

**MAXIMIZING PROGRAM IMPACT
AND SUSTAINABILITY:**

**LESSONS LEARNED IN
EUROPE AND EURASIA**

October 1999



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CONTENTS

ACKNOWLEDGMENTS	v
EXECUTIVE SUMMARY	vii
INTRODUCTION	1
IMPACT AND SUSTAINABILITY: THE CHALLENGE	1
SUSTAINABLE INSTITUTIONS	3
DISSEMINATION ACTIVITIES	10
RESOURCE MATERIALS	16

ACKNOWLEDGMENTS

This pamphlet, which discusses how to maximize the impact and sustainability of USAID sponsored programs in Europe and Eurasia (the EE region), was produced under USAID's Local Government Assistance Initiative for Europe and New Independent States (USAID Contract No. EEU-I-00-99-0013-00). It was a collaborative effort of Barbara Barrett Foster of TSS and Bonnie Walter of USAID. Diane Ferguson provided editorial and production services. The contents of this pamphlet were drawn from the body of experience gained through projects funded by the United States Agency for International Development (USAID) over the past decade and were further shaped by an April 1999 workshop held in Budapest, Hungary. At that meeting USAID staff members, counterparts and contractors exchanged ideas based on their actual experiences and shared relevant resource materials.

EXECUTIVE SUMMARY

USAID has learned some important lessons from the decade of assistance. These lessons translate into generic questions that donors should ask when designing or evaluating most assistance and reform projects:

- What is sustainability and when is it important?
- What types of reforms need to be championed by sustainable institutions?
- How can donors best incorporate institutional sustainability as a major objective of local government and urban development projects?
- How can information be disseminated broadly to have national impact?

Donors can maximize impact and sustainability of their programs by promoting sustainable institutions and funding dissemination activities.

The two core concepts discussed in this pamphlet are **impact** and **sustainability**. To have impact, a project or program must influence policy and achieve change. Some accomplishments, such as passage of new legislation, are only intermediate impacts, a means to an end, since true impact takes place only when the end result of the new legislation has become observable. To be sustainable, a project or program renews and supports itself independently of external funding by donors. Sustainability applies to products, ideas and institutions. If a product or idea is used by commercial ventures, training institutes and professional associations, then the idea behind it is sustainable whether or not the institution that originally promoted the idea continues to exist.

Two ways that donors can achieve impact and ensure sustainability are by promoting sustainable institutions and funding dissemination activities. Sustainable institutions actively participate in the transfer of development concepts and advocate their implementation within the host country. When donors partner with local institutions, either by working with existing ones or developing a new one, they can undertake several measures to ensure that their development assistance agenda achieves maximum impact:

- Develop a comprehensive assistance plan.
- Commit sufficient technical assistance and funding over a sufficient time period.
- Study the institutional context and culture.
- Study the political context.
- Study programs of other donors.
- Identify and monitor organizational vision, leadership, management and constituency.
- Phase out donor assistance according to a clearly articulated plan.

Dissemination includes a wide range of activities that promote the adoption of new ideas and reinforce development assistance agendas. Dissemination approaches in the EE region have made use of the news media in addition to training, print media, broadcast and online media products developed for specific projects. Donors can greatly enhance the impact of dissemination by adopting the following principles:

- Write clear and inclusive scopes of work.
- Allocate sufficient resources for dissemination.
- Clarify expected results and impact.
- Encourage tailoring of dissemination materials to specific audiences.
- Ensure that local counterparts “own” the dissemination approach.
- Encourage the use of professional services.

- Promote interagency communications.

Adhering to the measures for promoting sustainability and the principles for funding dissemination activities described above will greatly increase the likelihood that the benefits of donor projects and programs will continue long after their direct funding ceases.

INTRODUCTION

This pamphlet is designed to assist international development assistance agencies (donors) to increase the long-term impact and sustainability of projects in local government reform and urban development. It documents what USAID knows about effectively disseminating information and developing sustainable institutions in Europe and Eurasia (the EE region). It further suggests ways that donors can design and manage future programs to increase the likelihood that the benefits of their programs will continue long after their direct funding ceases.

Reform efforts are most effective when donors design programs to maximize impact and sustainability.

The contents of this pamphlet were drawn from the body of experience gained through projects funded by the United States Agency for International Development (USAID) over the past decade and were further shaped by an April 1999 workshop held in Budapest, Hungary. At that meeting USAID staff members, counterparts and contractors exchanged ideas based on their actual experiences and shared relevant resource materials.

USAID expects to facilitate ongoing communication on impact and sustainability in a variety of settings, including its Internet Web site: www.info.usaid.gov/regions/europe_eurasia/local_gov.

IMPACT AND SUSTAINABILITY: THE CHALLENGE

Since the late 1980s, millions of dollars of development assistance resources have poured into EE to address issues related to decentralization, urban development and adaptation to a market economy. Governments across the region have adopted a myriad of reforms, from policy changes to the development of new regulations and institutions. At times, development assistance resources flowed faster than recipient countries could effectively absorb them. Meanwhile, donors have paid insufficient attention to program impact and the sustainability of efforts. Donors need to be concerned that their resources are effectively used to make a real impact and accomplish the intended reforms.

USAID has learned some important lessons from the decade of assistance that it can apply to current and future projects. These lessons translate into generic questions that donors should ask when designing or evaluating most assistance and reform projects:

- What is sustainability and when is it important?
- What types of reforms need to be championed by sustainable institutions?
- How can donors best incorporate institutional sustainability as a major objective of local government and urban development projects?
- How can information be disseminated broadly to have national impact?

In this pamphlet, the focus is on local government and decentralization, but the lessons about sustainability and impact can be widely applied to other areas of concern. This pamphlet attempts to provide guidelines, if not answers, to the above questions.

Working Definitions

The two core concepts discussed in this pamphlet are **impact** and **sustainability**.

Impact. To have impact, a project or program must influence policy and achieve change. For example, a newly-established municipal credit system demonstrates impact when municipalities borrow to improve infrastructure. A “culture of cooperation,” when previously non-cooperative institutions begin to collaborate to

share ideas and resources for mutual benefit, is an impact. Individuals obtaining home mortgages is evidence of the impact of a functioning housing finance system. Municipal governments demonstrate that they can be responsive to their citizens, another type of impact, when they fund public information and community service offices. Privatization initiatives have had impact when the state transfers deeds of ownership to individual citizens. Some accomplishments, such as passage of new legislation, are only intermediate impacts, a means to an end, since true impact takes place only when the end result of the new legislation has become observable.

Sustainability. To be sustainable, a product, idea, or institution is adopted within a country's cultural and organizational context, takes on a life of its own, and supports itself independently of external funding by donors. A municipal association improves sustainability when it raises revenue through membership fees or products and services purchased by members, rather than being fully dependent on grants or government transfers. A research institute with a diverse client base and multiple funding sources is more likely to be sustainable than one dependent on government or donor grants.

Ways to Achieve Impact and Sustainability

Donors undertake the following three complementary types of activity in order to achieve impact:

- **Providing direct assistance** to present a new concept, approach or methodology to a limited audience, often as a pilot or demonstration program. Direct assistance takes the form of policy dialogue, technical assistance and training.
- **Promoting sustainable institutions** that can champion new concepts, innovative practices and changes over time. Experience shows that self-sustaining champions are important for long-term impact.
- **Funding dissemination activities** to spread concepts to a broader audience and thereby promote replication. Dissemination promotes new concepts that will motivate individuals and institutions to change and also distributes products developed under development assistance activities. Since few direct assistance activities have a national focus, dissemination is critical.

This pamphlet focuses on **promoting sustainable institutions** and **funding dissemination activities**.

These two activities are closely related and interdependent: the institutions that donors identify as potential champions and hope to make sustainable are normally the same ones that will be directly involved in planning and implementing the dissemination strategy. Similarly, the very survival of these institutions may well be dependent upon their ability to disseminate their message rapidly and effectively to a wider audience.

Indicators of Impact

The objective of development assistance projects and programs is the achievement of sustainable reforms and widespread change related to these reforms. Donors have funded numerous local government and urban development initiatives that have created significant policy and institutional changes, but measuring the impact of these initiatives is more difficult. Doing so presents several problems, including time lag before measurable impacts can be noted, difficulty in data gathering and the existence of a chain of intermediate impacts that should not be confused with the desired end results. It is critical to separate the program inputs or activities from the end results and to design indicators that examine the latter, not the former. Indicators of impact should measure the following:

- **Changed Behavior or Adoption of New Policies:** examples of changed behavior, such as the percentage of participants in training programs or recipients of printed materials who have adopted methodological, institutional or policy changes.
- **New Programs:** the number of new programs initiated by target populations, either because of their participation in training programs or because they received information through a dissemination effort.

- **Improvement of Service Delivery:** specific, quantitative measurements of the type and number of services delivered before and after a project intervention.
- **Increased Efficiency in Service Delivery:** evidence that the ratio of services delivered per unit of resources allocated has increased due to a project intervention.

Training and dissemination, as well as support to institutions so that they can become sustainable, can be the means to accomplish reform but are not in themselves evidence of reform or real impact.

SUSTAINABLE INSTITUTIONS

Sustainable institutions may be seen as the “foster parents” of reform. They actively participate in the transfer of development concepts and advocate their implementation within the host country. Not only do these institutions continue championing ideas long after the original donor has departed, but they are often more effective than donors in providing lasting impact by ensuring that an idea is adopted within the country’s political and cultural context. However, local institutions are not always the best or most capable agents for carrying out all aspects of a local government program. Donors must make judgments about the professional competence of the institution, especially at the beginning of a partnership, adjust expectations and allocate tasks accordingly. Donors must carefully think through the appropriate role for local institutions and consultants to play, taking into account the current capacity of local institutions, need for short-term results, and desire for long-term sustainability. Not only should donors expect that local institutions will need time to become sustainable, but they should also recognize that not all institutions will succeed as conditions change, nor need they do so. Donors that aim to leave behind a sustainable institution should make careful choices.

Sustainable institutions that have organization vision, institutional capacity, demand for their services, and local institutional support are well positioned to champion reforms.

Prerequisites for Institutional Sustainability

Donors and consultants have learned a number of lessons about the prerequisites for institutional sustainability in recent years. Sustainable institutions are characterized by the intrinsic qualities of **organizational vision** and **institutional capacity** and the extrinsic ones of **demand for services** and **local institutional support**.

Organizational Vision. A sustainable institution has a clear vision, usually articulated in a mission statement, that guides its work. This allows the institution to position itself so that it can maintain its supportive constituency within the community. This vision, when reflected in its organizational structure, enables the institution to implement its tasks in an effective manner.

Institutional Capacity. In addition to a clear organizational vision, several other factors, taken together, are critical to institutional capacity: an effective board of directors, dynamic leadership, organizational and staff capacity, a reputation for honesty and competency, an ability to provide “value added,” an effective business plan and management practices, fund raising ability, the ability to use existing resources efficiently and marketing capacity and good media relations.

Effective Board of Directors. Most institutions have both a policy making board of directors and an executive officer and staff reporting to that board. Often the chief executive officer of the institution serves on the board. The quality of board members is an indicator of the strength of the institution. When well-positioned citizens with strong ties in the community (both the geographical community and the “community of interest”) serve on the board, the institution has an enhanced ability to develop a realistic mission and obtain continuous financial support.

Dynamic Leadership. Leadership is critical. Not only must there be a visionary leader, but also an administrative leader who develops a realistic mission, promotes productivity, and ensures that the institution's work is of good quality. The institution should have a way to renew its leadership on a regular basis and should not be dependent upon any one person.

Organizational and Staff Capacity. There must be a capable staff structured to efficiently deliver services. The staff should include both substantive experts and those with management, marketing and fund raising capabilities. The organizational structure should allow for the staff to be enlarged or reduced as needed. The staff should be flexible enough to meet new challenges and proactive enough to lead the market as appropriate.

Reputation for Honesty and Competence. A transparent business ethic and competence are qualities that ensure a solid reputation, enabling an institution to expand its role in response to client needs. The institution can indicate that it values these attributes by the way it is structured and does business. For example, it can issue annual reports, including audited financial statements. It can deliver contracted work on time and on budget. It can hire well-qualified staff and consultants whose work is well received by clients.

Ability to Provide "Value Added." If the products an institution offers are of little real value beyond what is already available in the community, its reputation will suffer, and its opportunity to work will be curtailed. Satisfied customers, as indicated by repeat sales and additional contracts, validate the worth of the institution.

Effective Business Plan and Management Practices. A solid business plan, accompanied by well-grounded management practices, is important. Financial systems should have checks and balances and should be available for auditing on a regular basis. In addition, the management structure should be flexible enough to survive political, economic and social changes in the internal and external environment. Business growth over time (number of contracts signed, total volume of business and amount of contracts) is an indicator of the effectiveness of the business plan and management practices. Client diversification is another sign.

Fund Raising Ability. A steady flow of resources to the institution is critical, and both board and staff must devote sufficient energy to cultivate diversified funding sources and to secure sustained support. Funding sources may include contracts with various clients, grants, membership dues and fees for services; the more diverse the funding sources, the higher the potential for sustainability. An institution that offers a diversified product base (research studies, demonstration projects, training programs, etc.) expands its ability to secure funding from a variety of sources.

Efficient Use of Available Resources. An institution that fails to make wise use of resources will not only find its current productivity undermined but will also be hampered in seeking new sources of funds.

Marketing Capacity and Good Media Relations. Good work and a successful track record are necessary, but not sufficient, for sustainability. A sustainable institution needs to develop and implement effective marketing strategies. It also needs to know how to gain favorable publicity for its work and how to cultivate the media. Client diversification is one indicator of effective marketing.

The most fundamental prerequisite for the sustainability of an institution is the real demand for its services.

Demand for Services. The most fundamental prerequisite for the sustainability of an institution is the real demand for its services. Although the market demand can be stimulated and refined, there must be a demand for services to satisfy some basic need or even the most effective institution cannot be sustained. When an institution is fully funded by a donor, it becomes difficult to assess either the real or the effective demand for services.

Local Institutional Support. The most effective, well-funded and best-managed institution will fail if it does not receive support from the other local institutions it depends upon for its legitimacy. For example, if key staff members of a local ministry of urban development have a political dispute with the institution's leadership, other institutions may withdraw their support. This avoidance may be totally out of the control of the institution and can occur even when the intrinsic conditions for sustainability are met.

Categories and Characteristics of Local Institutions

Local institutions that are potential partners for donors fall into one of the following groups: municipal associations, professional associations, policy research institutes and think tanks, government training institutes, private training institutes and consulting firms. Donors should evaluate the sustainability of the local institutions they choose as partners to ensure that their development assistance agenda achieves maximum impact.

Municipal Associations. This category includes both new and long-standing associations. The "ideal" municipal association has a subscription base that provides a regular income stream in return for member services (newsletters, technical support, consulting services and training). It is usually governed by a board of directors and managed by an executive director and a professional staff. In addition to fees for services, some associations also receive government grants. Although there are a few examples of viable municipal associations in the region, most do not live up to this ideal.

Key Characteristics/Strengths of Municipal Associations:

- They can tap a wealth of practical (as opposed to theoretical), hands-on experience.
- They have a common interest in developing standards and maintaining a reputation among their members for quality and integrity.
- They can offer programs and services that are demand driven and fee supported.

Challenges/Weaknesses of Municipal Associations:

- They are often insufficiently funded to handle administrative and program development activities.
- Members may be in competition with each other, and competing associations may rise within a country—a situation that can redirect member energies away from association-building activities.
- Their dependence on member fees may limit the financing of innovative programs.
- Party politics often puts pressure on municipal associations, distorting their ability to function as a lobby group, and inappropriately influences their policies and programs.

Professional Associations. A professional association is chartered to meet the needs of its members, who pay their own membership and service fees. Experience in the EE region demonstrates that this kind of institution has a better chance of becoming financially self-sufficient than a municipal association since its income stream is provided by self-interested parties.

Key Characteristics/Strengths of Professional Associations:

- The self-interest of members ensures that training and services of the association are demand driven and self-supporting.
- They often have a legislative agenda that assists members with achieving a business-enhancing environment.
- They have a common interest in developing professional standards and the reputation of their members.

Challenges/Weaknesses of Professional Associations:

- They often have too little capital to support a full-fledged member program.
- Members may be in competition with each other.
- They may be adversely affected by party politics of members.

Policy Research Groups and Think Tanks. There is a long tradition of such institutions in the region. Commissioned and funded by governments to carry out economic, political and social studies, the best of these think tanks were involved in national policy research in all fields of endeavor, with well-trained, nationally recognized staffs and well-funded research projects. However, in the current political and economic climate, think tanks will survive and prosper only to the extent that they adopt entrepreneurial and businesslike approaches. They need to support themselves by securing clients from government agencies and foundations, local and regional governments, international donors and businesses. In addition, many may need to adopt more aggressive diversification approaches by undertaking commercial activities and by tailoring services to the needs and interests of the business community. Following the European and U.S. models, a policy research group or think tank becomes more financially secure as it diversifies its funding base. While it is unrealistic for most of these groups to exist without some government contracts or other support, groups solely dependent upon government grants and contracts will not survive. Many can be financially healthy if properly led and managed, with diversified funding. It is critical that think tanks take a businesslike approach to their management, a challenge for those operating outside a business culture.

Think tanks must take a businesslike approach to their management, a challenge for those operating outside a business culture.

Key Characteristics/Strengths of Policy Research Groups and Think Tanks:

- They have relatively high status positions in their respective countries, providing a good foundation for sustainability.
- They employ a cadre of well-qualified research staff (unless restricted by government regulations from paying competitive salaries).
- They often have an established track record.

Challenges/Weaknesses of Policy Research Groups and Think Tanks:

- They lack business experience, sophisticated strategic management and planning skills and entrepreneurial values.
- They probably need some government contracts to survive.
- They are dedicated to research norms that may be difficult to reconcile with the business values needed to succeed.
- They are often too theoretical.

Government Training Institutes. Traditional training institutions have operated across the region for decades, but few of these have become sustainable in the current social and political milieu because their massive dependence on government subsidies is no longer an option. Therefore, such institutions are searching for a way in which they can capitalize on their strengths and make up for their disadvantages. They need to find an appropriate role for themselves, different from the role of private training institutions. An option is for government-supported institutions to train low-level local agents and to concentrate on disseminating the requirements of new laws, leaving the training of high-level local agents in policy reform and new methods to private institutions.

Key Characteristics/Strengths of Government Training Institutes:

- They have experience in providing training courses and can package training products.
- They have an existing client base.
- They often have collaborative working relationships with other institutions.
- They usually manage their own training facilities.

Challenges/Weaknesses of Government Training Institutes:

- There may be little effective demand for their services because their clients usually lack funds to pay tuition.
- Their facilities are often old and expensive to run, becoming a burden when cost recovery is the objective.
- They may be overly dependent upon government transfers and probably need government contracts or subsidies to survive.
- They may be limited in their ability to recruit trainers because of government restrictions on salaries.
- They may be overly bureaucratic and inflexible and may have redundant staff members to support.
- Their staff members often lack both substantive knowledge and training skills that incorporate adult learning techniques.

Private Training Institutes. Several newly-founded training institutions operate in a sustainable manner and share the following attributes: clear missions, well-qualified and well-trained instructors, demand-driven training programs and marketable training curricula. Networks of training institutions have also emerged, allowing for sharing of curricula, exchange of trainers and cooperative marketing approaches. These networks need nurturing and a flexible strategic business plan that enables them to supplement training income with contracts and grants for other types of work, as it is not clear that any institution can survive only on training. Institutions with a broad set of public, donor, and private sector clients are better positioned to become sustainable. It is important for donors to consider contracting with private training institutions for activities that fall outside market-based demand, but where the need is well established, so that these institutions can build up market skills in potentially viable fields. A long-term problem for private institutions is their inability to begin charging full market rates for training that has either been subsidized by the government or provided free of charge through donor grants or contracts for services. A solution to this problem is to ensure that donors do not undercut the effective market and that their close-out strategy leaves institutions adequately positioned to sustain themselves.

Key Characteristics/Strengths of Private Training Institutes:

- They have minimal overhead—they usually rent in-house training facilities as needed.
- They have a limited number of full-time staff members, which enables them to hire consultants as needed.
- They often have experience working collaboratively with other institutions.
- They can attract qualified trainers because they can pay market rates for their services.
- Their trainers generally have some knowledge of adult learning techniques.

Challenges/Weaknesses of Private Training Institutes:

- They may not have sufficient training work to support their full-time staff members.
- Employing consultants as trainers may limit their availability at times needed.
- They need to market themselves in a climate previously dominated by government institutes.
- They are often undercapitalized.

- The effective, paying market may be limited to certain subjects that do not correspond to the experience or mission of the institute.
- They may have limited business skills and marketing capabilities.

Consulting Firms. Consulting firms were virtually unknown in the EE region prior to 1988. Since then, many have developed, initially in response to donor-funded projects that stimulated the demand for consulting services. Local governments now need consulting services as they take on responsibility for increasingly complex tasks. Since few local governments have the in-house capability to manage these new responsibilities, they will need to turn to external consultants. Transforming this need into effective demand is a challenge, however. Much of the technical assistance to local governments has been provided free of charge or at heavily subsidized rates through donor-funded projects, which has distorted the market in many places and made it difficult for consulting firms to sell their products and services at a fair market value. In addition, many consulting firms do not meet the prerequisites for institutional sustainability described above. Although the role of consulting firms has not been analyzed in any real depth, anecdotal evidence indicates that the most successful firms are those that provide specific financial analysis, technical support and management services, while those that specialize in economic development and housing have been less successful. Donors can rely upon consulting firms for certain types of technical assistance, but not for everything. Their performance may not always be of the quality desired; however, donors should use this valuable institutional resource to the extent possible as a bridge between donor assistance and the desired, normal relationship between the public and private sectors.

Key Characteristics/Strengths of Consulting Firms:

- They are non-bureaucratic.
- They are more entrepreneurial and market oriented than other types of institutions.
- They are not dependent upon government grants.
- They are more likely to use competence as basis of employment than other types of institutions.

Challenges/Weaknesses of Consulting Firms:

- They have limited resources and are usually undercapitalized.
- They have a limited track record and may be unknown to potential clients.
- They are often overly dependent upon the energy and skill of one person.
- They may have a very limited contact base.

Design and Management Implications for Donors

Donors should not make the decision to work with and through one or more local institutions without considering both the short- and long-term advantages and disadvantages. When a donor determines that its development agenda will be best advanced if championed by an institution, the donor should first try to identify and assist an existing institution. If there is no suitable institution, the donor may decide to launch a new institution, keeping in mind that this choice represents a long-term commitment and challenge and potentially diminished short-term results.

Donors should consider the short- and long-term advantages before deciding to work with local institutions.

Considerations for Starting a New Institution

A donor should not launch a new institution, which it expects to become a sustainable champion of its ideas, without satisfactorily responding to the following key questions:

Does achieving its proposed long-term impact require an institution? The donor should analyze the expected impact and planned changes very carefully to determine if a new institutional champion is necessary for the success of its development agenda. It is not sufficient to decide that it would be “nice” to have such an institution; it must be deemed absolutely necessary.

Is there any existing institution willing and able to carry out the planned development assistance agenda? The donor should undertake an exhaustive analysis of the set of currently operating institutions. Funding a new functional division within an existing institution can sometimes accomplish the donor’s purpose and will be easier than launching an entirely new entity.

Are there sufficient resources available to launch and sustain the institution? The initial funding of a new institution is the easiest part of the funding challenge. More difficult is deciding how to allocate resources over time and how to guide the new institution to raise its own resources when donor funding ceases. The donor needs to allocate sufficient funds to consultant services for ongoing organizational development and staff training.

Will there be a demand for the institution’s products and services? If the institution is to be able to sustain itself, it must have valuable goods and services that its clients can purchase. If there is no demand for these goods and services, then the new institution will not be viable after the development assistance project that created it is completed.

Are there competent individuals to staff the institution? There may be a shortage of individuals available to staff and manage a new institution, especially one in a new field of endeavor for the country.

How Donors Can Build Sustainability of Partner Institutions

Whether it decides to assist an existing institution or to create a new one, the donor needs to assist the institution to thrive. Some of the measures that the donor should undertake include:

Donors need to assist their partner institutions to thrive.

Develop a Comprehensive Assistance Plan. The donor should develop an unambiguous plan that spells out the nature of its support, the role of the institution, the work that it should accomplish and the evaluation criteria against which it will measure the institution’s performance. The decision has long-term implications, since a three- to seven-year time frame is normally required for establishing and supporting the institution and weaning it from donor support.

Commit Sufficient Technical Assistance and Funding over a Sufficient Time Period. Depending upon circumstances, the donor needs to program technical assistance over three to seven years. It should include mentoring; coaching; building entrepreneurial skills (proposal writing, marketing, strategic planning); building strong administrative systems (auditing, financial reporting, calculating overhead rates); and information dissemination to create a demand for the institution’s services and products. The donor needs to explicitly communicate its financial commitment to its local partner and make the financial inputs in a way that fosters entrepreneurial behavior; for example, by encouraging the institution to develop a diverse client base. The sustainability of local institutions is important for advancing the donor’s development assistance agenda.

Study the Institutional Context and Culture. The donor needs to thoroughly understand the institutional context and how the chosen partner institution will be positioned within the institutional culture in the country. The donor must also know if the partner institution will be in competition with similar institutions and whether

this competition for scarce resources will ultimately be detrimental to both. Failure to understand the institutional context and culture can result in inappropriate expectations and poorly-designed technical support.

Study the Political Context. The donor needs to understand the overall political context and the micro-political issues. It is particularly important to identify the interests of various political parties vis-à-vis the chosen partner institution. Working with an institution that is linked with one political faction may or may not be desirable; not understanding the political situation is unforgivable.

Study Programs of Other Donors. The donor should know the nature and scope of programs funded by other donors in the EE region. There may be opportunities for jointly-sponsored activities in support of the chosen partner institution. At a minimum, the donor should avoid duplication of effort.

Identify and Monitor Organizational Vision, Leadership, Management and Constituency. The donor needs to be convinced that its chosen partner institution has appropriate leadership and management and that it has or can develop a real constituency for its products and services. The charter and structure of an institution selected by a donor should be compatible with the agenda promoted by the donor. For example, if the donor needs a partner that can function as a consulting firm, it should not select a membership association with a restrictive charter. Even more fundamentally, the vision of the local institution should meet the expectations of the donor. An institution that changes its vision and programs in response to expanded client needs may become a less appropriate partner over time; the donor should monitor such changes and be prepared to change its relationship to the partner.

Phase Out Donor Assistance. Donors should plan the phase-out of external funding and expatriate assistance from the initial stages of the program or project and communicate the plan to the partner institution as an incitation to entrepreneurial behavior.

DISSEMINATION ACTIVITIES

Dissemination of lessons learned in demonstration activities can lead to replication and national impact. Donors have long justified demonstration activities on the theory that their impact would be multiplied through replication but have all too often failed to make the necessary investments in dissemination so critical for this process. At the project level, donors often postpone dissemination to the latter stages of their programs. This leaves little time to either evaluate the utility of the information communicated or to make programmatic adjustments if the dissemination fails to reap results. Unfortunately, the impact of dissemination activities is rarely documented.

Dissemination includes a wide range of activities that promote the adoption of new ideas and reinforce development assistance agendas. A review of dissemination techniques and practices funded by USAID in the EE region may provide guidance for designing future dissemination strategies.

Dissemination Framework

To develop an effective dissemination framework, donors need to address a number of factors, including the sociological, political and economic context; the purpose, expected impact and scale of impact; the target audience(s); the content; the budget; the media of choice; and the monitoring

Developing an effective dissemination framework and choosing appropriate dissemination approaches promotes the adoption of new ideas and reinforces development assistance agendas.

The most critical factor in a donor's dissemination framework is the identification of the target audience or audiences.

and evaluation plan. Random dissemination of information leads to waste of project resources and lost opportunities for attaining impact.

Sociological, Political and Economic Context within the Country. Dissemination is meaningless unless framed within the local sociological, political and economic context. Even the most effectively designed dissemination approach may fail to accomplish its goals if it fails to take the context into account. For example, if the public is suspicious of messages delivered via government directives, the dissemination framework should not rely on top down communications. Spokespersons known to be associated with one particular political party may divert attention from the message to the messenger. If stakeholders have economic disincentives to take advantage of a new law, then dissemination efforts focused on the implementation of that law will be ineffective. A case in point is one Eastern European country's changes to its municipal rent law. When new legislation permitted municipalities to raise rents, USAID held a national conference and produced a publication offering practical suggestions and explanations. Four hundred copies of the publication were sold, but there is no evidence to date that any municipality has raised rents. Economists contend that there were insufficient financial incentives to overcome the political negatives associated with raising the rents at the time that the law was passed. While the information disseminated was of interest, the timing and approach was not right; dissemination should have taken place after the economic incentives had been analyzed and the economic concerns of the stakeholders had been addressed.

Purpose, Expected Impact and Scale of Impact. Donors should determine the purpose, expected impact and scale of impact prior to designing a dissemination approach or strategy. This is a challenging task that donors need to undertake at the beginning of a project. There should be a series of benchmarks and a planning process in place that allows for mid-course corrections. It should be clear at the time the donor launches its project whether the dissemination strategy is aimed at building awareness that will result in actual reforms.

Target Audience(s). The most critical factor in a donor's dissemination framework is the identification of the target audience or audiences. The "golden rule" is to start with the customer and then design the dissemination approach. If donors do not clearly define their audiences, they cannot select the most appropriate media for the dissemination approach or develop a realistic budget. Donors' most common mistake is commissioning a single product for dissemination to multiple audiences with differing needs, resulting in the production of material that does not meet the needs of any audience. If policy makers are the target audience, the materials should be useful to them in their roles, just as implementing officers require more practical technical materials. If an audience is distinct enough to be targeted, then it is important to tailor the materials to maximize their impact. Donors should engage marketing professionals to assist with this challenge when they are available. An additional consideration related to target audiences is that reports required by donor-funded projects are seldom useful for dissemination.

Content. Many products developed in tandem with development assistance efforts do not stand on their own as written products. Producing fewer high quality products designed to meet the needs of key groups is better than producing and sending out large quantities of products indiscriminately. A product expected to generate customer interest should be presented differently from a product expected to provide detailed information.

Budget. Often neglected and usually underestimated, the dissemination budget should be clearly defined at the design phase and reassessed on a regular basis. Tailoring products to different audiences costs money, as does the strategic planning for effective dissemination to a program's stakeholders. Using private sector advertising, marketing and media consultants requires an adequate dissemination budget.

Media of Choice. Without good information about which media are most likely to reach the target audience(s), the dissemination effort will miss its mark. The challenge is to ascertain how the target audience

gets most of its information. Seldom will one medium be sufficient. While cost plays a role in the decision of which media to employ, the most significant issue is not money, but rather information about how the audience learns. Donors should plan the dissemination effort like an advertising or marketing campaign and should enlist the help of private sector consultants in this area.

Monitoring and Evaluation Plan. Verifying the results and impact of dissemination activities is a challenging task, one that is infrequently accomplished. It is easy to assert that a dissemination effort has been successful because “so many of our publications have been ordered,” “everyone says that this is a great resource,” or “we have trained all of the municipal engineers in this new approach.” Dissemination is one means to accomplish programmatic goals and objectives, but it is not an end in itself. Therefore, donors should monitor dissemination activities throughout a project and evaluate them in terms of their effectiveness in changing attitudes, building skills, improving knowledge and changing behavior.

Dissemination Approaches

In the EE region, dissemination approaches have included training and a variety of media. Analysis of dissemination experience in the region can be of help to donors in choosing the best dissemination approach for their projects.

Training. Training has been one of the most dominant dissemination approaches. Donors have funded thousands of training activities (i.e., conferences, seminars, workshops, roundtable discussions, study tours, focus groups, networking, coaching and on-the-job training, staff exchanges, computer assisted self-study and Internet support) in the region over the past decade. This section describes training activities and outlines when and why to use this dissemination approach.

Policy Dialogue. Experience worldwide demonstrates that training settings provide supportive venues for advancing policy dialogue. When key policy makers interact with local government experts in workshop settings, they gain a practical understanding of innovative ideas and approaches. Successful training programs are tailored to the participants’ needs, backed with well-documented cases or studies and led by instructors steeped in practical experience. Such settings allow participants to gain real insights and test new ideas. Counterparts from countries with similar traditions (Russia and Ukraine, for example) can also learn from each other when policy changes anticipated in one country have already been implemented in another. However, the key to using training activities to further policy change is addressing the right audience—one that can influence the policy agenda—and timing the intervention so that there is follow-up instead of a void.

Skill Building. Training dedicated to building and improving technical skills, along with “training-of-trainers,” is another approach to dissemination. Training can take place in traditional classroom settings, as on-the-job training and in coaching sessions. The USAID-sponsored Russia Housing Reform Program, which lasted for six years and trained more than 5,000 people per year, demonstrated lessons learned in the improvement of municipal service delivery and financial management. The impact was greatest when (1) the product dealt with saving money or jobs or with any real issue facing local government; (2) there were results of a pilot project to report; (3) the trainers used examples of real local regulations and ordinances; (4) training workbooks were well written and practical, with explicit how-to guidelines; (5) innovations had a good legal basis; and (6) presenters had practical experience. The Russian program also demonstrated that a report sent out as a stand-alone document had little impact, for no matter how well prepared, a report cannot build skills without the training that reinforces the message.

Awareness Building. Another dissemination approach is awareness building, which can be targeted at a wide range of audiences, from policy makers to the general public. Study tours and twinning have been effective throughout the region, giving participants the opportunity to envision themselves in a new role. (Twinning is a

special kind of study tour that initially starts as a visit but that can become a longer-term technical assistance activity.) Communicating lessons learned in conference settings has also been a popular way to build awareness, especially when the presenters at the conference are mayors and other local officials who have successfully implemented new programs.

Training is the most labor intensive approach to dissemination. Therefore, donors should only use training when they can identify the proper target audience and clearly articulate the desired results. Training is necessary when the information to be communicated is new or complex. Training is also the most persuasive technique available, particularly when it employs participatory training techniques. Due to the cost and the limited number of individuals who can be trained, donors should always select the audience carefully and tailor the training methodology to the audience. Training of trainers should always be part of the training program. Evaluation of the real impact of training is often neglected and difficult to do. Unless evaluations are carried out a period of time after training takes place, it is impossible to measure whether there was any impact or change.

Print Media. The methods of disseminating the printed materials by development assistance projects are varied. They range from direct mailings announcing new initiatives to detailed, hands-on training manuals and workbooks, to government guidelines, newsletters, pamphlets, periodicals and books.

Print media can reach a much broader audience than other means of dissemination.

Direct Mail. Used less frequently than other techniques, direct mail is suitable for introducing new programs and agendas to the entire citizenry. Direct mail was the most effective information channel for communicating new housing reform and social safety net programs in Ukraine. A mass mailing reached nearly all targeted individuals (nine million people), and local government officials gained an appreciation of the need for better public information efforts. Since the cost of printing and mailing is relatively inexpensive throughout the region, this approach is worth considering when there is a simple message to communicate to a large number of individuals.

Curricula Guides, Manuals and Workbooks. When training materials for specific courses are distributed as stand-alone products, there is usually a need to follow up with recipients to determine how they used the materials and with what impact. Unfortunately, few data exist on this point, and what is known is anecdotal and not systematic. For example, in Slovakia, six local governments reformed their accounting systems based on nationally distributed budget manuals. Such technical self-study tools may be useful, especially in combination with other types of assistance, but it is necessary to understand how to make them most effective for the target audiences since they represent a considerable investment.

Newsletters, Pamphlets, Periodicals and Books. Staff of donor-funded projects can develop descriptive flyers or send out pamphlets and brochures advertising their products and services. Staff can prepare articles for newspapers, periodicals and professional journals and can publish and distribute books. In Bulgaria, the Foundation for Local Government Reform (FLGR) has a mandate to communicate directly with local government officials and to encourage sharing among municipalities. In addition to producing a newsletter and documenting innovating practices, FLGR commissions and distributes technical reports to local governments. In Hungary, USAID established *The Advocate* as an outlet to disseminate reports produced by the 15 contractors working on local government issues in the country. However, most of these dissemination activities have been heavily subsidized, and their impact has not been verified.

While the print media are not as persuasive as training in communicating new ideas, they are important in the dissemination process. Usually far less expensive than other means, the print media can reach a much broader audience than other means. They are also an effective complement to training, providing ready

reference material to sustain the impact of the training programs. Print media also provide an important middle ground between the mass marketing techniques of radio and television and the narrow focus of training programs. They are thus able to reach a wider audience than a training program while being more tailored to the audience than is possible using radio or television. However, the medium chosen needs to be appropriate to the complexity of the content, and the breadth of the audience.

Broadcast and Online Media. The use of broadcast media, interpersonal networking and the Internet is becoming increasingly important in disseminating information.

Broadcast Media. The opportunities to utilize paid spots on radio and television are increasing, but their relatively high cost is a limiting factor. Three years ago in Ukraine, the rates for television and radio public service announcements were inexpensive enough for the social sector reform project to use. Instead of paid advertising, projects should take advantage of public service announcements and radio and television talk shows (see “News Media” below). Videotapes that describe programs and opportunities can be widely distributed when there is a known venue for their use. For example, the *Telecottage* video funded by USAID/Hungary has been widely shown in communities to guide those interested in establishing this citizen information service and led to establishment of several of the currently operating telecottages.

Interpersonal Networking and Use of the Internet. Anecdotal evidence confirms the value of person-to-person information exchanges through formal and informal networks. This has been especially important in the former Soviet Union, where official channels of information are suspect and where printed materials are not trusted. In Poland, two recent studies have demonstrated that city officials learn best from their peers. Bulgaria’s FLGR is building on the interest in such exchanges by putting its newsletter online and encouraging free exchanges among its subscribers. In Romania, a locally funded network of Citizen Information Centers (CICs) communicates via the Internet and develops formal and informal networks to support newly-formed CICs. Hungary’s telecottage association utilizes the Internet to inform its members. Although these approaches are low cost, the use of the Internet is still restrained in some countries, and expansion of information via this medium should take actual availability into account.

News Media. One other useful approach is to cultivate the news media, providing copy, interviews and background information to news and public service programs produced by national and local broadcast stations. This is an underutilized opportunity. Hundreds of local and regional newspapers are willing to print stories about local government. Project staff should systematically offer “news opportunities” (e.g., inaugural or ribbon cutting ceremonies, documented impact of new policies, results of studies that would be of interest to the public) for coverage, prepare press releases and write stories for local distribution. *The Advocate* in Hungary gathered relevant information from the local press and redistributes it through its “clipping service” for articles on municipal budget, local governance and innovation in local governance. The staff of the social sector reform project in Ukraine distributed press kits and has been the source for more than 1,000 national and local news stories. The staff also organized more than 50 national and regional press conferences for Ukrainian officials. Again, there have been no studies documenting the impact of this inexpensive dissemination approach, but it is known to be a useful technique for providing accurate, uncomplicated information to mass audiences. Using regular news channels can take significant staff time initially but can also pay big dividends if a cadre of reporters are educated in the issues and follow up.

How Donors Can Enhance the Impact of Dissemination

Donors can greatly enhance the impact of dissemination by designing projects well and by managing them with foresight and creativity. Donors assist the effort by adopting the following principles:

Donors can greatly enhance the impact of dissemination by designing projects well and by managing them with foresight and creativity.

Write Clear and Inclusive Scopes of Work. Donors should mandate dissemination in the scope of work with enough specificity so that there will be appropriate benchmarks and evaluation criteria and so that project implementers can effectively develop, manage and evaluate dissemination. The contractor should develop a thorough dissemination strategy as part of its work plan for a project, and there should be an evaluative feedback loop so that contractors can regularly incorporate lessons learned into the project. Donors should set dissemination targets from the beginning so that resources can be effectively applied throughout the project.

Allocate Sufficient Resources for Dissemination. Donors should recognize that a dissemination budget is important. Budget categories and funding levels should permit sufficient flexibility to hire skilled professional services. To ensure the maximum impact of the dissemination effort, the expertise of editors, advertising and marketing specialists, design consultants and other professionals should be easy to access.

Clarify Expected Results and Impact. Donors should hold contractors accountable for developing and meeting mutually agreed upon benchmarks associated with dissemination approaches and should correlate dissemination activities with programmatic results and impact.

Encourage Tailoring of Dissemination Materials to Specific Audiences. Donors need to recognize that materials written for multiple audiences may not suit any audience. Keeping the needs of the various audiences at the forefront, donors need to encourage the production of materials tailored to specific audiences and to be vigilant in evaluating this situation over the course of a project. Reports written for donors are not useful to executives and politicians, while products useful to counterparts may need to be expanded and more analytical to be useful to the funding agency.

Ensure that Local Counterparts “Own” the Dissemination Approach. The credibility of the sponsoring institution has great bearing on whether or not the dissemination approach will be well received by the intended audience(s). A local institution takes ownership in a product by placing its own logo in a prominent place; donors should not insist that their own identity be as obviously displayed.

Encourage the Use of Professional Services. Development assistance projects should tap the expertise of advertising, marketing, design and journalism professionals to develop dissemination approaches for maximum impact and appropriate packaging. Donors should recognize this need and facilitate the use of individuals and firms.

Promoted Interagency Communications. Donors should set up communication channels among contractors working on similar projects in the EE region, including facilitating face-to-face technical exchanges among contracted staff working on development assistance projects over the life of the projects. Although Internet and email communications are useful, there is still a need to provide for face-to-face, informal sharing of works in progress. Such sharing is especially useful within this region, due to common history and governmental and political structures.

RESOURCE MATERIALS

As noted in the introduction, USAID expects that this pamphlet will stimulate continuing communication in various settings on the issues of impact and sustainability. The following list gives information on obtaining copies of the resources materials drawn on to prepare this pamphlet.

Center for Civil and Municipal Innovation. *Our Telecottage: Rural Communities' Progress Toward Information Society*. A video funded by USAID. 1998. Web site: <http://www.telehaz.hu>.

Eastern Europe Real Property Foundation (EERPF). *Annual Reports and Selected Background Papers*. Available from EERPF: 700 Eleventh Street, NW, Suite 550, Washington, DC (Tel: 202-383-1296; 202-383-7549; Email: EERPF@ix.netcom.com).

Minis, Hal, and Jerry Wood. *Creating a Sustainable Competence Building System in Bulgaria: the Local Government Initiative*. An unpublished project report prepared by staff members of the Research Triangle Institute and Development Alternatives International for USAID/Sofia. March 2, 1999. Available from Mr. Hal Minis, Research Triangle Institute, PO Box 12194, Research Triangle Park, North Carolina 27709 (Tel: 919-541-6543; Fax: 919-541-6621; Email: minis@rti.org).

PADCO, Inc. Maximizing *Program Impact and Sustainability: Lessons from Social Sector Reform in Ukraine: 1995–1999*. An unpublished project report. Available from Roger Vaughan, PADCO/Kiev (Tel: 044-463-7615,16,17; Fax: 044-463-7614; Email: rvaughan@padco.kiev.ua).

Struyk, Raymond J. *Reconstructive Critics: Think Tanks in Post-Soviet Bloc Democracies*. Available from the Urban Institute, ISBN Numbers 691-1 (paperback) or 690-3 (cloth), Urban Institute Press, Publication Sales Office, P.O. Box 7273, Department C, Washington, DC 20044 (Tel: 1-877-UNIPRESS; Fax: (202) 467-5775).

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