

A.I.D. EVALUATION SUMMARY PART I

(BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

IDENTIFICATION DATA

<p>A. REPORTING A.I.D. UNIT: <u>USAID/Indonesia</u> <small>(Mission or AID/W Office)</small></p> <p>(ES# _____)</p>	<p>B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN? yes <input type="checkbox"/> slipped <input type="checkbox"/> ad hoc <input type="checkbox"/></p> <p>Eval. Plan Submission Date: <u>FY87</u> <input type="checkbox"/></p>	<p>C. EVALUATION TIMING interim <input type="checkbox"/> final <input checked="" type="checkbox"/> ex post <input type="checkbox"/> other <input type="checkbox"/></p>												
<p>D. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Project #</th> <th style="width: 35%;">Project/Program Title (or title & date of evaluation report)</th> <th style="width: 15%;">Fisc. PROAG or equivalent (FY)</th> <th style="width: 10%;">Most recent PACD (mo/yr)</th> <th style="width: 10%;">Planned LOP Cost ('000)</th> <th style="width: 15%;">Amount Obligated to Date ('000)</th> </tr> </thead> <tbody> <tr> <td>497-0336</td> <td>PVO Co-Financing</td> <td>FY87</td> <td>11/87</td> <td>4 mos</td> <td>\$ 70,041</td> </tr> </tbody> </table> <p style="font-size: small; margin-top: 10px;"> <i>Handwritten notes: 004205, JT, B/ANN/PP/PPS, FILE, (making a copy of report with all projects)</i> </p>			Project #	Project/Program Title (or title & date of evaluation report)	Fisc. PROAG or equivalent (FY)	Most recent PACD (mo/yr)	Planned LOP Cost ('000)	Amount Obligated to Date ('000)	497-0336	PVO Co-Financing	FY87	11/87	4 mos	\$ 70,041
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497-0336	PVO Co-Financing	FY87	11/87	4 mos	\$ 70,041									

Action(s) Required	Name of officer responsible for Action	Date Action to be Completed
1. Develop a set of strategic objectives focusing on institutional development and the process approach to development and sustainability	Carter /VHP & PVC	FY89
2. Activities should be divided into long-term institutional support to selected big NGOs(BINGOs), indirect support to small NGOs, and support to the movement in general.	Carter /VHP	FY89
3. Employ different programming tactics in pursuing its strategic goals.	Carter /VHP	FY89
4. Establish monitoring and evaluation systems that that incorporate economic, political and socio-cultural considerations and develop a documentation system to improve its institutional memory and the quality of its assistance .	Carter /VHP	FY89
5. Take the lead in sensitizing Mission personnel about the desirability of the NGO movement in Indonesia retaining its ability to grow and act independent of government control.	Carter /VHP	FY89

(Attach extra sheet if necessary)

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: mo _____ day _____ yr _____

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature Typed Name: <u>William M. Carter</u>	<u>N/A</u>	<u>Timothy J. Mahoney</u>	<u>David N. Merrill</u>
Date: _____	Date: _____	Date: _____	Date: <u>7/29/86</u>

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H. EVALUATION ABSTRACT (do not exceed the space provided)

The PVC Co-Financing project provides support to U.S. and Indonesian non-governmental organizations (NGOs) to undertake development assistance activities in Indonesia. This evaluation, which is the first comprehensive study of the project in 13 years, was conducted over a six-week period through analyzing documentation, extensive interviews, and field visits to six provinces.

The evaluation team's main findings are that (1) the Indonesian NGO movement is an increasingly important domestic voice on development, (2) its activities have had a significant impact on government development policy, particularly in the health field, (3) the movement is vulnerable to government control, (4) there is a need to for the movement to diversify its funding base, (5) some Co-Fi activities have been able to significantly leverage other resources, particularly NGO credit programs, (6) Co-Fi has had a positive impact in involving both U.S. and Indonesian NGOs in their development activities, (7) in the absence of appropriate data, it may not be possible to quantify Co-Fi's contribution or verify causal linkages between Co-Fi inputs and specific outcomes, (8) the Co-Fi program lacks a sense of having a strategic purpose and has functioned in a reactive mode to proposals submitted to it, (9) the management systems of all parties involved in Co-Fi are inadequate, and (10) block grants can be an effective mechanism for extending Co-Fi's outreach far beyond the limitations of VHP's personnel.

The main recommendations are: (1) VHP should develop a set of strategic objectives focusing on institutional development and the process approach to development and sustainability, (2) VHP should divide its activities into long-term institutional support to selected big NGOs (BINGOs), indirect support to small NGOs, and support to the movement in general, (3) VHP should employ different programming tactics in pursuing its strategic goals, (4) VHP should establish monitoring and evaluation systems that incorporate economic, political and socio-cultural considerations and develop a documentation system to improve its institutional memory and the quality of its assistance, and (5) VHP should take the lead in sensitizing Mission personnel about the desirability of the NGO movement in Indonesia retaining its ability to grow and act independent of government control.

AUSTRALIA

I. EVALUATION COSTS

1. Evaluation Team					
Name	Affiliation	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (US\$)	Source of Fund	
1. Dr. Russell Betts, Team Leader		PIO/T No. 497-	\$70,041	PVC Co-Fi FY 87	
2. Dr. J. Mayfield		0336-3-70021		497-0336	
3. S. Grizzell					
4. Dawan Rahardjo					
5. Elias Morning					

COSTS

2. Mission/Office Professional Staff Person-Days (estimate): 15

3. Borrower/Grantee Professional Staff Person-Days (estimate): 437

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A.I.D. EVALUATION SUMMARY PART II

J. SUMMARY OF EVALUATION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS (Try not to exceed the 3 pages provided) Address the following items:

- Purpose of activity(ies) evaluated
- Purpose of evaluation and Methodology used
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office: USAID/Indonesia

Date this summary prepared: 27 November 1987

Title and Date of Full Evaluation Report: A Strategic Assessment of NGO Development in Indonesia: The AID Co-Financing Project, October 1987

Purpose of Activity Evaluated

The PVO Co-Financing project provides support to U.S. and Indonesian non-governmental organizations (NGOs) that are undertaking development assistance activities in Indonesia. Begun in 1974 as a three-year pilot project to provide support to U.S. PVOs, PVO Co-Fi I was amended and then concluded in 1982, when Co-Fi II was inaugurated. Co-Fi II will extend until 1991. As of late 1987, the two projects have supported 146 separate projects which directly involved 18 U.S. NGOs and 10 big Indonesian NGOs (BINGOs) and indirectly involved several hundred small Indonesian organizations through block grants administered by the U.S. NGOs and BINGOs. USAID's support for these groups' activities has exceeded \$18 million. Project activities have extended throughout Indonesia and incorporated a wide spectrum of theoretical or operational development approaches.

Purpose of Evaluation and Methodology Used

With the exception of a cursory in-house final report on Co-Fi I and reports that addressed only internal implementation and management issues or situation-specific matters internal to sub-projects undertaken by Co-Fi grantees, this is the first comprehensive evaluation of the Co-Fi program since it began 13 years ago. The present evaluation was conducted in order to identify USAID options for future support to NGOs in Indonesia. To accomplish this goal, three objectives were specified: (1) review recent developments and current interests, needs, status and relationships among Indonesian and American NGOs, (2) assess the effectiveness of past and current USAID/Indonesia support for NGOs under the Co-Fi project, and (3) identify possible future directions for Co-Fi activities.

The five-member evaluation team (four of whom have considerable experience with PVO Co-Fi in the last 13 years) analyzed available documentation within USAID; interviewed Indonesian NGO leaders, U.S. NGO representatives, USAID/Indonesia personnel and officials from other donor agencies; and visited field project sites in six provinces over the six-week evaluation period. From the information gathered, they identified major trends affecting the capacity of the NGO community to implement effective development projects. Based on the trends identified, a set of indicators was designed that allowed an assessment of the impact of the Co-Fi project on the NGOs.

Findings and Conclusions

Several specific findings and conclusions are made in the following areas: The NGO community in Indonesia (history, characteristics, strengths and weaknesses, objectives, impact on development, relations with the government and the role of foreign donors), the Co-Fi program's impact and effectiveness (increased involvement of NGOs, NGO coverage, NGO impact, NGO interaction and cooperation with the government, NGO ability

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to leverage resources, coordination, management capability of the Office of Voluntary and Humanitarian Programs (VHP), and the strategic objectives of VHP), an analysis of Co-Fi Projects (impact on institution building, project analyses by sector, funding by sector, allocations to NGOs and geographic regions, and several case studies), a review of general needs and support options (goals definition, growth, consolidation and survival issues, operational needs, and support sources), and programming considerations (strategic objectives, tactical issues for implementation, and operational issues for management). The authors cite ten main conclusions.

1. The Indonesian NGO movement is a growing and important domestic voice on development, and is actively involved in efforts to strengthen democratic principles and decentralization in Indonesia. It serves an important national function for legitimizing and providing channels for the involvement of the people of Indonesia in their own development.
2. NGO activities have had a significant impact on GOI development policy, particularly in health, family planning, potable water and blindness prevention, but also in rural credit, cooperatives, small-scale enterprises, agrobusiness, appropriate technologies, decentralized development planning, environmental protection, consumer awareness, outer island development, legal aid, human rights, and the protection of minority and tribal ethnic rights.
3. The NGO movement is vulnerable to GOI control. The risk of further control is likely to increase to the extent NGO activities are perceived as representing any political threat to the government.
4. The Indonesian NGO movement has emerged only within the past twenty years (from a handful of NGOs in the late 1960s to around 3000 today). Although thoroughly Indonesian in its leadership, it has been largely dependent on external donor assistance. There is an increasing need to diversify its funding base to include more domestic financing, particularly from Indonesia's private sector.
5. Some Co-Fi activities have succeeded in significantly leveraging other resources in support of development. NGO credit programs supported by Co-Fi seem to have particularly promising potential. U.S. NGOs have shown consistent abilities to stimulate additional contributions from a variety of other donors.
6. Co-Fi has had a positive impact in involving both U.S. and Indonesian NGOs in development activities. It has facilitated increases in numbers, types, and geographical location of NGO activities and has encouraged innovative, risk-taking activities as a means to enhance learning and contribute to improved national development mechanisms. The Co-Fi funding pattern indicates coordination with broader USAID/Indonesia strategic objectives, as well as an evolution toward types of interventions with greater possibilities of contributing significantly to effective and sustainable institutional development.
7. In the absence of appropriate evaluative data (which may be impossible to acquire), any quantification of the magnitude of Co-Fi's contribution or verification of causal linkages between Co-Fi inputs and specific outcomes cannot be made.
8. The Co-Fi program lacks a sense of having strategic purpose and has functioned in a reactive mode to proposals submitted to it. This might be rectified by a defined set of strategic goals and objectives, and also by the establishment and use of a set of selection criteria to be applied to potential projects.
9. The management systems of all parties involved in Co-Fi are inadequate. Change will be difficult because of preoccupations with what they consider to be more important

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matters. Long-term efforts to improve NGO management capabilities and financial stability would have a positive impact on their program/project implementation.

10. Block grants can be an effective mechanism for extending Co-Fi's outreach far beyond the limitations of VHP's personnel. Block grants implemented by organizations with poor management capabilities can also contribute to both ill-conceived support to small NGOs and diverting implementation agencies (in particular, most BINGOs) from their own priorities.

Recommendations

1. VHP should develop a set of strategic objectives focusing on institutional development and the process approach to development and sustainability. Program/project selection criteria should flow from these objectives.
2. VHP should divide its activities into three categories: (1) long-term institutional development support to selected BINGOs, (2) indirect project support designed to promote the spread and strengthening of small NGOs, and (3) systematic support to the NGO movement in general, focusing on networking, improved management capacities, and the development of mechanisms for fund raising.
3. VHP should employ different programming tactics in pursuing its strategic goals. It should indirectly support the development of small NGOs through block grants, but perhaps relying less on BINGOs than at present. It should provide long-term institutional development support to one or more BINGOs through VHP-administered direct grants or TA contracts, perhaps via the placement of expatriate TA within the organization. Because systematic support to the NGO movement might prove more technically and administratively demanding than feasible, contracted services would seem most appropriate.
4. VHP should establish monitoring and evaluation systems that incorporate economic, political, and socio-cultural considerations and that enable long-term "process" understanding of the dynamics of NGO activities. A documentation system should be designed to improve VHP's institutional memory and upgrade the quality of VHP assistance.
5. VHP should take the lead within the Mission in sensitizing personnel about the desirability of the NGO movement in Indonesia retaining its ability to grow and act independent of government control.

Lessons Learned

1. Evaluations limited to quantifiable project-specific results obscure accomplishments relating to wider impact through policy modification, sustainability of project benefits through institution building, improved development strategies, and possible community-initiated post-project activities.
2. Considering process impacts of NGO projects might be more useful than purely economic impact, although their evaluation and quantification is much more difficult. Political, social and cultural impact should also be included to ascertain the range of benefits.
3. Indonesian NGOs may have had more impact on policy than they have had direct impact on grass-roots beneficiaries. To find out why this might be so, appropriate research in this area is called for.

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K. ATTACHMENTS (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier)

ATTACHMENTS

A Strategic Assessment of NGO Development in Indonesia, The AID Co-Financing Project, by Russell H. Betts, Steven Grizzell, James B. Mayfield, Elias Moning and M. Dawam Rahardjo. Washington, D.C.: Development Alternatives, Inc., October 1987.

L. COMMENTS BY MISSION, AID/W OFFICE AND BORROWER/GRANTEE

MISSION COMMENTS ON FULL REPORT