

Bureau for Democracy, Conflict and Humanitarian Assistance
Office of Private and Voluntary Cooperation

**PVC-PVO Consultation:
Key Practitioner Issues**

October 24, 2002



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GLOSSARY OF ACRONYMS

CDIE	Center for Development Information and Evaluation
DCHA	Bureau for Democracy, Conflict and Humanitarian Assistance
ISO	Intermediate Support Organization
NGO	Nongovernmental Organization
PVC	Office of Private and Voluntary Cooperation
PVO	Private and Voluntary Organization
RD&O	Research, Development and Outreach
SEEP	Small Enterprise Education Promotion Network
UNDP	United Nations Development Program
USAID	United States Agency for International Development

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1. INTRODUCTION

The Office of Private and Voluntary Cooperation (PVC) is committed to developing a proactive research, development, and outreach (RD&O) agenda under its new five-year strategic framework (2003-07). The purpose is to identify and disseminate information on the most effective interventions to achieve USAID priorities in a variety of development areas. As part of this RD&O effort, PVC is committed to frank discussions and consultations with U.S. private and voluntary organizations (PVO), indigenous nongovernmental organizations (NGOs), local intermediate support organizations (ISOs), and research institutions.

***"Intermediate Result 1.3:
Wider and more effective
learning and
dissemination by
development partners
and PVC of tested
innovations, best
practices, lessons learned
and standards."
PVC Strategic Framework
(FY2003-07)***

The PVC-PVO Consultation on Key Practitioner Issues is the first step in launching PVC's RD&O Agenda. The consultation was organized around a synthesis report based on ten end-of-project evaluations under PVC's Matching Grant program.¹ The synthesis focused on five crosscutting themes identified by PVC staff as important for future programming, particularly with regard to NGO sector strengthening. The five themes selected were: partnership, networks, measuring capacity building, sustainability, and PVC management issues.

Evaluation findings were used to identify three program issues – partnership, networking, and measuring capacity building -- that became the basis for a series of dialogues with PVOs that took place during PVC's annual PVO Conference on October 24, 2002. The dialogue sessions contained the following elements:

1. Overview of the purpose of the Matching Grant evaluations, the methodology employed, the process followed, and the resultant synthesis report.
2. Presentation of highlights from the synthesis report, as related to the three themes selected.
3. Twelve small group dialogues on the three themes, involving a total of 120 participants. Conference participants chose the topics they wished to discuss and divided into groups of ten. Four groups chose partnership; five selected measuring capacity building; and, three chose networks. Participants were given two handouts: a summary of synthesis

¹ Joan Goodin, 2002. *Synthesis Report of PVC Matching Grant Evaluations*. Washington: USAID/Bureau of Democracy, Conflict, and Humanitarian Assistance, Office of Private and Voluntary Cooperation. The major purpose of this report is to provide information that will be useful as PVC develops plans for the priorities outlined in its new strategic framework and studies the issues included in its RD&O agenda.

findings related to the topic chosen; and, a sheet to guide the group's work, including five questions to be addressed.

4. Following roughly an hour of discussion, each group gave a brief summary of results and provided a written report of the session.

The Consultation was intended to be another step toward bringing the voice and ideas of practitioners into PVC and USAID's decision-making process. This document summarizes the Consultation discussion, with particular emphasis on the views of the PVO community that emerged in the small group dialogues.

II. PARTNERSHIPS

Both current and past PVC Strategic Plans have stressed the importance of partnerships between U.S. and local organizations as vehicles for achieving sustainable development. The vast majority of participants reported that their PVOs have policies to partner with local NGOs. The majority view among participants was that partnering with local organizations is "standard operating procedure."

1. Definition of Partnership and Partner Selection

Partnership, like beauty, appears to be in the eye of the beholder. There is no clear pattern on the definition of partnership or the number and type of partners chosen by PVOs. They run the gamut from community-based groups to national-level NGOs and international PVOs, village to national government agencies, and a wide variety of commercial enterprises.

"[Partnerships are] a mutually beneficial alliance between organizations where roles, responsibilities and accountability are clearly defined. They are based on a shared vision regarding the objectives and purpose of the work undertaken together. Joint contributions of resources, shared risks, and shared control of program and financial information and planning identify partnerships."

CARE

In addition to the CARE definition (see box above), another PVO incorporates the major elements of partnership espoused by many in the community, defining it as: "a type of institutional relationship in which two or more organizations work together to achieve mutually defined goals on mutually accountable terms." This PVO further defines strategic partnerships designed to increase the capacity and scale of its programs as: "concurrent institutional relationships formed at community, national, or international levels in order to increase impact around a clearly defined policy or practice that incorporates two or more program areas."

The number of partnerships undertaken relates less to the size of the PVO than to its approach to development. One PVO with offices in 36 countries reported nearly 30,000 partnerships, while another registered 26 partnerships in 14 countries. Another organization with worldwide operations established only one partnership in each of the two countries targeted under a USAID grant.

Among the factors mentioned most frequently relating to the choice of partners were:

- Existing relationships with members of other organizations;
- Sector-specific experience in the area of project objectives; and,
- Local context and the presence of organizations with similar interests.

2. Purposes and Types of Partnerships

Clearly, partnership is not an end in itself. It must result in some greater development good that would not be attained by partner organizations operating individually. The Consultation provided insights on the purposes of the partnerships established by participating PVOs. While they were designed to pursue a wide range of technical and sector-specific outcomes, their specific objectives were to: tap into local knowledge and expertise; leverage resources; increase coverage and impact; achieve sustainable programs after exit of the PVO; advocate for policy change; test and transfer new methodologies to local organizations; improve access to local input and buy-in; and, build capacity of the NGO sector.

In a number of cases PVOs have either ceased direct project implementation, or are in the process of shifting from direct service provision to indirect service delivery through partners. In one case, the PVO was committed to increasingly shifting from a service delivery mode to one of facilitation and capacity building for any interested public or private organization that might work within the priority geographic areas identified. It sought to capitalize on the advantages of working with partners of various types and at different stages of the project cycle for the purpose of increasing coverage and impact in poverty reduction.

For another PVO that works to strengthen the private sector, “the blurring of distinctions between partners and clients” was the key to understanding its new, “very partner-dependent” strategic approach: “all the sustainable economic benefits that [the PVO] seeks to establish flow from the continued profitable operation of its partner/client businesses.”

In the Consultation five types of partnerships between PVOs and other organizations were discussed. They differed mainly in the degree of shared decision-making and governance and included:

- *Sub-grants and contracts.* The PVO awards a sub-grant or contract to a partner organization for the provision of specific services. The sub-grantee or contractor has virtually no role in the decision-making process or overall project management.
- *Dependent franchise.* In this model, the PVO takes an ownership or major shareholder position in a local organization, which then depends on the PVO for its sustenance and direction.
- *Spin-off NGO.* The PVO either spins off staff from its own operations or motivates others to create a new, local NGO.
- *Collaborating organization.* The PVO engages organizations with complementary expertise in the same area or sector to collaborate in the pursuit of goals and objectives of mutual interest.

- *Shared vision or co-equal arrangement.* The PVO and its partners are committed to a mutually beneficial relationship based on a shared vision and agree to be held accountable for clearly defined roles and responsibilities, while contributing resources and equally sharing risks and project control.

3. Major Constraints to Successful Partnering

Perhaps the most important lesson about partnerships that emerged from the dialogues was careful attention is required if they are to be successful. As one PVO representative pointed out, “the partnership itself, including each organization’s role in it, needs to be managed, almost as a separate entity. It is not enough to simply assess each institution separately; the actual bonds, incentives, tensions, and structural issues that help or hinder effective partnership must also be examined.” In this context, it was suggested that responsibility for actively managing important partnerships be assigned to a specific individual, and that the partnership management process contain an early warning system to detect emerging problems.

The main constraints to successful partnering that surfaced in the discussion were:

- The time required for the establishment of partnerships is substantial, and a minimum of three to five years is required to build a sustainable program.
- Lack of internal cooperation can contribute to delays and uncertainty. This includes reticence to participate on the part of PVO administrative and field staff, especially when they have not been involved in the partnership’s establishment.
- Commitment to partnership can vary across the various levels of a PVO. In some instances, management and operational systems are not fully adapted to partnerships.
- Absence of clearly understood and mutually acceptable oral or written agreements.
- Lack of clarity regarding roles and responsibilities, both within the PVO and between the PVO and its partners.
- Unequal financial status of partners. In many instances, this can lead to a donor-client or top-down interpretation of the relationship.

4. Partnership Principles and Factors Related to Successful Approaches

Shared interests or values provide powerful underpinnings for the development of some partnerships. For instance, for PVOs involved in a specific sector, such as microfinance or the environment, the identification of local organizations with like interests and the subsequent establishment of partnerships can be relatively straightforward. In many cases, these organizations are already in contact through issue-based networks or associations to which they belong. Clearly, these factors facilitate the identification of local partners and may speed the process of partnership development.

On the other hand, questions have often been raised by local partner organizations over who is driving the agenda and defining development. They do not necessarily feel part of that process, and some perceive PVOs as proxies of U.S. foreign policy, with little that distinguishes them from donor agencies. In this sense, the question remains, does identification with a specific issue or set of values reduce the time required for partnership development and how does this impact the supervisory and oversight role of PVC grantees vis-à-vis their partners?

Among the general principles discussants mentioned most frequently as important for building and maintaining partnerships were:

- Mutual trust, respect, and commitment to and responsibility for program outcomes;
- Clear objectives, roles, and separation of financial transactions;
- Transparency and accountability to stakeholders;
- Frequent communication, collaboration, and open discussion of challenges;
- Timely and creative problem solving and willingness to learn from difficulties;
- Long-term commitment to the partnership and agreements and relationships that transcend individuals; and,
- Active commitment of country director and management team and a country strategic plan that embraces the concept of partnership.

One PVO representative working in the area of microfinance identified a six-step process for building partnerships: survey and assess potential partners; conduct feasibility studies; prepare a business plan; develop a written agreement; set reporting standards and formats; and, build in monitoring and learning tools.

Another PVO representative emphasized accountability as critically important in partnerships in countries characterized by high levels of corruption. In such cases, U.S. PVOs enjoy a higher degree of trust than local NGOs and are seen as providing a greater measure of protection and ethics. This same source said building three-way partnerships is a very time-consuming and complex process because it is necessary to learn about the structures of all of the organizations involved in order to ensure sufficient internal support. A lack of institutional commitment at all levels of potential PVO, business, and USAID partnerships can lead to false starts and other problems. In the case of USAID, for example, bureaucratic hurdles and contradictory views encountered at various levels within the Agency became a serious constraint to three-way partnerships.

5. Future issues and recommendations

Discussants identified a number of issues for more in-depth examination under PVC's Analytic Agenda, including:

- Strategies for addressing the issue of leadership succession within local NGOs. High rates of staff turnover can contribute to organizational instability. NGOs can also suffer organizational inertia as founders-directors retire or are unwilling to delegate to a second generation of leaders.
- Provision of best practices and models that deal with the constraints and challenges of partnerships.
- The cost-effectiveness of USAID investments in partnership development and management, as compared with other less time-consuming and more direct approaches to achieving Agency objectives.

II. NETWORKS

The strengthening of indigenous NGO networks is an important element of PVC's new strategic framework. Since NGOs are frequently limited in capacity and reach, multi-organization initiatives that mobilize different groups around common concerns can expand NGO impact at the local and national level. Under past PVC strategies, networks have proven to be an effective means for helping PVOs and their partners identify and address problems hindering program impact and acquire the knowledge and skills needed to deal with programmatic challenges and policy issues. In addition to providing access to information, peer input, and dialogue, networks have also served as a platform for outreach to donors and governments.

Nearly all participants in the Consultation reported that networks are part of their organizations' program approach. They spoke of both formal and informal networks, noting that they are for both short- and long-term purposes. Examples of the types of networks mentioned included: educational, microfinance, medical/technical, and cooperative business networks. Some were described as "very formal, business-like," while others were informal, comprised of individual volunteers from different walks of life. A number of networks were reported to have frequent interactions with local governments and businesses.

"For lateral learning networks, the most critical challenge is to ensure that member commitment and participation are constantly nurtured and supported through processes and structures that: define and update the network's vision and goals; establish programs, their goals and objectives; and set association policy."

Building Lateral Learning Networks: Lessons from the SEEP Network

1. Typology of Networks

In general, a network can be defined as a set of relationships between and among organizations or individuals with common interests, goals, and needs. There are a wide variety of development-oriented networks operating in the U.S. and overseas. They vary by the levels at which they operate, purposes they serve, operational structures, and relationships they cultivate among their members. The four most common kinds of networks are:²

² This discussion is based on *Networks Development* (2002), a paper developed for PVC by Carolyn Long.

- *Generic NGO Networks or Consortia.* Groupings usually created at the national level, including indigenous NGOs alone or international and local NGOs engaged in development, relief, or refugee assistance. The purpose of the network is to strengthen individual members and enhance their effectiveness, as well as that of the overall NGO sector, through information sharing and dissemination, coordination of member activities, capacity building, research, and fundraising. These networks also advocate on NGO-specific issues and national or sectoral issues related to development. Examples of this type of network are InterAction, the Association of Development Agencies in Bangladesh, and the Namibia Non-Governmental Organization Forum.
- *Networks of Community-Based Organizations.* Sometimes called federations or movements, these networks are comprised of grassroots groups and associations. They are formed to encourage cooperation and collaboration among member groups via direct attention to and involvement with development programs and projects. Examples include the *Federation des ONG Senegalaises* in Senegal and the Organization of Rural Associations for Progress in Zimbabwe.
- *Sectoral Networks.* Groupings that focus attention on a particular sector through activities such as information sharing, capacity building in technical areas, program collaboration and coordination, joint research and training, and development and promotion of standards. Such networks also engage in advocacy and policy dialogue with local or national government officials and bilateral and multilateral donors. These networks are sometimes created with donor resources and often at the urging of the donor. Examples of sectoral networks are the PVC-supported Small Enterprise Education and Promotion Network in the U.S., African Forest Action Network in Cameroon, and *Groupe Pivot* in Mali.
- *Advocacy Networks.* Sometimes called alliances or coalitions, these groups are formed to engage with national or local governments or international organizations to foment political, social, or economic change. Created by organizations, networks, and activists, these alliances are often established in response to perceived opportunities or threats related to a particular issue, such as women's or children's rights, agrarian reform, or democracy. Examples include the Permanent National Forum for the Rights of Children and Adolescents in Brazil and the People's Campaign for Agrarian Reform in the Philippines.

In terms of organizational structure, two distinct types of networks – lateral learning and affiliate – were identified at the Consultation. Lateral learning networks are sector specific, distinguished by their non-hierarchical structure and diverse membership. Such networks tend to be composed of a range of independent organizations that do not necessarily share the same target clientele or development methodologies. What unites them is their interest in improving state-of-the-art practice, sharing information, and coordinating to enhance the policy and funding environment in a particular sector.

Lateral learning networks have often started out as development projects intended to mobilize NGOs for particular activities, which then evolve into networks with formal structures. Networks of this type are operating at the international, regional, and national levels. They may be informal, functioning largely on voluntary labor and in-kind contributions, or have a more formal structure, including a central secretariat with paid staff, membership requirements, and dues.

Services provided by lateral learning networks include information exchange, technical training, development of best practice materials, donor marketing, and policy coordination.³

Affiliate networks are networks in which the members are operationally or financially linked. Typically, these are formed around an individual PVO, with the network being comprised of their country offices and affiliate organizations. The purpose of these networks includes disseminating headquarters policy, harmonizing technical approaches, and achieving increased scale and replication in service delivery. In contrast to a lateral learning network, members of affiliate networks tend to share the same methodology and are frequently led by an apex institution that provides technical guidance and resources and enforces adherence to the organization's principles and goals. Finally, affiliate networks are more directly involved in members' resource mobilization efforts.

2. Lessons for Lateral Learning Networks

In recent years, PVC grants have supported a lateral learning network in the microfinance sector known as the Small Enterprise Education and Promotion (SEEP) Network. The network is made up of 56 U.S. PVOs that support micro and small enterprise programs in developing countries.⁴ Some of the lessons from SEEP described below may also apply to other types of networks, particularly those aimed at strengthening member capacity and improving service delivery.

Consultation participants identified bottom up planning, matched with shared vision and objectives as key to a lateral learning network's success. Limiting memberships to practitioners – government agencies, donors, and consulting firms are barred – also encourages the development of products that are ready for use by local institutions. Workshops, seminars, newsletters, websites, and communications are the tools of networking, but in the case of SEEP working groups formed the backbone of its lateral learning approach.

Lessons learned from SEEP's experience are numerous and instructive:

- Organizationally, define the membership, focus on the practitioner, and utilize guiding principles that acknowledge equality and community.
- Structurally, start small, expand as needed, and establish the network as a formal institution only when necessary.
- Operationally, start with one activity and do it well, foster members' engagement in governance and policy formation, and focus on products and their dissemination.

³ *Building Lateral Learning Networks: Lessons from the SEEP Network* (http://www.seepnetwork.org/LAT/SEEP_latlm.html).

⁴ The objective of the grant was to increase the effectiveness of microenterprise development practices among U.S. PVOs and their southern partners through institutional development services. SEEP also supports developing country microenterprise development networks, although there was no Matching Grant funding earmarked for this purpose. Funding from other donors was used to implement a network development services program.

- Procedurally, create mechanisms for learning that favor collective analysis and include opportunities for all to teach and learn and distinguish political activity from the research/learning agenda.
- Administratively, keep core operations compact and expenses low, depend on members' contributions, and avoid competition with members for program funds.

The principle future challenge for lateral learning networks centers on maintaining the successful practices and products of the network as a member-driven association, while its membership expands and interests diversify.

3. Network Strengthening

Clearly, networks can play a valuable role in getting newer PVOs and NGOs up to speed by providing standards and disseminating best practices and tools. A challenge for networks is how to satisfy a broad spectrum of members, particularly when it comes to strengthening the capacity of individual member organizations.

The main constraints to the creation or strengthening of networks identified by the discussants include:

- It takes a long time for large organizations to develop the trust, transparency, and mutual accountability necessary to work together and lose their institutional competitiveness;
- The long-term cost-benefit of developing the network is open to question;
- Competition for funding among network members and financial sustainability;
- Difficulties maintaining relations and momentum once the network is formed and problems filtering best practices from headquarters to the field; and,
- Need to curtail free riders – i.e., extent to which non-members participate – and the fragility of the network structure -- e.g., maintaining value of network to members.

The means to address these constraints include:

- Having a common purpose and shared vision;
- Good leadership and strategy for leadership turnover – rotation, accountability, reporting – and having a good business manager;
- Adequate resources for start-up and an umbrella grant to counter competition among network members; and,
- A trained and competent Board that provides advice but doesn't become too political.

4. Network Sustainability

Consultation participants expressed concern about the long-term sustainability of networks. While networks need to strive for cost-recovery and the diversification of funding sources, it was noted that they are likely to remain dependent on third party funding. There are also potential difficulties related to resource development, since members' individual funding agendas may clash with that of the network – a dilemma endemic to cluster organizations. In addition there was concern that if a volunteer-based network raises membership fees substantially, it may undermine its volunteer base by forcing members to compete for the same pool of volunteers.

5. Advocacy

PVOs are increasingly shifting from providing direct services to facilitating the building of local civil society organizations and multi-sector alliances to solve local problems and deliver services. This trend is expected to continue, with indigenous NGOs taking greater responsibility for community and national development over time, and forming different relationships (partnerships, networks, and coalitions) with PVOs.

PVC support has been important in building the advocacy-related skills of PVOs/NGOs, particularly through networks and coalitions. For example, while SEEP does not formally undertake advocacy activities, it has provided a platform to amplify the voice of PVOs in international policy discussions. A key SEEP role in this regard has been collecting credible data and using its capacity to convene members for the purpose of influencing decision-makers.

Networks have been used to develop advocacy strategies for sectoral policy reform in areas such as microfinance, the environment, and health. In addition, networks have been an effective means to advocate for the adoption or use of particular program models or methodologies developed by PVOs. Illustrative examples of the use of networks for advocacy include:

- *Improving the Enabling Environment.* Networks have proven to be an effective mechanism for promoting regulatory reform and improving the enabling environment for NGOs. This has been particularly relevant in the microfinance sector where networks have been the main channels for microfinance-related advocacy activities. One PVO, for example, worked with local microfinance associations in Kenya and Uganda to push for the regulation and supervision of the microfinance sector. In Uganda, the association began a dialogue with the government and the Central Bank on industry regulation. In Kenya, the association has been involved in drafting a Microfinance Act, which at the time of the Consultation was pending in the Attorney General's office. In both cases, these associations were supported by the respective USAID Missions and received funding from USAID/Washington through the Microenterprise Development Office.
- *Promoting Innovative Models, Scale-up, and Replication.* In some cases, peer networks can play an important role promoting innovative program models. In the microfinance sector, one PVO and its local partners used the network to advocate for a model that integrates health education with village banking services. Their main targets have been peer agencies, governments, and donors. Despite resistance from some microfinance institutions to this integrated approach, participation in networks has been an important advocacy and

dissemination strategy for the PVO and its partners. Analysis of case studies and the financial analysis of the banking-with-education experience in the field have given this PVO a wealth of information to use in its advocacy work.

- *Coalition building.* Another PVO made significant progress in developing coalitions to advocate for environmental issues in Jamaica and Indonesia. In the case of Jamaica, the PVO was instrumental in establishing a national network of local NGOs involved in protected area management. The network was effectively used to promote policy reform, and continues to serve as a productive protective area management policy forum. In Indonesia, the PVO and its local partner developed site-based coalitions as constituencies for conservation in two national parks and played an important role in helping aggregate community interests and facilitate community/park authority communications.

In contrast, differences in advocacy strategies can also create discord between partners. In Indonesia, for example, a major area of tension emerged between a PVO and local NGO when the latter supported demonstrations against the government that were perceived by the former as being “overly confrontational.” However, the Synthesis Report concludes there is no reason why the PVO could not maintain the non-confrontational approach befitting an international voluntary organization, while accommodating the local NGO’s wishes to act more aggressively to bring about change. The Report suggests that establishing an arms length distance between the partners would provide greater latitude for the NGO to adopt advocacy tactics at variance with the PVO, while not jeopardizing the latter’s status in the country by being associated with internal political issues.

In addition to advocating for policy reform, PVO and NGO networks also have the potential to improve the efficiency of service delivery and increase program coverage and impact. Networks are effective and inexpensive mechanisms for launching new initiatives and disseminating best practices, methodologies, and tools.

IV. MEASURING CAPACITY BUILDING

For PVC, capacity building like partnership is not an end in itself; it should lead to improved service delivery. Many PVC grants have dealt with capacity building at two distinct levels: the institutional capacity of a PVO itself; and, the institutional or sector-specific capacity of its local partners. The bulk of PVC’s Matching Grants have been designed to strengthen the institutional capacity of recipient PVOs to perform specific functions in pursuit of their development goals. The areas addressed have ranged from microfinance to rural development, conservation, and poverty at the household level. Many grants have also sought to build the capacity of partner organizations.

“When selecting a measurement instrument, it is helpful to begin by clearly identifying what needs to be measured. The intervention’s objective may be to strengthen the entire organization or only a specific function or component of the organization. Measurement, to be most useful, will capture only the information that is relevant to the intervention.... Understanding and measuring institutional capacity is critical and often more complex than measuring the services and products that an organization delivers.”

Best Practices Paper, Measuring Institutional Capacity, CDIE, 1999

1. NGO Capacity Building

While many discussants said their PVOs include building indigenous NGOs' capacity in their strategies or approaches, they also reported they had not attempted to measure changes in institutional capacity because they had been unable to find appropriate indicators or had concentrated exclusively on tracking substantive results. For example, although a number of PVOs have conducted some form of institutional capacity assessment of partner organizations, in many cases the assessment was conducted as part of the partner selection process and was not used as a basis for any subsequent measurement of change.

In one example, the assessment was conducted during a workshop with the partner NGO. With the resultant information, the PVO then developed a capacity building plan for the partner organization, but without its participation. This led to only limited ownership of the plan by the local NGO which, in turn, led to limited and unmeasured results. Another PVO source explained that no attempt had been made to measure the institutional capacity of partners "beyond informal assessments based on local reputation."

This discussion also addressed the incentives and disincentives to measuring changes in institutional capacity. The incentives identified include:

- Shows capacity to achieve the mission of the organization;
- Provides evidence of sustainability and the ability to meet donor requirements;
- Is an important tool for increasing credibility and gaining public support for a project; and,
- Increased capacity leads to increased performance, impact, and cost-effectiveness.

Disincentives include:

- Skill, time, resource, and definition requirements (monitoring and evaluation phobia);
- If local organizations can implement the program, measuring capacity is extraneous;
- Fear about what happens with the information; and,
- Ensuring the reliability of data and follow-up after project completion.

2. Tools for Measuring Capacity

There are a wide-range of tools available for measuring capacity building. Some PVOs have introduced the Discussion-Oriented Organization Self-Assessment (DOSA) method to partner NGOs.⁵ However, rarely is there evidence of plans to repeat the DOSA exercise or otherwise monitor changes in capacity over time.

⁵ DOSA was developed in 1997 for PVC. Using group discussion interspersed with individual responses to a 100-item questionnaire covering six capacity areas, two types of scores are produced: a capacity score indicating how participants perceive their organization's strengths and weaknesses; and, a consensus score indicating the degree to which participants agree on their evaluation of the organization's capacity.

A variety of other organizational capacity assessment tools have been employed by PVOs, including the:

- Institutional Development Guide and Framework (SEEP);
- Sum Institutional Development Checklist (United Nations Development Program);
- Organizational Assessment Tool (Mennonite Economic Development Associates);
- Food Security Community Capacity Index (Africare);
- Magi Microfinance Self-assessment Tool (Catholic Relief Services); and,
- Institutional Strengthening Assessment (Child Survival Technical Support);

The overall view among Consultation participants was assessment tools do exist, but they usually need to be adapted to be relevant.

3. Constraints

A number of constraints to measuring institutional capacity changes were identified. For example, one group of PVOs reported a distaste for scorecards, calling for other more qualitative measures to be developed. Another PVO noted there is a challenge in defining “adequate” capacity, pointing to a need for contextual definitions. An emphasis was also placed on developing non-judgmental, culturally appropriate methods of measuring capacity. Other challenges identified include:

- Resistance within NGOs to being “measured” and North/South power issues. For example, measuring effectiveness may alienate indigenous NGOs because they do not participate in the selection of the indicators;
- The difficulty of measuring changes in capacity over the lifetime of relatively short programs, particularly given the amount of time and resources needed to do so;
- Fear on the part of both PVOs and NGOs of having weaknesses exposed; and,
- Concern that progress is being measured for the sake of donor reporting requirements.

A number of recommendations were made to address these constraints, including:

- Providing technical support with a clear technical assistance plan;
- Greater donor flexibility in project length;
- Ensuring local ownership of the strategic plan; and,
- Developing measurement tools in a collaborative fashion with the local organization.

APPENDIX

WORKING GROUP ON PARTNERSHIP

OBJECTIVE

To obtain inputs from PVOs that will be useful to PVC as it moves towards implementation of its strategy with respect to the issue of partnership.

PROCESS

- A. Group participants introduce themselves to one another and choose a rapporteur.
- B. The group discusses and responds to the questions posed below.
- C. To facilitate the subsequent summary of results from the various groups dealing with this issue, please record your responses on the flip chart in the same order as the questions, using the numbers provided.
- D. The rapporteur gives a brief summary of the group's major responses during the plenary session that follows.

QUESTIONS

- 1. Is partnership with indigenous NGOs part of your organization's official policy or program strategy? If yes, for what purpose?
- 2. Within your organization, what are the main incentives for establishing partnerships with local NGOs? Are there administrative or operational disincentives?
- 3. In the field, what have been the main constraints to the establishment of partnerships with local NGOs?
- 4. What are some ways to overcome these constraints?
- 3. Are there specific issues related to partnership that PVC should include in its Analytic Agenda?

WORKING GROUP ON NETWORKS

OBJECTIVE

To obtain inputs from PVOs that will be useful to PVC as it moves towards implementation of its strategy with respect to the issue of networks.

PROCESS

- A. Group participants introduce themselves to one another and choose a rapporteur.
- B. The group discusses and responds to the questions posed below.
- C. To facilitate the subsequent summary of results from the various groups dealing with this issue, please record your responses on the flip chart in the same order as the questions, using the numbers provided.
- D. The rapporteur gives a brief summary of the group's major responses during the plenary session that follows.

QUESTIONS

- 1. Is the creation or strengthening of indigenous networks part of your organization's program strategy? If yes, for what purpose?
- 2. Are these networks comprised only of indigenous NGOs or do they include other sectors, such as local governments and businesses?
- 3. In the field, what have been the main constraints to the creation or strengthening of these networks?
- 4. How can these constraints be addressed?
- 5. How can the sustainability of indigenous networks best be ensured?

WORKING GROUP ON MEASURING CAPACITY BUILDING

OBJECTIVE

To obtain inputs from PVOs that will be useful to PVC as it moves towards implementation of its strategy with respect to the issue of measuring capacity building.

PROCESS

- A. Group participants introduce themselves to one another and choose a rapporteur.
- B. The group discusses and responds to the questions posed below.
- C. To facilitate the subsequent summary of results from the various groups dealing with this issue, please record your responses on the flip chart in the same order as the questions, using the numbers provided.
- D. The rapporteur gives a brief summary of the group's major responses during the plenary session that follows.

QUESTIONS

- 1. Is building the capacity of indigenous NGOs part of your organization's strategy or program approach?
- 2. Within your organization, what are the main incentives for including the on-going measurement of changes in the capacity of indigenous NGOs in program designs? What are the disincentives?
- 3. Does your organization have a particular tool or methodology for measuring changes in the institutional capacity of indigenous NGOs over time?
- 4. In the field, what have been the main constraints to measuring changes in the capacity of indigenous NGOs?
- 5. How can these constraints be addressed?

Official Transcript

2002 PVO Conference

**Office of Private and Voluntary Cooperation (PVC)
Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA)
U.S. Agency for International Development (USAID)**

October 24, 2002

C O N T E N T S

PANEL 1: WORKING WITH USAID

Introductory Remarks by Moderator

- Adele Liskov, Deputy Director, PVC

Presentations By:

- Mary Newton, Registrar, Office of Private and Voluntary Cooperation, DCHA
- Georgia Beans, Program Officer, Office of Foreign Disaster Assistance, DCHA
- Lowell Lynch, Director, Office of Programs, Policy and Management, DCHA
- Steven Wisecarver, Director, Office of East African Affairs, Bureau for Africa
- Antoinette Ferrara, Officer-in-Charge, Cambodia, Vietnam, Laos, Burma and Thailand, Bureau for Asia Near East
- Michael E. Zeilinger, Chief, Nutrition Division, PVO Child Survival and Health Grants Program, Bureau for Global Health
- Geoff Chalmers, Microenterprise Development Office, Bureau for Economic Growth, Agriculture and Trade

Question/Answer Session

PANEL 1: WORKING WITH USAID

Introductory Remarks by Moderator

Adele Liskov, Deputy Director, PVC

MS. LISKOV: I am Adele Liskov, Deputy Director of the Office of Private and Voluntary Cooperation (PVC). We have a group of very knowledgeable people here this morning. I would like to start with introductions. Mary Newton, to my left, is Registrar for the Agency in charge of all registration of U.S. private voluntary organizations. Mary has been in our office since 1993.

To her left is Georgia Beans, who has worked as a Program Analyst in the Office of Foreign Disaster Assistance (OFDA) for eleven years. She has worked as a liaison for OFDA with implementing partners, assisting with the award and administration of emergency relief grants.

Lowell Lynch, who is immediately to my right, is currently the Director of the Office of Program Policy and Management in our Bureau, the Bureau for Democracy, Conflict and Humanitarian Assistance. He assumed that position in January 1998. Between 1992 and 1998 he was Director of the USAID mission in Monrovia, Liberia. He has also headed food aid programs in southern Sudan, Somalia, and Bangladesh.

Steven Wisecarver, to his right, is a senior Foreign Service Officer with 25 years of international development experience. He has served in numerous USAID offices, including Senegal, Mali, Cote d'Ivoire, Yemen, and Kenya. Prior to his present position as the Director of the Office of East African Affairs, he served as Director of USAID's Regional Office in Nairobi.

Antoinette Ferrara is a Foreign Service Officer with 15 years of experience at USAID. That includes extensive experience with local NGO capacity building. She is currently the Country Desk Officer for Cambodia, Vietnam, Burma, Laos and Thailand.

Dr. Michael Zeilinger, at the end, is the Chief of the new Nutrition Office in the Office of Health, Infectious Disease and Nutrition in the Bureau for Global Health. In addition to overseeing global health work in nutrition, the division also includes their new Child Survival PVO grant programs. Prior to joining USAID, Dr. Zeilinger was the Program Director for Project Hope in the Central Asian Republics.

Geoff Chalmers is a microenterprise specialist with the Office of Microenterprise Development. He works on both microfinance and business development services, and has worked previously with a microfinance institution in Nicaragua and in the Microenterprise Office at the Inter-American Development Bank.

Presentation by Mary Newton

MS. NEWTON: In May of this year, after extensive review of the registration process of U.S. private voluntary organizations, the Agency proposed to amend the regulations to make the registration process less cumbersome and more streamlined for both applicants and the Agency.

Thanks to all of you who responded to our comment period, which lasted 60-days between May 7th and July 8th, 2002. Most of your comments were not related to the specifics of the proposed changes, but had more to do with the documentation requirements for initial and annual submissions. We want you to know that we reviewed your comments and will take them into consideration before we issue the final rule. We are aiming for the changes to the registration process to become effective on January 3rd, 2003.

We have three handouts for you this morning. First, we have a copy of the revised conditions of registration. Second we have put together a checklist of information available online at the U.S. PVO registry. The online registry has a wealth of information as well as links to all of your home pages. As a matter of fact, we have an exhibit table set up which provides a demonstration of the online registry. Also, if you are a PVC grantee, you will be able to have copies of what we call our “online country report” where you will be able to monitor the activities that you have with PVC.

Since I promised to be very brief, I'm going to keep my promise. I will be taking my seat now, but I will be available throughout the day, along with other members of the Office, to answer any and all of your questions.

Presentation by Georgia Beans

MS. BEANS: Good morning. On behalf of the Office of Foreign Disaster Assistance (OFDA), I would like to thank PVC for the opportunity to come and tell you about OFDA programs. I want to start with a very broad framework about how the International Disaster Assistance Account and International Disaster Assistance Program work.

International Disaster Assistance is authorized in Chapter 9 of the Foreign Assistance Act, and the USAID Administrator is designated as the President's Special Coordinator for International Disaster Assistance. He is charged with promoting the maximum effectiveness and coordination in response to a foreign disaster by agencies in the United States and between the United States and other donors. This is a very broad role, designated by the President, when there is an international foreign disaster.

The director of OFDA is responsible for planning, developing, achieving, monitoring and evaluating disaster relief and rehabilitation programs. OFDA provides technical support to the President's Special Coordinator and coordinates the U.S. response to a foreign disaster.

OFDA funding is not available without a "disaster declaration", and that declaration comes from the U.S. Ambassador to the affected country or the Assistant Secretary of the region for the disaster-stricken country. There are various parameters around which he is given guidance to declare a disaster.

In 2002, we had 75 declared disasters, and of those disasters, really only about 20 resulted in any large-scale funding of programs in those countries. The bulk of the disaster declarations come in and are responded to within what is called the "Ambassador's Authority". This provides the authority for an Ambassador to draw up to \$50,000 from the International Disaster Assistance Account. This is the way a lot of disasters are handled. They are handled very quickly and expeditiously through the Ambassador's office with the disbursement of those funds.

The good news for the people in this room is that disaster assistance is exempt from the USAID policy to register as a private voluntary organization. The bad news is that, generally, OFDA will engage with implementers who are already on the ground. In many countries, there are already development programs in progress, and when there is a disaster, these organizations will divert from their development activities to respond.

So the most cost-effective and expeditious response for OFDA is to work with implementers who are already on the ground. However, as a disaster continues, and some of the complex emergencies do go on for several years, OFDA tries to move to a more competitive system.

OFDA does make use of the Annual Program Statements (APS), and generally that is the competitive process that they will follow, particularly for prevention, mitigation, and preparedness programs. These are programs that are regional in nature, and will deal with very broad prevention and mitigation issues. You will see those posted on the USAID website under the Business and Procurement section for APS.

We also try to use the APS as disasters move forward. For example, we recently had an APS out for food security in Burundi. So we recognize that Burundi is at a point where they are ready to start thinking about and moving toward a transition to more of a development or rehabilitation phase. We want to start making that linkage with USAID by bringing in more formal procurement methods, trying to reshape our programs to make it an easier transition over to development.

Our main communication with our implementing partners is through our guidelines. We have published guidelines for grant proposals and reporting. I would have brought some with me today, but they are being revised. They will be presented at OFDA's biannual PVO conference, which is November 21st and 22nd. The theme will be the increasing profile of humanitarian assistance.

So that's our main method of communication. The guideline will give you a lot of information about what OFDA is looking for in terms of a development program and the framework. We do use, as USAID does, a results framework, starting with a goal, objectives, and instead of interim results, we have expected results because we have short programs. But you will see the results framework and the types of information that OFDA needs in order to make a funding decision in an emergency situation.

So that in a nutshell is OFDA's program. We have a small amount of money. It is not a big office and we do not have a lot of resources. We are very much focused on working with existing implementers on the ground and making a very cost-effective response.

Presentation by Lowell Lynch

MR. LYNCH: In thinking about this conference and the remarks I might make, it occurred to me that my most intensive and extensive experience with U.S. PVOs was when I was Mission Director in Liberia for five years, which, of course, was during the height of the Liberian civil conflict. It was a very difficult time that we all went through.

But the fact of the matter is I did work closely with a number of U.S. PVOs who were working with the emergency. This included Catholic Relief Services, CARE, World Vision, and many others, as well as European and other NGOs. I greatly valued my time working with those PVOs. I think we not only gave one another a lot of comfort and support, but we also did as best we could in terms of trying to provide relief and, in the end, some early rehabilitation assistance to the people of Liberia.

I thought what I might do in the few minutes I have, since the title of this session is 'Working with USAID', is give you a very quick primer on the Agency, and a little bit on the Bureau. At the risk of telling some of you what you already know, I'm just going to go over it very briefly so you will have a framework.

When our Administrator, Andrew Natsios, took over, he very quickly said that he wanted to reorganize the organization, and one of the things he did was to create three what are called "Pillar Bureaus". Those three are the Bureau for Economic Growth, Agriculture and Trade, the Bureau for Global Health, and ours, the Bureau for Democracy, Conflict and Humanitarian Assistance.

In addition, of course, we have the Regional Bureaus -- Africa, Latin America and the Caribbean, Europe and Eurasia, and Asia and the Near East. Then, of course, we have the central Bureaus, like Management, and independent offices, like the General Counsel's Office. In terms of the three Pillar Bureaus, Andrew was clear that he wanted to devolve responsibility and authority to our Field Missions -- our field operations -- and provide resources to the Field Missions, both through the Regional Bureaus and through the Pillar Bureaus. It is the role of the Pillar Bureaus, generally, to try to provide field support to our overseas operations.

DCHA, our Bureau, is a bit different and a bit more, I would say, complex than the other two Pillar Bureaus. We, for one thing, have a variety of funding sources. As Georgia mentioned, there is the International Disaster Assistance Account, which is a separate account under the Foreign Assistance Act.

We also have the Public Law 480 Appropriation Authorization, which funds the Food for Peace Program, which is an entirely different authorization and comes under the Farm Bill. There is another account called the Transition Initiatives Account, which provides funding for our Office of Transition Initiatives. And then, within the mainstream USAID account, we have several earmarks, which makes them almost special accounts that I won't bother going into in any detail. So that is one difference that sort of singles us out among the Pillar Bureaus.

Another is our mode of operation. It ranges from the kind of things that Georgia was talking about, such as the direct management of field programs in the case of emergencies, to the kinds of things that the Office of Democracy and Governance provides. DG, Democracy and Governance, does not manage programs in the field. It works mostly through contractual arrangements, technical assistance, and other kinds of support to Field Missions.

Let me just tick off all seven of what we call our “line offices”, meaning the offices that have line responsibility for managing operations. There is the Office of Foreign Disaster Assistance, of course, that Georgia was talking about. We have the Office of Food for Peace, which runs our Food Aid Program, and for those of you who know something about it, this is the P.L. 480 Title II program. In addition there is the Office of Transition Initiatives, which provides assistance in post-crisis transitions, and mostly political transitions.

There is also the Office of Conflict Management and Mitigation, which was newly created this year. It is just getting off the ground. The Office is the result of another clear priority that Andrew Natsios enunciated when he took over, and that is he wanted USAID to be as active as possible in dealing with failed and failing states. One of the ways we are doing this is by the creation of the Office of Conflict Management and Mitigation, although many other parts of the Bureau work on failing states' problems. In fact, sort of an organizing principle for the Bureau now is addressing problems of failed and failing states, generally.

I have talked about the Office of Democracy and Governance a bit, DG. That is the fifth one. We also have the Office of American Schools and Hospitals Abroad, which has been around since I think 1954 and provides assistance to U.S. medical and educational institutions, which have counterpart institutes overseas. Most of the assistance is for construction and physical plant type of work. Then finally, there is the Office of Private and Voluntary Cooperation, which is sponsoring this conference.

In terms of how you might work with DCHA, there are a variety of ways. Most of our programs are done through, as many of you, I am sure, know, intermediaries. In some cases, that means the United Nations or international organizations, but in the vast majority of cases, it means you, it means private and voluntary organizations.

So for starters, that is the way we operate. Those are the kinds of implementation arrangements we rely on to get the work done. The nature of the arrangements varies quite a bit among the Bureaus. Offices give grants, some do associate cooperative agreements, and there are some contracts.

There is not time to go into much detail on any of this, but I think it is fair to say that this Bureau, if not having the most to offer the PVO community in terms of opportunities for collaboration, has as much probably as any Bureau in the Agency.

Perhaps during the question-and-answer period, we can get into some more of the specifics, but I just wanted to give you a bit of a flavor of the new organization of the Agency and a bit of how DCHA is organized and operates.

Presentation by Steven Wisecarver

*See Africa Bureau Fact Sheet

MR. WISECARVER: Since we are only allotted eight minutes, we have prepared a fact sheet entitled "USAID in Africa Bureau Websites and Resources for PVOs/NGOs." Everything that I am about to say over the next eight minutes is pretty much on that. If you got in late last night and need an eight-minute catnap, or if you need another cup of coffee, go ahead and do that now and then just pick up the fact sheet a little later.

I am going to divide this into two parts, essentially giving you a brief, brief overview of the Administration's goals in Africa as well as some of the Africa Bureau's sector priorities. Then I want to go into what we have all been asked to do, which is to offer some concrete suggestions to help you in effectively doing business with USAID.

In terms of the Administration's goals, they are threefold: first of all, to increase trade investment and open markets to Africa; second, to prevent and mitigate conflict and improve governance; and third to combat HIV/AIDS.

Aside from these broad goals, certainly each of our 26 USAID Field Missions work in a variety of other goal areas and in a variety of sectors. Obviously, as Georgia mentioned, OFDA and OTI and others work tremendously on humanitarian assistance and emergency relief operations. Unfortunately, this is a fact of life in Africa. But in addition to that, we also do development work in just about every sector that USAID works in. This includes agriculture and the environment, natural resources management, basic education, maternal child health care, child survival, primary health care, water and sanitation, microenterprise development and a whole host of things.

In addition to this, the Africa Bureau is very firmly focused on capacity building for host country organizations at all levels, community based up to the national level, and on gender mainstreaming and enhancing women's roles in the development process, and those are two very important cross-cutting areas in which we work. So the bottom line is that the Africa Bureau works in all sectors that are really of relevance to all the work that you do.

In terms of concrete suggestions, and I will offer some apologies for those who are well versed in the ways of USAID because I am assuming that some people here at least are not as well versed, and I think many will be alluding to that, I will offer some sort of concrete suggestions, and again these are on the fact sheet.

In terms of concrete suggestions, if you are focusing on a specific country, there is a rich body of knowledge available on the websites, which we have included on the fact sheet. We have 26 bilateral USAID Missions. All of those Mission programs, all of their congressional budget justifications, all of their annual reports, all of their strategic objectives, their intermediate results, their performance, their

partners, their implementing partners, their budget levels, everything are listed on the website. Everything is readily accessible.

What I noted when I was stationed in Nairobi was that in probably in 95 percent of the meetings I had with not only for-profit but not-for-profit people was that one of the first questions was, “What are you doing in agriculture, health, fill in the blank?” From the outset, this told me that this was a casual approach and, perhaps, not a serious business approach. So I would just say, please go to these websites before you talk to your Missions or express your interest in anything. You will find everything that we do there. It is very transparent.

Again, the website at USAID is large and it is not easy navigate if you don't know what you are looking for, but hopefully these things on the fact sheet will lead you there.

I think, where in the cycle of a mission strategy that a given mission is, is also very important to be aware of. Most USAID strategies are for five years, some are for less, some are for slightly more, and I would say that probably the preponderance of all contracts and grants that are put into place are put into place within the first twelve, possibly 18 months.

After that, you might get midterm adjustments, say, in the out years, out year 3, perhaps even out year 4, if you have major adjustments, but if you come to talk to me as a mission director in Year 4 or 5 of my strategy and say what good things you can offer, chances are it's not going to go anywhere. We have already got everything in place and there isn't much opportunity until we put that next strategy in place.

I think it is also important to clearly articulate your organization's strengths. There are a few very large PVO/NGOs who operate in just about every sector, multi-sector approaches, but certainly for the smaller NGOs and PVOs, I have found that to be successful—and by successful, I mean not only in terms of gaining AID business, but also in terms of achieving development goals—that those NGOs tend to specialize and develop a body of knowledge in a certain sector that they can bring to the table for AID. This could be in cooperative development, in capacity building, or it could be in civil society advocacy, community based education, whatever it is, but I have found that some of the most effective NGOs and PVOs we work with do have a specific expertise and can bring that to the table.

Obviously, the next step is to look for a fit between a given USAID strategy and where your strengths are to find that nexus of what your organization can bring to the table and what the USAID mission's, objectives, and activities are.

Also, networking with other for-profit and not-for-profit organizations is a very important part. USAID, over the years, as many of you who have worked with USAID will note, has shrunk tremendously in size in terms of our direct-hire workforce, and certainly our contracting officer workforce is also one of the constraining factors we have.

So because of that, we have tended to consolidate our procurements, our requests for applications, our requests for proposals, where we can, into a larger requirement to cut down not only on the management burden, but also on the burden that leads up to award of that grant or contract.

So we find that many of our awards these days are going to consortia. Because you can't get all these various areas of expertise in just one NGO or PVO or contractor, you have to have consortia of many organizations that bring their respective strengths to the table.

Again following up on capacity strengthening, too, which I say is a very key part of what the Africa Bureau is interested in and certainly a lot of our other regional bureaus as well, we also are constrained in awarding grants or cooperative agreements to indigenous organizations. They simply do not have the capacity, the track record.

They are not responsible in the sense of having the systems, personnel systems, financial management systems, etcetera, in place to be able to offer direct awards. So we often use our NGOs and PVOs as a middleman, as it were. We award to that PVO or NGO, who then does umbrella projects and makes subgrants to those indigenous organizations. We are always looking for those kinds of organizations to do our capacity building for us, and to provide those linkages with indigenous organizations.

I would also suggest, as a last point, to become familiar with federal procurement regulations governing assistance, i.e. grants and cooperative agreements and also contracts. I have included on the fact sheet two sources, which USAID uses to train its own officers, Management Concepts, Incorporated, and also ESI/George Washington University. These organizations offer training all over the United States, not just in the Washington area. I would strongly suggest offering your staff that is involved in government procurement this kind of training. I have found that for-profits have readily availed themselves of this training; not-for-profits, not so much. The pitfalls and the esoteric nature of federal grants, contracts, etcetera, is such that I think you would be well served by getting your staff training in these.

As Georgia said, too, also included on this fact sheet are the USAID procurement websites, facts, where you can go for source book information, guidance. We have an ombudsman homepage that has frequently asked questions; we have all of our regulations up there online. So this is really a very rich source, again, for you, to help out on how to do business with AID.

That is about it. I wish you very good luck during the course of this meeting. We will be available for questions-and-answers at the end.

Presentation by Antoinette Ferrara

MS. FERRARA: I am actually very fortunate to be following Steve because he pretty much said most of what I was going to say. So I hope you took good notes.

It is true that for the Regional Bureaus, such as the Asia Near East (ANE) Bureau that I am representing, many of the things he said are right on. I will just give a few specifics about the ANE Bureau and then a few of my own perspectives from my experience dealing with PVOs and local NGOs overseas.

The ANE Bureau comprises 16 Field Missions and six Non-Presence Countries. We call them non-presence because we don't have a Foreign Service Officer actually in the country. We may have contractor personnel there, and they act on our behalf and in our place.

Some of the activities we run in the Non-Presence Countries, which include Laos, Burma, Thailand, Vietnam and Yemen, are actually initiated and managed out of Washington. In other words, they are centrally funded programs, which means you'd be looking for solicitations out of USAID/Washington - headquarters. These might be for programs in HIV/AIDS prevention and care, maternal and child health, micro-enterprise, etc.

The ANE Bureau and its Missions utilize a variety of solicitation mechanisms, just as you have heard from the other panelists. This includes annual program statements, requests for applications, and we also accept unsolicited proposals. This varies by Field Mission, and it varies by Non-Presence Country program, too.

The main foci for the ANE Bureau in the coming fiscal year include education, conflict and rule of law, economic growth, environment and health, including HIV/AIDS, which is strongly supported. We also have or are initiating some fairly nominal programs in a few other countries that we call Non-Presence Third-Tier, and again, you may read about those on the website.

I should emphasize to you that we do have a website, just as the Africa Bureau. Steve has mentioned a number of the general websites, and for ANE, you can go in there and see our list of countries and, again, all the strategies for those programs, et cetera.

I would just add, again, from my experience in Missions overseas, and actually as the Vietnam/Cambodia/Laos/Burma/Thailand desk officer, I get a lot of inquiries from very well-intentioned, good-hearted people who want to help out in these countries, and there is still a great deal of need.

I mean, Asia Near East consists of a lot of countries with high economic prospects and very low ones, so there's a wide range of interventions to be made in these countries. But what I do say to these callers and people that I have met in the Missions is, number one, as Steve said, know the strategy. It really does not help to come in and just say, I want to do something good in this country; I really feel for these people. We need you to know our strategy and what we really have the discretion to fund, because,

generally speaking, we don't have non-discretionary funding anymore. So we can't really fund -- only in rare cases -- something outside our strategy.

Secondly, you really need to show an understanding of the country and its needs as well as its capacity as far as the level of local help that you can expect to hire and utilize or build on. You need to understand that capacity in some of these countries is primary, while in others it is not and you have a very sophisticated workforce.

You need to be able to make clear what the problem is you want to address and how you are going to address it, and, very importantly, what you expect will be the end result and how you are going to leave. Again, due to our declining budgets and presence, we can't go into a relationship with an organization anymore thinking it is just going to be forever. We really have to have an end point in mind when we begin. We want to know if you have thought that through and what you expect to leave behind and how the results of your work will continue after you are gone, after we are gone, too, perhaps.

So I would just emphasize that understanding our strategy and the country and what innovative and effective interventions you can make are what will make the difference. So good luck you to you and I will be happy to answer questions later.

Presentation by Michael E. Zeilinger

*See Slide Presentation

DR. ZEILINGER: I am here from the new Bureau for Global Health. As many of you know, as a result of the reorganization, PVC's Child Survival Grant Program has been moved to the Bureau for Global Health. I think it is important that you get to know us. I am happy to say that as of Monday, the staff from this Child Survival Grant Program are actually sitting among us now. Everything seems to be going well and we are very lucky to have them.

Today, I would like to talk about the Bureau for Global Health, particularly our funding and organizational structure. I would like you to know about program's major areas of emphasis.

Again, like the other Bureaus at USAID, our partners include the major bilateral donors. We also work with multilateral donors, host-country governments, and the commercial private sector. PVOs and NGOs are very important to our programs. Foundations and universities also play a major role.

It is important for you to see our funding trends. Our funding comes in the form of the Child Survival and Health Grant from Congress. Child survival funding has been relatively stable over the last few years. Where we see a major increase in our appropriations is in the areas of HIV/AIDS and infectious disease. Although HIV/AIDS is an infectious disease, we split it out separately. Infectious disease funding has increased by about 300 percent since 1998. This includes tuberculosis, malaria, and anti-microbial resistance. Put another way, our HIV/AIDS funding has increased 11 percent just in the last year, while infectious disease funding has increased by 17 percent.

It is important for you to know how the Bureau for Global Health is structured. The Bureau is made up of four technical offices: Office of Population and Reproductive Health; Office of HIV/AIDS, which is new – before the reorganization it was a division; the Office of Health, Infectious Disease and Nutrition; and the Office of Regional and Country Support.

Within the Office of Health, Infectious Disease and Nutrition, where the PVO Grant Program is right now, we have a Maternal and Child Health Division, Infectious Disease Division, a Nutrition Division, and a Health Systems Division. The Nutrition Division is where this new program lives, and we call it the Child Survival and Health Grant Program.

The critical functions of the Bureau for Global Health are technical support to the field; global leadership where we focus on promoting program innovation; resource mobilization and allocation; and policy development and reform.

Most importantly, for the purposes of this audience is research and evaluation. This is where the PVOs and our Child Survival and Health Grant Program will play an important role. This includes focusing on developing, testing and disseminating new and improved technologies and approaches; collecting and analyzing data on global trends; and developing and assessing methods of program evaluation. Since

the PVOs are on the ground, this is how we learn about new trends, particularly global trends in monitoring and evaluation.

I will now focus primarily on child survival and infectious disease because these are the two largest areas in the Child Survival and Health Grant Program. HIV/AIDS is certainly included in this, but given my time, I don't think I could even scratch the surface of what the Bureau is doing in HIV/AIDS.

There is an RFA on the street right now that I think closes around December 4th or 5th. It is on our Office of Procurement website along with the first two amendments. I urge you to go take a look at that as well, and the technical resource materials that are provided.

Our major objective in child survival is to decrease the burden of morbidity and mortality for infants and children. Our strategic foci are childhood killers and to reduce the burden of disease. We focus on interventions for maximum impact, where can we get more bang for the buck. Vaccinations, promotion of breastfeeding, Vitamin A distribution, and oral rehydration therapy are, of course, huge parts of the Child Survival and Health Grant Program.

Again, in Global Health, we are looking at innovation, tools, and methodologies, working on the development of oral rehydration therapy, Vitamin A, and a new thrust in single-use syringes, sustainable approaches for systems development, and changing the programs as new needs evolve. On this, we work closely with the CORE group, which is a network of PVOs working in Child Survival.

Going back to infectious disease, a major objective is to reduce the threat of infectious disease. This is of major public health importance. In this area, we're working on tuberculosis, malaria, anti-microbial resistance, and surveillance. Within the Child Survival and Health Grant Program, tuberculosis and malaria are playing a huge part.

To wrap up, our strategic focus areas for our program this year are to integrate the Child Survival and Health Grant portfolio and to formulate a future plan for this portfolio dealing with child survival, family planning, and infectious disease.

Presentation by Geoff Chalmers

MR. CHALMERS: I am with the Microenterprise Development Unit, which is part of the Bureau for Economic Growth, Agriculture and Trade. I don't represent the whole Bureau, but rather one part of it, which is Microenterprise Development. I am going to talk a little bit about our office, and then USAID's broader microenterprise development agenda, which is implemented primarily through work in the USAID Missions.

Essentially, we have three objectives. The first two are to promote high quality, sustainable microfinance and business development services for poor microenterprises and their households, and the third is to promote an enabling environment for microenterprises.

USAID is the leading donor in microenterprise development. It has been active for 25 years, working with over 60 Missions worldwide.

Now let me provide some broad background on the types of clients that benefit from microenterprise development programs. As of fiscal year 2000, including all of USAID's partners, we had two million borrowers and three millions savers. We had also facilitated the provision of business development services to 250,000 clients.

In terms of our office's role in microenterprise development, it is in keeping with the Agency's restructuring. We are reorienting ourselves more towards being a technical support office for the Missions. It is less of a role of direct program expansion that we concentrated on in the past and more towards supporting Mission programs.

In addition, we have a role in mainstreaming best practices in microenterprise development in USAID as well as the broader industry. It is essentially trying to promote the benefits of microenterprise development programs to our Missions. We have a bit of a salesman's role in this regard.

We also have our own programs that invest in innovative programs in the field. But as I said, the Mission level is really where we are concentrating, and that happens to also be where most of the money is. Seventy percent of microenterprise development funds at USAID are spent at the Mission level.

Basically, they are diverse activities and they can be under a wide variety of strategic objectives. At the Mission level, they tend to be under poverty reduction strategic objectives and sometimes under economic growth. They have also been known to be under non-traditional, strategic objectives, having to do, sometimes, with democracy and even with health programs.

I'd like to reiterate what has been said before about fitting into multi-year country strategies being key. For those PVOs that do have well-developed microenterprise development programs, the strategy of approaching Missions in a strategic way in terms of the timeline of their programs is key. Figuring out

the priorities of each Mission is also very important, particularly since there is quite a bit of diversity there.

In terms of the Microenterprise Development office, we do have some innovative grant programs. One is the Implementation Grant Program that has been around for about six or seven years. It has been an annual competitive grant in our two technical areas of financial services and business development services. Typically, these grantees have a rather specialized technical capacity in microenterprise development. They usually have already invested considerably in building that capacity.

We also have some smaller grant programs. We have one called the Practitioner Learning Program, which is run through SEEP Network, which is a collection of PVOs working in the microenterprise development field.

How we are trying to achieve our objective in the two main technical areas of microfinance financial services and business development services? On the financial services side, we are promoting the improvement of outreach in the field. This involves both reaching down to poorer clients and their households as well as achieving more scale in terms of the number of clients reached. We are also concentrating on microfinance institution management, issues of efficiency, service quality and appropriate services as well as a continued emphasis on the sustainability of those services.

We are going to be looking more and more at commercial market linkages. First and foremost this means facilitating access to commercial capital markets for microfinance institutions. Finally, we are promoting a better enabling environment for microfinance, focusing on issues of regulation and supervision.

On the business development services side, we are testing the commercial viability of business development services programs, first and foremost through research and case studies, but also through training, conferences and some of the innovation grants programs that we have. There will be a particular emphasis on promoting sustainable impacts on clients as well as promoting a competitive market for all of the crucial services that microenterprises need to thrive.

So that is a very brief overview, and like everyone else, I'm available here for questions.

Question-and-Answer Session

MS. LISKOV: Well, we have shared a wealth of information, a very broad overview of the Agency in a very short period of time. Let's spend the next ten minutes or so with some questions and answers.

MS. HENDERSON: I'm Laura Henderson from CARE. I believe it was Steve from the Africa Bureau who mentioned that since USAID has had its staff cut, there have been more and more collaborative consortium network Requests for Proposals (RFPs) and Requests for Applications (RFAs).

I was wondering if you could share with us some of the lessons learned from this. As USAID moves towards the trend of having larger RFPs and RFAs, one needs to look, sometimes, at the issues that may make those larger ones not as nimble and flexible and effective in what they are trying to achieve.

MR. WISECARVER: That is an excellent question because this has not been a longstanding practice. I would say there have been some problems in trying to include too much under a given solicitation -- and I am talking both about contracts and grants -- that when we tend to ask too much and the consortia get too large, there have been problems.

Aside from that, Laura, I'm not sure we have the experience on the specifics of what has gone wrong in specific instances. I think on the positive side, when we do see these large consortia, we do see a very rich blend of resources at the table that the consortia bring to bear on a given problem.

You are always going to have tension between partners, or between leader grants and associates in terms of division of workload and that kind of thing, but that is always going to be case with prime-sub relationships, or with other partnering relationships. But on the whole, I would have to say it is positive. That is not to say that there are not glitches in some cases.

MR. WESCHE: I'm Ken Wesche with Enterprise Development International. I have a question relating to the DCHA. The statement was made that there are probably as many opportunities for PVOs in DCHA than in any of the other Bureaus. What would you say is the best way to learn of those opportunities as they are developing?

MR. LYNCH: I should have mentioned that the Agency does have a procurement website that has information about opportunities offering that sort of thing. We are developing a Bureau website that will be more all-encompassing than we have had in the past.

One of the things we intend to do is, first of all, provide more information about how the Bureau is organized and what the various offices do. Beyond that, some specifics about the kinds of partnership arrangements that are possible and the opportunities that might exist will be provided.

In the meantime, it is probably worth the effort to contact the various offices. As I was saying earlier, the Bureau does a whole range of things, from immediate disaster response, emergency programs, including both food aid in those situations and non-food relief, the post-emergency, post-crisis transition activities.

This can include things such as civil society strengthening through media development and a whole range of other interventions aimed at promoting a solid political transition and democracy and governance. There is also the work of PVC, which is capacity building and organizational strengthening of both U.S. PVOs, and now more prominently, indigenous NGOs.

It is probably worth some effort in trying to find out more about what those offices do and the kinds of needs they are anticipating in terms of assistance with implementation.

MR. NORTHROP: I am from Project Hope. A number of you in your remarks were rather discouraging about the possibilities that might result from being approached by an NGO or PVO and by particularly coming into such a discussion at a time when the strategies have already been fixed.

From an operational point of view at the PVO level, this raises the question about whether it worth it to put together an unsolicited proposal? Are there any times when fresh ideas can be received? How should we think about unsolicited proposals? Is it worth the effort at this point?

MS. BEANS: Just speaking for the Office of Foreign Disaster Assistance, they do encourage concept papers. We encourage concept papers more than a full-blown unsolicited proposal because we really don't want organizations to go to the effort and expense of putting together a full-blown proposal. We are willing to address and look at a concept paper, and we will tell you very candidly if it is going to fall within the current strategy, if it meets a current need that we are looking at. Unsolicited proposals are sometimes not as welcomed as concept papers where you have a more collaborative discussion at the beginning about whether or not your program is going to fit in with what is trying to be achieved in a particular country.

MS. FERRARA: This is a tricky question. Frankly, I have been hard-pressed to provide a good answer to people because I think in some cases; it isn't worth the effort if you are hitting the Mission or the program at the wrong part of the cycle. But I agree with what Georgia said, too. From my experience in Missions, a concept paper at any time is certainly worth discussing, but I guess the solution, in my mind, starts considerably before that point.

It is important, because of all of our limitations these days, to really get to know USAID. If you are operating in a country, get to know that Mission, meet with those people. You will understand when their strategy cycle is coming up. If you want to go into a country, then clearly you have to do it perhaps from a long distance, but follow the websites pretty regularly and establish contact with the Mission. You will get a feel for how the cycles evolve. I think it is very important to hit the Mission in the run-up to the strategy development or in the strategy development process. At this stage, they are really open to a lot of ideas and we really do try to make a concerted effort of getting input from our partners or would-be partners or people who have been in the country and know things that we don't. We like to get that input, but it needs to come at the right time. So we can factor such considerations into our strategies if appropriate. I would recommend really getting to know the Mission or USAID's cycle as a whole.

MS. BROWN: Yes. My name is Marsha Brown and I'm from ACCION International. I have heard rumors that the Latin America and Caribbean Bureau is undergoing some changes. I couldn't help but notice that there isn't anyone from the Bureau here. Can you offer any enlightenment on this?

MS. LISKOV: All we can say is that the entire Agency has been undergoing review under this reorganization. We have all been through what have been called Portfolio Reviews. Some of us have come out of it shaking a bit more than others. I know that there are changes. I apologize; we were not able to get someone from the Latin America and Caribbean Bureau. We will try and find a way to look into that and put you in touch with someone if you don't have other contacts there.

MR. COHEN: I am Don Cohen from Plan International. This question is addressed to Geoff Chalmers. I heard you say that the innovative grant program normally is on an annual cycle, but I was wondering implicit in that as to whether you are changing that cycle, because there hasn't been an RFA out on the street this year.

MR. CHALMERS: The short answer is no, that wasn't implicit. There will be an RFA this year, but implicit in that was it may not necessarily be annual and ongoing, but this year, there will be one.

MR. HOWARD: Ron Howard, OIC International. Is there any way to have a preliminary sense of what RFAs are in the making so that before the formal RFA announcement is actually out, there can be some kind of heads-up on what is process? Generally speaking, there is a relatively short turnaround time for when an RFA is actually issued and when it is due. Is there any way of getting a heads-up ahead of time of what is in the works?

MR. WISECARVER: I have been out of the procurement business for a while, but I think in large part it is every six months or every year. Most Missions put out an annual program statement of their needs over the coming year. This responds in some respect to the unsolicited proposal question, because in lieu of unsolicited proposals, people are looking for unique or creative ideas from PVOs' on how to approach certain problems. That is probably your best source.

There also has been something called the Source List that has been used, but I don't think that has been used as extensively to give people a heads-up beforehand.

MS. BEANS: Do most people know the difference between the RFA process and the APS process? An RFA is used when an organization really knows the answer to the question and is looking for implementing partners to help them implement that program in the way that they have pretty much designed it.

The reason that the Missions and offices publish an annual APS is that they are looking for creative, innovative answers from the PVO community to a question. We know the question, but we are looking for people who maybe have a different answer. They are willing to look at lots of different kinds of answers and weigh all of them. The APS is another way to do that because all of that information will come in at a given time. Some of the APSes are open all year long and they will receive proposals

throughout the year; others might have a closing date where they say, "We want to look at all of this at a certain time." As I mentioned, sometimes they are very broad and they might cover the entire strategy for an organization, or in the case of OFDA it might be very specific, like just food security in one country. You guys have the answers because you are working in those countries, you know the capacities, you know the answer, and so we want you to come in and help us with the answer. Both RFAs and APSes are all published on the USAID website.

Official Transcript

2002 PVO Conference

**Office of Private and Voluntary Cooperation (PVC)
Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA)
U.S. Agency for International Development (USAID)**

October 24, 2002

C O N T E N T S

PANEL 1: WORKING WITH USAID

Introductory Remarks by Moderator

- Adele Liskov, Deputy Director, PVC

Presentations By:

- Mary Newton, Registrar, Office of Private and Voluntary Cooperation, DCHA
- Georgia Beans, Program Officer, Office of Foreign Disaster Assistance, DCHA
- Lowell Lynch, Director, Office of Programs, Policy and Management, DCHA
- Steven Wisecarver, Director, Office of East African Affairs, Bureau for Africa
- Antoinette Ferrara, Officer-in-Charge, Cambodia, Vietnam, Laos, Burma and Thailand, Bureau for Asia Near East
- Michael E. Zeilinger, Chief, Nutrition Division, PVO Child Survival and Health Grants Program, Bureau for Global Health
- Geoff Chalmers, Microenterprise Development Office, Bureau for Economic Growth, Agriculture and Trade

Question/Answer Session

PANEL 1: WORKING WITH USAID

Introductory Remarks by Moderator

Adele Liskov, Deputy Director, PVC

MS. LISKOV: I am Adele Liskov, Deputy Director of the Office of Private and Voluntary Cooperation (PVC). We have a group of very knowledgeable people here this morning. I would like to start with introductions. Mary Newton, to my left, is Registrar for the Agency in charge of all registration of U.S. private voluntary organizations. Mary has been in our office since 1993.

To her left is Georgia Beans, who has worked as a Program Analyst in the Office of Foreign Disaster Assistance (OFDA) for eleven years. She has worked as a liaison for OFDA with implementing partners, assisting with the award and administration of emergency relief grants.

Lowell Lynch, who is immediately to my right, is currently the Director of the Office of Program Policy and Management in our Bureau, the Bureau for Democracy, Conflict and Humanitarian Assistance. He assumed that position in January 1998. Between 1992 and 1998 he was Director of the USAID mission in Monrovia, Liberia. He has also headed food aid programs in southern Sudan, Somalia, and Bangladesh.

Steven Wisecarver, to his right, is a senior Foreign Service Officer with 25 years of international development experience. He has served in numerous USAID offices, including Senegal, Mali, Cote d'Ivoire, Yemen, and Kenya. Prior to his present position as the Director of the Office of East African Affairs, he served as Director of USAID's Regional Office in Nairobi.

Antoinette Ferrara is a Foreign Service Officer with 15 years of experience at USAID. That includes extensive experience with local NGO capacity building. She is currently the Country Desk Officer for Cambodia, Vietnam, Burma, Laos and Thailand.

Dr. Michael Zeilinger, at the end, is the Chief of the new Nutrition Office in the Office of Health, Infectious Disease and Nutrition in the Bureau for Global Health. In addition to overseeing global health work in nutrition, the division also includes their new Child Survival PVO grant programs. Prior to joining USAID, Dr. Zeilinger was the Program Director for Project Hope in the Central Asian Republics.

Geoff Chalmers is a microenterprise specialist with the Office of Microenterprise Development. He works on both microfinance and business development services, and has worked previously with a microfinance institution in Nicaragua and in the Microenterprise Office at the Inter-American Development Bank.

Presentation by Mary Newton

MS. NEWTON: In May of this year, after extensive review of the registration process of U.S. private voluntary organizations, the Agency proposed to amend the regulations to make the registration process less cumbersome and more streamlined for both applicants and the Agency.

Thanks to all of you who responded to our comment period, which lasted 60-days between May 7th and July 8th, 2002. Most of your comments were not related to the specifics of the proposed changes, but had more to do with the documentation requirements for initial and annual submissions. We want you to know that we reviewed your comments and will take them into consideration before we issue the final rule. We are aiming for the changes to the registration process to become effective on January 3rd, 2003.

We have three handouts for you this morning. First, we have a copy of the revised conditions of registration. Second we have put together a checklist of information available online at the U.S. PVO registry. The online registry has a wealth of information as well as links to all of your home pages. As a matter of fact, we have an exhibit table set up which provides a demonstration of the online registry. Also, if you are a PVC grantee, you will be able to have copies of what we call our “online country report” where you will be able to monitor the activities that you have with PVC.

Since I promised to be very brief, I'm going to keep my promise. I will be taking my seat now, but I will be available throughout the day, along with other members of the Office, to answer any and all of your questions.

Presentation by Georgia Beans

MS. BEANS: Good morning. On behalf of the Office of Foreign Disaster Assistance (OFDA), I would like to thank PVC for the opportunity to come and tell you about OFDA programs. I want to start with a very broad framework about how the International Disaster Assistance Account and International Disaster Assistance Program work.

International Disaster Assistance is authorized in Chapter 9 of the Foreign Assistance Act, and the USAID Administrator is designated as the President's Special Coordinator for International Disaster Assistance. He is charged with promoting the maximum effectiveness and coordination in response to a foreign disaster by agencies in the United States and between the United States and other donors. This is a very broad role, designated by the President, when there is an international foreign disaster.

The director of OFDA is responsible for planning, developing, achieving, monitoring and evaluating disaster relief and rehabilitation programs. OFDA provides technical support to the President's Special Coordinator and coordinates the U.S. response to a foreign disaster.

OFDA funding is not available without a "disaster declaration", and that declaration comes from the U.S. Ambassador to the affected country or the Assistant Secretary of the region for the disaster-stricken country. There are various parameters around which he is given guidance to declare a disaster.

In 2002, we had 75 declared disasters, and of those disasters, really only about 20 resulted in any large-scale funding of programs in those countries. The bulk of the disaster declarations come in and are responded to within what is called the "Ambassador's Authority". This provides the authority for an Ambassador to draw up to \$50,000 from the International Disaster Assistance Account. This is the way a lot of disasters are handled. They are handled very quickly and expeditiously through the Ambassador's office with the disbursement of those funds.

The good news for the people in this room is that disaster assistance is exempt from the USAID policy to register as a private voluntary organization. The bad news is that, generally, OFDA will engage with implementers who are already on the ground. In many countries, there are already development programs in progress, and when there is a disaster, these organizations will divert from their development activities to respond.

So the most cost-effective and expeditious response for OFDA is to work with implementers who are already on the ground. However, as a disaster continues, and some of the complex emergencies do go on for several years, OFDA tries to move to a more competitive system.

OFDA does make use of the Annual Program Statements (APS), and generally that is the competitive process that they will follow, particularly for prevention, mitigation, and preparedness programs. These are programs that are regional in nature, and will deal with very broad prevention and mitigation issues. You will see those posted on the USAID website under the Business and Procurement section for APS.

We also try to use the APS as disasters move forward. For example, we recently had an APS out for food security in Burundi. So we recognize that Burundi is at a point where they are ready to start thinking about and moving toward a transition to more of a development or rehabilitation phase. We want to start making that linkage with USAID by bringing in more formal procurement methods, trying to reshape our programs to make it an easier transition over to development.

Our main communication with our implementing partners is through our guidelines. We have published guidelines for grant proposals and reporting. I would have brought some with me today, but they are being revised. They will be presented at OFDA's biannual PVO conference, which is November 21st and 22nd. The theme will be the increasing profile of humanitarian assistance.

So that's our main method of communication. The guideline will give you a lot of information about what OFDA is looking for in terms of a development program and the framework. We do use, as USAID does, a results framework, starting with a goal, objectives, and instead of interim results, we have expected results because we have short programs. But you will see the results framework and the types of information that OFDA needs in order to make a funding decision in an emergency situation.

So that in a nutshell is OFDA's program. We have a small amount of money. It is not a big office and we do not have a lot of resources. We are very much focused on working with existing implementers on the ground and making a very cost-effective response.

Presentation by Lowell Lynch

MR. LYNCH: In thinking about this conference and the remarks I might make, it occurred to me that my most intensive and extensive experience with U.S. PVOs was when I was Mission Director in Liberia for five years, which, of course, was during the height of the Liberian civil conflict. It was a very difficult time that we all went through.

But the fact of the matter is I did work closely with a number of U.S. PVOs who were working with the emergency. This included Catholic Relief Services, CARE, World Vision, and many others, as well as European and other NGOs. I greatly valued my time working with those PVOs. I think we not only gave one another a lot of comfort and support, but we also did as best we could in terms of trying to provide relief and, in the end, some early rehabilitation assistance to the people of Liberia.

I thought what I might do in the few minutes I have, since the title of this session is 'Working with USAID', is give you a very quick primer on the Agency, and a little bit on the Bureau. At the risk of telling some of you what you already know, I'm just going to go over it very briefly so you will have a framework.

When our Administrator, Andrew Natsios, took over, he very quickly said that he wanted to reorganize the organization, and one of the things he did was to create three what are called "Pillar Bureaus". Those three are the Bureau for Economic Growth, Agriculture and Trade, the Bureau for Global Health, and ours, the Bureau for Democracy, Conflict and Humanitarian Assistance.

In addition, of course, we have the Regional Bureaus -- Africa, Latin America and the Caribbean, Europe and Eurasia, and Asia and the Near East. Then, of course, we have the central Bureaus, like Management, and independent offices, like the General Counsel's Office. In terms of the three Pillar Bureaus, Andrew was clear that he wanted to devolve responsibility and authority to our Field Missions -- our field operations -- and provide resources to the Field Missions, both through the Regional Bureaus and through the Pillar Bureaus. It is the role of the Pillar Bureaus, generally, to try to provide field support to our overseas operations.

DCHA, our Bureau, is a bit different and a bit more, I would say, complex than the other two Pillar Bureaus. We, for one thing, have a variety of funding sources. As Georgia mentioned, there is the International Disaster Assistance Account, which is a separate account under the Foreign Assistance Act.

We also have the Public Law 480 Appropriation Authorization, which funds the Food for Peace Program, which is an entirely different authorization and comes under the Farm Bill. There is another account called the Transition Initiatives Account, which provides funding for our Office of Transition Initiatives. And then, within the mainstream USAID account, we have several earmarks, which makes them almost special accounts that I won't bother going into in any detail. So that is one difference that sort of singles us out among the Pillar Bureaus.

Another is our mode of operation. It ranges from the kind of things that Georgia was talking about, such as the direct management of field programs in the case of emergencies, to the kinds of things that the Office of Democracy and Governance provides. DG, Democracy and Governance, does not manage programs in the field. It works mostly through contractual arrangements, technical assistance, and other kinds of support to Field Missions.

Let me just tick off all seven of what we call our “line offices”, meaning the offices that have line responsibility for managing operations. There is the Office of Foreign Disaster Assistance, of course, that Georgia was talking about. We have the Office of Food for Peace, which runs our Food Aid Program, and for those of you who know something about it, this is the P.L. 480 Title II program. In addition there is the Office of Transition Initiatives, which provides assistance in post-crisis transitions, and mostly political transitions.

There is also the Office of Conflict Management and Mitigation, which was newly created this year. It is just getting off the ground. The Office is the result of another clear priority that Andrew Natsios enunciated when he took over, and that is he wanted USAID to be as active as possible in dealing with failed and failing states. One of the ways we are doing this is by the creation of the Office of Conflict Management and Mitigation, although many other parts of the Bureau work on failing states' problems. In fact, sort of an organizing principle for the Bureau now is addressing problems of failed and failing states, generally.

I have talked about the Office of Democracy and Governance a bit, DG. That is the fifth one. We also have the Office of American Schools and Hospitals Abroad, which has been around since I think 1954 and provides assistance to U.S. medical and educational institutions, which have counterpart institutes overseas. Most of the assistance is for construction and physical plant type of work. Then finally, there is the Office of Private and Voluntary Cooperation, which is sponsoring this conference.

In terms of how you might work with DCHA, there are a variety of ways. Most of our programs are done through, as many of you, I am sure, know, intermediaries. In some cases, that means the United Nations or international organizations, but in the vast majority of cases, it means you, it means private and voluntary organizations.

So for starters, that is the way we operate. Those are the kinds of implementation arrangements we rely on to get the work done. The nature of the arrangements varies quite a bit among the Bureaus. Offices give grants, some do associate cooperative agreements, and there are some contracts.

There is not time to go into much detail on any of this, but I think it is fair to say that this Bureau, if not having the most to offer the PVO community in terms of opportunities for collaboration, has as much probably as any Bureau in the Agency.

Perhaps during the question-and-answer period, we can get into some more of the specifics, but I just wanted to give you a bit of a flavor of the new organization of the Agency and a bit of how DCHA is organized and operates.

Presentation by Steven Wisecarver

*See Africa Bureau Fact Sheet

MR. WISECARVER: Since we are only allotted eight minutes, we have prepared a fact sheet entitled "USAID in Africa Bureau Websites and Resources for PVOs/NGOs." Everything that I am about to say over the next eight minutes is pretty much on that. If you got in late last night and need an eight-minute catnap, or if you need another cup of coffee, go ahead and do that now and then just pick up the fact sheet a little later.

I am going to divide this into two parts, essentially giving you a brief, brief overview of the Administration's goals in Africa as well as some of the Africa Bureau's sector priorities. Then I want to go into what we have all been asked to do, which is to offer some concrete suggestions to help you in effectively doing business with USAID.

In terms of the Administration's goals, they are threefold: first of all, to increase trade investment and open markets to Africa; second, to prevent and mitigate conflict and improve governance; and third to combat HIV/AIDS.

Aside from these broad goals, certainly each of our 26 USAID Field Missions work in a variety of other goal areas and in a variety of sectors. Obviously, as Georgia mentioned, OFDA and OTI and others work tremendously on humanitarian assistance and emergency relief operations. Unfortunately, this is a fact of life in Africa. But in addition to that, we also do development work in just about every sector that USAID works in. This includes agriculture and the environment, natural resources management, basic education, maternal child health care, child survival, primary health care, water and sanitation, microenterprise development and a whole host of things.

In addition to this, the Africa Bureau is very firmly focused on capacity building for host country organizations at all levels, community based up to the national level, and on gender mainstreaming and enhancing women's roles in the development process, and those are two very important cross-cutting areas in which we work. So the bottom line is that the Africa Bureau works in all sectors that are really of relevance to all the work that you do.

In terms of concrete suggestions, and I will offer some apologies for those who are well versed in the ways of USAID because I am assuming that some people here at least are not as well versed, and I think many will be alluding to that, I will offer some sort of concrete suggestions, and again these are on the fact sheet.

In terms of concrete suggestions, if you are focusing on a specific country, there is a rich body of knowledge available on the websites, which we have included on the fact sheet. We have 26 bilateral USAID Missions. All of those Mission programs, all of their congressional budget justifications, all of their annual reports, all of their strategic objectives, their intermediate results, their performance, their

partners, their implementing partners, their budget levels, everything are listed on the website. Everything is readily accessible.

What I noted when I was stationed in Nairobi was that in probably in 95 percent of the meetings I had with not only for-profit but not-for-profit people was that one of the first questions was, “What are you doing in agriculture, health, fill in the blank?” From the outset, this told me that this was a casual approach and, perhaps, not a serious business approach. So I would just say, please go to these websites before you talk to your Missions or express your interest in anything. You will find everything that we do there. It is very transparent.

Again, the website at USAID is large and it is not easy navigate if you don't know what you are looking for, but hopefully these things on the fact sheet will lead you there.

I think, where in the cycle of a mission strategy that a given mission is, is also very important to be aware of. Most USAID strategies are for five years, some are for less, some are for slightly more, and I would say that probably the preponderance of all contracts and grants that are put into place are put into place within the first twelve, possibly 18 months.

After that, you might get midterm adjustments, say, in the out years, out year 3, perhaps even out year 4, if you have major adjustments, but if you come to talk to me as a mission director in Year 4 or 5 of my strategy and say what good things you can offer, chances are it's not going to go anywhere. We have already got everything in place and there isn't much opportunity until we put that next strategy in place.

I think it is also important to clearly articulate your organization's strengths. There are a few very large PVO/NGOs who operate in just about every sector, multi-sector approaches, but certainly for the smaller NGOs and PVOs, I have found that to be successful—and by successful, I mean not only in terms of gaining AID business, but also in terms of achieving development goals—that those NGOs tend to specialize and develop a body of knowledge in a certain sector that they can bring to the table for AID. This could be in cooperative development, in capacity building, or it could be in civil society advocacy, community based education, whatever it is, but I have found that some of the most effective NGOs and PVOs we work with do have a specific expertise and can bring that to the table.

Obviously, the next step is to look for a fit between a given USAID strategy and where your strengths are to find that nexus of what your organization can bring to the table and what the USAID mission's, objectives, and activities are.

Also, networking with other for-profit and not-for-profit organizations is a very important part. USAID, over the years, as many of you who have worked with USAID will note, has shrunk tremendously in size in terms of our direct-hire workforce, and certainly our contracting officer workforce is also one of the constraining factors we have.

So because of that, we have tended to consolidate our procurements, our requests for applications, our requests for proposals, where we can, into a larger requirement to cut down not only on the management burden, but also on the burden that leads up to award of that grant or contract.

So we find that many of our awards these days are going to consortia. Because you can't get all these various areas of expertise in just one NGO or PVO or contractor, you have to have consortia of many organizations that bring their respective strengths to the table.

Again following up on capacity strengthening, too, which I say is a very key part of what the Africa Bureau is interested in and certainly a lot of our other regional bureaus as well, we also are constrained in awarding grants or cooperative agreements to indigenous organizations. They simply do not have the capacity, the track record.

They are not responsible in the sense of having the systems, personnel systems, financial management systems, etcetera, in place to be able to offer direct awards. So we often use our NGOs and PVOs as a middleman, as it were. We award to that PVO or NGO, who then does umbrella projects and makes subgrants to those indigenous organizations. We are always looking for those kinds of organizations to do our capacity building for us, and to provide those linkages with indigenous organizations.

I would also suggest, as a last point, to become familiar with federal procurement regulations governing assistance, i.e. grants and cooperative agreements and also contracts. I have included on the fact sheet two sources, which USAID uses to train its own officers, Management Concepts, Incorporated, and also ESI/George Washington University. These organizations offer training all over the United States, not just in the Washington area. I would strongly suggest offering your staff that is involved in government procurement this kind of training. I have found that for-profits have readily availed themselves of this training; not-for-profits, not so much. The pitfalls and the esoteric nature of federal grants, contracts, etcetera, is such that I think you would be well served by getting your staff training in these.

As Georgia said, too, also included on this fact sheet are the USAID procurement websites, facts, where you can go for source book information, guidance. We have an ombudsman homepage that has frequently asked questions; we have all of our regulations up there online. So this is really a very rich source, again, for you, to help out on how to do business with AID.

That is about it. I wish you very good luck during the course of this meeting. We will be available for questions-and-answers at the end.

Presentation by Antoinette Ferrara

MS. FERRARA: I am actually very fortunate to be following Steve because he pretty much said most of what I was going to say. So I hope you took good notes.

It is true that for the Regional Bureaus, such as the Asia Near East (ANE) Bureau that I am representing, many of the things he said are right on. I will just give a few specifics about the ANE Bureau and then a few of my own perspectives from my experience dealing with PVOs and local NGOs overseas.

The ANE Bureau comprises 16 Field Missions and six Non-Presence Countries. We call them non-presence because we don't have a Foreign Service Officer actually in the country. We may have contractor personnel there, and they act on our behalf and in our place.

Some of the activities we run in the Non-Presence Countries, which include Laos, Burma, Thailand, Vietnam and Yemen, are actually initiated and managed out of Washington. In other words, they are centrally funded programs, which means you'd be looking for solicitations out of USAID/Washington - headquarters. These might be for programs in HIV/AIDS prevention and care, maternal and child health, micro-enterprise, etc.

The ANE Bureau and its Missions utilize a variety of solicitation mechanisms, just as you have heard from the other panelists. This includes annual program statements, requests for applications, and we also accept unsolicited proposals. This varies by Field Mission, and it varies by Non-Presence Country program, too.

The main foci for the ANE Bureau in the coming fiscal year include education, conflict and rule of law, economic growth, environment and health, including HIV/AIDS, which is strongly supported. We also have or are initiating some fairly nominal programs in a few other countries that we call Non-Presence Third-Tier, and again, you may read about those on the website.

I should emphasize to you that we do have a website, just as the Africa Bureau. Steve has mentioned a number of the general websites, and for ANE, you can go in there and see our list of countries and, again, all the strategies for those programs, et cetera.

I would just add, again, from my experience in Missions overseas, and actually as the Vietnam/Cambodia/Laos/Burma/Thailand desk officer, I get a lot of inquiries from very well-intentioned, good-hearted people who want to help out in these countries, and there is still a great deal of need.

I mean, Asia Near East consists of a lot of countries with high economic prospects and very low ones, so there's a wide range of interventions to be made in these countries. But what I do say to these callers and people that I have met in the Missions is, number one, as Steve said, know the strategy. It really does not help to come in and just say, I want to do something good in this country; I really feel for these people. We need you to know our strategy and what we really have the discretion to fund, because,

generally speaking, we don't have non-discretionary funding anymore. So we can't really fund -- only in rare cases -- something outside our strategy.

Secondly, you really need to show an understanding of the country and its needs as well as its capacity as far as the level of local help that you can expect to hire and utilize or build on. You need to understand that capacity in some of these countries is primary, while in others it is not and you have a very sophisticated workforce.

You need to be able to make clear what the problem is you want to address and how you are going to address it, and, very importantly, what you expect will be the end result and how you are going to leave. Again, due to our declining budgets and presence, we can't go into a relationship with an organization anymore thinking it is just going to be forever. We really have to have an end point in mind when we begin. We want to know if you have thought that through and what you expect to leave behind and how the results of your work will continue after you are gone, after we are gone, too, perhaps.

So I would just emphasize that understanding our strategy and the country and what innovative and effective interventions you can make are what will make the difference. So good luck you to you and I will be happy to answer questions later.

Presentation by Michael E. Zeilinger

*See Slide Presentation

DR. ZEILINGER: I am here from the new Bureau for Global Health. As many of you know, as a result of the reorganization, PVC's Child Survival Grant Program has been moved to the Bureau for Global Health. I think it is important that you get to know us. I am happy to say that as of Monday, the staff from this Child Survival Grant Program are actually sitting among us now. Everything seems to be going well and we are very lucky to have them.

Today, I would like to talk about the Bureau for Global Health, particularly our funding and organizational structure. I would like you to know about program's major areas of emphasis.

Again, like the other Bureaus at USAID, our partners include the major bilateral donors. We also work with multilateral donors, host-country governments, and the commercial private sector. PVOs and NGOs are very important to our programs. Foundations and universities also play a major role.

It is important for you to see our funding trends. Our funding comes in the form of the Child Survival and Health Grant from Congress. Child survival funding has been relatively stable over the last few years. Where we see a major increase in our appropriations is in the areas of HIV/AIDS and infectious disease. Although HIV/AIDS is an infectious disease, we split it out separately. Infectious disease funding has increased by about 300 percent since 1998. This includes tuberculosis, malaria, and anti-microbial resistance. Put another way, our HIV/AIDS funding has increased 11 percent just in the last year, while infectious disease funding has increased by 17 percent.

It is important for you to know how the Bureau for Global Health is structured. The Bureau is made up of four technical offices: Office of Population and Reproductive Health; Office of HIV/AIDS, which is new – before the reorganization it was a division; the Office of Health, Infectious Disease and Nutrition; and the Office of Regional and Country Support.

Within the Office of Health, Infectious Disease and Nutrition, where the PVO Grant Program is right now, we have a Maternal and Child Health Division, Infectious Disease Division, a Nutrition Division, and a Health Systems Division. The Nutrition Division is where this new program lives, and we call it the Child Survival and Health Grant Program.

The critical functions of the Bureau for Global Health are technical support to the field; global leadership where we focus on promoting program innovation; resource mobilization and allocation; and policy development and reform.

Most importantly, for the purposes of this audience is research and evaluation. This is where the PVOs and our Child Survival and Health Grant Program will play an important role. This includes focusing on developing, testing and disseminating new and improved technologies and approaches; collecting and analyzing data on global trends; and developing and assessing methods of program evaluation. Since

the PVOs are on the ground, this is how we learn about new trends, particularly global trends in monitoring and evaluation.

I will now focus primarily on child survival and infectious disease because these are the two largest areas in the Child Survival and Health Grant Program. HIV/AIDS is certainly included in this, but given my time, I don't think I could even scratch the surface of what the Bureau is doing in HIV/AIDS.

There is an RFA on the street right now that I think closes around December 4th or 5th. It is on our Office of Procurement website along with the first two amendments. I urge you to go take a look at that as well, and the technical resource materials that are provided.

Our major objective in child survival is to decrease the burden of morbidity and mortality for infants and children. Our strategic foci are childhood killers and to reduce the burden of disease. We focus on interventions for maximum impact, where can we get more bang for the buck. Vaccinations, promotion of breastfeeding, Vitamin A distribution, and oral rehydration therapy are, of course, huge parts of the Child Survival and Health Grant Program.

Again, in Global Health, we are looking at innovation, tools, and methodologies, working on the development of oral rehydration therapy, Vitamin A, and a new thrust in single-use syringes, sustainable approaches for systems development, and changing the programs as new needs evolve. On this, we work closely with the CORE group, which is a network of PVOs working in Child Survival.

Going back to infectious disease, a major objective is to reduce the threat of infectious disease. This is of major public health importance. In this area, we're working on tuberculosis, malaria, anti-microbial resistance, and surveillance. Within the Child Survival and Health Grant Program, tuberculosis and malaria are playing a huge part.

To wrap up, our strategic focus areas for our program this year are to integrate the Child Survival and Health Grant portfolio and to formulate a future plan for this portfolio dealing with child survival, family planning, and infectious disease.

Presentation by Geoff Chalmers

MR. CHALMERS: I am with the Microenterprise Development Unit, which is part of the Bureau for Economic Growth, Agriculture and Trade. I don't represent the whole Bureau, but rather one part of it, which is Microenterprise Development. I am going to talk a little bit about our office, and then USAID's broader microenterprise development agenda, which is implemented primarily through work in the USAID Missions.

Essentially, we have three objectives. The first two are to promote high quality, sustainable microfinance and business development services for poor microenterprises and their households, and the third is to promote an enabling environment for microenterprises.

USAID is the leading donor in microenterprise development. It has been active for 25 years, working with over 60 Missions worldwide.

Now let me provide some broad background on the types of clients that benefit from microenterprise development programs. As of fiscal year 2000, including all of USAID's partners, we had two million borrowers and three millions savers. We had also facilitated the provision of business development services to 250,000 clients.

In terms of our office's role in microenterprise development, it is in keeping with the Agency's restructuring. We are reorienting ourselves more towards being a technical support office for the Missions. It is less of a role of direct program expansion that we concentrated on in the past and more towards supporting Mission programs.

In addition, we have a role in mainstreaming best practices in microenterprise development in USAID as well as the broader industry. It is essentially trying to promote the benefits of microenterprise development programs to our Missions. We have a bit of a salesman's role in this regard.

We also have our own programs that invest in innovative programs in the field. But as I said, the Mission level is really where we are concentrating, and that happens to also be where most of the money is. Seventy percent of microenterprise development funds at USAID are spent at the Mission level.

Basically, they are diverse activities and they can be under a wide variety of strategic objectives. At the Mission level, they tend to be under poverty reduction strategic objectives and sometimes under economic growth. They have also been known to be under non-traditional, strategic objectives, having to do, sometimes, with democracy and even with health programs.

I'd like to reiterate what has been said before about fitting into multi-year country strategies being key. For those PVOs that do have well-developed microenterprise development programs, the strategy of approaching Missions in a strategic way in terms of the timeline of their programs is key. Figuring out

the priorities of each Mission is also very important, particularly since there is quite a bit of diversity there.

In terms of the Microenterprise Development office, we do have some innovative grant programs. One is the Implementation Grant Program that has been around for about six or seven years. It has been an annual competitive grant in our two technical areas of financial services and business development services. Typically, these grantees have a rather specialized technical capacity in microenterprise development. They usually have already invested considerably in building that capacity.

We also have some smaller grant programs. We have one called the Practitioner Learning Program, which is run through SEEP Network, which is a collection of PVOs working in the microenterprise development field.

How we are trying to achieve our objective in the two main technical areas of microfinance financial services and business development services? On the financial services side, we are promoting the improvement of outreach in the field. This involves both reaching down to poorer clients and their households as well as achieving more scale in terms of the number of clients reached. We are also concentrating on microfinance institution management, issues of efficiency, service quality and appropriate services as well as a continued emphasis on the sustainability of those services.

We are going to be looking more and more at commercial market linkages. First and foremost this means facilitating access to commercial capital markets for microfinance institutions. Finally, we are promoting a better enabling environment for microfinance, focusing on issues of regulation and supervision.

On the business development services side, we are testing the commercial viability of business development services programs, first and foremost through research and case studies, but also through training, conferences and some of the innovation grants programs that we have. There will be a particular emphasis on promoting sustainable impacts on clients as well as promoting a competitive market for all of the crucial services that microenterprises need to thrive.

So that is a very brief overview, and like everyone else, I'm available here for questions.

Question-and-Answer Session

MS. LISKOV: Well, we have shared a wealth of information, a very broad overview of the Agency in a very short period of time. Let's spend the next ten minutes or so with some questions and answers.

MS. HENDERSON: I'm Laura Henderson from CARE. I believe it was Steve from the Africa Bureau who mentioned that since USAID has had its staff cut, there have been more and more collaborative consortium network Requests for Proposals (RFPs) and Requests for Applications (RFAs).

I was wondering if you could share with us some of the lessons learned from this. As USAID moves towards the trend of having larger RFPs and RFAs, one needs to look, sometimes, at the issues that may make those larger ones not as nimble and flexible and effective in what they are trying to achieve.

MR. WISECARVER: That is an excellent question because this has not been a longstanding practice. I would say there have been some problems in trying to include too much under a given solicitation -- and I am talking both about contracts and grants -- that when we tend to ask too much and the consortia get too large, there have been problems.

Aside from that, Laura, I'm not sure we have the experience on the specifics of what has gone wrong in specific instances. I think on the positive side, when we do see these large consortia, we do see a very rich blend of resources at the table that the consortia bring to bear on a given problem.

You are always going to have tension between partners, or between leader grants and associates in terms of division of workload and that kind of thing, but that is always going to be case with prime-sub relationships, or with other partnering relationships. But on the whole, I would have to say it is positive. That is not to say that there are not glitches in some cases.

MR. WESCHE: I'm Ken Wesche with Enterprise Development International. I have a question relating to the DCHA. The statement was made that there are probably as many opportunities for PVOs in DCHA than in any of the other Bureaus. What would you say is the best way to learn of those opportunities as they are developing?

MR. LYNCH: I should have mentioned that the Agency does have a procurement website that has information about opportunities offering that sort of thing. We are developing a Bureau website that will be more all-encompassing than we have had in the past.

One of the things we intend to do is, first of all, provide more information about how the Bureau is organized and what the various offices do. Beyond that, some specifics about the kinds of partnership arrangements that are possible and the opportunities that might exist will be provided.

In the meantime, it is probably worth the effort to contact the various offices. As I was saying earlier, the Bureau does a whole range of things, from immediate disaster response, emergency programs, including both food aid in those situations and non-food relief, the post-emergency, post-crisis transition activities.

This can include things such as civil society strengthening through media development and a whole range of other interventions aimed at promoting a solid political transition and democracy and governance. There is also the work of PVC, which is capacity building and organizational strengthening of both U.S. PVOs, and now more prominently, indigenous NGOs.

It is probably worth some effort in trying to find out more about what those offices do and the kinds of needs they are anticipating in terms of assistance with implementation.

MR. NORTHROP: I am from Project Hope. A number of you in your remarks were rather discouraging about the possibilities that might result from being approached by an NGO or PVO and by particularly coming into such a discussion at a time when the strategies have already been fixed.

From an operational point of view at the PVO level, this raises the question about whether it worth it to put together an unsolicited proposal? Are there any times when fresh ideas can be received? How should we think about unsolicited proposals? Is it worth the effort at this point?

MS. BEANS: Just speaking for the Office of Foreign Disaster Assistance, they do encourage concept papers. We encourage concept papers more than a full-blown unsolicited proposal because we really don't want organizations to go to the effort and expense of putting together a full-blown proposal. We are willing to address and look at a concept paper, and we will tell you very candidly if it is going to fall within the current strategy, if it meets a current need that we are looking at. Unsolicited proposals are sometimes not as welcomed as concept papers where you have a more collaborative discussion at the beginning about whether or not your program is going to fit in with what is trying to be achieved in a particular country.

MS. FERRARA: This is a tricky question. Frankly, I have been hard-pressed to provide a good answer to people because I think in some cases; it isn't worth the effort if you are hitting the Mission or the program at the wrong part of the cycle. But I agree with what Georgia said, too. From my experience in Missions, a concept paper at any time is certainly worth discussing, but I guess the solution, in my mind, starts considerably before that point.

It is important, because of all of our limitations these days, to really get to know USAID. If you are operating in a country, get to know that Mission, meet with those people. You will understand when their strategy cycle is coming up. If you want to go into a country, then clearly you have to do it perhaps from a long distance, but follow the websites pretty regularly and establish contact with the Mission. You will get a feel for how the cycles evolve. I think it is very important to hit the Mission in the run-up to the strategy development or in the strategy development process. At this stage, they are really open to a lot of ideas and we really do try to make a concerted effort of getting input from our partners or would-be partners or people who have been in the country and know things that we don't. We like to get that input, but it needs to come at the right time. So we can factor such considerations into our strategies if appropriate. I would recommend really getting to know the Mission or USAID's cycle as a whole.

MS. BROWN: Yes. My name is Marsha Brown and I'm from ACCION International. I have heard rumors that the Latin America and Caribbean Bureau is undergoing some changes. I couldn't help but notice that there isn't anyone from the Bureau here. Can you offer any enlightenment on this?

MS. LISKOV: All we can say is that the entire Agency has been undergoing review under this reorganization. We have all been through what have been called Portfolio Reviews. Some of us have come out of it shaking a bit more than others. I know that there are changes. I apologize; we were not able to get someone from the Latin America and Caribbean Bureau. We will try and find a way to look into that and put you in touch with someone if you don't have other contacts there.

MR. COHEN: I am Don Cohen from Plan International. This question is addressed to Geoff Chalmers. I heard you say that the innovative grant program normally is on an annual cycle, but I was wondering implicit in that as to whether you are changing that cycle, because there hasn't been an RFA out on the street this year.

MR. CHALMERS: The short answer is no, that wasn't implicit. There will be an RFA this year, but implicit in that was it may not necessarily be annual and ongoing, but this year, there will be one.

MR. HOWARD: Ron Howard, OIC International. Is there any way to have a preliminary sense of what RFAs are in the making so that before the formal RFA announcement is actually out, there can be some kind of heads-up on what is process? Generally speaking, there is a relatively short turnaround time for when an RFA is actually issued and when it is due. Is there any way of getting a heads-up ahead of time of what is in the works?

MR. WISECARVER: I have been out of the procurement business for a while, but I think in large part it is every six months or every year. Most Missions put out an annual program statement of their needs over the coming year. This responds in some respect to the unsolicited proposal question, because in lieu of unsolicited proposals, people are looking for unique or creative ideas from PVOs' on how to approach certain problems. That is probably your best source.

There also has been something called the Source List that has been used, but I don't think that has been used as extensively to give people a heads-up beforehand.

MS. BEANS: Do most people know the difference between the RFA process and the APS process? An RFA is used when an organization really knows the answer to the question and is looking for implementing partners to help them implement that program in the way that they have pretty much designed it.

The reason that the Missions and offices publish an annual APS is that they are looking for creative, innovative answers from the PVO community to a question. We know the question, but we are looking for people who maybe have a different answer. They are willing to look at lots of different kinds of answers and weigh all of them. The APS is another way to do that because all of that information will come in at a given time. Some of the APSes are open all year long and they will receive proposals

throughout the year; others might have a closing date where they say, "We want to look at all of this at a certain time." As I mentioned, sometimes they are very broad and they might cover the entire strategy for an organization, or in the case of OFDA it might be very specific, like just food security in one country. You guys have the answers because you are working in those countries, you know the capacities, you know the answer, and so we want you to come in and help us with the answer. Both RFAs and APSes are all published on the USAID website.

USAID and AFRICA BUREAU



Websites and Resources for PVO/NGOs

USAID'S HOME PAGE AND SITE INDEX

<http://www.usaid.gov/index.html> Everything you need to know about USAID. Updated daily.

AFRICA-SPECIFIC SITES

<http://www.usaid.gov/regions/afr/> Definitive overview and general information on USAID programs and countries in Africa with hotlinks to many other sites. Contains information in many formats: by sector (health, education, agriculture, democracy/governance, environment, etc); by country (26 USAID country programs), and by regional activities and initiatives. Also includes links to online publications, success stories and USAID contact information.

<http://www.usaid.gov/country/afr/index.html> Wonderfully rich site that includes Congressional Budget Justifications (CBJs) for all 26 USAID Africa Bureau bilateral programs and regional programs. CBJs provide detailed descriptions of each USAID country or regional program, specific development challenges by country, summaries of USAID mission or operating unit's "Strategic Objectives" (SOs) plus "data sheets" (detailed information on USAID bilateral mission activities, performance and results, principal implementing contractors and grantees, funding levels and budget information.

<http://www.dec.org/partners/ardb/> An important site for USAID development partners (covering all of USAID's geographic regions and programs). It includes the most recent Agency Annual Report and Database for each of USAID's operating units in Washington and in the field. The site contains information from the FY 2002 Annual Reports. USAID Annual Reports are the primary means for Agency operating units (OUs) to report performance to USAID Washington. The 2002 reports are shorter, more streamlined documents than the former Results Reports (R4s), containing narrative descriptions of each unit's Strategic Objectives (SOs). From this site, you can access narrative and performance indicator data in many ways. Summary pages provide a snapshot of each unit's performance and links to PDF versions of the original documents.

ACQUISITION AND ASSISTANCE HELP

http://www.usaid.gov/procurement_bus_opp/procurement/ This site contains all information pertaining to USAID contracts and grants. Here you will find current solicitation documents, announcements, and resources to help you to do business with the Agency. This site is updated daily and offers email notification when a new solicitation has been uploaded to the site.

Of particular note on this website for PVOs/NGOs are two sections entitled "Solicitations" and "Other Resources." Under "Solicitations," you can access and download worldwide Requests for Applications (RFAs) and Requests for Proposals (RFPs). This section also provides Annual Program Statements (APS) for PVOs/NGOs to submit applications when an RFA is not appropriate or when USAID is seeking creative or unique implementation approaches from NGOs. Under "Other Resources" you can access **Procurement Regulations, the Sourcebook on Grants and Cooperative Agreements, Forms for USAID Solicitations and the Acquisition and Assistance Ombudsman Homepage** (which includes FAQs and information for those new to USAID procurements.

WHEN PLANNING BUSINESS WITH USAID...

- Know the USAID Operating Unit(s) strategy and what stage it's in (start-up/mid-cycle/end);
- Clearly articulate your organization's strengths and competitive advantage;
- Delineate how your organization fits into or complements the USAID mission's strategic objectives;
- Network with current/potential for-profit and not-for-profit partners working in-county;
- Include capacity strengthening of indigenous NGOs, community groups or host country institutions in your planning;
- Become familiar with Federal regulations governing contracts and grants. Training sources include: MCI at <http://www.mgmtconcepts.com> and ESI/George Washington University at <http://www.esi-intl.com/Public/contracting/index.asp>



United States Agency for International Development



New Bureau for Global Health Presentation to the 2002 PVC/PVO Conference

**Dr. Michael E. Zeilinger, Chief
Nutrition Division**

**Child Survival & Health Grants (PVO Grants) Program
Office of Health, Infectious Diseases and Nutrition
October 24th, 2002**



USAID Partners

Development Partners

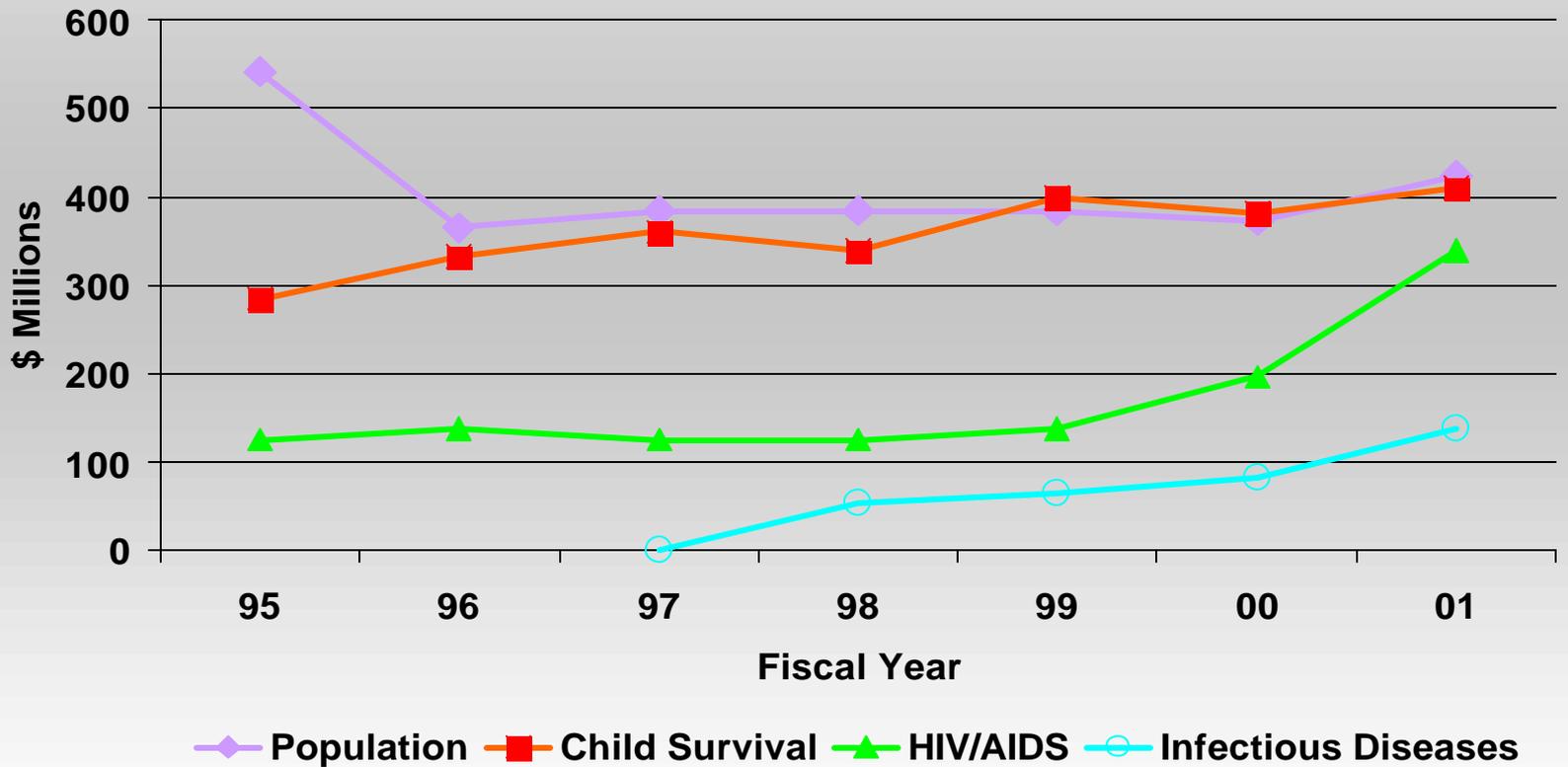
- Major Bilateral Donors
 - United Kingdom (DFID)
 - Canada (CIDA)
 - Japan, Common Agenda
- Multilateral Donors
- Host Country Govts
- Commercial Private Sector
- Nongovernmental and Private Voluntary Orgs
- Foundations
- Universities
- Individuals

USAID Partners

- Country Missions
- Regional Missions
- Regional Bureaus
- Host Country Institutions



Funding Trends for GH



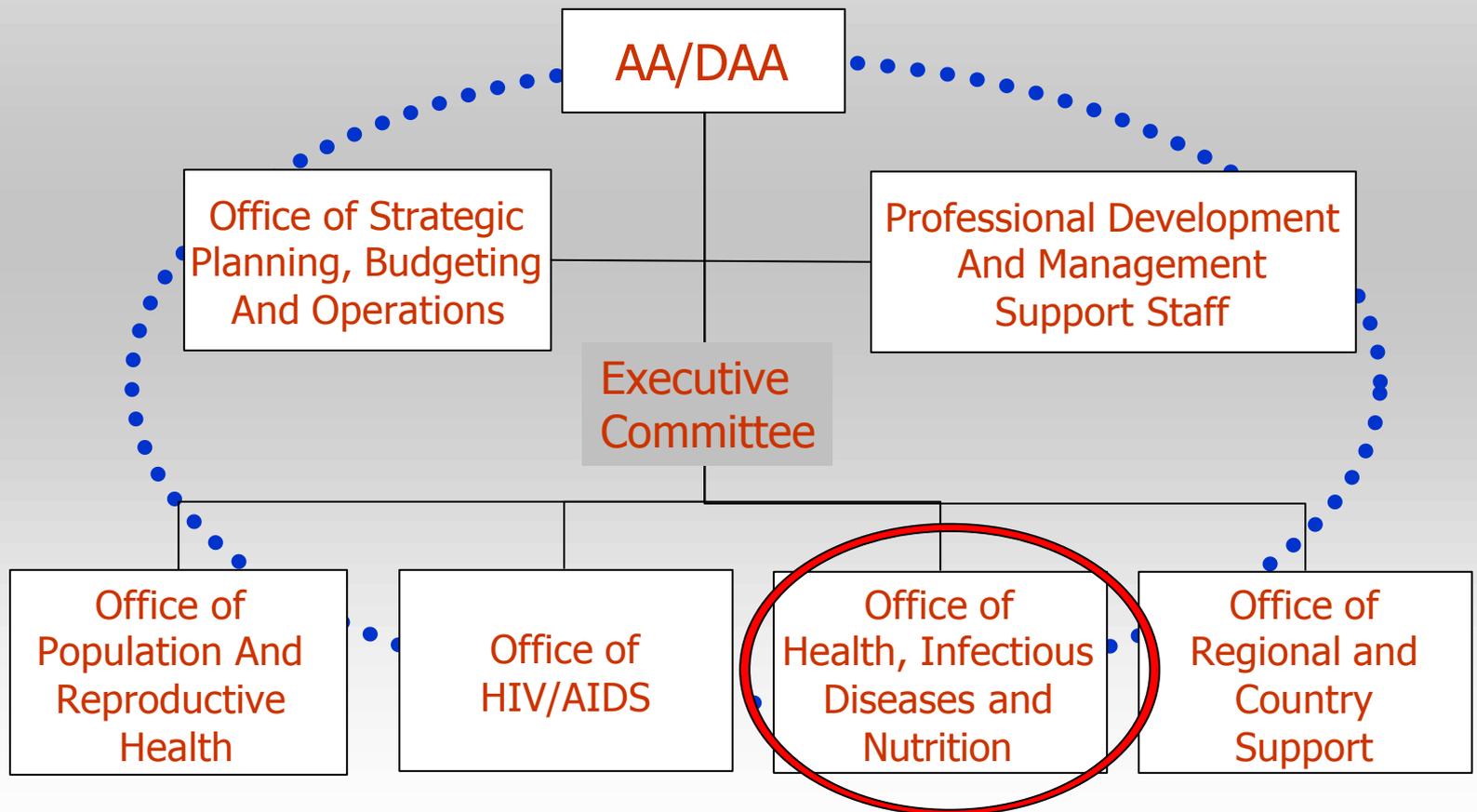


USAID Budgets

<u>Funding Category</u>	<u>FY2001</u>	<u>FY2002</u>	<u>\$ Increase FY01-FY02</u>	<u>% Increase FY01-FY02</u>
Child Survival & Maternal Health	361,100	382,800	21,750	6%
Vulnerable Children	21,800	32,200	10,440	32%
HIV/AIDS	432,700	485,000	52,270	11%
Infectious Disease	140,200	168,400	28,230	17%
Family Planning & Reproductive Health	424,100	446,500	22,440	5%
UNICEF	109,800	120,000	10,240	9%
GLOBAL TOTAL	1,489,700	1,634,900	145,380	9%
Basic Education	113,000	188,700	75,490	40%

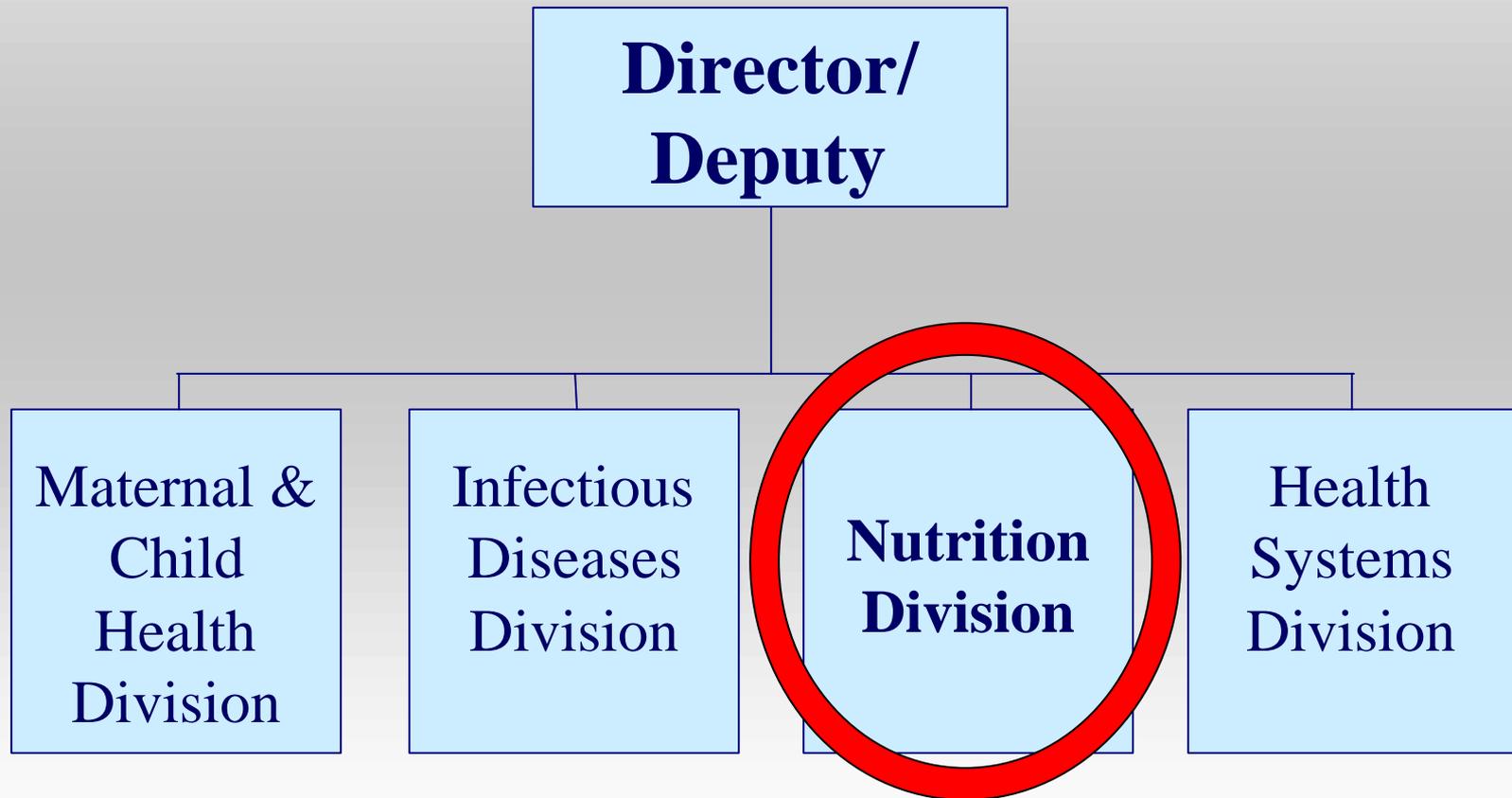


GH Organizational Structure





Office of Health, Infectious Diseases & Nutrition





GH Critical Functions:

- **Technical Support to the Field**

Focus on supporting USAID partners to increase awareness of, demand for, and access to high quality and sustainable population, health and nutrition interventions.

- **Global Leadership**

Focus on promoting program innovation, resource mobilization and allocation, and policy development and reform.

- **Research and Evaluation**

Focus on developing, testing and disseminating new and improved technologies/approaches; collecting and analyzing data on global trends; developing and assessing methods for program evaluation.



Child Survival

Objective: Infant and child health and nutrition improved and infant and child mortality reduced



USAID Approach to Child Survival

- **Strategic Focus**-Target Childhood Killers and Reduce Burden of Disease
- **Interventions for Maximum Impact**- (e.g. vaccination, breastfeeding, Vitamin A, ORT)
- **Innovation Tools & Methodologies** (e.g. developed ORT, VITA, Single Use Syringes)
- **Sustainable Approaches for Systems Development** (e.g. quality assurance, rational drug use, equitable health care financing)
- **Changed program as new needs evolved** (e.g. introduction of new vaccines, focus on neonatal mortality, integrated community-based approaches)



Infectious Diseases

Objective: The threat of infectious diseases of major public health importance reduced



USAID Approach to Infectious Diseases

- Tuberculosis prevention, control and treatment
- Malaria prevention, control and treatment
- Anti-microbial resistance
- Local capacity for surveillance and response



HIDN Strategic Priorities for 2003

- Integrate DCHA PVO Portfolio
- Formulate future plan for PVO Programs in Child Survival, Family Planning and Infectious Diseases
- Launch Community Based Approaches to Child Health
- Draft Nutrition Strategy
- Expand/scale-up Neonatal Health
- Expand/scale-up Maternal Health Programs, emphasizing post-partum hemorrhage
- Expand Malaria Portfolio

NEW DIRECTIONS WITHIN USAID, DCHA, and PVC

Introductory Remarks by Judith Gilmore, Moderator

MS. GILMORE: I am delighted to see so many of you here today. I see a lot of old friends and many, many new faces, which is very exciting for us. What I would like to do now is introduce Roger Winter, who is the Assistant Administrator for the Bureau for Democracy, Conflict and Humanitarian Assistance. Roger comes from the NGO community, he has a long history of working with many of you, and so he is very supportive of all our programs.

Before Roger addresses you, I would like to make one other introduction. Garrett Grigsby, our Deputy Assistant Administrator. Garrett is Roger's deputy and my boss. We are very delighted to have him here.

At this point, let me turn the podium over to Roger. Roger is going to talk to you about the Agency's priorities and his vision for DCHA.

Presentation by Roger Winter

MR. WINTER: Good morning. All my friends are old, so if you know me in here, you are old almost by definition.

As Judy said, I come from the PVO/NGO community, where I was for some decades. I worked mostly on refugees, displaced people and the conflict side of things. In some ways, the kind of things I am dealing with right now are the things I have always dealt with; it is just I have changed to an USAID hat. I have been in this role for a year and a half. I don't consider myself an USAID person yet. People like Judy have long track records here, but maybe the stuff I haven't learned yet is just as well unlearned.

People who know me, and there are a number of you here especially from the refugee community, think I was nuts to leave a job as a CEO of a useful nonprofit. I loved my job, I had done it for some decades, I had a board that I could work with and, you know, in some ways I had the best of all possible worlds.

Some of you know that I was also in the government during the latter part of the Carter administration. I was head of the operation of resettling refugees into the U.S. during the time of the Mariel Boat Lift, and I had sworn that I would never go back to the U.S. Government.

So why did I? Well, let me try to be clear. I tend to be naive and idealistic and I tend to stick by my friends. Andrew Natsios was a friend and we had done an awful lot of work together when he was at the Bureau for Humanitarian Response in USAID and the Office of Foreign Disaster Assistance.

While he was waiting in the wings for his confirmation, he asked me to come over to talk about Sudan, which a number of you know is one of my favorite topics and has been for several decades. He wasn't looking for somebody, and I wasn't looking for anything except to brief him on Sudan, but we wound up in a conversation.

Let me try to convey to you the kinds of things I find attractive at USAID, right now, and caused me to come here. First of all is Andrew. Now, he can be a wild man sometimes. I think, probably, a number of you know that, but he has more passion in his guts for the people we might call the beneficiaries of what we try to do. He has a history in this Bureau and that's a little bit intimidating. I am following somebody who had the exact sequence of jobs that I did, and he happens to have had them longer than me even though it was a little while ago. He knows them better than me, so every time he looks over your shoulder, it is a little bit intimidating. But the first reason I came here was Andrew, because I knew very clearly where his values were and I knew very clearly that he had a vision.

Now, you might agree with his vision or disagree, but he has a vision and I viewed that as a good thing. He wasn't a functionary of any kind and you will never be able to saddle him with that kind of nomenclature.

His vision included the fact that he wants to restore USAID to being a respected arm of the foreign policy apparatus of the United States. Respected is a key word because, as everybody knows – and I might say particularly Garrett Grigsby whom Judy introduced a moment ago knows – it wasn't always respected. We are digging ourselves out of a sort of perception of disrespect. I think we are doing it successfully, although certainly not completely. We still have lots of warts and moles, and many of you in the room know a good number of them.

The idea of rebuilding the image of USAID necessarily relates to rebuilding how USAID functions. I will be the first one to tell you we have not achieved a lot of the major goals that were set a year and a half or so ago for what USAID ought to look like, but I do believe we are making a lot of progress.

One of the areas that we have provided -- forgive the term -- almost an enema to, is our administrative systems. Many of you have had very bad experiences with the administrative systems of USAID, particularly in the procurement area.

When I came here, I came here as the head of the Office of Foreign Disaster Assistance. I found that we had emergency response grants that had been awaiting final procurement action for in excess of six months. You start to say to yourself, what is wrong with this picture? It isn't only in the procurement area. This is a massive undertaking within USAID, which has not delivered on all of the hoped-for products yet.

This is a long-term process. There are some identifiable elements of progress. It is most particular in the procurement area. It is arcane to get into too much discussion about it, but I want you to know it is one of the things I found attractive.

I also found it attractive that the organization was to be reorganized. This is what I really want to focus my comments on.

This Bureau, the so-called DCHA Bureau, is what in the new framework for USAID we call a Pillar Bureau. Pillar Bureaus are non-Regional Bureaus that are supposed to be fundamentally technical in nature. They are policy heavy, best practices heavy, technical support to the Missions heavy. That is their function. It is a field support kind of function, but with the brain trust in a whole lot of the technical areas.

This particular Bureau, the DCHA Bureau, is a Pillar Bureau. It is a Pillar-plus Bureau because besides having some technical capabilities, it is the one Pillar Bureau that actually delivers a lot of programs. These are the old programs of the Bureau for Humanitarian Response. It is OFDA, OTI, Food for Peace and so on.

It is a Bureau, which is budgeted for the next fiscal year at almost \$2 billion, so it is a big operation within USAID. It consists of eight offices. One of those offices is a support office to the Bureau, and then there are seven program offices. They include, as I say, the old elements of the Bureau for Humanitarian Response, plus Conflict Management and Mitigation, and Democracy and Governance. Most of the money of the Bureau continues to be in humanitarian response.

Andrew talks a lot about developmental relief. This is an attractive term to many of us that are in the humanitarian field. The truth of the matter is that, in practice, there isn't nearly enough of our humanitarian resources that really go into things that we might call developmental relief.

When you really look at the overall humanitarian package, many of us conclude -- Andrew did; it was the underpinning of his proposed reorganization -- that what we are doing is maintenance. We are saving lives. What we are doing is absolutely indispensable, but it doesn't take you anywhere in terms of development and solutions.

So the reorganization that Andrew put forth for this Bureau was to try to get at the issue of how do we link in thoughtful, creative, programmatic terms what we do in humanitarian assistance with initiatives that are solution-oriented.

He wanted to do this very much in the context of a focus on failing or failed states. Obviously, everything we do in this Bureau doesn't necessarily relate directly to failed and failing states. Other than what we do in the disaster response area, most of what we do in the humanitarian assistance area is related to failed and failing states in some way. This means that the state inadequately meets the needs of the population for which it is legally responsible under international law.

In many cases, the state views some element of that population as the enemy for some reason or another. What we are talking about are states with complex humanitarian emergency status and in which conflict is a factor. It's an initiative, which very heavily focuses on internally displaced peoples

(IDPs). Everybody understands that because of the kind of conflict I am talking about, our refugee numbers have been going down internationally, while our IDP numbers have been growing.

Within the old BHR and still today, all our humanitarian programs are geared for the most vulnerable populations, regardless of what their status is. However, it does mean that there is an increasing focus on IDPs within the DCHA Bureau in an organized way, and you will ultimately begin to see some of this.

The idea was that these two new units in the Bureau – Democracy and Governance and Conflict Management and Mitigation – would, in a common Bureau with humanitarian assistance programs, begin to cross-fertilize in ways that were more developmentally oriented. This is the direction we are moving in.

We did not move all of USAID's Democracy and Governance programs to this Bureau. The great bulk of the resources for Democracy and Governance are in the Regional Bureaus. What we did was to move what used to be called the Democracy Center. It's the brain trust of our democracy programming. It looks at best practices, the formulation of policy, and a whole variety of things like this.

Also t an Office of Conflict Management and Mitigation has been newly created within the Bureau. In the first instance, it was to be called Conflict Prevention Office. When I heard this, I got the willies because it is awfully presumptuous that we can prevent conflict. Instead we wound up with the terminology of Conflict Management and Mitigation.

Once again, the idea is that this will be a brain trust, focusing on policy formulation, best practices, and field support activities. Most of the program resources will be in the Regional Bureaus. Technically, this office didn't exist until October 1. So it is three weeks old. Before this, we had a task force, which is in the process of being disbanded.

The idea is that within this Bureau, we will have a very collaborative approach between the entities, and we are trying to do that now. To give you an example, take the issue of Burundi, which is on almost nobody's screen. It is, of course, one of those complex humanitarian emergencies. What we have tried to do in the case of Burundi is take the basic humanitarian response capabilities of the Office of Foreign Disaster Assistance and the Office of Food for Peace, and bring in the capabilities of the Office of Transition Initiatives, which is operating big time in Burundi right now. And also bring in PVC to do substantial programming with respect to local or indigenous NGOs. This is to try to build local capacity rather than relying on outsiders all the time. We are gradually building in other elements from the Bureau.

The idea is that, in terms of the bang for the buck or the impact on a state and the population of an entire state, that the whole of our initiative will be larger than simply the sum of its parts and that this will be done on a coordinated basis. We haven't figured out every way to do this, but that is clearly where we're seeking to go.

Within the mix, PVC is clearly one of the keys. PVC is the clear part of the Agency that brings development thinking across the board and knowledge of the PVO and NGO communities to bear in all of these discussions. While this is not all in place yet, we are seeking two initiatives for PVC. The first of them is a focus on the development of local or indigenous NGOs. All in all, this is a work in progress. I have been here as the Assistant Administrator for about eight months, you don't solve everything in eight months, but I think we are moving in the right direction.

Now I am going to turn it over to Judy and I am going to stay here. We will be happy to take some questions.

Presentation By Judith Gilmore

MS. GILMORE: I would like to just welcome all of you again on behalf of my Office. I also want to thank all of the people in PVC who have worked very hard to put this conference together. We are delighted again to see so many of you here.

Roger has talked about many of the problems that our Bureau is facing. We have been working very hard in PVC to develop a new strategic framework that deals with these problems. This includes Dacha's concern in terms of failed and failing states and building in some of the longer-term development responses into humanitarian crises and conflict at an earlier stage as well building local civil society.

As many of you know, we have been working on our new strategy for the last 18 months, and since Roger's arrival, he has been extremely helpful in giving us guidance and support on this new strategy.

We have had dialogues with the Advisory Committee on Voluntary Foreign Aid, we have talked to InterAction several times, and we have also met with the International Forum on Capacity Building (IFCB), which is a group of local indigenous organizations that meets periodically. We have learned a lot about the needs of these indigenous organizations through the IFCB, and they have been involved in many of the discussions on our new strategy.

What I would like to do today is to provide you with a broad overview of our new approach. I know many of you are waiting for the strategy. We are still working within the Agency to get formal approval, so we are not able to pass out documents for you today. As soon as we can, we will put it on the website for all of you to review.

During these consultations, five clear messages emerged. I would like to summarize these very quickly because they are very important and form the cornerstone of the new strategy.

First, the tremendous growth in indigenous or local NGOs worldwide has radically changed the development landscape.

Second, experienced PVOs are increasingly defining themselves as brokers of organizational development and capacity building, leaving the more operational service delivery role to their local counterparts.

Third, PVOs and NGOs agree that additional development partners, particularly those from the corporate sector, are critical to diversifying sources of funding and lessening donor dependence.

Fourth, advocacy has become an essential means to influence national and sectoral policies.

Finally, greater internal USAID coordination is needed to prevent duplication and provide a more consistent PVO/NGO policy framework.

At the heart of our new strategy lie two priorities, which respond to the major issues that were discussed during our consultations. The first, as Roger mentioned, is strengthening the capacity of local NGOs in service delivery; and the second is mobilizing U.S. development resources. What I would like to do now is outline PVC's new vision and how it will shape our future programs.

Those of you who are familiar with our Office are well aware that our mandate over the last 25 years has been to support the capacity of U.S. organizations working in development. Our new goal is to apply these learnings to the more complex, but ultimately more important local NGO sector. Lessons learned in the areas of organizational development, technical standards, network development and data analysis shape this new approach.

Unlike our previous strategy where PVOs are working one on one with their local partners, we will be focusing more broadly on strengthening the overall NGO sector.

Why have we shifted our focus to the local NGO sector? We believe that a strong and independent NGO community is emerging in the South. This community, comprised of NGOs, networks and intermediate support organizations, or ISOs, can be a powerful force for change. It can advocate for governments to do more to meet the needs of the poor and marginalized, it can deliver services in key sectors such as health, education and agriculture, and it can partner with business to develop and sustain socially responsible programs.

Despite this potential, NGOs do face continual challenges. Many are crippled by financial, managerial and organizational frailties. Donor dependency threatens to undermine the entire sector, raising difficult questions about financial sustainability and credibility. Over-reliance on foreign funds can also cut many of the strengths of NGOs as they lose touch with the local communities because of ballooning donor-reporting requirements. On the other hand, issues of corruption and questions of accountability limit contributions from the private sector, chasing away alternative sources of funds. The NGO community may also be hampered by weak, arbitrary and hostile legal and regulatory environments introduced by ill-informed or wary national governments.

To begin addressing this diverse set of challenges, PVC's new approach is centered around NGO-strengthening programs. The first strategic objective will aim to enhance the capacity of NGOs to deliver development services in select USAID countries. Our approach will be strategic and focused. It is based on the lessons learned in programming over the last 25 years, and it will concentrate on the cluster of factors that influence NGO performance.

What does this mean in concrete terms? First, when we talk of select countries, we mean those countries that are high priority to the DCHA Bureau. This category will also include those countries in which USAID Missions have given priority to NGO-strengthening. They may also include countries that are not particularly conflict-prone, but possess weak NGO sectors.

Second, NGO-strengthening will cover a range of activities. Three interlinked examples come to mind. One is to build networks among and between NGOs. Networks, as you all know, have proven to be an extremely effective means to enhance self-reliance and problem-solving. They are an excellent mechanism for disseminating technical innovations, methodologies and tools, and they can also play a powerful advocacy role.

Support for network-building will help facilitate NGOs to become civic organizations rather than project carriers, and thereby strengthen the capacity of civil society as a whole. Building linkages between NGOs and a variety of other local groups – such as local governments, corporations and businesses – will contribute to sustainability.

A second example is strengthening intermediary organizations whose purpose is to provide support services to NGOs. ISOs are playing an increasingly important role in strengthening civil societies. We define them as independent organizations whose primary tasks are to provide technical services such as training, research, information, advocacy and networking, to strengthen the ability of NGOs to accomplish their missions. Their services could range from providing basic training for community organizers to more advanced training in large-scale project management or policy analysis and advocacy.

A third example linked closely to support for networks and ISOs, is improving the enabling environments within which NGOs work. To operate effectively and sustain programs, NGOs need legal and regulatory frameworks that recognize their legitimacy, permit them to raise resources, and do not arbitrarily limit their operations.

PVC will look to those of you in the U.S. PVO community who are experienced in NGO-strengthening to implement this program. You have a comparative advantage based on the expertise you have gained from many years of partnerships with local NGOs. Some of you are uniquely positioned to design effective programs to accelerate the organizational and programmatic capacity of local NGOs and increase the scale and impact of services.

Before I go on to look at our second strategic objective, I would like to pause here and offer you an apology. I hope that you have received our e-mail last week explaining that we will not be able to discuss our RFA guidelines for our new NGO-strengthening program. There have been some internal delays in formally approving our strategy, which I mentioned earlier, and this has had a ripple effect on our ability to get our new RFA on the street. But we are committed to answering any questions once the RFA is issued, and our program officers will be talking more about this in the next session. But I do want to say I appreciate your patience and understanding on this issue.

Now let me turn to our second strategic objective, which is to increase the mobilization of U.S. development resources.

PVC will continue to spearhead the development of strategic partnerships with the private sector. As you know, this is a very important pillar for the Agency, through the Global Development Alliance

(GDA). Our program has contributed significantly to the evolution of GDA and we intend to continue this.

We would also like to continue a more modest program to support U.S. PVOs. However, our focus would now be on the needs of smaller, more nascent organizations seeking to expand their development experience overseas. This shift represents the great achievement of our grant programs over the last 25 years. With our help, a powerful cadre of PVOs has emerged, most of you sitting here. U.S. PVOs have gained tremendous credibility with USAID, the U.S. Government, and the wider development community. It is now time for PVC to shift its focus to assisting a new generation of less experienced organizations.

Whether we can continue this grant program will be very dependent on pending budget decisions and the formal approval of our strategy. I can tell you now that this year, we do not expect to issue an RFA under the second strategic objective.

A theme that runs throughout our strategy is conflict mitigation, and Roger has talked to you earlier about the importance of conflict to the work of our Bureau. A focus on conflict aligns us with the Agency priorities and complements the work of the other offices grouped within DCHA.

NGOs with roots in the community can act as a stabilizing force in the context of mounting social tensions. We will focus on entering key countries earlier rather than later in the crisis cycle and work towards stabilizing and rebuilding the local NGO community.

Assisting NGOs and PVOs to undertake conflict assessments and develop responsive programmatic interventions will also be a major feature of our NGO-strengthening programs, and we are working right now with InterAction to develop a conference on conflict in January. It will look at vulnerability assessments and other tools and methodologies as well as the types of programmatic interventions that flow from this. In parallel, longer-term development programs undertaken in post-conflict situations will provide valuable information on how these interventions can be more effectively designed.

A final element of our new approach that I would like to mention before I close is our Research, Development and Outreach Program. PVOs and NGOs possess a wide, rich and growing understanding of community-based development issues. While PVC has helped to build this knowledge base, particularly in our support for innovative programming, we have given less emphasis to lessons learned or ensuring that learning is widely disseminated among PVOs and their local partners. Our new strategy will address this knowledge gap. We have already begun holding a series of frank practitioner discussions with our grantees on the issues raised during this year's final evaluations.

The trends that have emerged and their implications for programming will be published in a series of working papers later in the year. They have also formed the basis of identifying three program issues -- partnerships, networks and how to measure capacity building -- that we are going to look at in greater depth during the dialogue session this afternoon.

Before I conclude, I would like to briefly touch on the USAID reorganization and how it has impacted PVC. The past twelve months have certainly been a tumultuous time for the Office. In the wake of the reorganization and the creation of the new DCHA Bureau, there have been a number of changes within PVC and to our grant programs. Some programs have been moved to other Bureaus. Child Survival has been moved to the Global Health Bureau. Our Farmer-to-Farmer Program is now in the Economic Growth, Agriculture and Trade Bureau.

I think the fact that these programs were so quickly and eagerly snapped up by the other Bureaus is testimony to their strengths and to the achievements of PVC over the last two decades. While PVC is no longer home to some of these programs, the Office has devised a new generation of programs that we hope will again set the standard in years to come.

The next session will talk you through the ways in which the new strategy will be operationalized and the specifics of our individual grant programs.

I would now like to conclude by reiterating PVC's commitment to consultation and innovation. Our new strategy responds to the evolution of our programs and incorporates the views of our PVO development partners. It continues our mutual interest in devoting attention, resources, and expertise to further the development of broad-based civil society.

Specifically, PVC's resources will be devoted to strengthening the organizational and technical capacities of local NGOs, networks, and intermediate support organizations. PVC will do this much more strategically than in the past, and in close cooperation with Regional Bureaus and Missions.

I hope our collaboration, which has proven to be so successful, will continue to flourish.

Question-and-Answer Session

MR. HOWARD: Maybe this is more of a comment, Judy, than a question, but it's really a comment that is intended to go to Roger as the new Assistant Administrator.

Over many years, PVC has probably been the strongest source of support to the U.S. PVO community than probably any other part of the Agency. This has been the one real place that the U.S. PVO community has been able to go to strengthen our capacities and expand our concepts and programs and do so in a very, very effective way. It is a shame to see the series of programs that used to be operated under PVC dissipating away and moving away.

I just hope that as a part of your new responsibilities as the Assistant Administrator, you can see to it that we don't lose PVC as a vital player in supporting not just local NGOs – we certainly understand and appreciate this new thrust – but also supporting the U.S. PVOs who also still need a lot of help.

We may have progressed a lot and there are many of us that are very strong and much better off, but there are still lots that has to be done. I don't, right now, see very many programs within the current thinking of PVC that are looking at the needs of the U.S. PVOs. This is a big loss and something that needs to be addressed and corrected.

MR. WINTER: I will focus more on the latter part than the former part of your comment with respect to Child Survival. We did pursue actively and energetically the idea of it [the Child Survival Grant Program] staying with PVC. I think Judy is right that in another context, we might call this mainstreaming. In some ways it really is an indication that PVC did a good job and should not be looked at negatively.

The latter part of what you said is something I am more focused on, and that is what are the new things for PVC? PVC is not going to disappear. Nobody wants it to, to my knowledge. The issue is, how, within our current context, can it become the place where PVO-oriented initiatives are birthed, nurtured, and mainstreamed throughout the way USAID does business. Judy and staff have been making a real effort to pick up on the current priorities within USAID such as conflict and agricultural development, which, as most people know, is, Andrew's big passion for USAID.

It has been easier to mainstream and move out some of the successful programs than it has been to birth some of the new ones, because they come across in our budgetary system as enhancements and so forth. But your caution is well taken. The part I want to see us focus on, is building new programs between USAID and the PVO community.

MS. GILMORE: I think through our analytic agenda and our research work, we really want to emphasize innovation and bringing the U.S. PVO community together as a whole with the rest of the Agency and Missions. We still hope to be able to work very, very closely with the U.S. PVO community on new ideas and getting them mainstreamed in the Agency through our Office and our relationships with the rest of the Agency. Also, under our second strategic objective – again, depending

on budget availabilities – there is the possibility of still working with some smaller, newer organizations in the Agency’s priority areas. As Roger said, these would include conflict, agriculture and education. We are still hoping to have a very warm, close relationship with the whole PVO community, and not lose the innovation and new ideas that you are all spawning.

MR. WINTER: I mentioned in my comments earlier PVC's involvements in Burundi. Maybe this is an unfair statement, so you tell me if I am wrong, but I don't think the rest of the Bureau really thought about a PVC role as significant as this one is. It is a concentrated role in a situation like Burundi. We are now talking about the involvement of PVC as a unit of this Bureau within Sudan. These kinds of involvements are a bit different than has before and I think they are going to help contribute to the cementing and expansion of the portfolio of PVC involvement on behalf of USAID and with the collaboration of PVOs.

QUESTION: Judy, in your comments on the shifting role to promote the sustainability of indigenous NGOs, the one puzzling aspect to me is that within the Bureau, you talk about select countries. Will you be constrained to work in a country that is in conflict or a country that is a failing state. Or, is this something that in of itself could be mainstreamed within PVC?

MS. GILMORE: Right now, we are in the process of trying to develop a list of countries for our new RFA, and we are doing it in a variety of ways. We feel it is really important that we work within the context of DCHA in conflict-prone countries. We are also talking to Regional Bureaus about countries that they feel are important in terms of either complementing what Missions are already doing in the area of NGO-strengthening or in countries where the NGO sectors are very weak. This would include non-presence countries.

So while DCHA priority countries are very important for us, because we are part of the Bureau and we want to be able to contribute to providing some longer-term thinking in the context of conflict countries, we also hope to be able to work in other countries as well. A lot will depend on the budget that we have available to us.

MR. WINTER: There is no restriction to conflict countries from the Bureau for this strategy.

QUESTION: Could you speak just briefly to the second point of your strategic objective, which is collaboration between PVOs and corporations? What do you envision? Perhaps, you could provide some specific examples.

MS. GILMORE: As many of you know, with our Matching Grants we have been able to create partnerships between PVOs and corporations. There are several examples with Starbucks. If any of you attended the Advisory Committee for Voluntary Foreign Aid meeting a few weeks ago, you would have heard about the partnership between Conservation International and Starbucks in Mexico. There has also been a partnership with CARE. There are several other partnerships like this that we have been able to establish through our Matching Grant program.

What we have done now is move beyond just the Matching Grant. We are also trying to broker some of these relationships through a grant to the Millennium Alliance. This is what we are referring to in that particular strategic objective. It's an active brokering of relationships between U.S. PVOs and corporations in addition to what we had actually stimulated previously with our Matching Grants.

We also are talking about this in the context of support to local NGOs. We are talking about developing linkages between local NGOs and corporations at the local level.

QUESTION: An important question for many of us is, what is the definition of a local NGO? Many of us work with partners. Some of them might be branches of the PVO, some of them might be legally registered as a nonprofit, maybe even some that are for-profit entities, but connected with an American PVO. I'm curious if, in your deliberations within the Bureau, you have been able to clarify this issue to help us understand whether or not our partners or our affiliates that we work with in the field might qualify under this facility.

MS. GILMORE: I think when the RFA comes out, there will be more clarity about this. What I do want to say now is that we will be looking at impact on the NGO sector. This would include local NGOs in-country that are having an impact on creating networks, creating relationships with local governments, with the corporate sector, and those that are working with many NGOs. The emphasis will be broader than what we have been doing in the past. It will be on the entire sector rather than one-to-one partnerships.

We will be looking at proposals and seeing what kind of impact is being proposed, and what kind of analysis is being proposed in terms of programming.

MR. BECK: I'm Lawrence Beck from Logistics Management Institute, and I have a question. It's good to see the various departments of the U.S. Government making changes to adapt to the current environment in which we work, but has there been clear linkages with the Defense Department and the Army in regard to where we are going?

I say this because if you look at the Army's vision for 2010 and 2020, they talk about a full spectrum of military operations being disaster relief, humanitarian assistance, conflict resolution, peacemaking, peacekeeping, nation-building, and then, of course, what they do best, war-fighting.

Obviously, in failed states, or failing states, we bump into them all the time -- not all the time, but at least some of the time, on the ground. Someone mentioned earlier, the chaos of those days. Is there an effort between USAID and the NGOs and PVOs to coordinate in a more strategic way between the handoff during disaster relief? This really seems to be in our court as opposed to their court, although they have some logistic ways of supporting what we do. Has there been talk about handoffs between the two agencies and how the two can work together?

MR. WINTER: Yes. We concede to them war-fighting and peacekeeping. The rest, we don't. There is within USAID an extraordinary, and I would say, thoughtful discussion about these relationships going

on. There are some things we want to do and some things we don't want to do. There is an orientation within the leadership and a level of experience in these issues.

Obviously, most of you know Andrew is a military person, activated during the Desert Storm War. Bear McConnell, who heads OFDA, comes from the Defense Department and the Pentagon. For example, this has been the case in Afghanistan. There have been, and are now, some very clear operating arrangements that help define what we will do and what we will not do. There are some things we do jointly and there are some things that, as a matter of policy, we will not do jointly. But I must say, for all of us there is still a lot of newness to the current environment. So I wouldn't say it is all tacked down in every aspect. Some aspects are much clearer than others.

What is new and different, I would say, that bodes well for the relationship, is the kind of thing I was saying when I was making my comments before about USAID being a respected part of the U.S. foreign policy apparatus. I would say, clearly, there is more of a seat at the table in these kinds of discussions, at this point in time.

Although you could point to loopholes in what I am about to say, in general, we have actually made some progress in important areas such as depoliticizing humanitarian aid. You saw this in Afghanistan, imperfectly, but nevertheless you saw it articulated from the beginning. The concern about vulnerable civilian populations and the military was very focused on this. It is a learning experience for them, as well as a learning experience for us. There is a lot of consultation between us and US Central Command (CENTCOM), for example, on some of the difficult situations that we are engaged in.

I don't think the book is entirely written that relates to the new environment we are operating in. I think USAID is well prepared, and there has been a reasonable receptivity on the part of the military to collaborate and learn what our concerns are. It's another work in progress, but there is a lot of sensitivity to it, I can tell you that.

PVC PROGRAMS

Introductory Remarks/Presentation by Tom Kennedy, Moderator

MR. KENNEDY: What I'm planning to do this morning is to introduce the new Program Development and Management Division within PVC, and then provide a more detailed presentation of the new strategic framework, specifically the first strategic objective and the associated intermediate results, which Judy also discussed previously.

The presentation is essentially divided into four components: a background and overview of the new strategic framework; what PVC has learned from the prior strategy; challenges that will be addressed under the new strategy; and, as mentioned, the first strategic objective and the associated intermediate results. This will be followed by a presentation on the Cooperative Development Program, the Ocean Freight Program, and the Capable Partners Program.

I should point out that the new Program Development Management Division, also affectionately known as PDM, replaces the Matching Grant Division. Under PVC's reorganization, it now incorporates the Cooperative Development Program and the Ocean Freight Program. Two new programs are incorporated into this new division. These are the Local NGO-Strengthening Program and the Capable Partners Program.

I should note that all existing Matching Grant Cooperative Agreements will continue to be managed by PVC until the projects are completed.

As Judy had mentioned, the RFA for the local NGO-Strengthening Program is still under review, so any specific discussion of that RFA will have to wait until it is issued. PVC is committed to answering any questions that you may have about the RFA once it is issued, but to keep the process transparent and to ensure a level playing field, we will post written answers to any questions that you may have on the PVC website. We will issue guidance on this when that RFA is issued. We appreciate your patience.

Let me begin with a background and overview of the new strategy. Historically, PVC focused on supporting the development efforts of U.S. PVOs and strengthening their organizational and technical capacity.

As a result of the USAID-wide reorganization, as well as trends that have evolved in the development community and lessons learned through our grant programs, we're placing greater emphasis on strengthening the capacity of the local, indigenous NGO sector, networks, and intermediate support organizations.

I should note that our cooperative agreements will be with the U.S. PVOs. We're not intending to do direct grant mechanisms with local NGOs.

This program will build upon PVC's Matching Grant Program, which in recent years has promoted PVO/local NGO partnerships as a means of building the capacity of individual NGOs to provide

development services. To achieve PVC's strategic objective of increasing the capability of its PVO partners to achieve sustainable service delivery, the Office relied heavily on cooperative agreements with PVOs and provided specialized technical assistance on a variety of sectoral and organizational issues. These agreements targeted institutional changes and technical strengthening within individual PVOs and their local partners. Field Missions were asked to concur with PVC-supported programs in their country, but these programs weren't necessarily integral parts of a Field Mission's Country Strategic Plan.

PVC, in the past, also used its annual RFA process to highlight its interest in particular issues or problems. The issues addressed by PVC in recent years have included organizational assessment, financial sustainability, partnering with local organizations, strategic planning, and results monitoring and reporting. In all of its agreements, PVC sought innovative solutions to these issues, which could be easily scaled up and replicated by other PVOs and their partners.

So there are four key lessons that PVC has learned under this last strategy. The first is that organizational assessments catalyze change. PVC has promoted organizational assessments as an effective tool for implementing operational and technical changes within PVOs and their local partners.

Second, technical standards increase performance. By assisting PVOs to deliver state-of-the-art technical interventions, PVC has helped improve the effectiveness and sustainability of PVO programs.

Third, networks foster problem-solving and self-reliance. PVC support of three networks has helped PVOs identify and address problems hindering program impact as well as to acquire the knowledge and skills to address implementation problems and/or policy issues.

Fourth, decision-making based on data and analysis. Resources are used most effectively when supported by an actively managed research and development agenda.

Three dominant themes arose from PVC's review of the overall assistance environment within which it works. First, NGOs – by which this office means groups organized voluntarily to deliver development services that contribute to poverty reduction or to achieve economic or other benefits for their communities – are of increasing importance. Encouraging their development is Agency policy.

Second, organizational development, which is sometimes called capacity building, institutional strengthening, or building social capital, can enhance the effectiveness of voluntary organizations, both PVOs and NGOs.

Third, PVOs, the main target of PVC's former strategy, are also placing greater emphasis on working with NGOs to expand their capacity to deliver services.

So these are the key issues around which PVC has framed its new strategy. The new strategy will look to PVOs to transfer skills to the NGO sector, thereby strengthening the strategic, technical and

managerial capacity of these groups, and the networks and intermediate support organizations that link these organizations.

Now, having learned these lessons, we face challenges under this strategic framework that remain to be addressed. The challenges confronting NGOs vary in importance across national and regional boundaries, and the economic, political and social context in which they work.

However, these challenges can be summarized in four categories. The first is organizational, financial and managerial weakness. Many NGOs are constrained by financial, managerial and organizational limitations that restrict their ability to improve or expand services. For example, PVOs have reported that NGO partners, while strong on program implementation, have the least skills in measuring effects and impact. This includes weakness in analyzing and in interpreting data, as well as conducting baseline and follow-up surveys. In addition, high rates of staff turnover can contribute to organizational instability and shortage of middle management. NGOs can also suffer organizational inertia, as founders/directors retire or are unwilling to delegate to a second generation of leaders.

Second, external dependency. Dependency on external donor funds is a critical issue for many local NGOs. Not only does this raise difficult questions about financial sustainability, it can also negatively impact NGO legitimacy and credibility in the eyes of governments and local populations. Donor dependency may also threaten local ownership, as NGOs primarily respond to donor reporting requirements and lose touch with communities at the grassroots level.

On the other hand, local NGOs frequently need to improve their ability to manage and account for the use of the funds they receive in order to attract more private resources.

Third, narrow focus and fragmentation. Many local NGOs are characterized by their focus on a narrow set of issues, or a particular community. This limited focus can lead to the inefficient use of resources as small organizations provide parallel services without achieving economies of scale. It can also lead to competition and misunderstanding between different organizations, thereby undermining the capacity of NGOs to influence policies at the local and national level.

Fourth, a weak enabling environment. Relations with state agencies are increasingly recognized as a major concern for NGOs that seek to scale up impact or sustain programs. However, in many countries, governments are suspicious of NGOs, regarding them as potential competitors in delivering services, or representatives of international donor interests. Weak, arbitrary or hostile legal and regulatory environments can curtail NGO operations.

To address such challenges and achieve the objective, PVC programs will take a comprehensive approach to NGO strengthening and the countries and the sectors in which they operate. The programs will focus on assessing the very site-specific factors and organizations that constitute the NGO sector. We will identify those organizations and approaches that have the greatest potential to strengthen and maintain an array of NGOs at higher levels of performance.

PVC intends to work in countries that are emerging from complex crises, or countries in which building the capacity of the local NGO community to provide services has the potential to substantially improve the enabling environment for civil society, and to lessen the potential for civil conflict.

However, unlike programs that focus on strengthening individual NGOs, this program seeks to strengthen the local NGO sector more broadly. The organizations that the programs seek to improve are those service delivery organizations that have constituencies at the local level, and the networks, and the intermediate support organizations that strengthen and link these NGOs to a broad array of partners.

This more comprehensive view of NGO strengthening includes assessing NGO constraints and opportunities in the regions and the sectors where they operate, selecting those organizations that will have the most impact on the local NGO sector, and identifying interventions that are cost-effective and sustainable.

The new strategy also commits PVC to manage a research development and outreach (RD&O) agenda that is designed to address cross-sectoral issues and identify best principles and practices related to strengthening NGOs. It also commits PVC to sharing its RD&O findings widely, and incorporating research results into our grant programs.

PVC believes that a more actively managed RD&O program will provide the foundation for a more coherent Agency-wide approach to strengthening local NGOs, better enable PVOs and NGOs to address related issues in a collaborative fashion, and assist the DCHA Bureau in identifying effective approaches to the longer-term task of strengthening NGOs in conflict-affected countries.

Finally, the new strategy continues PVC's tradition of leveraging private resources for development through capacity-building for smaller PVOs and by brokering partnerships among PVOs, NGOs, and local and U.S. corporations.

Let me turn now specifically to the strategic objective. PVC's new strategic objective, which Judy discussed previously, is "enhanced NGO capacity to deliver development services in select USAID countries".

The rationale behind this strategic objective reflects the direction the Office has taken as a result of the Agency reorganization and the evolution of the relationship between PVOs and NGOs. It also represents the progression of PVC's former strategy. However, there are substantial differences between the two strategies. This strategy takes PVC in new programmatic directions.

NGOs include a wide variety of groups engaged in a broad range of activities. However, those local NGOs, networks, and ISOs on which PVC's strategic plan focuses share a relatively narrow set of common characteristics. They are generally formally or informally organized around shared purposes; they are not part of the state apparatus; they are self-governing rather than externally controlled; and they are voluntary, both in the sense of being non-compulsory and in the sense of voluntary involvement in their governance or operations.

PVC's approach to strengthening local NGOs under this strategic objective means, among other things, that it expects to support activities designed to strengthen the capacity of a wide variety of organizations that are crucial to the effectiveness and sustainability of NGOs in the delivery of services to their constituencies.

Such activities might include building networks among NGOs, strengthening ISOs whose purpose, as Judy mentioned, is to provide support services to NGOs, or improving the enabling the environments within which NGOs work. These programs will be designed to increase the strategic, technical, managerial, and advocacy skills of NGOs, networks, and ISOs. Emphasis will also be placed on building linkages among local NGOs, and with a variety of other local groups, including governments and businesses. Such linkages are expected to contribute to sustainability.

PVC will look to the PVOs as the principal facilitators of this NGO-strengthening for two reasons. First, PVOs have a comparative advantage based on the experience and expertise gained from a broad range of longstanding, collaborative relationships with NGOs; many developed under previous PVC grants. After many years of developing in-country partnerships, PVOs understand the value of such relationships and the trust, transparency, joint decision-making, and mutuality necessary in making them. As a result, PVOs are uniquely positioned to assist local NGOs in strengthening their leadership capacity, legitimacy, and organizational vitality.

Second, as PVC's consultations have indicated, PVOs recognize the importance of their facilitating the operational work carried out by the local NGOs. With PVC support, many PVOs have become learning organizations capable of changing and adapting to constantly shifting environments, and developing new and innovative program models to the point where they set the standard in a number of sectors. As such, these PVOs can draw on their pre-existing knowledge base of local organizations and conditions to design effective programs that accelerate the organizational and programmatic capacity of local NGOs, networks, and ISOs, and increase the scale of impact of these services.

As I noted, in order to increase the effectiveness of this program, PVC will also incorporate a proactive research development and outreach agenda to identify what interventions work best to achieve USAID priorities in a variety of development areas. We will share lessons learned and promote the adoption of the most effective interventions among PVOs, NGOs, and interested parts of the Agency.

A targeted focus on the NGOs also means that PVC expects to promote a more comprehensive agency approach to working with and through such groups to resolve development problems. With its focus on select countries, PVC expects to develop a closer collaborative relationship with Field Missions and a more coordinated relationship with other DCHA offices.

Because local NGOs engage in a wide variety of activities, PVC anticipates its efforts in strengthening such organizations to cut across developmental sectors. Because of the voluntary and participatory nature of NGOs, PVC believes that strengthening the local NGOs will promote the growth of civil society.

In addition, advocacy on behalf of underrepresented groups is a critical function of some local NGOs. Advocacy that supports particular program approaches or public policies may be a necessary component of effective service delivery.

PVC has found that networks can be an effective means of helping U.S. PVOs identify and address problems hindering program impact and to acquire the knowledge or skills needed to address implementation problems and/or policy issues. Indeed, approximately 70 percent of NGO partners implementing PVC grants are members of local networks.

While the value of these networks as a vehicle for improving the technical and management practices of their membership is not disputed, existing local networks are widely recognized as fragile and in need of significant management and organizational assistance.

Finally, a positive enabling environment encourages local NGOs, networks, and ISOs to develop ties with community-based organizations, associations, and other groups, including local governments and business. Coalition-building also promotes networks of trust and cooperation among members and participants, which enhances problem-solving skills, increasing efficiency, and improves impact in the long term.

Under the Matching Grant Program, PVC encouraged its PVO partners to build relationships with the local and international business community in order to ensure the sustainability of PVO activities initiated through PVC support. As a result, in 2002, approximately 30 percent of the PVOs with PVC grants had at least one commercial for-profit partner. Reducing NGO dependency on external donor funds and diversifying financial sources remains a key aspect of the proposed new strategic framework.

Program scale-up and sustainability, the nature of effective partnerships, and the incorporation of conflict management or mitigation issues into effective NGO-sector strengthening programs are areas that PVC's new strategic framework supports. PVC has an office in the Bureau for Democracy, Conflict and Humanitarian Assistance. We are also, as noted, placing greater emphasis on working in countries that have strategic importance to this Bureau.

Now, under this strategic objective, PVC has three intermediate results. The first intermediate result is “strengthened operational, technical, and financial capabilities of indigenous, nongovernmental organizations, networks, and intermediate support organizations”.

PVC's choice of this intermediate result reflects the internal changes that NGOs, networks, and ISOs have adopted to improve their performance as a result of technical assistance for organizational strengthening and organizational assessments conducted in cooperation with their PVO partners and through PVC support.

This intermediate result is designed to continue PVC's support for organizational strengthening, technical assistance, and organizational assessments among NGOs, networks, and ISOs, and to significantly

expand the number of these organizations that are able to improve their capacity across the full range of management challenges.

The second intermediate result is “expanded linkages among nongovernmental organizations, and between nongovernmental organizations and public and private sector institutions”. Organizational assessments and internal management reforms play a key role in bringing about quality improvements of individual NGOs.

Experience with the PVO community has shown that the sustainability and scale-up of good programs requires external investments as well. Such investments include improvements in the legal and regulatory frameworks within which NGOs must work, the NGO networks that support the technical and management improvements of members, and the linkages that NGOs establish with governments and the business community. Transferring the lessons and skills learned by the PVO community to NGOs is the focus of this intermediate result.

To operate effectively and to sustain their programs, NGOs need legal and regulatory frameworks that recognize their legitimacy, permit them to raise resources, and do not arbitrarily limit their operations. A positive environment is also one that enables NGOs to develop mutually reinforcing links with each other and with support organizations.

These linkages help increase the effectiveness of NGOs in their interactions with government through better information and by building solidarity between different groups and actors on common issues. Since NGOs are frequently limited in capacity and reach, multi-organization initiatives that mobilize different groups around common concerns may expand NGO impact at the local and national level.

A positive environment encourages NGOs to develop ties with community-based organizations, associations, and other groups, including local governments and businesses. Coalition-building also promotes networks of trust and cooperation among members and participants, which enhances problem-solving skills, increases efficiency, and improves impact over the long term. Hence, through this intermediate result PVC will give increased attention to improving the enabling environments within which NGOs must work.

Under its previous strategy, PVC encouraged the PVOs and their local partners to involve local governments in their activities, particularly under the Child Survival Grant Program. Such involvement contributed to the longer-term sustainability of programs initiated with PVC support.

It also assisted in the dissemination and adoption of better health practices by local governments and national ministries. Good working relationships of this type must also be pursued by NGOs if they are to work effectively.

Accordingly, through this intermediate result, PVC will adapt its experience of promoting local government and business relationships with PVOs to its work with NGOs. These issues will be incorporated in the strategic planning work PVC carries out in association with collaborating missions,

the grants to PVOs, to strengthen NGOs, and in new programs in countries of high priority to the Bureau.

Program needs and designs are expected to vary substantially among countries and regions, and within countries. Thus, the intervention chosen will depend largely on a country- or site-specific situational analysis. The potential range of interventions is likely to be wide, and might cut across sectors.

While program advocacy or public outreach is expected to play an important role in any configuration of interventions, the primary target for this program is the NGO sector that provides services at the community level. Organizations whose sole purpose is to influence public policy is not the local NGO strengthening program's primary target.

PVC estimates that both the first and second intermediate results are necessary in order to achieve the ultimate objective of enhancing the capacity of indigenous NGOs, networks, and ISOs to deliver development services. While both intermediate results are considered necessary, PVC recognizes that the circumstances in each country or region will vary, as will the emphasis placed on each intervention. Thus, a more comprehensive situational analysis is critical for choosing the target and intervention mix.

It's anticipated that a strong situational analysis, one that is both qualitative and quantitative, is a prelude to the development of effective implementation strategies. An examination of the state of the NGO sector in the proposed countries, and their relationship and interaction with local governments, businesses, and other donors, will inform what will be done in the design of programs.

An analysis of the magnitude of the problems to be addressed, as well as the types and quality of work currently being done by local NGOs in the selected technical sectors will strengthen the rationale for the program. In addition, identification of potential and actual conflicts that may affect program implementation is crucial to effective program planning, design, and implementation.

The third intermediate result is the “wider and more effective learning and dissemination by development partners and PVC of tested innovations, best practices, lessons learned, and standards”.

USAID has been encouraged to foster organizational learning among NGOs, undertake cross-cultural comparisons, and support systematic documentation of what does and does not work. This advice reflects PVC's own conclusion that its resources are used most effectively when supported by an actively managed research, development and outreach program.

Accordingly, PVC's third intermediate result, under this objective, is “the wider and more effective learning and dissemination by development partners and PVC of tested innovations, best practices, lessons learned, and standards.” PVC will manage this intermediate result to ensure that it contributes to the first two intermediate results.

PVC's experience in building the capacity of voluntary organizations over the past few years does provide insights on effective interventions and approaches. The donor community has recognized the

growing importance of PVOs, NGOs, networks, and ISOs as development partners, and increasing amounts of development funds have been channeled to them. However, further progress in this regard requires the emergence of stronger, more independent, and self-reliant NGO sectors. This, in turn, means strengthening the capacity of local NGOs, networks, and ISOs, and linking them in networks that enhance their problem-solving capacity, aggregate their interests, and magnify their ability to address issues that have a negative effect on their beneficiaries.

In addition to linking NGOs, networks, and ISOs together, it is also important to link them to local government and the business community to enhance their sustainability and impact. By addressing these problems, PVC's new strategy seeks to create more vibrant civil societies in select countries.

The program anticipates results that will contribute to, first, strengthened operational, technical, and financial capabilities of local NGOs, networks, and ISOs; secondly, expanded linkages among local NGOs, networks, and ISOs, and between these organizations and public and private sector institutions; third, wider and more effective learning dissemination by development partners of tested innovations, best practice, lessons learned, and standards; fourth, improved quality of services provided by local NGOs, networks, and ISOs to their constituencies as measured by their use of state-of-the-art technical approaches and programmatic results; fifth, generation of a wide variety of partnership models that operate effectively under different conditions, i.e. those that lead to greater self-sufficiency of the NGOs, networks, and ISOs; sixth, advocacy for the enactment of key policies and program recommendations that lead to scale and replication; and finally, increased capacity to address or recover from civil conflict.

PVC's partnership with the PVO community has generated great successes over the years. We're looking forward to continuing the successful partnership under this new strategy.

Presentation by Thomas Carter

MR. CARTER: I'm here this morning to make a presentation on PVC's Asterisk Program. On the first page of virtually every document that PVC issues, you will see a small asterisk. If you go down below to the definition of a PVO, it says, "Also includes cooperative development organizations." This is also a presentation where you don't need to take notes. There is no RFA about to be issued, so I don't have to be terribly careful about what I say. The third, sort of, warning I would give you is that I've worked with cooperatives for close to 30 years now and I have a bias, and I will not attempt to hide that.

The Cooperative Development Program arises from, and is inspired by, the success of the U.S. cooperative experience. I think many Americans don't realize the role that cooperatives have played in our own economic growth. They've been extremely important to the development of American agriculture, and they play significant roles in a wide variety of areas.

Many people belong to credit unions, electric cooperatives, housing cooperatives, and don't really make the connection. There are a lot of brand names that you may be familiar with that are cooperatives.

Sunkist is a cooperative. Florida Natural, Welches, Ocean Spray and Land 'O Lakes are also cooperatives.

When successful, cooperatives embody the principles that the development community recognizes are important to the success of development efforts. Cooperatives are, by their very nature, if successful, sustainable because they are a business, a business that differs from the normal business in that it is owned by those who use it.

It's equitable. The income of a cooperative is distributed amongst its members in proportion to their use. If it's a successful cooperative, it attains scale, which is necessary to business success. Most successful cooperatives are parts of networks, networks that join cooperatives with similar business interests, similar advocacy interests.

Most important, cooperatives are participatory. I don't mean participatory in the sense that cooperative members are occasionally asked to sit down on the village earth and plot out a map and say what their needs are. They're participatory in the sense that the members own and control the cooperative. It is their votes that determine the leadership, the direction and the policies of the cooperative. This is, in my opinion, true participation.

Cooperatives have been involved in international development for quite some time. As far as my own knowledge of the history goes, it began shortly after the end of World War II. The Credit Union National Association, the National Rural Electric Cooperative Association, what is now the National Cooperative Business Association, then the Cooperative League of the USAS (CLUSA), were among the founding members of CARE.

CLUSA played an active role in raising resources and using them to support the rehabilitation of Italian cooperatives. When that money proved more than they needed for the job, in around 1950 or 1951, they opened an office in India. This began what was to be about 30-odd years of support to the Indian cooperative movement.

From the 1950s onwards, a number of U.S. cooperative organizations worked with the then Technical Cooperation Mission. In 1962, when the USAID legislation was passed, an amendment introduced by Senator Humphrey required USAID to draw on U.S. cooperative expertise.

The Cooperative Development Program, or USAID's formal support for cooperative development, began in 1962. From the mid-1970s, it has assisted U.S. cooperative development organizations to help transfer U.S. cooperative experience and methods throughout the world.

A cooperative development organization, which is the type of organization that is eligible for Cooperative Development Program grants, is either a U.S. cooperative or a U.S. organization involved in development that is organically linked to the U.S. cooperative movement.

Between 1971 and 2001, cooperative development organizations have managed about \$1.1 billion in USAID awards. I know that pales by comparison with what the PVO community as a whole has done, but it's not insignificant.

In the Year 2000, Congress passed the Support for International Cooperative Development Act 2000, which reiterated and expanded the Humphrey Amendment. One of the things that that legislation required was an implementation report from USAID, something that was done in a collaborative way, involving the Agency and U.S. cooperative development organizations.

The report was a requirement that triggered a process of joint reflection and introspection. Some of the major outcomes that occurred include: first, the recognition that cooperative development is a particularly effective way to address sectoral and crosscutting objectives. By their nature, cooperatives are participatory, sustainable, and equitable.

Secondly, successful cooperative development, as is true of much development, entails long-term partnerships with adequate time and resources to build institutions. It's not particularly compatible with a project time horizon.

Third, there are a number of conditions that are important to the success of cooperative development.

Fourth, the Cooperative Development Program's resources are modest, relative to the total cooperative development organization portfolios. Therefore, they should be used to meet unique needs that add to the quality of the overall cooperative development effort.

Fifth, major emphasis should be given to financing the development, testing, evaluation, and diffusion of responses to major cooperative development themes, issues, and challenges. Among these are cooperative law and regulation, cooperative governance, business strategy and planning, leadership and professional development, member education, member loyalty, resource mobilization, particularly avoiding dependency – cooperatives are self-help, not donor-helped institutions – alliances, and designing to expand.

The Cooperative Development Program seeks to leverage overall cooperative development quality and impact by financing cooperative development organization learning and innovation. In other words, we're trying to finance the development of intellectual capital.

We just extended the Cooperative Development Program grants, which normally run five years, for an additional two years as sort of a transition. As part of this, the cooperative development organizations have individually undertaken activities consistent with addressing major cooperative development challenges.

America's Association of Cooperative and Mutual Insurance Societies has begun a board development activity that is designed to shift the roles of participating boards from actual management -- which is not

their role -- to policy governance. ACDI/VOCA is developing a whole set of financial planning and management tools, and both training and technical assistance methods to effectively transfer these.

The Cooperative Housing Foundation (CHF) is working to equip the secondary organizations they work with to achieve scale in cooperative housing. Land 'O Lakes is working on developing the capacity of organizations with which it works to effectively advocate policy reform, both for cooperatives and in the dairy sector.

A similar type of activity is being undertaken by the National Cooperative Business Association, which is involving the Ghana National Cooperative Movement in an effort to reform cooperative law in Ghana.

The National Rural Electric Cooperative Association, recognizing the difficulty that privatization poses for rural electrification in much of the Third World, is working to create alliances with independent power operators, where they will effectively undertake the rural electrification component of these agreements.

The National Telecommunications Cooperative Association, is working with a number of governments and with international organizations, including USAID and the World Bank, to help governments develop and adopt policies, laws, and regulations that promote universal access, particularly access in rural areas, to telecommunications.

The World Council of Credit Unions is adapting credit union products and services for Islamic societies, for areas affected by HIV/AIDS, and for rural conditions.

Our vision is self-reliant, cooperative enterprises that meet the evolving needs of their members and contribute to the quality of member lives, their communities and the nation. This is an effort that our cooperative development organizations are well equipped for and do an excellent job in pursuing. It's also one in which they, and I'm sure, USAID, would welcome PVOs to participate in and contribute to.

Presentation by Kevin Rafferty

MR. RAFFERTY: I've been asked to make a few brief comments about the Ocean Freight Reimbursement Program, a program which I've managed for the last 15 years at PVC.

For a lot of you out there that aren't familiar with the program, it was started back in 1961 under USAID Regulation 3, and it has continued ever since. The program reimburses registered U.S. PVOs to transport commodities overseas on commercial ocean vessels in support of their privately funded development and humanitarian assistance programs.

The grant program encompasses a wide range of private voluntary organizations. We have small organizations, medium size organizations and large organizations. A lot of the organizations here in this room that have a Matching Grants, Cooperative Development Grant or Child Survival Grant, originally started in the Ocean Freight Program. Over the years, they have developed into bigger organizations since their first Ocean Freight Grant. We often say that the Ocean Freight Program is a vehicle for small organizations to get their feet wet in the grant-making process and to give them an opportunity to participate in our programs.

The Program is a very competitive. I received many more applications than I can fund. Over the years the competition for these funds has been very strong. Because of that, we limit the grant awards for the Program to a maximum of \$150,000.

This year, the Program is not issuing a Request for Applications because we have shifted from an annual program to a bi-annual, two-year program. This is the off year. We will compete the program again next year.

For those of you that don't know, only U.S.-registered PVOs are eligible for the grant. You have to have an established NGO – a consignee in country – to receive and distribute your goods. You also have to be able to provide us with documentation showing that the goods will be received in country duty free. You're only allowed to ship approved commodities to those countries on our Eligible Country List. This Program is a very small, but it is a worldwide program.

We are going to be issuing a Request for Application for the Program later on this year, probably in the summer or early next fall, for funding for Fiscal Years 2004 and 2005. All the PVOs that are registered with us will get that Request for Application.

I want to close by saying that I noticed from the attendee list that a lot of my grantees are here today. I will be here for the rest of the day and would like to get together with you to talk about Ocean Freight.

Presentation by Adele Liskov

If you've picked up a thick packet with an elastic around it outside, this is the RFA that has just been released for the Capable Partners, or CAP, Program. It was released yesterday.

I want to announce that we are going to have a special RFA conference for CAP, because this is a new mechanism for us and part of our new strategy. The details of the conference are announced in the cover letter. I'll just give you the date, it's November 19th from 2:00 to 4:00 p.m., in the USAID Information Center, which is on the Mezzanine Level in the Ronald Reagan Building.

There will be only one recipient. This is not a program of grants to U.S. PVOs. This really represents, I think, one prong of a two-prong approach under our new strategy and our strategic objective of local NGO strengthening. Of course, we continue to do strengthening in some of our other programs that you have just heard about, but the new thrust of our strategy, which is local NGO strengthening, basically has two aspects to it. One is the NGO Strengthening Grant Program that Tom laid out, for which an RFA will be coming out in the coming month or so. The second approach is part of our responsibility and role within the Pillar Bureau. As we have said quite a lot this morning, this means that we expect to play more of a field support role now. PVC has built up such a level of experience/lessons learned/expertise based on the good work of many of our partners over the years, that we have a lot to offer.

CAP represents our program to work with Missions based on the ideas, expertise and the proposals that we will receive for this program. I want to give just a little background on how CAP was born. Some of our grantees are familiar with specific technical assistance programs that we offered to them in the past. Years ago, when I first joined the Office, we had a program for chief executive officers of PVOs. It was called a CEO-PVO Program. That was followed by the Global Excellence in Management, or GEM, program, which helped our partners, and others understand and practice effective partnering with local NGOs. This was a big thrust of our strategy at the time in order to get more and more of our partners to partner with local NGOs. There was also something called Sustainable Development Services, which was helping certain PVOs and cooperatives to focus on financial planning and sustainability. About two and a half years ago, some of these programs were coming to an end. At that time we thought it was really important to assess how these programs really worked, and just what we've learned from these programs. The end result was a decision to have a more cohesive, comprehensive approach, to packaging together what we've learned over the years from these piecemeal programs. We decided to design a program that related more to Field Mission demand and to put ourselves out there to Missions as a support to their programs in NGO strengthening.

There have been gaps in NGO strengthening that have, in some respects, been closed by some Missions. I think that this whole area has been recognized much more broadly in the Agency as important and critical.

CAP is an RFA. It's outlined in the document. I won't go into any aspects of it because

I want to make sure that we have a level playing field in terms of answers to specific questions. There may be other organizations besides PVOs who are interested and will be attending this conference on the 19th. We will, at that time, go into much more detail.

I'm going to leave it at that, and look forward to the many questions you will have. This is an exciting program. I have really enjoyed working on it. It's been a long labor, as some of you know, and it really does meet the objectives of our strategy. This does represent something very new that we will be doing.

Question-and-Answer Session

MS. BURPEE: My name is Gaye Burpee. I'm from Catholic Relief Services. I would like you to just clarify something for us, and that is, when I think of a PVO, I think of an international NGO. When I use the word "NGO," I'm thinking of a local NGO. I would like you to clarify about whether or not that is the way you've been using those terms, and then I would also like you to define ISO.

MR. KENNEDY: First of all, to answer your first question, yes. That is how we define U.S. PVO and local NGO. So that is correct.

Now, an intermediate support organization is an organization that provides services to NGOs and other constituencies. So that may in fact be an organization that provides training and other services. It may not be a direct service provider itself, but it's one that actually provides other services for NGOs. This is what we might consider to be part of the broader network of development services in the community.

MS. BURPEE: Could a PVO be considered an ISO? I mean, the way that you defined it and the way that we work with our local partners, we serve as an ISO for our local partners. We provide training, capacity building, management, and organizational strengthening. I think you may not be using ISO in that way.

MR. KENNEDY: No. Our interpretation of an ISO would, again, be a locally constituted organization that provides these services.

Just to clarify one point, the focus of the old Matching Grant Program was on developing the capacity of U.S. PVOs and of some of their local affiliates or local NGOs that they were working with in the field. We actually had great success in this. I think many of you sitting here can attest to the success of your programs under the Matching Grant Program.

The key distinction here, under this new strategy, is that our cooperative agreements under the Local NGO-Strengthening Program will go to the U.S. PVO, but the focus is not so much developing the capacity of an individual NGO in a country to provide services, it's to strengthen the broader NGO sector.

So, how can working with these organizations, the local NGOs that are identified as potential partners, how can these potential partners have a greater impact, beyond just the local service delivery that they're engaged in?

QUESTION: From what I'm gathering, the Matching Grant Program is essentially dead. Is that true? Now we're going to the Strengthening Program. Is that right?

MR. KENNEDY: Well, no. We haven't scheduled the memorial service yet for the Matching Grant Program. The Matching Grant is being phased out. Last year's Matching Grant RFA was the last RFA

specifically geared for the Matching Grant Program, and we are going to continue to manage the existing Matching Grant Programs under PVC.

MS. LISKOV: Just to add to that, our second strategic objective, which Judy mentioned, is to work with newer, more nascent organizations that have not received a Matching Grant in the past. It is sort of a continuation of the Matching Grant Program, along the same successful lines that we've done in the past, but is really not going to be geared to the more mature organizations that in many respects could be recognized as having built capacity already.

QUESTION: What is the title?

MS. LISKOV: Well, right now, I don't think we have a clear title. It might be called the Matching Grant for Nascent Organizations, or something simple.

QUESTION: So far, you have been talking a great deal about strategies and objectives for the new programs, and I realize that the specific strategy hasn't yet been approved. So it seems like you can only speak about it in very general terms.

However, is there any way that you can maybe provide us, as we anxiously wait for the approval and the posting on the website, some specific examples of how you arrived at these objectives, like what you've done in the past?

It would be great for me -- I'm young and just starting out -- if you could point to specific programs and things that you've done that have worked. When you talk about supporting activities of local NGOs, what can you point to in the past that would make you think that that is going to be successful? It sounds really great, but I think the devil is going to be in the details and I'm interested to see how that is going to be implemented. Just give us a little something specific to go on until the actual strategy is released. That would be great.

MS. LISKOV: I'd be glad to. You might have an opportunity during the day to meet with some people from organizations who have been long-time or some-time grantees of the Matching Grant Program or the Child Survival and Health Program. These are the two, really, premiere programs that PVC has run for a number of years.

Part of the Matching Grant Program, because its was very cross-cutting, really half of it, went to capacity-building for micro-enterprise organizations. I think all that we have been talking about today, and Judy's remarks, what we were saying is that we are building on the successes of these two programs.

The Child Survival Program, which is now continuing -- in fact, it's so valuable, it's continuing very strongly in the Global Health Bureau -- has built a cadre of organizations that are sophisticated, high-level practitioners of child survival interventions. This is very different from their capabilities 15 years ago when they started with our Office.

Our mandate has been capacity strengthening of U.S. organizations for a number of years. The transition is difficult for both of us, but these organizations have formed a network. In fact, we supported the development of the CORE network, just like we did the SEEP network for Microenterprise. This has been a tremendous success in building capacity. It has also brought new organizations that want to be involved in these sectors up to speed through interaction with others and through the technical committees.

I think what we're saying is that we are building on many years of success. There are many challenges out there in local capacity that we feel we've been doing a good job of through U.S. PVOs, but it's an evolution because so many of the organizations have become facilitators through their partners and are not themselves doing the actual service delivery. We are sometimes catching up to the PVOs, sometimes raising the bar and providing guidance in being cutting edge and innovative.

I think these are the two programs that you might want to speak with people about. There is still information on these programs on the PVC website.