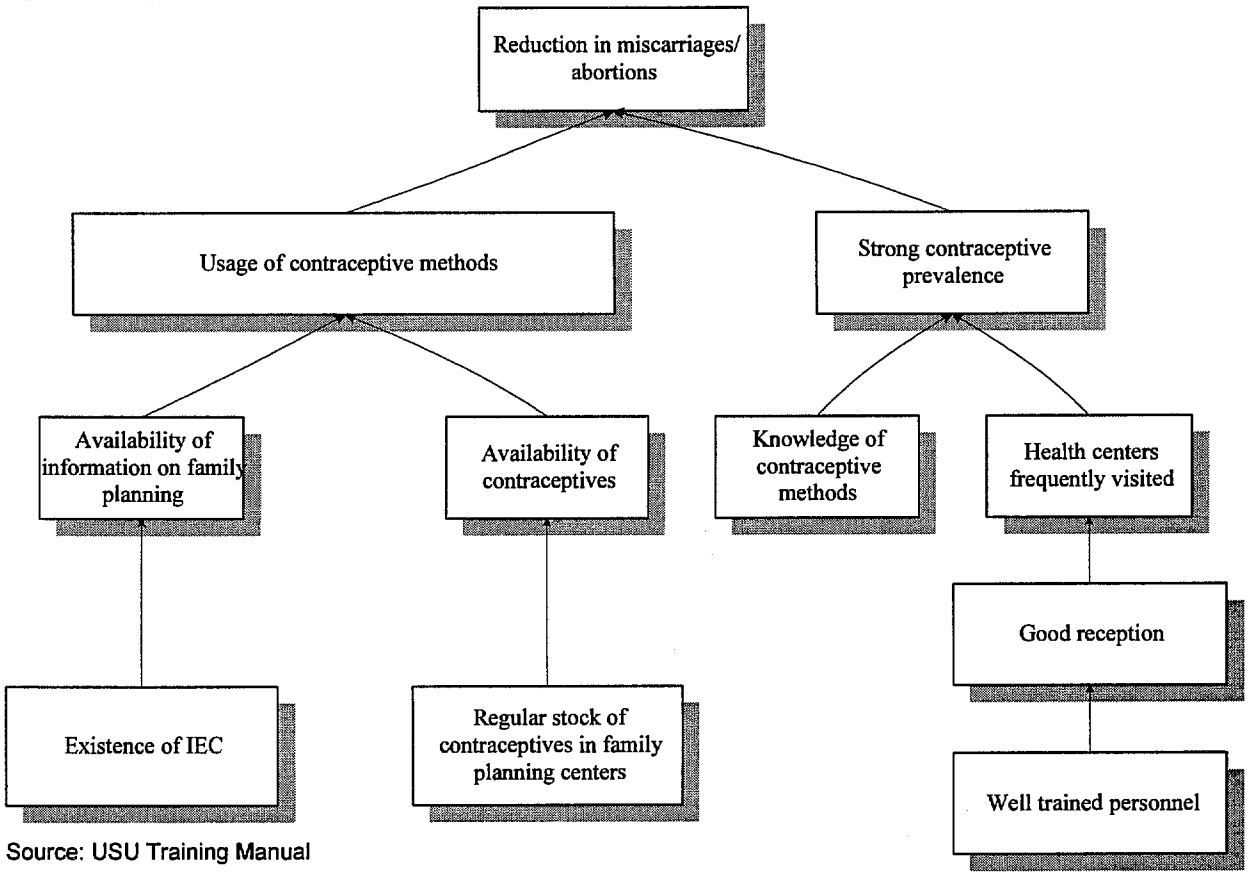
Figure 2: Objective Tree



Source: USU Training Manual

Success Story: The PVO/NGO Support Project staff report that new proposals submitted to the Project now often include problem and objective trees with much better defined goals and objectives. This, in turn, has lead to better identification of actions and the subsequent costs which are needed in future stages for developing budgets.

3.3. Financial Analysis and Budgeting

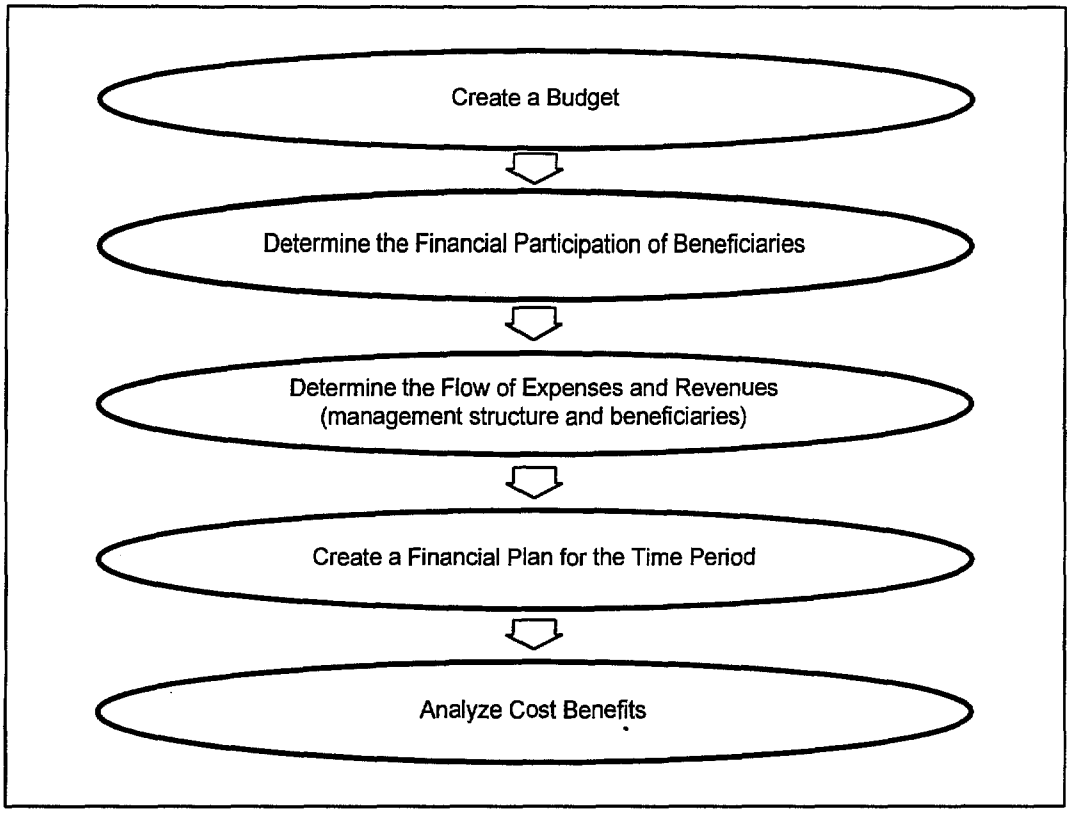
Description: Once the rapid appraisals have been conducted and problems and objectives identified, the design team must determine the costs for implementing the activity and assess financial viability and sustainability of the proposed activity. Financial analysis and budgeting are the design tools that the Project uses to strengthen NGOs and beneficiaries capacity to accomplish these tasks. Financial analysis examines the viability of activities at the community level during and after donor assistance. Budgeting, on the other hand, determines the resources necessary to implement the overall program funded in part by the donor.

Procedures and Content: The Project provides NGOs training and on-site technical assistance on financial planning and budgeting. NGOs are encouraged to utilize the five steps in Figure 3 when determining financial feasibility of an activity.

In order to complete these steps, the USU works with the NGO to conduct financial assessments during site visits to determine the viability of proposed activities. This involves examining local supply and demand conditions such as prices and volumes of products available.

In order to prepare a budget, NGOs are assisted by the Project to distinguish between the

Figure 3: Simple Approach to Financial Analysis



different types of costs and revenues. Examples of direct costs include specific activities tied to the implementation of the project such as human resources recruited for the project, equipment, operating costs, training courses, monitoring and self-evaluation. General costs are those necessary for NGO operations, even if the activities were not implemented. Table 4 identifies the different categories of costs to include in a budget. Examples of revenues would be funding received by donors or government, or in-kind contributions of community participants.

Strengths and Weaknesses: The greatest benefit to using financial analysis during the design phase of an activity is that is permits anorganization to access the finances necessary for a feasible activity. Financial analysis during project implementation allows ongoing monitoring of the true viability of the activity.

The financial analysis tools also allow NGOs and beneficiaries to account for the labor and payment-in-kind contributions of beneficiaries participating in development activities as well as depreciation on equipment and interest earnings through credit programs. A weakness is that valuing certain costs is sometimes difficult to quantify. For example, the opportunity costs of land and labor are difficult to estimate, especially in rural settings where there are few employment alternatives.

During the financial analysis, market studies are conducted of targeted project sites, but there is often a lack of good information on prices and availability of goods and services. Therefore, in some cases the financial analysis can be distorted depending on the reliability of data collected.

The primary strength of the project recommended approach to budgeting is that it not only examines all different types of costs and revenues, but also distinguishes between expenses incurred for overall NGO operations verses those related to specific community-level activities.

When developing budgets, NGOs and beneficiaries often have difficulties distinguishing between indirect costs and costs that are shared between the project funded activities and those activities funded through other sources. There are also problems when trying to differentiate between a revolving fund at the accounting level for the project and a revolving fund at the community level.

Adaptations made: The USU has observed that the technical competence of the NGOs is generally strong, but many have minimal expertise and experience in financial analysis and budgeting. Consequently, the Project has offered several basic financial and budget training programs while increasing the number of site visits to reinforce technical assistance in finance for NGO staff members. The Project has also strongly encouraged project managers as well as NGO accountant, to participate in financial training programs so that they will have a better understanding of the considerations that must be included in financial analysis and project budgeting.

Risk factors when conducting financial analysis were initially included in activity design training, but were later eliminated. For the time being, the Project has not offered training to local NGOs on measures of activity worth such as calculating payback periods and estimating net present value (NPV) and internal rate of return (IRR). These concepts could greatly help NGOs to begin learning about the time value of money and how the flow of financing over the life of the project could be optimized. The Project staff is aware of these tools, but have concentrated on a more basic level of budgeting.

Table 4. Budget Categories of Costs

Type Of Costs	Category	Examples	
Direct	Human Resources	Personnel (Permanent, consultants, assistants) Salaries Fringe benefits	
	Investments	Buildings Material and office furniture for activity Revolving funds	
	Training	Seminars Visits Transport Vacation	Presentation Materials Study Tours Food Per diems
	Monitoring/Evaluation	Consultant fees Per Diems Logistical expenses	
	Operations (for activity only)	Office rent and consumables, Communications Transportation, utilities, maintenance	
Indirect	General	Communications (telephone, fax, etc) Water, electricity, rent, maintenance Administrative expenses/support	
	Other	Head Office	

Source: Senegal PVO/NGO Support Project, Project Design Seminar, 4-6 and 18-19 May 1992.

3.4. Logical framework

Description: A logical framework is an analytical tool used during activity design to identify and clarify the logical linkages between objectives, actions and results. It is presented in tabular format with four columns (summary description, indicators, means of measuring and key assumptions) and four rows (global objective, project objectives, outputs and inputs). An example of a logical framework developed by NGO participants during a training seminar in Senegal is presented in Table 5. The table demonstrates how project managers can take a global objective such as improving food security in a village and develop a list of the necessary actions in order to achieve that objective. Identification of indicators and how they will be measured gives the project manager the tools needed for monitoring and evaluation. The final column presents the assumptions made on the logical framework design (i.e. prices remain constant, etc).

Content and Procedures: The Project follows the steps to develop the logical framework during the design phase described by Brinkerhoff and Tuthill in "La Gestion Efficace des Projets de Developpement". They are as follows:

1. define the project's objective;
2. identify the outputs/results supporting the objective;
3. identify the inputs that correspond to the outputs;
4. determine the overall objective of the project;
5. verify the vertical logic to see if the "how?" and "for whom?" questions are being answered;
6. define the assumptions/conditions that influence each level;
7. find realistic indicators for each level of the logical framework; and
8. identify the ways of verification for each indicator chosen for evaluating project activity.

Strengths and Weaknesses: One of the greatest strengths of a logical framework is its ability to improve communication and consensus among participants in activity design. It can clearly indicate how the achievement of each objective will be verified and facilitate the management of inputs needed to accomplish these objectives.

There have been several logistical problems encountered when developing logical frameworks. For instance, since they are participatory, it is often difficult to regroup the design teams to develop the tables. Another problem is that from past experiences, participants often forget to take into consideration the assumptions that must be made to achieve certain objectives. Some NGOs have difficulties selecting appropriate indicators and determining how the indicators should be measured. For example, NGOs involved in child nutrition programs may choose weight- for-age as an indicator of their activity's success. They may fail, however, to consider that children with some types of malnutrition diseases actually gain weight through water retention. Results may also be skewed if they use weight for age charts from developed countries where children typically are larger.

Another common problem is that participants often select too many development activities and consequently place too many objectives in their logical frameworks. This leads to confusion when trying to determine the horizontal relationships between the objectives. Participants also frequently have problems differentiating the difference between global and project or "activity" objectives. In Table 5, for example, the global strategy is to assure food security. At the activity level, however, the NGOs targeted the production of sufficient cereal supplies since they may not be able to combat each and every problem stemming from the food insecurity problems in the community.

Adaptations made: Based on experiences in the field, the USU now encourages participants to develop a separate logical framework for each activity's objective. In this way, the NGOs can

Table 5. Example of a Logical Framework

Summary Description	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
Global Objective: Assure that the food security needs of the population are being met	85% of the villages food needs are met by end of project 80% of households provide 2 kg of cereal per day during the 3 years.	Village-level surveys	
Project Objective: Produce a sufficient quantity of cereal	100 T of harvested cereal per year by the end of project.	Harvest journals Calculation of yield per hectare	Condition that producer prices are controlled
Outputs:			
1. Cover needs for improved seeds	10 T of seed available and distributed before planting	Accounting records	
2. Assure good phystosanitary coverage	30 hectares of land treated	Distribution registries Extension reports Interviews with villagers Field visits	
Inputs:			
1. Collect seeds	50 kg of each variety collected per household per year.	Collection notes from visits	
2. Construct silos	15 silos constructed before the end of the project	Construction of silos	
3. Teach villagers treatment techniques	206 villagers trained during 10 year period	Visit during training	
4. Distribute the phytosanitary products	1 kg of phytosanitary produce per hectare plowed	Training sessions	

Source: Senegal PVO/NGO Support Project Training Seminar on Project Design, October 1995.

target more precisely the types of actions that must be developed and how these interventions will be measured. Since many of the NGOs have difficulties with the concepts, the USU now provides a separate training program to NGOs on developing logical frameworks.

Success Story: A locally-based NGO developed a proposal and budget for a three year development activity for a Belgian partner. The grant was accepted, according to the partner, mainly due to the superior logical framework that was presented in the proposal.

3.5. Proposal and Budget Format

Description: After completing the participative rapid appraisals, problem and objective trees, financial analysis and budgeting, and the logical framework, the NGOs are ready to prepare their activity proposals and budgets. The proposal provides a way of organizing information into a clear and logical document that includes all the information required by potential funding sources. The format for proposals usually includes a title, background and identification of problem, a description of the proposed activity,

analysis of the activity, a skill transfer plan to the beneficiaries, and the desired results. The budget format contains a breakdown of different activity costs (both direct and indirect) as shown in Table 4.

Content and Procedures: The format for the proposal is outlined in Table 6, based on the Activity Proposal Outline advocated by the USU. Proposals and budgets are prepared by the NGOs and submitted to the USU for review and approval. Once the proposals are reviewed, the project staff will begin the "redimensioning" process where the proposal is critiqued and returned to the NGOs for revisions. On several occasions in the past, the staff has recommended that the NGOs who have requested larger grants re-evaluate their budgets and re-apply for a smaller-size grant.

Strengths and Weaknesses: The strength of the proposal outline is that it assists NGOs in understanding the key components for communicating their activity when requesting a grant. Clear presentation of activity design and budgets have enabled many of the NGOs to compete for and receive grants from other funding sources and to prepare their own proposals without the assistance from outside consultants. A few NGOs continue to have difficulties preparing budgets, but through the redimensioning activity, the organizations are given individualized assistance on the sections of the proposal and budget that need to be revised.

Adaptations made: There have not been significant changes in proposal and budget formats. For the most part, the proposal outline is clear and comprehensive and provides NGOs with the appropriate elements to include in a grant proposal. The redimensioning process helps NGOs improve their activity design, as well as to improve quality of proposals.

Table 6. Outline of Activity Proposal Presentation

A. Introduction • Summary • Description of NGO Organization **B. General Proposal** • Analysis of Constraints • Context (physical, economic, social) • Summary of Problems **C. Activity Description** • Justification • Location, Duration, Beneficiaries • Objectives/Activities • Methodological Approach • Time frame • Action plan **D. Activity Analysis** • Technical feasibility • Socio-economic analysis • Institutional and Organizational feasibility • Environmental analysis (if necessary) • Financial feasibility (financial analysis table and description)	**E. Expected Results** • Financial (for income-generating activities) • Non-financial advantages (physical, social, other) **F. Monitoring/Evaluation Plan** • Indicators • Time Frame • Responsibilities (Beneficiaries, NGOs, donor, others) **G. Cost and Financial Plan** • Total cost (grant requests, beneficiaries and NGO contributions) • Financial plan • Activity Budget **Annexes** • Organizational Diagram • Logical Framework

Source: Senegal PVO/NGO Support Project Information Manual, March 1995.

4. Conclusions

There are several key observations that can be drawn from the USU's experience with activity design. First of all, strong, locally-based activity design will increase the likelihood of successful implementation. By carefully identifying problems and objectives, conducting participatory assessments and preparing financial analyses and budgets, local development activities stand a much better chance of achieving success.

Secondly, a well-organized activity design can enable more effective response to changing environmental conditions during and after initial implementation. Over the past few years, the Project has experienced several external changes such as FCFA devaluation and USAID reengineering. In each case, the USU staff was able to work effectively with NGOs to readjust their workplans and budgets in response to these external factors.

Thirdly, the ability to manage the development of a locally-based project, does not guarantee effective transfer of these skills to the community group which has the ongoing interest and often responsibility to assure the development of future related activities for improving the quality of life in their locale. The USU has observed that although many of the NGOs are now well-trained in activity design, it will take some time before the beneficiaries of these initiatives can design and manage their own activities.

Finally, activity design is only one step leading to sustainable development. Activity implementation will be discussed in the next monograph, activity monitoring for sustainable results.

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Appendix: The Senegal PVO/NGO Support Project

The Senegal PVO/NGO Support Project is managed by the Umbrella Support Unit (USU) located in Dakar, Senegal, of the New TransCentury Foundation, Arlington VA/USA. The USU is responsible for the execution of the principal project functions including training, technical assistance, grants management, monitoring and evaluation of grants, financial management, and institutional support. It is composed of 27 staff members (26 Senegalese nationals), including 12 professionals.

A.1. Background and Organizational Structure

In June 1990, the Republic of Senegal and the United States of America signed a grant agreement for the PVO/NGO Support Project, a $15 million program to be implemented from late 1991 through June 1999. An additional $6 million was added to the program 18 months after implementation began. The project purpose is to improve the living conditions of poor Senegalese by providing assistance for their development initiatives.

The Project includes two primary components: grants to NGOs for implementation of community development activities in areas of USAID priorities and institutional development support in the form of technical and financial assistance and training to increase the capacity of NGOs to provide needed services and support to local communities and groups.

The Project organizational structure consists of three main bodies: a National Project Committee (NPC), the Umbrella Support Unit (USU) and a Consultative Committee (CC). The NPC provides general policy guidance and strategies, reviews annual budgets, and oversees monitoring and evaluation of activities. Membership is composed of USAID, USU, the NGO community (through CONGAD), and representatives from the Senegal Ministry of Women, Children and Family and the Ministry of the Economy, Finance and Planning.

The USU is responsible for the technical, organizational and financial implementation for the Project. It has a director's office and three functional departments:

1. Administrative/Finance Department (DAF);
2. Institutional Development/Training Department (DIF); and
3. Grants Management Department

The Consultative Committee is comprised of NGO representatives, training organizations, donors, resource people and USU representatives. This committee provides suggestions on programs, procedures, methodologies for the strategic approach to capacity building of development institutions and organizations.

Throughout project implementation, there has been a strong commitment to locally-based, viable and sustainable development activity supported by a local NGO community whose capacity and capability has been increasingly enhanced. The Project is intended to develop and implement a program which is balanced, participative and leads to the development of a more self-sufficient NGO community, which in turn would be able to assist the development of a more self-reliant local population.

Significant time and effort has been made in developing, implementing, and improving a series of methodologies and tools to assist the project managers and other stakeholders in making decisions regarding projects and organizations to support through financial and

technical assistance and training and to assess the results of these efforts.

A.2. Characteristics of the Approach

The Senegal PVO/NGO Support Project approach can be characterized as both participative and adaptive. To encourage a sense of ownership and incorporate the knowledge of as many participants as possible, Project staff work with a large cross section of individuals during the pre-grant phase of activity design. At this time, activity assessment teams are assembled which include members of the NGO and beneficiaries from the community who are selected taking into consideration gender, age, and job disciplines so that different members of the community will all have input into the final activity design. The project provides technical assistance and training in designing and assessing development activities to team members.

During the grant approval process, the USU organizes a team of project personnel and a cross-section of local experts to evaluate the NGO's activity design. This participatory approach to design and assessments of development activity builds consensus and results in better planned projects.

The second characteristic of the project approach is adaptivity and continuous improvement. As the project has learned first hand, there are many internal and external factors that greatly affect the design and implementation of a development activity. For example, during the course of the first four years of the Project, the FCFA, the local currency, was devalued. The USAID/Senegal mission changed its country strategy as a result of reengineering, and both donors and government placed different rules, restrictions and requirements on NGOs seeking financial assistance. As a result of these factors, the USU with support from its stakeholders reacted quickly by developing new criteria for grant support and programming more on-site visits to provide technical assistance to NGOs developing project designs. The USU keeps abreast of new developments in grant management and continually refines its tools in order to improve the quality of activities supported by the project.

A.3. PVO/NGO Support Project Implementation Framework

The Project's implementation approach is characterized by two distinct components: grants implementation and capacity building. As illustrated in Figure 1 on the following page, the two components run in parallel and mutually reinforcing paths from pre- to post-grant phases of project activities.

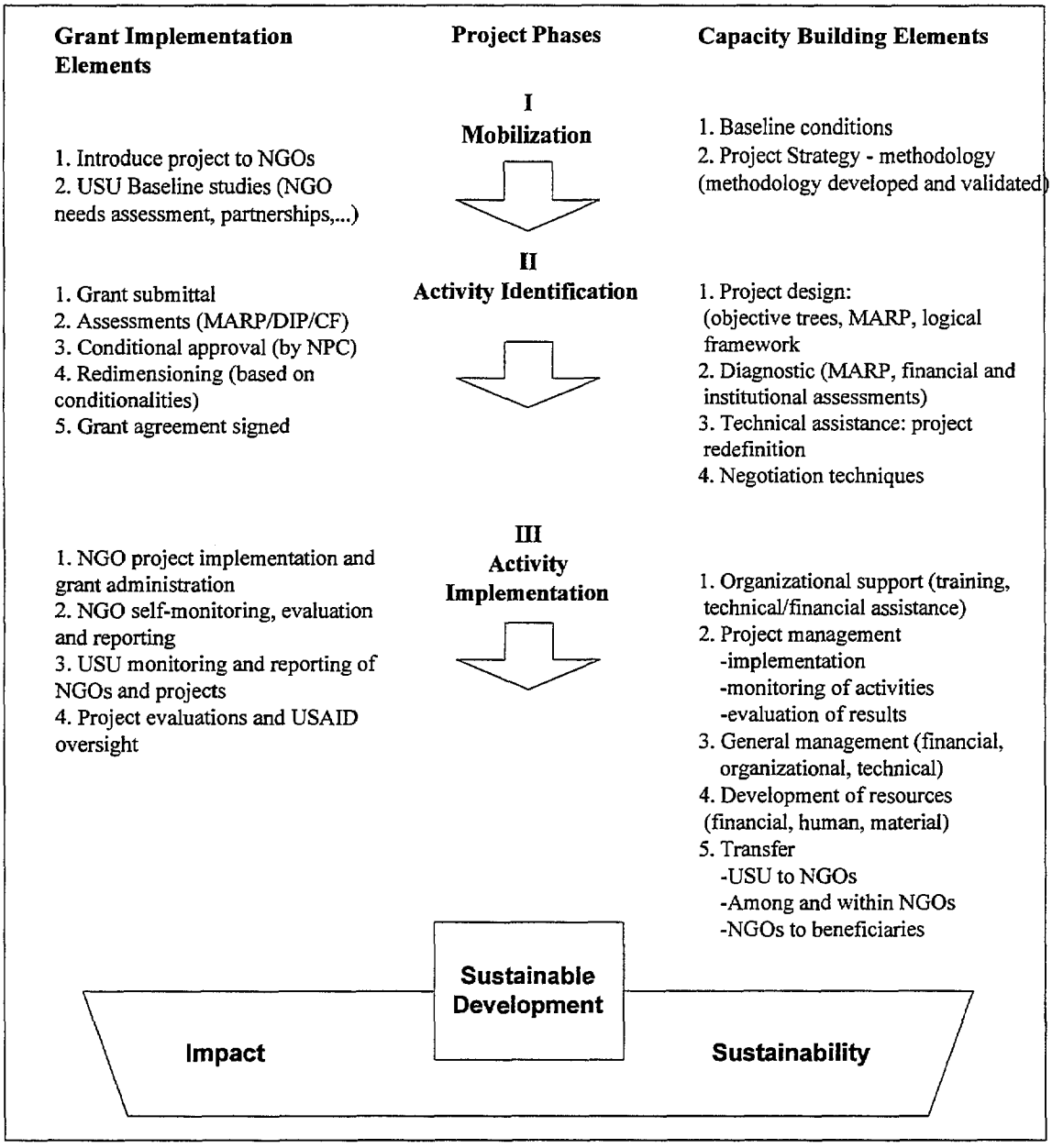
The skills developed through capacity building support are exercised and improved upon by direct application in the implementation of project activity at both the NGO and community level -- that is, "learning by doing." The project approach cycles through three phases:

Mobilization -- introducing the project to potential participants and partners and updating baseline conditions, thereby getting inputs for and developing project implementation strategies and methodologies;

Activity identification -- including the tasks necessary to identify, select, and sign grant agreements for the implementation of locally-initiated development activities; along with parallel support to potential grant recipients to increase their capacity to identify community-level needs and design corresponding programs of response whose implementation is feasible; and

Activity implementation -- including tasks at the project management/donor, NGO and community levels in order to assure effective implementation of activities and utilization of resources; along with organizational support in project and organizational management, development of resources, and transfer of these skills, systems or procedures to NGO and community-level partners.

Figure 4: USAID/Senegal PVO/NGO Support Project Approach



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The successful execution of these three phases leads to developments that are organizationally sustainable in the long run and have impact in the communities they serve.

A.4. PVO/NGO Support Project Operating Strategy

The Project's preliminary operating strategy was developed in 1992 and provides the foundation for all operations. During this time, the USU staff and policy committee (NPC) identified several key operating principles to guide the overall direction of the project.

- Decisions regarding project choices should be made on the basis of their "value-added" to development in Senegal.

- Organizational development as a means to increased self reliance and improvement of activity results is a project objective at two levels: the community and the NGO level. This is an ongoing process where individuals and organizations regularly review their operations and make modifications to improve current and future results.

- The USU will operate in a participatory manner with all its partners, maintain transparency in its procedures, and maintain the flexibility to make changes in its approaches as the need dictates.

- The active involvement of women in all aspects of the project should be inherent in project operations.

- Project activity should respect the environment and strive to make environmental considerations a constant factor in decision-making.

The project adopted an implementation approach of "continuous improvement" for all project partners, similar in its precepts to those for the "learning organization".

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