



**MECHANISMS FOR PVO-NGO COLLABORATION:
The Development Community's Experience**

Prepared for

The Office of Private and Voluntary Cooperation
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Acronyms and Abbreviations

ACVFA	Advisory Council of on Voluntary Foreign Aid
CA	Cooperating Agency
CEE	Central and Eastern Europe
CMM	Conflict Management and Mitigation
CSCF	Civil Society Challenge Fund
CVA	Conflict Vulnerability Assessments
DCHA	Democracy, Conflict, and Humanitarian Assistance
DFID	Department for International Development, UK
DNH	Do No Harm
D&G	Democracy and Governance
DRC	Democratic Republic of the Congo
E&E	Europe and Eurasia
ENI	Bureau for Europe and New Independent States
EU	European Union
FBO	Faith Based Organizations
GDA	Global Development Alliance
GH	USAID Bureau for Global Health
HACI	Hope for African Children Initiative
INGO	International non-governmental organization
IRIS	Center for Institutional Reform and the Informal Sector (U. of Maryland)
ISO	Intermediate Support Organization
IPVO	International PVO
IQC	Indefinite Quantity Contract
JICA	Japanese International Cooperation Agency
NNGO	Northern Non-Governmental Organization (same as IPVO)
NGO	Non-governmental organization
NIS	New Independent States
OTI	Office for Transition Initiatives
PPA	Partnership Programme Agreements (DFID)
PVC	Private and Voluntary Cooperation
PVO	Private Voluntary Organization
REDSO	USAID Regional Office for East and Southern Africa
SEK	Swedish krona
Sida	Swedish International Development Cooperation Agency
SNGO	Southern non-governmental organization
UK	United Kingdom
UN	United Nations
USAID	U.S. Agency for International Development
USG	U.S. Government



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Executive Summary

This report reviews recent experience that private voluntary organizations (PVOs) have had in collaborating with non-governmental organizations (NGOs), and assesses the factors that influence their joint efforts to improve the lives of poor people overseas. This report reviews the experience of collaborative efforts and highlights two mechanisms, personnel exchange programs and learning networks, that are reported to be both effective, and cost efficient.

An inquiry into how PVOs and NGOs work together is important. USAID does not directly implement projects. Projects are all carried out by private contractors or PVOs. Because of their grass-roots connections and their ability to leverage other funds, the Agency makes great use of PVOs in carrying out programs. PVOs report mobilizing approximately \$4.0 billion in development assistance from non-U.S. Government sources in 2000; PVO grants abroad make up five percent of the \$70.5 billion in U.S. resource flows to the developing world. Globally, NGOs distribute more aid than all of the United Nations (UN) organizations together. USAID rarely works directly with NGOs though most other bilateral donors and U.N. agencies do.

The literature on collaboration focuses heavily on how PVOs can build the capacity of NGOs. While there is no generally agreed definition of capacity building, the term is used widely in the literature. In this paper we use the term to mean any support that strengthens an institution's ability to effectively and efficiently design, implement, and evaluate development activities in accordance with its mission. Generally speaking, capacity building has three elements: building the internal management systems of the NGO, building the NGOs technical expertise in a sector such as health or business development, and building the NGOs capacity to work with the community and make their programs more participatory.

There are several taxonomies of PVO-NGO collaborations in the literature. No one model is identified as being more successful, largely because they have not been studied systematically. The primary, and consistent, finding is that collaborations take time to develop and are often troubled by the dominance of the PVO in the relationship. The advantages and disadvantages of collaboration are well documented. While there is much talk of partnerships, the term has not been defined and there are no measurable indicators that enabled us to identify specific factors that influence success. Nor are there data on the longevity of partnerships.

Globally, six trends influence PVO-NGO collaboration. Additional research on any of the trends would be very useful.

- First, globally the private sector is expanding. Businesses now provide services that government used to provide and it provides increasing funding for PVO-NGO activities. Remittances from foreign workers in the U.S. now provide an important part of the U.S. foreign assistance program. There is a trend towards workplace based programs in addition to community programs



- The second trend that influences PVO-NGO collaboration is a reduction in the size of governments with a corresponding increase in the number and role of NGOs.
- Third, the development environment itself has changed post-September 11, 2001, and the Agency is now much more focused on minimizing terrorism and building sustainable democracies in fragile states.
- A fourth influence involves the advent of the internet and the increased ability of NGOs to access information and funds. This changes the way PVOs and NGOs communicate with each other.
- The fifth factor to influence PVO-NGO relationships is the global epidemic of HIV/AIDS that has devastated so much of Africa and is now moving on to China, India, Russia and other countries. The disease has decimated the managerial class and in the push to deliver services, NGOs may be approaching their capacity to absorb money.
- Finally, USAID has a major initiative to bring faith-based organizations into the USAID strategy. These groups combine religious activities with development work and the effectiveness of their strategies have not been studied outside of a few HIV/AIDS programs in Africa.

NGOs may be categorized in three stages. Stage One NGOs are very rudimentary. They may not be formally registered with the government, their staff may be part time, and they generally do not have a governing board or a formal personnel structure. It is difficult for Stage One NGOs to be true partners with PVOs as they are so small and unstable, they have difficulty holding their own in a relationship of unequal power. Stage Two NGOs are more stable. They are usually registered with the government, have offices, and a management structure. Stage Two NGOs benefit from learning networks, participation in conferences, and particularly from assistance in how to attract more funding for their work. Stage Three NGOs are fully developed and may be highly sophisticated in their management as well as their programs. They often manage programs that build the capacity of Stage One NGOs such as small grants, workshops, and training programs. Stage Three NGOs make good partners for PVOs where capacity building is not a specific part of the strategy as is the case with most child survival programs.

In failed states, PVOs have the challenge of attempting to create an honest NGO community where there have been no civil society groups or, where those that do exist are heavily influenced by local political groups, and where there is a climate of violence. There is a pressing need for PVOs to learn to adapt their traditional programming strategies to communities with conflict. In developing countries and transitional states, there remains a need for assistance to Stage One NGOs but more of this is taken over by Stage Two and Three NGOs in country. The role of the PVO is to help move groups up through the stages with programs of training, grants, and other services that will build their management, fund-raising, and program skills. In countries with a flourishing NGO community, which is now the case in most countries in Asia, Latin America, and some countries in Africa, the role of PVOs is largely to bring the international perspective to the country through organizing regional and international events.



The literature shows that PVOs will need a new approach to programs and different staff skills for working in fragile states. In conflict affected areas, individual skills and knowledge are central to achieving positive impact and social skills and will be as important as technical ability, if not more so. Building the necessary capacity remains a problem that is exacerbated by high staff turnover and emphasis on implementation over analysis and planning. Few PVOs or NGOs consistently offer conflict-related training to either staff or partners.

There is very little information on cost effectiveness of programs and many questions beg answers such as comparing the cost effectiveness and results of faith based organizations with non-faith based organizations, whether the sector development strategies that have worked in Eastern Europe and Eurasia can work in other countries, and the impact of various training activities.

Two PVO-NGO collaboration models have been identified a highly effective and economical. These include personnel exchange programs and learning networks. Personnel exchange programs have been carried out in Russia and other Eastern European and Eurasian countries. These include not just PVOs and NGOs but also other institutions such as hospitals, municipal governments, private sector firms, and professional associations. The impact of these programs is reported to be substantial and sustainable. The model offers two other major advantages: including Americans who would not otherwise be involved in development work, and operating at low cost as most of the expertise on both sides is voluntary. The primary cost of the programs is for travel. It is not clear whether the model would work in other regions of the world.

The other successful model is learning networks, which are focused around a specific issue such as health, small-business development, or financial management. They offer an opportunity for practitioners to meet periodically with others and share ideas, ask questions, and work with people much like themselves. As with personnel exchange programs, learning networks are reported to be sustainable, effective, and low-cost.

This report reviews the literature that describes the experience of PVOs in working with NGO partners. It identifies a number of important variables that impact the relationship. As USAID extends its reach into fragile states, what is known about the relationship between PVOs and NGOs and their capacity building will warrant further study to learn if the PVO's extensive experience in developing and transitional countries can be transferred to fragile states. Through reports of the effectiveness of the various methods of collaboration and their costs in various settings, the literature suggests that personnel exchange programs and learning networks warrant further attention as examples of successful, low-cost, and sustainable collaborations.



1.0 Introduction

While it is not usually spelled out in the Agency for International Development (USAID) documents, the Agency has not implemented projects directly for many years. All USAID programs are carried out either by consulting firms or private voluntary organizations (PVOs), and in some cases by businesses other than consulting firms. CARE/USA, for example, manages over 600 USAID funded projects in 73 countries.¹ Since a substantial portion of the Agencies programs are carried out by PVOs and since the Agency gives funds almost exclusively to PVOs that work through NGO partners, a look at how PVOs work with NGOs is a useful exercise.

Most USAID programs have the objective of delivering services to the poor and at the same time building the capacity of local groups to sustain those services when USAID funding ends. This report is a review of mechanisms for collaboration between PVOs and non-governmental organizations (NGOs) and the experience they have had in delivering programs as described in the literature. In the future, USAID will increasingly be working in failed or fragile states where the role of PVOs may be somewhat different than it has been in the developing countries where USAID and PVOs have traditionally worked. Thus, a study of methods of collaboration is valuable to the success of these future projects. This report covers the trends, different development environments, and stages of development of NGOs and summarizes what is written on the issues that affect collaboration.

Section 2.0 of the report describes the methodology used in report preparation. Section 3.0 defines the terms, including PVO, NGO, and capacity building, that are used in the subsequent discussion. Section 4.0 describes six models of collaboration ranging from sub-contracts to joint governance. Section 5.0 reviews six factors that affect PVO-NGO collaboration including the characteristics of the PVOs and NGOS themselves, global trends such as shrinking government, HIV/AIDS, and the internet. Section 6.0 focuses on the PVO experience in building the capacity of NGOs including the demand, the role of PVOs in conflict settings, assessments, and costs. Section 7.0 describes three roles of PVOs in capacity building, working with individual NGOs, building the legal and regulatory framework, and providing a regional or international perspective along with research and documentation support. Section 8.0 presents conclusions.

2.0 Methodology

Following the requirements of the Scope of Work (Annex A), the authors presented, and PVC approved, an evaluation methodology that proposed two principal data collection methods, literature review and interviews (Annex B). Of the available literature on PVO-NGO relations, the research focused on documents that present: (a) a typology of NGOs and their needs at each level of development; (b) qualitative or quantitative information on relationships between PVOs and NGOs, especially collaborative efforts

¹ www.careusa.org.



that have or have not worked; (c) if not actual, implicit information on costs and strategies for NGO capacity building that result in the greatest benefit for the least cost.

The literature review concentrated on documents written within the past five years. The majority of the documents were prepared for and by USAID; however, relevant documents from international and local NGOs and multilateral and other bilateral donors were taken into account. Examples of the former include InterAction, International Alert, and the Katalysis Partnership. Examples of the latter include the Canadian International Development Agency (CIDA), Swedish International Development Cooperation Agency (Sida), Redd Barna (Norway) and the European Union (EU).

The aim of the literature review was to identify and learn from substantive analyses of key issues in partnerships between PVOs and NGOs; thus, the review concentrated on evaluations and other types of assessments. While there is a vast literature on building civil society, NGOs and their role in developing countries, issues and trends in humanitarian assistance, and conflict-related topics, this paper attempted to focus only on the areas where such themes tended to overlap. In general, the literature was consistent in the description of NGO developmental stages, on their needs at each stage, on the role of PVOs, and on the most successful strategies by which they can work together.

The analysis of NGO capacity building and NGO sector development in Section 6.0 draws heavily on the USAID Office of Democracy and Governance sponsored study, *Lessons in Implementation: The NGO Story*, which was the best documentation found on the transition from almost no civil society to an apparently blossoming one in the countries of Central and Eastern Europe (CEE) and the New Independent States (NIS).² With support from USAID, bilateral donors, private foundations, and others, the region experienced an explosive growth of NGOs that has been well-documented and offers many lessons on how to build civil society, although the unique features of the region may limit the wider application of results.

Many development practitioners do not have time to write their experiences. For that reason, after the basic conclusions and recommendations were developed, we interviewed a number of practitioners to see whether their experience was in agreement with our assessment of the literature. We have included their observations where they reinforced our points or provided another perspective.

The main limitations of the methodology were time and access to documents. While many USAID documents are available on the web or from the document library, it is likely that potentially useful documents were inaccessible due to their limited circulation. There is a vast supply of literature on the shelves of PVOs and NGOs, meeting reports, evaluation studies, internal policy documents and lessons learned that were impossible to access in any systematic way in the time available.

² Stark Biddle, et al., *Lessons in Implementation: The NGO Story*. USAID/E&E/D&G. October 1999. p. v



3.0 Definition of Terms

In the U.S. development community, the terms PVO and NGO are used widely. The term PVO means a U.S. based organization, usually one registered with USAID, that has headquarters in the US and that carries out development programs overseas. PVOs have a mission of assisting people who live in poor communities to improve their standard of living. Some focus on health (Project Hope), small business (TechnoServe), or agriculture (ACDI/VOCA). Most of the large PVOs such as CARE, Save the Children, World Vision, and ADRA work in all sectors. People outside the USAID community, particularly Europeans, often refer to these as International NGOs (INGOs) or Northern NGOs (NNGOs) and include organizations like PVOs that are based in Europe. For this paper, we will use the term PVO but most of the comments refer equally to INGOs or NNGOs. In recent years, USAID has allowed international organizations join the registry and calls them International PVOs (IPVOs). There are currently 62 IPVOs registered with USAID. For consistency in this paper we will refer to U.S. based organizations as PVOs and European based groups as INGOs.

The term NGO refers to a non-governmental organization that has headquarters in a poor or developing country and can be anything from a very small community group working to clean up a park to a large, formal organization with programs in other countries and which in size and structure may not be all that much different than a PVO. There are many types of NGOs including sustainable development groups that help communities organize to solve their own problems, advocacy groups that are trying to change laws or regulations, environmental groups, public education campaigns, political action groups, and faith-based organizations.

Community Based Organizations are often small groups that are not formally registered as NGOs or that only work in a specific community. Support Organizations are usually larger NGOs that have as part of their mission the fostering of smaller groups through training, technical assistance and sometimes small grants. For this paper we will use the term NGO broadly to mean any nonprofit or community group that is working on development or advocacy issues in its home country.

The terms PVO and NGO are used loosely. In recent years, groups in the U.S. such as professional associations, hospitals, and municipal groups such as fire departments have played some role in USAID's development work. As these groups basic mission is to provide some service in the U.S. and only secondarily to provide assistant to similar groups overseas, they are not actually PVOs. Such groups are also not usually registered with USAID and are not usually thought of as PVOs. Similarly, the partners in developing countries are not strictly non-governmental organizations. In some cases PVOs are working with municipal groups, hospitals and clinics, professional associations and businesses, yet for purposes of discussion these are often lumped with NGOs. More will be said about types of PVOs and NGOs in section 5.0

Although it is a central theme of PVO-NGO relations in the past decade, the term *capacity building* is used in many ways. The PVOs have seen their task as creating NGOs



where there are none and strengthen those that are already there. The International Forum on Capacity Building (IFCB)³ is a multinational effort to define the term and standardize its content. They carried out a survey of NGOs asking how they defined the term and determined that, despite the emphasis on capacity building, there is no agreed definition of the term. In their survey, they found that NGOs prefer to keep the term vague and broad as this enables them maximum access to potential donor support. IFCB concluded that capacity building is part of an on-going process, has to do with improving the impact the NGO has on the community, and has to do with financial sustainability. In some definitions it was building the capacity of individuals, in others, it was building the capacity of groups or the government.⁴

The only common theme IFCB found in the study was that capacity building rarely is a two-way process. They suggest this is symptomatic of deep-rooted paternalism and the sense that PVOs always have something to bring to partners but that NGOs have little to contribute. It also assumes that PVOs have developed their own capacity to deliver quality programs, an assumption without much documentation.

For this paper we will use UNICEF/Namibia's definition for capacity building as it seems to cover all the ways it is used in the USAID development community. Capacity building, they say, "is any support that strengthens an institution's ability to effectively and efficiently design, implement, and evaluate development activities in accordance with its mission."⁵

Generally speaking, capacity building has three elements: building the internal management systems of the NGO, building the NGOs technical expertise in a sector such as health or business development, and building the NGOs capacity to work with the community and make their programs more participatory⁶. In this paper, we will use the term capacity building to mean all three. Organizational development is often used to mean the same as capacity building, in other cases it refers to only to building internal management systems.

One effect the transition from direct implementation of projects to service delivery through NGO partners has had on PVOs is that the PVO staff needed different skills. Not only do they need to have technical and managerial expertise, they also need to know how to build the capacity of weaker partners to do things on their own. This means more skills in training, coaching, design of programs that can be implemented by staff with limited skills, and a willingness to work with local partners as they struggle, and sometimes fail.

³ www.ifcb-ngo.org

⁴ *Approaches to Capacity Building: A Survey of Southern NGOs*. N.d. International Forum on Capacity Building. Research Report.

⁵ *Strengthen Southern NGOs: The Donor Perspective. Volume 2: Appendices*. USAID/PVC and the World Bank NGO Unit. May, 1998.

⁶ Rosalie Huisinga Norem and Jerry Van Sant did a comprehensive report on PVC's support to PVOs for the purpose of capacity building in 2000.



4.0 Models for Collaboration between PVOs and NGOs

The PVO has at least three roles to play in international development.

- First, PVOs build the effectiveness of individual local NGOs in their management, programs, and community involvement.
- Second, as the NGO community becomes established, PVOs play a greater role in the legal and regulatory environment that enables civil society to flourish. This means working with NGOs and the government to make registration easier, government oversight constructive, and to advocate for laws and regulations that give people and businesses incentives to make charitable donations, do volunteer work, and support NGO efforts.
- Third, in the more developed countries, PVOs play a coordinating role by undertaking research, documentation, and fostering learning networks that individual NGOs lack the resources to undertake. PVOs have the international connections to organize regional and international workshops and seminars, carry out cross-NGO research, and document best practices in a way that NGOs cannot.

While there is a substantial literature on the first role, capacity building through partnerships, and some documentation of the PVOs second role in creating an enabling environment for NGOs in Eastern Europe, there is almost nothing written on strategic programs of regional or international information sharing.

Collaboration between PVOs and NGOs takes many forms, from one-on-one partnerships to multiple partnerships and extensive networks. This section looks at models of PVO-NGO collaboration, reports on partnerships and networks, and examines the PVO experience with formal mechanisms for working with NGOs.

4.1 Models of PVO-NGO Collaboration

In his report on models of inter-organizational collaboration in development, Mark Leach argues that because the term partnership is used indiscriminately it has lost its meaning. He says the relation between PVOs and NGOs is best described as collaboration rather than a partnership⁷ Leach attributes the dramatic increase in collaboration between PVOs and NGOs in the past ten years to both practical and value-based reasons, which are presented in Table 1. He also cites Ron Jones' research that describes large scale forces underlying the move toward PVO collaboration with NGOs, including failure of traditional, northern dominated, top-down assistance to provide sustainable improvements in the lives of the poor and the South's right and ability to control its own development, which is forcing PVOs to change their role.⁸

⁷ Mark Leach. *Models of Inter-organizational Collaboration in Development*, IDR Reports Volume 11, Number 7 (Institute for Development Research) 1997, p. 1. Leach calls them IPVOs but for consistency with the rest of this paper, we have called the PVOs.

⁸ Ibid., p. 2



Table 1: Practical and Value-based Reasons for PVO/NGO Collaborations

Practical Reasons	Value based Reasons
Collaborations... <ul style="list-style-type: none"> • are more cost-effective than direct operations • offer faster project start-up • allow working in countries where direct operations are prohibited • provide access to NGO skills and resources • allow PVOs to focus on other key tasks • may enhance each organization's legitimacy with key stakeholders 	Collaborations... <ul style="list-style-type: none"> • increase local control over the direction of development • build local capacity and confidence through increased participation • increase sustainability by developing local independent structures • strengthen civil society • increase mutual learning

- Source: Mark Leach. *Models of Inter-organizational Collaboration in Development*, IDR Reports Volume 11, Number 7 (Institute for Development Research) 1997, p. 2

Leach presents six idealized models of PVO-NGO relations, defined on the basis of the degree of shared governance. They are summarized below along a continuum from the least, contracting, to the most, mutual governance

Contracting. In the contracting model, the PVO pays an independent NGO to provide a defined package of services under conditions established largely by the PVO. There is no expectation by either party that the collaboration will extend beyond the term of the contract. No specific expectation of institutional strengthening of the NGO exists. Bilateral donors frequently contract with NGOs to deliver discrete services or products, and field offices of implementing PVOs contract NGOs to provide services outside the PVO's expertise or that can be delivered more quickly or at a lower cost by an NGO. The contracting model may be very useful in situations of disaster relief or for PVOs involved in charity work; however, its usefulness in building local capacity for sustained or replicable development is questionable because contracting models are used for discrete service delivery and not to create or support local community structures.⁹

Dependent franchise. In this model, a formally independent NGO functions as a field office of a PVO, which provides most or all of its direction and funding. In addition to funds, administrative and financial systems and program strategies, the PVO may also provide technical and managerial training to NGO staff. The principal advantage to the PVO is the potential for widespread replicability of the program approach. The advantages to the NGO are having a secure source of funding, and the prestige and increased influence that may accrue from being associated with a large international agency. A disadvantage is

⁹ Ibid., pp. 3-4



that the power imbalances between the PVO and NGO are likely to be even greater than in the contractor model because the NGO is completely dependent on the PVO.¹⁰

Spin-off NGO. In this model, a dependent franchise or PVO field office is expected over time to become organizationally and financially independent of the PVO. This implies that the PVO will usually need to provide support and training to the NGO to identify and capture additional funding sources as PVO funding is phased out. NGO leadership needs to have or be able to develop the capacity to function without continued PVO technical or managerial input. The legitimacy of the NGO's identity and strategy in the eyes of local stakeholders must be carefully managed. The advantage of the spin-off model is that it combines widespread replication with the potential for greater innovation. The disadvantage is that the NGO's transition to independence can be quite difficult; some NGOs are reluctant to sever ties with the PVO because they fear loss of prestige, funding, and capacity building support.¹¹

Visionary patronage. Unlike the dependent franchise and spin-off models in which the PVO is in a parental or developmental role in relation to the NGO, the shared vision, collaborative operations, and mutual governance models are all characterized by a PVO relationship with more established, mature NGOs. The PVO (or consortium of PVOs) and NGO (or consortium of NGOs) have a shared vision of development and jointly agree on goals, outcome measures, and reporting requirements for a program which the NGO implements and the PVO supports with funds and other resources.¹² In this model, it is not necessary for the PVO and NGO to share a common strategy or way of pursuing a common vision. Both organizations agree on specific project or program activity goals and on some outcome measures and reporting requirements. The NGO's role is to design and implement a project/program to meet the goals and outcome targets. The PVO provides money and/or other resources, e.g., technical support and training, which enable the NGO to do its work. Due to clear differentiation of roles and tasks, the NGO maintains its identity and has substantial flexibility on strategy. From the PVO perspective, one drawback is some loss of PVO input and control over day-to-day implementation and operational decisions. There are relatively few disadvantages to NGOs of this model.¹³

In meeting the challenge for USAID to create local partnerships that comply with procurement regulations, the USAID Mission in Romania established a successful health care partnership by offering a competitively awarded cooperative agreement in place of a contract and recommended this approach other Missions.

--Denny Robertson, Mission Director, USAID/Caucasus

The Health Systems 2004 Project, implemented by Management Sciences for Health, provides competitive grants to 30 health NGOs annually and is a model for other fragile states.

--David Adams, Mission Director, USAID/Haiti

¹⁰ Ibid., pp. 3, 5

¹¹ Ibid., pp. 3,6

¹² Ibid., pp. 3, 6-7



Collaborative operations. In this model, the PVO and NGO share decision-making power over planning and implementation of joint programs implemented by the NGO with funding and technical support from the PVO. Both must reach agreement on vision, goals, and strategy. A fine line exists between joint decision-making and interference, which may necessitate a high degree of personal comfort and trust between PVO and NGO representatives. Benefits to the PVO are lower staff costs and overhead, increased effectiveness, and decreased start-up time due to the NGO linkage with other development actors and knowledge of local conditions. They also gain a more legitimate and powerful basis from which to do advocacy which allows the PVO the opportunity to work in countries where direct operations are prohibited or restricted. The model's potential pitfalls include possible loss of NGO identity and the PVO has much less control than in direct operations of the contracting and dependent franchise models.¹⁴

Mutual governance. This model is the furthest along the continuum of shared governance. The PVO and NGO each have decision-making power, or at least substantial influence, over each other's policies and practices at both the organizational and program levels. The focus is on equalizing North-South power relationships, building strong international networks on an equitable basis, and maximizing programmatic and cultural learning on both sides. The quality of the ongoing relationship between the organizations and respect for the "South's right to control its own development" are valued as highly as the specific joint project or program. Both partners benefit from the intense two-way exchange of experience and knowledge and from straightforward feedback. One disadvantage is that the amount of interpersonal trust and relationship maintenance involved may make this model somewhat self-limiting in size. The model also poses the maximum challenge to maintenance of organizational identity and satisfaction of stakeholders' interests.¹⁵

Leach also reports on two emerging types of PVO/NGO collaboration for which there is little information. The first is similar to the visionary patronage model but does not have the expectation of an ongoing working relationship. Rather, the collaboration is organized more like *research and development teams* that come together long enough to accomplish a common task and jointly generate a new project or program.¹⁶ The second is what Leach describes as the *joint venture model*, which did not exist at the time of Leach's report. In this model, a PVO and an existing NGO would jointly establish a new, independently registered NGO, with a board of directors half of which are PVO representatives and half, NGO representatives. The advantage to the NGO would be equalizing power at the board level, insulating the NGO from the often destructive effects of implementing collaborative projects within existing NGO infrastructure, and making accountability and liability more equally shared. Whereas some PVOs might view

¹³ Ibid., p. 7

¹⁴ Ibid., pp. 8-9

¹⁵ Ibid., pp. 9-10

¹⁶ Ibid., p. 10



this model as an unacceptable dilution of PVO control and accountability, others might see the model as a tangible way to respond to NGO requests for more power.¹⁷

4.2 Partnerships

In her examination of partnerships between U.S.-based PVOs and NGOs, Joan Goodin confirms Leach's observation on the difficulty of defining partnership. Goodin found no clear pattern with regard to the definition of partnership or the number and type of partners chosen by PVOs for PVC grant-supported activities.¹⁸ She identifies five types of relationships that are characterized as partnerships between PVOs with PVC grants and other organizations, which differ mainly by the degree of shared decision-making and governance: sub-grants and contracts; dependent franchise; spin-off NGO; collaborating organization; and shared vision or co-equal arrangement.¹⁹ Goodin's five types closely resemble Leach's taxonomy of PVO-NGO collaborative arrangements.

Goodin noted that the sub-grant/contract and dependent franchise relationships are considered by many PVOs and development analysts to connote clients, customers, or sub-contractors, rather than true partners.²⁰ She also found that one-on-one partnerships are fraught with problems, while networks, or groups of partners, were more likely to be sustainable and have a strengthening effect on the weaker members.²¹

In Goodin's review of ten matching grant evaluations, several principles were mentioned as important for building and maintaining partnerships (see Text Box). It should be noted that many successful PVO-NGO partnerships are carried out by nonprofit consulting firms or non-service delivery PVOs.

The experience with partnerships identifies a number of principles that are important for building and maintaining partnerships. These include

- Mutual trust and respect
- Transparency
- Mutual commitment to and responsibility for program outcomes
- Clarity in objectives
- Defined roles of all parties
- Accountability to all stakeholders
- Frequent communication and collaboration
- Clear separation of financial transactions
- Timely and creative problem solving
- Willingness to learn from difficulties
- Open discussion of partnership challenges
- Good working relationships between the PVO and partner staff
- Agreements and relationships that transcend individuals
- A long-term commitment to the partnership
- Active commitment of the PVO country director and management team
- A country strategic plan that embraces the concept of partnership.

-Joan Goodin, *Synthesis Report of PVC Matching Grant Evaluations*. 2002

¹⁷ Ibid., p. 10

¹⁸ Joan Goodin. *Synthesis Report of PVC Matching grant Evaluations*, USAID/PVC Matching grant Evaluation Series (Washington, D.C.: Management Systems International), October 2002, p. 2

¹⁹ Ibid., pp. 3-4

²⁰ Ibid., p. 4

²¹ Ibid., p.2



In fact, a number of consulting firms now manage community development programs, making it sometimes difficult to distinguish between for-profit firms and nonprofits in the way they deliver services.

Obstacles to PVO-NGO partnerships include:

- local partner organizations questioning who drives the agenda and defines development,
- the perception of PVOs as proxies of U.S. foreign policy,
- sensitivities concerning the donor-recipient relationship and the North-South dimension,
- conflict of interest,
- competition between PVOs and NGO partners for funds,
- unequal financial status of partners,
- uneven commitment to the partnership,
- the time required for establishing partnerships,
- the absence of clearly understood and mutually acceptable agreements, and
- the issue of independence versus partnership.

With regard to the independence, there is a price to any partnership, ranging from the need to make strategic compromises to being co-opted by a larger partner with its own agenda; the risks are especially large when a local NGO partners with a large foreign partner or any NGO or PVO partners with government.²²

Since many NGOs see PVOs as a surrogate for USAID, the less than positive impact of donors on NGOs bears mentioning. Research funded by DFID in South Africa shows that there is substantial tension between NGOs and bilateral donors. Donors are accused of not knowing the local political climate and NGOs resent having to use donor prescribed management tools such as the log-frame. They see a contradiction between their participatory, experiential, people centered approach and the demands made on them by donors.²³ NGOs widely consider USAID to be the most demanding bilateral donor.

Local Partners and Partnerships

For most PVOs, local partnerships are integral to their activities as they move away from direct service provision toward a more supportive role. Local partners are chosen because they have longstanding, good relationships in the community, effective networks, and an understanding of the local culture.

--Kimberly Mancino, et al. *Developmental Relief: NGO Efforts to Promote Sustainable Peace and Development in Complex Humanitarian Emergencies*

²² Jerry VanSant, *Challenges of Local NGO Sustainability*. USAID/PVC-ASHA, p. 7

²³ Lisa Bornstein, Management standards and development practice in the South African aid chain. In *Public Administration and Development*, 23:393-404, 2003. A number of similar articles are available at www.id21.org.



Another obstacle to partnership is that most PVOs are explicitly apolitical and must maintain political neutrality to continue to work in their targeted countries. This sometimes precludes them from addressing some of the root causes of poverty such as land ownership, civil rights, and legal reform. At the same time, the local NGOs with which they partner often have clear political agendas and are openly working for political change. This can put the PVO in violation of its stated non-political agenda.

A different perspective on partnerships comes from an analysis of building partnerships between NGOs and European PVOs with European Union (EU) funding. NGOs are increasingly included in European Union external cooperation programs, either via specific mechanisms designed for NGO involvement such as budget line B7-6000, or by contracting NGOs to provide particular services within the framework of other EU programs. The evaluation found that it was difficult to argue that there is a strong correlation between B7-6000 funding and the promotion of effective partnership between southern and European NGOs. Three types of partnerships were identified at the project level:

- Several long-standing partnerships that had begun before B7-6000 funding and that presumably will continue afterward and were characterized by a relationship of mutual respect and trust;
- Short-term partnerships characterized by good operational, functional, and pragmatic relations (in technical, professional, and/or ideological terms) that are built around project implementation and sustained by periodic visits; and
- Supervisory partnerships where the relationship between the partners is dominated by a strong element of control of the part of the European NGO either because it does not believe in the southern NGO's capacities or because it is preoccupied with its obligation to account adequately for the funds received.²⁴

A successful partnership from the perspective of southern NGOs is reported in the evaluation of the Katalysis Partnership.²⁵ Katalysis is a rare example of a mutual governance model of PVO-NGO collaboration. Katalysis Partnership, based in California, provides services to local NGOs in Honduras and Guatemala that, in turn, offer microfinance services to their target populations. Katalysis places great emphasis on equality with its NGO partners and includes them on its board of directors. The key findings as seen by Katalysis' southern partners were:

- Southern partners are stronger organizations as a result of their membership in the Katalysis Partnership and are able to provide better products and services that create better outcomes for their clients.

²⁴ South Research, et al., op, cit., pp. 66-67

²⁵ See Beryl Levinger and Jean McLeod, *Partnership Principles, Practices and Methodology: A Southern Perspective*, Katalysis Evaluation Report supported by USAID Matching grant Cooperative Agreement FAO-A-00-98-00052-00 (Newton, MA: Education Development Center, Inc.), October 5, 2001



- The partnership provides a variety of benefits; however, specific benefits and their importance vary according to an organization's characteristics and tenure as a partner.
- Partnership values are inculcated through a broad range of mechanisms; among the most effective are partner-to-partner exchanges, professional development activities, and board meetings.
- Of greatest value to the partners were Katalysis' strengthening of service delivery, provision of technical assistance, resource mobilization, and partnership representation to international donors.
- Although southern partners feel the network provides benefits of significant value, and they are willing to invest some of their own resources to maintain it once external funding concludes, they do not feel that they can provide sufficient resources and question whether the southern network currently has the leadership and financial resources to be self-sufficient.²⁶

Lessons learned from building civil society in former Yugoslavia (Serbia, Montenegro, Macedonia, Kosovo) offer another perspective on partners and partnerships. The Vice-Chair of The Open Society Fund, a Soros funded, grant making Support Organization, Zarko Pasic, describes the reconstruction of society in post-conflict situations. He argues for full support for the development of local capacities including local organizations, NGOs, governmental and other public institutions at the local and national/state levels, as the basis for international support policies from the very beginning. Further, the local NGO needs a strong role in the design of projects because the PVO will implement a project for a fixed period, and the local NGO partner will implement long-term projects thus promoting sustainability.²⁷ In a pointed criticism of USAID, Pasic proposes that donor countries should not require, directly or indirectly, that PVOs implement projects financed by their donations; rather, they should directly fund local NGOs or other organizations to implement projects that will strengthen the democratic character of cooperation.

Social Partnership Conferences

Discussion groups in both Uzbekistan and Kyrgyzstan noted that their participation in Social Partnership Conferences completely changed their understanding of the role of NGOs. The conferences—attended by representatives of NGOs, government, business, and the media from the entire Central Asia region—explained the role of each of these groups in society and underscored the benefits of partnerships between and among them.

--Lessons Learned in Implementation: The NGO Story

Assuming that one indicator of a successful partnership would be the longevity of the relationship; it would be helpful if there were documentation of how long partnerships last. No doubt some partnerships endure but most appear to last only for the length of a specific project which is three to five years.

²⁶ Ibid., pp. 4-5, 7, 9-10

²⁷ Zarko Pasic. "Special Report: Building Civil Society in Former Yugoslavia," in *Development Outreach*, World Bank Institute, Winter 2002.



4.3 Networks and Consortia

The 2003 Annual Survey on NGO networks of 25 PVO matching grant recipients showed that every PVO was a member of a network, whether national coalitions, U.S. based networks, or international networks or coalitions. As a result of formal network membership, 60 percent of PVOs surveyed adopted new or improved management practices or organizational systems or structures, 72 percent adopted new or improved technical practices, and 64 percent adopted new or improved programming innovations. In addition, 68 percent initiated capacity building activities within a local network.²⁸

USAID's Office of Private and Voluntary Cooperation (PVC) has commissioned a study of networks and their role in development and for that reason the topic is not treated in depth here. However, the literature suggests that networks are both an ideal way for PVOs and NGOs to share information and learn from each other. They are also cost effective in that a dynamic network requires little in the way of outside funding.

In the 2003 study, PVC reported that because networks are shown to foster problem solving and self-reliance, they are included in the office strategy²⁹ PVC's creation of and support to three networks helped PVOs identify and address problems hindering program impact, as well as acquire the knowledge and skills to address implementation problems policy issues. Two unanticipated positive outcomes of PVC's support for networks were an increase in the participation of PVOs in international discussions of policy and greater funding from non-PVC sources.³⁰

The PVC sponsored overview of the impact and effectiveness of NGO networks at strengthening the NGO sector found that networks can be seen to have three primary areas of impact: program coordination, knowledge sharing, and policy advocacy.³¹ Program coordination can be improved through network activities that raise awareness of existing programs that in turn may avoid duplication of efforts. Program coordination can also lead to leveraging program funding. Knowledge sharing networks have both programmatic and operational impacts. An example of the former is sharing best practices on program implementation. An example of the latter is sharing information on boards strengthening, membership development, and strategic planning. Networks were found to play a crucial role in advocating for policy change on behalf of their members, for example, advocating for a positive enabling environment.³²

²⁸ Survey results quoted in Adam Abelson. *NGO Networks: Strength in Numbers?*, prepared for the Office of Private and Voluntary Cooperation, Bureau of Democracy, Conflict, and Humanitarian Assistance, USAID. July 2003, p. 5

²⁹ *A Strategic Framework for the Office of Private and Voluntary Cooperation*, op. cit., p. 5. The three networks are: Small Enterprises Education Promotion Network (SEEP), The Corporate Community Investment Service (CorCom), and the Child Survival Collaboration and Resources Group (CORE).

³⁰ Ibid., p. 5

³¹ Adam Abelson, op. cit., p. 1

³² Ibid., p. 9



At the same time, there are two obstacles to building effective networks including the difficulty of building internal collaboration and the sense that they are a false construct imposed by outsiders. Network participants initially often are reluctant to share information that is proprietary or demonstrates a failed strategy. Members often have disparate capacity and are in competition for the same international funding. In relation to advocacy, developing country governments may feel that funding networks of NGOs for the express purpose of advocating policy change is an attempt to subvert their existing policies.³³

It has been noted that successful, sustainable networks are necessarily demand driven, formed by grassroots groups perceiving a need to coordinate; hence, donor mandated networks often fail. With regard to the latter, a research study on the influence of donors on 40 South African NGOs found that many NGO managers feel pressured to participate in networks and umbrella groups by donors who fail to realize that the members of such groups lack any commonality of purpose and maintain their own ideological stances and political allegiances.³⁴ NGOs will participate in any donor sponsored activity as they hope it may lead to funding.

USAID's Bureau for Global Health (GH) has had success with a learning network to improve the quality of health services. Their Quality Assurance Project creates learning networks, called a collaborative, around a specific health issue and with a fixed ending date. At the end of the allotted time, members develop a summary of lessons learned and how they have improved the quality of their services³⁵.

Networks may die a natural death when members feel they have learned all they can from participating. In the 1980s, when the small-enterprise sector was just beginning, there were a number of learning networks funded by USAID and Missions where PVOs and NGOs came together to share ideas on how best to help start and implement small business projects. A small-business learning network of NGOs and PVOs in Bangkok was highly effective. The Small Enterprise Evaluation Project (SEEP) started in 1983 after the sector had reached some level of sophistication and experience so that PVOs with small business projects could agree on indicators and methods for evaluating such projects. But, as PVOs and NGOs gained experience with their deliberations agreed on and published, these networks died out. SEEP changed its focus, became a PVO and continues as an educational and technical exchange network.

The USAID-PVO dialogue on working in conflict found that consortia (networks) have a positive impact and are seen as a principal enabler in promoting effective work in conflict settings and collaboration.³⁶ Whether USAID inspired or self-initiated, field based PVO consortia are widely hailed by dialogue participants as providing a positive basis for better conflict programming. PVO consortia have provided a foundation for strategic

³³ Ibid., p. 11

³⁴ See Evaluations, *Strategic Planning and Log-Frames, Donor-Imposed Straightjackets on Local NGOs?* By Lisa Bornstein at <http://www.id21.org/zinter/id21zinter.exe>

³⁵ James R. Heiby, GH/HIDN/HSD, personal communication.

³⁶ *USAID-PVO Dialogue on Working in Conflict*, op. cit., p. 14



agreement and joint planning; they have also served as an important mechanism for sharing experiences and increasing collaboration within the PVO community prior to opening funding negotiations with USAID.³⁷ In addition, PVC grantees, the Office of Conflict Management and Mitigation (CMM), and scholars on conflict management have all cited the importance of collaborating with local NGOs in order to respond quickly and efficiently to the outbreak of conflict.³⁸

In terms of capacity building, networks can play a valuable role in getting newer NGOs up to speed by providing standards and disseminating best practices and tools.³⁹ However, 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. Further, although there is anecdotal evidence that networks are of considerable value in strengthening member PVOs and NGOs, there is little quantitative evidence thus far to substantiate this assumption.⁴⁰

4.4 The PVO Experience with Formal Mechanisms for Work with NGOs

There is no evidence of standardized mechanisms for working with NGOs among the PVOs though there are many, many guidelines, policy statements, and other guidance for relationships.⁴¹ Each country, sector, and context is unique and a standardized approach will not work. All of the PVOs have a variety of program manuals that outline their policies and procedures for working in various situations. All PVOs now work through local NGO partners for development work though some do humanitarian and relief supplies directly with communities or refugee camps. Each PVO has a basic program strategy or mission that plays out differently in each country and sector.

PACT, for example, a PVO with as much experience as any in building the organizational strength of NGOs, has over a dozen policy manuals for managing umbrella grants, sub-grants, contracts, and other program strategies. They have organizational development guidelines and they were the first to develop an Organizational Capacity Assessment, a tool that enables potential NGO partners to assess their own strengths and weaknesses. The self-assessment tool has now been adapted to many countries, sectors, and is available in over a dozen languages. Now almost all PVOs, and some consulting firms such as Management Sciences International, have an organizational assessment tool that they use to design an organization development strategy with their partners. The only document that PACT uses in all programs is an exit strategy, which outlines policies on sustainability and closing out a relationship in a country.⁴²

³⁷ Ibid., p. 14

³⁸ Caitlin Davitt, op. cit., p. 15

³⁹ Joan Goodin, op. cit., p. 17

⁴⁰ Ibid., p. 17

⁴¹ Cf: *Relations Between Southern and Northern NGOs: Policy Guidelines*. International Council of Voluntary Agencies, Geneva, Switzerland and developing agreements for working with NGOs: Redd Barna, n.d., Internal Policy Document.

⁴² Jeff Whisenant, Program Director, PACT, Personal Communication, July 26, 2004.



As part of an effort to integrate gender more fully into Save the Children programs, the Woman/Child Impact Project, a five-year matching grant, included the development of a structured partnership model. The model had three features: it was formal and binding, it was strategic with the aim of facilitating vertical linkages so that it could be scaled up to national impact, and it had clear selection criteria⁴³. The model was never adopted by Save the Children as a general policy, partly for internal political reasons and partly because the model had formal reporting requirements that the NGOs did not have time or resources to prepare. There were also issues of boundaries and, given that most NGO partners had other projects and partners, it was not clear where the partnership stopped. Finally, many of the NGO partners felt the model was imposed on them.⁴⁴

Save the Children was very conscious of its efforts to develop a partnership model that they could use in all their work and commissioned a study of various types of strategic partnerships, their successes and problems. The study looked at partnerships in various sectors including an agriculture program in Ethiopia, a school program in Mali, a health program in Mali and others. The lessons learned are the same as most others who have studied partnerships: building a sustainable relationship with another organization requires a great deal of time, resources, commitment on the part of staff, along with a shared vision. The inherent inequality of a partnership is always an issue.⁴⁵

One trend that seems to be emerging is greater collaboration among PVOs. Recently, a consortium of PVOs has come together to work on HIV/AIDS in Africa. This allows the consortium to work with a greater number of NGOs. In order to manage a large grant from the Gates Foundation, six PVOs came together to coordinate their work. The Hope for African Children Initiative (HACI) is a major community building effort by a consortium of six development and relief organizations, including CARE, the International Save the Children Alliance, Plan International, the Society for Women and AIDS in Africa, the World Council on Religion and Peace, and World Vision. HACI seeks to expand the reach and the impact of innovative programs for children affected by HIV/AIDS that work to build awareness and reduce stigma around the disease, extend the life of the parent child relationship, prepare the family for transition, and ensure the child's future. With the support of the Bill and Melinda Gates Foundation and other donor agencies, HACI is currently operating in nine countries in sub-Saharan Africa (Cameroon, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Senegal, Uganda, and Zambia) Save the Children is the lead agency for the initiative in Malawi and Mozambique and also is implementing HACI programs in Uganda and Ethiopia. The programs are all implemented through local community groups, churches, and NGOs.

⁴³ *Structured Partnerships for Women/Child Impact*. Internal Save the Children document prepared for a workshop on August 13, 1997.

⁴⁴ Rani Parker, Former Woman/Child Impact Director at Save the Children, Personal Communication, July 27, 2004.

⁴⁵ Christopher Szecsey, Mary Szecsey, and Michael Gibbons, *Partnership and Institutional Development in Save the Children, USA*. Working Paper No. 8. May 1996.



Some of USAID's Indefinite Quantity Contracts (IQCs) that provide technical assistance and evaluation of other programs now include PVOs, consulting firms, and NGOs or other local organizations. Advance Africa, for example, provides family planning, reproductive health and HIV/AIDS programs through partnerships among public and private health and non-health organizations. While Management Sciences for Health, a consulting firm is prime contractor, other partners include consulting firms, (Deloitte Touche Tohmatsu and Family Health International) a PVO (the Academy for Educational Development) and NGOs (the Centre for African Family Studies, the Forum for African Women Educationalists). These consortia are a way to honor the expertise of local NGOs and enable them to provide technical assistance to other groups.

There is also an effort to increase intersectoral collaboration, specifically in HIV-AIDs programs. The Africa Bureau has worked with InterAction to identify intersectoral programs. They identified dozens of promising, innovative NGO programs that combine microfinance, education, democracy and governance, agriculture, work with vulnerable children, and humanitarian relief in some combination. Such programs push the PVOs to move beyond single sector programs.⁴⁶

5.0 Factors that Affect PVO-NGO Collaboration

Among the global trends that have influenced the role of NGOs (including PVOs) in development has been a significant expansion of and increase in the role of non-governmental groups including the private sector and NGOs. The environment in which development projects will be implemented is shifting from developing countries to fragile states. NGOs now have access to the internet which enables them to access information and be in closer touch with PVO collaborators. The HIV/AIDS epidemic has had a major impact on the NGO community in Africa and the disease is spreading to new countries. Faith based organizations are new players in development, combining religion with development in ways not tested before.

PVOs over time have become much more like consulting firms and the programs they implement are often very similar to those of consulting firms. In the past, it was thought that PVOs (and NGOs) could deliver services at lower cost than the private sector. As PVOs have attracted more professional, higher paid staff and consulting firms have found efficiency in managing multiple projects, there is not always a clear distinction between programs implemented by PVOs and those implemented by consulting firms. It can be argued that PVOs have a stated social mission and are more apt to have a long term commitment to a country. To be registered with USAID, PVOs must have at least 20 percent of their revenue from non-U.S. Government (USG) sources and some raise large amounts in matching funds through child-sponsorship, foundation grants, church donations, and private contributions. USAID does tend to prefer PVOs for doing projects that involve capacity building and grass-roots community work. The Agency continues to

⁴⁶ Personal Communication. Sharon Pauling, USAID, Africa Bureau, July 28' 2004. And USAID-PVO Steering Committee on Multisectoral Approaches to HIV/AIDS. April, 2003. Available from Academy for Educational Development.



call on consulting firms to provide technical assistance. These firms are called cooperating agencies (CAs).

PVOs, through their NGO partners, have become one of USAID’s primary vehicles for the delivery of health services through child survival programs. These programs have been refined and standardized over the years and with the monitoring of required indicators have become a model of results based management. The Global Health Bureau does not concern itself with the nature of the relationship between the PVO and its NGO partner, only with whether it is achieving results on standard indicators. Child survival projects have no capacity building component.⁴⁷

5.1 NGO and PVO Strengths and Weaknesses

While there is a general sense that PVOs have a great deal to contribute and NGOs are largely the recipients of PVO expertise, in practice both sides bring strengths and weaknesses to a collaboration. The following table shows some of the strengths and weaknesses of PVOs and NGOs. Leach, in section 4.0, also mentions some of the strengths and weaknesses in each of his models.

Table 2
Strengths and Weaknesses of PVOs and NGOs

	PVOS	NGOs
STRENGTHS	<ul style="list-style-type: none"> • Ability to serve as neutral broker • Access to wide range of funds. • State-of-the art technical expertise in sectors, management, and community development • Regional and international perspective to their work 	<ul style="list-style-type: none"> • Strong field presence • Credibility • Knowledge of local culture, languages • Closer to the problem, able to find creative, low-cost solutions • A long-term commitment to the community
WEAKNESSES	<ul style="list-style-type: none"> • Commitment to neutrality can be a limit in working with advocacy groups • Can be top-down, patronizing • Can stifle creativity and innovation by imposing their own strategies. • High overhead costs • Adhere to donors time schedules, may be in a rush. • May not be able to put expatriate staff in highly unstable areas. • Can be competitive with NGOs for resources 	<ul style="list-style-type: none"> • Often weak leadership and management structures. • Lack of resources for offices, vehicles, computers • May be highly political • Charismatic leader unwilling to share power • May have high staff turnover in countries with high AIDS prevalence. • Have limited capacity to absorb outside funding in responsible way. • Donors may prefer to work with a few favored NGOs.

⁴⁷ Susan Youll, USAID/GH Personal communication. July 29, 2004.



Over the past ten years, a great deal has been written about two way partnerships between PVOs and NGOs and also on partnerships that include government or the private sector.⁴⁸ The relationship between the PVOs and the NGOs is based on a number of variables including:

- The level of sophistication of the NGO community in a country
- The stability of the local government and the level of security/violence
- The sector or sectors to be targeted.
- The rural-urban nature of the target population
- The PVOs commitment to mutual governance
- The source of funding and donor reporting requirements

Because there are so many variables, no two partnerships are the same and it is difficult to draw generalizations from the experience. A mechanism of collaboration that works in one place will not necessarily work in another or even in the same place over time. The literature is loud and clear on how difficult it is for PVOs and NGOs to develop successful programs together. The relationship between the PVO and NGO is itself a project that requires special skills, attitudes, and resources. Subcontracting is the least problematic type of collaboration but is not sustainable.

5.2 Expanding Role of NGOs and Shrinking Governments

One of the most noteworthy global trends is the increasing role that non-governmental organizations (both business and nonprofits) play in political, economic, and social activities. Worldwide, the role of government is shrinking and an increasing number of social services, schools, economic programs, and environmental services are being managed by the private sector or NGOs. Bilateral and multilateral institutions support many of these activities.⁴⁹ In FY2004, USAID channeled much of its funding through PVOs—nearly \$1.5 billion for Child Survival and Health programs along with \$790 million for HIV/AIDS. Much of the budget for democracy and governance, health, and humanitarian relief was channeled through PVOs and their NGO partners.⁵⁰ As of June 2004, some 514 PVOs and 62 INGOs were registered with USAID. There is a conscious effort to include more faith-based organizations in the USAID portfolio.

PVOs report mobilizing approximately \$4.0 billion in development assistance from non-USG sources in 2000;⁵¹ PVO grants abroad make up five percent of the \$70.5 billion

⁴⁸ Mark Leach wrote his classic paper in 1994 and since then Julie Fisher, Alan Fowler, Steve Waddell and others have written extensively on the topic.

⁴⁹ A worldwide poll found that NGOs came in at the top of the list in terms of public trust "to operate in the best interests" of society. NGOs earned the trust of 65 percent of those polled—a higher rating than that of the United Nations, which was 59 percent. Globe Scan and the Program on International Policy Attitudes conducted the 19-nation poll, with 18,797 respondents. Poll results were released on June 4, 2003.

⁵⁰ FY2004 Budget Request, USAID. www.usaid.gov.

⁵¹ *A Strategic Framework for the Office of Private and Voluntary Cooperation, op. cit., p. 17*



in U.S. resource flows to the developing world.⁵² Globally, NGOs distribute more aid than all of the United Nations (UN) organizations together.⁵³

Most other bilateral donors work directly with NGOs without the PVO/INGO intermediary. The DIFID budget line for NGOs, called B7-6000, grew from 2.5 million in 1976 to €200 million in 1998.⁵⁴ For the period, 1994-1999, some 525 European NGOs had access to the budget line.⁵⁵ The Swedish International Development Cooperation Agency (Sida) reported that funds allocated for support through Swedish NGOs was SEK 896 million for fiscal year 2002, or 8 percent of total development cooperation funding.⁵⁶ Funds were allocated to 13 major IPVOs that have framework agreements with Sida; five of these IPVOs are umbrella organizations that channel funds to more than 200 other organizations, NGOs, working in 100 countries. Internationally, the United Kingdom (UK) Department for International Development (DFID), The World Bank, Japanese development authorities (JICA), and many UN agencies, have expanded cooperation with NGOs.⁵⁷

DFID adopted new ways of working with NGOs following Great Britain's 1997 general election, when a new vision for DFID's engagement with civil society was developed. The new vision highlighted the important role of civil society, both north and south, in engaging governments at all levels and international institutions on pro-poor policy development and implementation. Since then, DFID has increasingly worked directly with NGOs, often through DFID's country programs, although funding for IPVOs and others has continued to grow, reaching a level of £184 million in 2000. In 2000, DFID introduced the Civil Society Challenge Fund (CSCF) and Partnership Programme Agreements (PPAs) for UK-based organizations.⁵⁸

In the past, within USAID, it was primarily PVC that worked with PVOs through its Matching Grant Program. With the expansion of the Agency into building civil society in E&E, and more focus on fragile or failed states, many more offices now work with PVOs. The new ways of working with NGOs are more inclusive in terms of seeking the greater involvement of southern NGOs and civil society as a whole and appear more responsive to today's development environment. While PVC has been a leader in encouraging partnerships between PVOs and NGOs, other USAID programs such as the Global Development Alliance (GDA), Democracy and Governance (D&G), Global Health

⁵² Carol Adelman, Hudson Institute from data from the Department of Commerce, Organization for Economic Cooperation and Development, and USAID. Presentation at the ACVA meeting, February 10, 2003.

⁵³ Evgenii Dainov, ed. *Civil Society and Sustainable Development: Non-Government organizations and development in the new century*. Centre for Social Practices: Sofia, Bulgaria 2001.

⁵⁴ South Research, et al. *Evaluation of co-financing operations with European non-governmental development organisations (NGOs), Budget Line B7-6000* (Belgium, December 2000), p. i.

⁵⁵ Ibid., p. ii

⁵⁶ See *NGO's and Sida Directions for Sida Grants to non-governmental organizations for humanitarian assistance and conflict prevention*. July, 2000. Sida. www.Sida.se/Sida/road/Classic/article/33/jsp/.

⁵⁷ Lester Salamon, et.al. presents an overview of Global Civil Society.

⁵⁸ See DFID: *Working with Civil Society-The Way Forward*, <http://62.189.42.51/DFIDstage/AboutDFID>.



(GH), and the Office of Transition Initiatives (OTI) have carried out many of their programs through local NGOs.

U.S. foreign aid now comes from various sources including business, PVOs, and remittances. As recently as 1991, the level of contributions from multinational agencies to developing countries exceeded the flow of private funds. In 1994, private flows exceeded the flow of official development finance and have continued to increase while official foreign assistance levels have remained stable. Private assistance represented 60 percent of the international assistance the U.S. sent to developing countries in 2000. This funding came from foundations, corporations, PVOs, universities and colleges, and faith based groups. Over \$18 billion was sent in individual remittances from workers resident in the U.S. to their families back home, a sum that is now included as part of the U.S. foreign assistance total. Because the amount of foreign investment has increased so dramatically, Carol Adelman refers to the trend as the "privatization of foreign aid."⁵⁹

5.3 Development Environment

The changing development environment reflects political and technological changes in the world. As the world has changed, the needs of NGOs have also changed. At the Advisory Council on Voluntary Foreign Aid (ACVFA) February, 2004, meeting to discuss the USAID white paper on U.S. foreign aid and meeting the challenges of the 21st century,⁶⁰ USAID Deputy Assistant Administrator, Leonard M. Rogers observed that globalization is real, there are winners and losers as a result of globalization, and the losers are frequently fragile states that are subject to catastrophic failure.⁶¹ There is more violent conflict in the world today, particularly since September 11, 2001. The World Bank's Conflict Prevention and Reconstruction Unit reports that many of the world's poorest countries are locked in a tragic, vicious cycle where poverty causes conflict and conflict causes poverty. Eighty percent of the world's 20 poorest countries have suffered a major civil war in the past 15 years. On average, countries coming out of war face a 44 percent chance of relapsing in the first five years of peace; even with rapid progress after peace, it can take a generation or more just to return to pre-war living standards.

The USAID white paper divides the developing world into two groups of countries, relatively stable developing countries and fragile states and identifies three major challenges or concerns that are manifest in countries from each group. They all have specific strategic U.S. foreign policy interests, they all have global and transnational issues

⁵⁹ Carol Adelman, Dr. P.H., *U.S. Foreign Aid: Government and Private*. Presentation at ACVA Meeting, February 10, 2003. See also, American's Helping Hand in *The Wall Street Journal*, 8/21/02, page A12 by the same author.

⁶⁰ See *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century*. USAID/PPC January, 2004.

⁶¹ Leonard M. Rogers. *Fragile States Strategy*, presented at the Advisory Committee on Voluntary Foreign Aid (ACVFA) Public Meeting, "The Changing Face of Foreign Assistance: New Opportunities and Challenges," Meeting Report, February 25, 2004.



that transcend their borders, and all require some humanitarian response.⁶² USAID's new strategy in response to the changing world focuses more on failed states because state failure is a major development problem resulting in lost investment, lost economic participation, and lives lost to poverty.⁶³ Moreover, state failure is a major humanitarian problem, with more refugees and internally displaced people than ever before, and state failure is a U.S. security concern, as it provides fertile ground for terrorism, drugs, and the like.⁶⁴

Fragile states, as opposed to relatively stable developing countries, include those on a downward spiral toward crisis and chaos, some of which are recovering from conflict and crisis, and others that are essentially failed states.⁶⁵ Current examples might include Zimbabwe, Somalia, Liberia, and Democratic Republic of Congo (DRC).⁶⁶ In addition to state weakness and failure, the challenge of fragile states is seen in many forms, including post conflict reconstruction, conflict mitigation and management, and famine relief.⁶⁷ USAID's analysis suggests that fragile states are largely a subset of poor countries with only fair or weak policy performance, although there are several countries (e.g., Indonesia, Sri Lanka) where policy performance is considered relatively good, but fragility is nonetheless evident due to conflict or other factors.⁶⁸

Relatively stable developing countries are those where commitment (as represented by governance and policy performance) ranges from weak to very good, and foreign aid can, to varying degrees, support development progress.⁶⁹

5.4 The World Wide Web

The internet is having an increasing impact on the development of civil society. Anyone with internet access can get information and communicate with people all over the world. Most NGOs can now access the internet as a source of information on organizational and management issues as well as technical information on health, HIV/AIDS, agriculture, and any other topic of interest to the NGO or community members. They have access to a world of literature that has not been accessible to them in the past. Through email, they can communicate with colleagues globally. Many USAID and PVO programs maintain web sites with useful tools and information that can be accessed by NGOs. Development practitioners also have access to summaries of the most recent UK-resourced development research on the id21 web site (www.id21.org).⁷⁰ Many

⁶² *U.S. Foreign Aid, Meeting the Challenges of the Twenty-first Century*, op. cit., pp.13-14. The White Paper includes in the "developing world" the countries in Eastern Europe and the New Independent States (NIS) that are engaged in the transition from communism.

⁶³ Leonard M. Rogers, op. cit.

⁶⁴ Ibid.

⁶⁵ *U.S. Foreign Aid, Meeting the Challenges of the Twenty-first Century*, op. cit., p 13

⁶⁶ Ibid., p. 19

⁶⁷ Ibid., p. 19

⁶⁸ Ibid., pp. 19-20

⁶⁹ Ibid., p. 13

⁷⁰ A research reporting service, id21 is enabled by DFID and hosted by the Institute of Development Studies. Research summaries cover the themes of society and economy, health, education, and urban poverty.



larger NGOs maintain web sites that have information, materials, and publications of interest to other NGOs.

The international telecenter movement places community information technology centers in remote areas and small towns which makes the internet and other business services available to citizens who want to email relatives overseas, make photocopies, send facsimiles, or learn to use computers. The telecenters tend to be financially sustainable by charging a small fee for service and can have a dramatic impact on community revitalization. In Islamic countries telecenters just for women are a safe gathering place where women can be in touch with each other and the larger world. In small-towns, they are a boon for local businesses as a source for business links, pricing information, and management ideas and services.⁷¹

In addition to organizational or technical information, NGOs attract funding through their own web pages or through shared resources. For example, GlobalGiving is an online marketplace for international aid that allows donors to identify and support grassroots social and economic development projects.⁷² PVOs serve as project sponsors of their partner NGOs working in the developing world. The PVO vets project eligibility and vouches for legitimacy. USAID's Global Development Alliance (GDA) is a GlobalGiving partner as is its Center for International Disaster Information (CIDI) for those who wish to contribute to disaster victims.

5.5 The HIV/AIDS Epidemic

The global epidemic of HIV/AIDS has had an impact on the way PVOs work with NGOs, particularly in Africa. In many countries of Africa, the NGO community itself has been devastated by death. Some NGOs report one or two staff deaths per month. And, healthy staff are expected to attend frequent funerals and make contributions to the families of the deceased. Unfortunately, there is no documentation of how the epidemic has affected the NGO community in countries such as Uganda and South Africa, and will continue to devastate countries such as Zambia. Already fragile NGOs, with a shortage of university graduates as leaders, are faced with additional problems of death and illness among their staff.

A second impact the epidemic has had on PVO-NGO relationships is that the international community is now pushing millions of dollars on NGOs in its efforts to respond to the epidemic. If there is one truism from all the work on collaboration and capacity building, it is that partnerships take time. It has been said that developing a partnership is a project in itself and means that staff must dedicate time and expertise to building relationships while they develop programs. The PVO and the NGO need to take time to get acquainted, build mutual respect, and learn to work together. The HIV/AIDS epidemic is urgent and PVOs do not have time to build the relationships, develop capacity,

⁷¹ The European Union of Telecottage Associations is the regional association for telecenters in E. Europe with offices in Budapest, Hungary. See www.euta.org.

⁷² See <http://www.globalgiving.com>



and do joint planning. They are under pressure to distribute the money out to communities, deliver services, and produce results. There is a danger that local NGOs will be expected to absorb more money than they can manage effectively and that efforts to build true collaborations will be short changed.

5.6 Faith Based Organizations

USAID has worked with faith-based organizations (FBO) for many years. Religious organizations such as the Salvation Army, Seventh Day Adventist Church, Lutheran Church and many others formed special, non-religious units, to administer USAID grants. These groups carried out USAID programs but were expected to keep the work separate from any evangelical work they did. In the past four years, USAID has actively sought to work with FBOs and the current partners do not separate their religious activities from their development work. There is no research on the effectiveness and efficiency of FBO development programs. Research by Edward Green shows that the ABC strategy (**A**bstinence, **B**e Faithful, use **C**ondoms when necessary) has been a message that churches in Africa can promote.⁷³ In many parts of sub-Saharan Africa, Christian churches are central to the community and make an effective vehicle for reaching people with educational messages. Outside their work on HIV/AIDS, nothing has been written on how effective FBOs are in delivering non-health services or in working in non-Christian countries. More data on the effectiveness and cost-efficiency of this strategy would be welcome.

6.0 The PVO Experience in Building the Capacity of NGOS

The literature on PVO-NGO collaboration is heavily focused on capacity building with the assumption that PVOs have a developed management capacity, that NGOs need capacity building, and that PVOs know how to transmit their knowledge to their less developed partners. There is very little acknowledgement that NGOs may have something to teach PVOs. As discussed earlier, the term is not defined clearly and thus, there is little in the way of substantive documentation of results. The NGO's capacity building needs vary according to the sector, stability of the government, and other variables. While there are no substantive data on costs of capacity building programs, it appears that exchange programs and learning networks are among the most cost effective ways to build capacity of NGOs.

6.1 Demand for NGO Capacity Building

The growing focus on NGO capacity as an agenda for NGO partners, whether by donors, PVOs, or other support organizations, results from the recognition of the changing and increasingly important role of NGOs for development and an understanding of the changing context in which they work.⁷⁴ Correspondingly, the perceived demand for

⁷³ Edward Green, *Rethinking AIDs Prevention: Learning from Success in Developing Countries*. 2003. Greenwood Press.

⁷⁴ Jerry VanSant. *Challenges of Local NGO Sustainability*, Keynote remarks prepared for the USAID/PVC-ASHA Annual PVO Conference, 14 October 2003, p. 3



capacity building is evidenced in numerous documents and venues such as the PVC-ASHA 2003 PVO Conference and NGO capacity building websites.⁷⁵ For example, 52 percent of 122 PVOs registered with PVC showed capacity building as one of their activities; PVC's NGO Strengthening and Capable Partners programs were 17 percent of PVC-ASHA 2003 obligations.⁷⁶ A survey of 600 UK based IPVOs found that the highest proportion of activities in which the IPVOs choose to invest their resources were: supporting southern partners, 56 percent; capacity building/training, 64 percent; and project/program management, 66 percent.⁷⁷

On the one hand, PVOs indicate a demand for strengthening NGO operational, technical, and financial capabilities to improve and increase service delivery, as well as for capacity building to work in conflict settings. For example, in 1997, two-thirds of the countries where USAID worked had experienced conflict in the previous five years.⁷⁸

There is also a much-voiced need for the capacity to Do No Harm (DNH) in conflict settings that cuts across organizational lines. Do No Harm concepts are widely used in the humanitarian and development communities and the concept is a key aspect of capacity building for working in conflict. The concept derives from the Do No Harm project, begun in 1994, that seeks to identify the ways in which international humanitarian and/or development assistance given in conflict settings may be provided so that, rather than exacerbating and worsening the conflict, it helps local people disengage from fighting and develop systems for settling the problems that prompt conflict within their societies. The Do No Harm literature makes it very clear how difficult it is to deliver humanitarian aid without making the problems worse.⁷⁹

There is no documentation of the needs of NGOs and to what extent USAID's understanding of capacity building is, in fact, what local NGOs need. Interviews with NGO representatives suggest that their primary area of need is in resource mobilization. NGOs often work with very low operational costs including low salaries, poor transportation, inadequate office space and computer equipment, and insufficient funds to hire adequate financial and accounting staff. While PVOs expect a substantial overhead on the projects they implement, donors are often reluctant to give NGOs the overhead they need to deliver quality programs. NGO leaders have argued that they can deliver the same

⁷⁵ See, for example, International Forum on Capacity Building (IFCB), www.ifcb-ngo.org; International NGO Training and Research Centre (INTRAC), www.intrac.org; and NGOConnect.NET, www.ngoconnect.net. The latter refers to PVC's Capable Partners Program (CAP).

⁷⁶ DCHA/PVC-ASHA 2004 Portfolio, Fiscal Year 2003, USAID/DCHA/PVC-ASHA, p. 1

⁷⁷ Charities Aid Foundation (CAF) and BOND. UK International NGOs, Sector Profile, <http://www.bond.org.uk/networker/june04/caf.htm>

⁷⁸ Caitlin Davitt. *Operating in Conflict, Current Practices in the Development Community*, prepared for the Office of Private and Voluntary Cooperation, Bureau of Democracy, Conflict, and Humanitarian Assistance, USAID, July 2003, p. 1

⁷⁹ See Mary B. Anderson. *Do No Harm: How Aid Can Support Peace—or War* (Boulder, CO: Lynne Rienner), 1999



quality of programs if they have the overhead to hire good staff and provide them with the tools they need to do their work.⁸⁰

One problem for NGOs is that they put so much of their money, time, and other resources in to immediate program implementation, they do not have time for long term, strategic planning, networking to identify additional resources, and building internal organizational systems. NGOs in unstable countries often need training in conflict management and advocacy. They request advocacy training so that they can deal with some of the root causes of poverty such as land ownership and the civil rights of minorities. Staff feel so overwhelmed with work they often cannot take time off to attend training programs that are offered by PVOs and other NGOs. Or a few senior staff spend all their time at workshops and the ideas do not trickle down to program staff. A more rigorous needs assessment would provide more guidance on what NGOs feel their capacity development needs are.

The main vehicle for capacity building is training and workshops. It is highly difficult to assess the long-term results of a workshop but the PVO community has not experimented much with other capacity building strategies such as job-sharing, coaching, mentoring, and consulting.

Ultimately all NGOs need more money, particularly for administrative and staff support. There is a general reluctance on the part of donors to pay for overhead costs that are needed to carry out quality programs. While it is understandable that the U.S. public wants donations to go directly to programs for the needy, they need education on why programs need offices, vehicles, reasonable salaries, and other organizational support.

Do No Harm Model

World Vision uses the Do No Harm model due to its simplicity and flexibility in conflict zones, along with other tools such as conflict mapping. Its Asia Pacific Regional Office established two Local Capacities for Peace (LCP) learning centers in 2001 in Indonesia and the Philippines to respond better to the lack of knowledge about appropriate programming techniques in conflict. The centers aim to (1) examine and interpret work done in conflict areas and translate those lessons learned into field practice and (2) improve community leadership in order to reduce ethno-political conflict. The centers have found that field staff are willing to apply conflict analysis tools to projects that are just beginning, but are more reluctant to change existing programs in order to adapt to conflict situations. In addition, the centers found that the impacts of longer-term development projects in conflict zones are much subtler and harder to measure than the impacts of shorter-term relief work. Still, they note that development work offers community members an alternative to violence, where relief does not.

--Caitlin Davitt, Operating in Conflict, Current Practices in the Development Community

⁸⁰ John Zarafonetis, Director of Development Programs, InterAction. Personal Communication. May 25, 2004.



6.2 Capacity Building for NGOs in Conflict Settings

The USAID perspective on capacity building needs and constraints in conflict settings is very much like that found in an analysis of 12 British NGOs that focused on mainstreaming conflict sensitive approaches. Stacia George, USAID Europe and Eurasia Bureau, presented the former at the USAID-PVO Dialogue on Working in Conflict. Maria Lange detailed the latter in research about mainstreaming conflict-sensitive approaches to development that was conducted under the auspices of International Alert.⁸¹ For both USAID and PVOs, the necessary skills and the difficulties in undertaking staff training are much the same. Three strategies for capacity building in conflict zones have been identified and are discussed below.

USAID: An assessment of current practices in the development community with regard to operating in conflict found that many development groups lack the tools and know-how to operate in unstable environments.⁸² For example, the PVC 2003 Annual Survey showed that 38 percent of 25 matching grant recipients had assessed their potential to respond to conflict, 58 percent had dealt with conflict during the past year, and 33 percent had dealt with civil strife; however, little was known about what grantees were actually doing to prepare for conflict.⁸³ The assessment concluded that capacity building in conflict should be addressed and that PVC should support PVOs and their NGO partners in conflict preparedness.

USAID Missions are required to carry out Conflict Vulnerability Assessments (CVAs) and design their programs to mitigate conflict. While there are different analytic frameworks in use for carrying out these assessments, they have proven useful in developing strategic objectives as well as programs. USAID/REDSO/ESA has documented their lessons learned in doing CVAs and developed recommendations for strategic objective teams. They found that it is important to involve local governments and gain support of the local U.S. Embassy. They offer a number of recommendations for team selection. CVAs, they have found, can be highly contentious and misunderstood by host governments and ambassadors.⁸⁴

George's paper on capacity building and training for working in conflict argues that proper capacity building and training is essential for avoiding cookie-cutter approaches to programming that could end up exacerbating existing or latent conflict tendencies.⁸⁵ In

⁸¹ See Maria Lange. *Building Institutional Capacity for Conflict-Sensitive Practice: The Case of International NGOs*. International Alert: Development and Peacebuilding Programme. May 2004. International Alert is a UK-based NGO that seeks to strengthen the ability of people in conflict situations to make peace. See www.international-alert.org.

⁸² Caitlin Davitt, op. cit., p. 1

⁸³ Ibid., p. 5

⁸⁴ USAID/REDSO/ESA. *Conflict Vulnerability Assessments (CVA): Overcoming Impediments to Providing Relevant Analysis and Recommendations to SO Teams. Lessons Learned*. Presentation at conference in Sri Lanka, 2004.

⁸⁵ Stacia George. *USAID Paper: 3, Capacity Building and Training for Working in Conflict*, in USAID. USAID-PVO Dialogue on Working in Conflict (Washington, D.C.), January 23-24, 2003, p. 35



order to create an environment and staff that facilitates working in conflict settings, among other goals, capacity building efforts should provide staff with the basic skills needed to work in a conflict setting.

George identifies the importance of analytical skills to view the conflict situation from multiple viewpoints (regional, national, government, ethnic, religious, and individual) and then to analyze how programming decisions relate to the conflict situation on each of these levels and to adjust program implementation accordingly. Capacity building should also encourage management skills, flexibility, interpersonal and intercultural skills, teamwork, and an ability to make reasoned decisions quickly and decisively. Accordingly, management must make training opportunities and staffing needs a priority. The author states that the biggest obstacle when facilitating training events for staff is an inability to attract participants; another problem is that capacity building efforts tend not to extend across entire agencies and all sectors.⁸⁶

International Alert: Lange's research was conducted to identify and share International Alert, a British INGOs, learning and experiences regarding mainstreaming conflict-sensitive approaches and reports several findings on capacity building and accountability.⁸⁷ The research found that individual skills and knowledge are central to achieving positive impact, including in conflict-affected areas, where social skills will be as important as technical ability, if not more so. Conflict-sensitive skills need to be included in staff training and incorporated into recruitment processes. Some conflict sensitive skills include understanding of the particular geographical area, knowledge of the relevant language(s), relationship-building and analytical skills, and the ability to deal with high stress levels.⁸⁸

Despite recognition of the importance of contextual knowledge, Lange's research found that few projects included conflict-sensitive training as an integral part of the strategy, and few of the NGOs interviewed included conflict- and peace-related skills in staff appraisals or reward staff for conflict-sensitive programming. Building the necessary capacity remains a problem that is exacerbated by high staff turnover and emphasis on implementation over analysis and planning. Few organizations consistently offer conflict-related training to either staff or partners. The author noted that although training is a low-cost mainstreaming instrument financially and poses few challenges to existing power dynamics, maximizing its impact requires linking it to a wider package of measures, including structural change.⁸⁹

Lange also points out that peace building is integral to all humanitarian assistance and that it is imperative that the capacity of humanitarian groups to do conflict analysis is as important as building their financial and managerial capacity. Lang emphasizes the need for much more cooperation between humanitarian and development NGOs and that donors of humanitarian assistance need to give much more funding for capacity building of

⁸⁶ Ibid., p. 35

⁸⁷ Maria Lange, op. cit., p. 7

⁸⁸ Ibid., p. 7

⁸⁹ Ibid., p. 7



local organizations. In a crisis situation, development projects need to be much more integrated and much less sector specific. She argues that each sector has much to learn from the other if they will work together.

Several of Lange's observations were reflected at the USAID-PVO Dialogue on Working in Conflict that identified a number of conditions and actions (termed "principal enablers") that promote effective work in conflict settings. These include collaboration and coordination between USAID and PVOs, field-based NGO consortia, shared learning and training. The dialogue called for more internal integration meaning that the shift from emergency to development programming and multi-sectoral approaches that eliminate internal stove-piping that has not produced positive results for working in conflict.⁹⁰

Developmental relief: The concept of developmental relief, practiced in many conflict settings, has important implications for NGO capacity building. Many NGOs are experienced in bringing together humanitarian assistance and development under the rubric of developmental relief that requires combined development and relief capabilities. In a 2001 review of nine PVOs, the U.S.-based PVO consortium InterAction described developmental relief as relief activities that "in addition to addressing immediate needs, also contribute to sustainable development and peace."⁹¹ Committed to addressing the root causes of conflict, the PVOs interviewed described a wide range of activities aimed at revitalizing economic and agricultural development, strengthening local participation, increasing the capacity of local partners and civil society organizations, and building peace and promoting reconciliation.⁹² In addition, three of the largest PVOs (among others) were reported to be experimenting with the "local capacities for peace" framework developed by the Collaborative for Development Action.⁹³ The framework helps aid workers strengthen existing connections in a society, bring people together, and avoid reinforcing divisions that perpetuate conflict.⁹⁴

Although great strides have been made in delivering material assistance under extraordinarily difficult conditions, little progress is evident on providing even the most rudimentary physical security for war-affected populations. Many of the conflicts of the past decade have brought aid workers face to face with human rights abuses.⁹⁵ Some PVOs as well as UN agencies like the United Nations Children's Fund were reported to be reorganizing themselves to implement new programming, and other humanitarian aid groups were forging partnerships with human rights groups to create strategies that draw on the strengths of each.⁹⁶ Both the developmental relief and broader approaches have

⁹⁰ *USAID-PVO Dialogue on Working in Conflict*. USAID/DCHA/PVC. January 23-24, 2003, pp.14-15

⁹¹ *Foreign Aid in the National Interest, Promoting Freedom, Security, and Opportunity, Overview*. USAID. 2002, p. 109

⁹² *Ibid.*, p. 109

⁹³ The Collaborative for Development Action, Inc., is a consulting agency based in Cambridge, MA.

⁹⁴ *Foreign Aid in the National Interest*, op. cit., p. 109

⁹⁵ *Ibid.*, p. 109

⁹⁶ *Ibid.*, p. 110



been criticized as being anti-humanitarian because they elevate rights over access and the immediate alleviation of human suffering.⁹⁷

Interviews with development professionals who have been involved in program development in fragile states such as Ethiopia, Yemen, and Sudan indicate that the immediate need in those countries is for programs that help to stabilize the community and local government. This means high visibility projects (schools, clinics, roads) that can be done quickly and that build the confidence of local people in the government. Rather than development programs, they are anti-terrorist programs with the aim of creating confidence in a democratic government and stemming civil unrest. The first priority is to make the communities safe enough that people can plant their crops and go about their business. In a fragile state, the desired indicators are likely to be people's willingness to use services, the level of violence, and the ability of people to work together across ethnic or political lines rather than sector indicators such as infant mortality or job creation.

CARE, with support from OTI, has developed a Community-Focused Reintegration program that promotes disarmament, demobilization, and the reintegration of armed forces into civilian life.⁹⁸ While the program has been a learning process, it is an example of the sort of innovative programs that PVOs will need to undertake in the future.

6.3 Measuring Capacity Building

Over the past ten years, USAID and specifically the PVC office, has emphasized two main paradigms for PVO-NGO collaboration: capacity building and partnerships. An overriding objective of partnerships has been to transmit effective management and technical skills from the more experienced PVOs to the fledgling NGOs. Despite the increasing focus on NGO capacity and the growing role of NGOs in development, the assessment of NGO capacity building is perhaps the greatest shortcoming in program design, implementation, and monitoring and evaluation for USAID, and other donors.

The Agency has given numerous incentives to PVOs that worked with NGOs in some partnership relations on the assumption that such partnerships would build the capacity of the NGOs to design and carry out effective, sustainable programs on their own. PVC has also commissioned the development of capacity assessment tools, funded numerous workshops in the U.S. and overseas, and given priority in matching grant awards to PVOs that were building the capacity of NGO partners. Yet there is little evidence that expected results were achieved—not because the partnerships did not have a positive effect but rather because the term capacity building has never been defined nor have indicators of change been agreed upon.

In the PVC sponsored study of its capacity building experience, Norem and Van Sant point out that “measuring the impact of capacity building is at best, an uncertain science.” They found almost no data on baselines, longitudinal tracking, or impact of

⁹⁷ Ibid., pp. 109-110

⁹⁸ Marc Sommers and Tjip Walker, *Care Basic Education and Policy Support Project (BEPS)*. USAID/OTI. Presentation at Conference in Sri Lanka, 2004.



capacity changes.”⁹⁹ The effectiveness of NGO capacity building refers to the achievement of capacity building objectives; it can also be linked to the achievement of the NGO's expected project results or output on the basis of agreed objectives. The efficiency of NGO capacity building refers to the extent to which an NGO is able to maximize the use and potential of its resources for capacity building and thus optimize their impact.

Formal assessments of capacity building effectiveness and efficiency that involve baseline data, performance indicators, a monitoring plan, and the measurement of change are lacking in PVC sponsored and other donor evaluations, which makes careful analysis, including cost comparisons, impossible. For example, in lieu of hard data, one study looked at the impact of PVC supported institutional capacity building by identifying value added impacts of PVC matching grant support for capacity building in three main categories of institutional capacity (institutional resources, institutional performance, and institutional sustainability).¹⁰⁰

In addition to the absence of a rigorous monitoring and evaluation framework for capacity building, a second major assessment difficulty is the attribution of results to donor-specific funding for capacity building. For example, an evaluation of the Government of Japan's subsidy system for NGO projects included an assessment of the Japanese INGOs success in building the institutional capacity of local NGOs. The evaluators found that, because NGOs may have other funding sources, the NGOs' institutional capacity cannot be attributed to funding from the NGO Projects Subsidy.¹⁰¹ Accordingly, the evaluation questioned whether institutional capacity was enhanced during the implementation period of the subsidized projects or whether the capacity was built over time as other projects were implemented.¹⁰² The same evaluation found limited documentation of the relationship between the NGO's capacity to manage human, financial and information resources and the quality of its programs.¹⁰³

An evaluation of the European Union's (EU's) B7-6000 project of co-financing with European INGOs noted the influence of context on institutional development.¹⁰⁴ For example, the study found that in many countries (e.g., Senegal, India, and Bolivia), the processes of decentralization and the increased importance of local governance are creating a framework that stimulates grassroots action in various ways. Many NGOs involved in B7-6000 projects are well-recognized and established players at a national or state (India)

⁹⁹ Rosalie Huisinga Norem and Jerry VanSant. *PVC's Support of PVO Capacity Building*. USAID/BHR/PVC, page iv

¹⁰⁰ AMA Technologies, Inc. *Assessment, PVC's Support of PVO Capacity Building*, Cooperative Agreement FAO-A-00-97-0006200, April 2000. Also see Joan M. Goodin. *Synthesis Report of PVC Matching grant Evaluations*, USAID PVC Matching Grant Evaluation Series, AEP-I-00-00-00024-00, (Washington, D.C. 20024, October 2002), pp. 9-12

¹⁰¹ *Overseas Project Management Consultants, Ltd. (OPMAC), et al. Executive Summary Report on MOFA-NGO Joint Evaluation (FY2002)-Subsidy System for NGO Projects, October 2002, p. 12*

¹⁰² *Ibid.*, p. 12.

¹⁰³ *Ibid.*, p. 13

¹⁰⁴ South Research, et al. *Evaluation of co-financing operations with European non-governmental development organisations (NGOs), Budget line B7-6000, Phase 3, Final Report* (Belgium, December 2000)



level, and as such, they often play an important role in broader movements and the further development of civil society in general.¹⁰⁵

In that they are often a by-product of B7-6000 funding, the positive results with regard to institutional development both at the community and NGO level should be put in perspective. As with the Japanese experience, institutional development processes often stretch over a considerable period and tangible results are unlikely to be reached within the project period.¹⁰⁶ The study characterized the role of most B7-6000 projects as that of a field laboratory through which local participants can further test out approaches and work on their institutional development.¹⁰⁷

In view of USAID's plans to support NGO capacity building in fragile states, the importance of the monitoring and evaluation functions cannot be overstated. Especially in instances where developmental relief activities are taking place, this will occasion the development of new approaches to monitoring and evaluation. The InterAction-sponsored report on developmental relief and NGOs found that some work has already been done on evaluating developmental relief activities but much remains to be done.¹⁰⁸

The difficulties that NGOs face in the evaluation of developmental relief activities include finding appropriate indicators of planned social impacts such as behavioral and attitudinal change, empowerment, institution building, and conflict resolution.¹⁰⁹ The inherent instability of complex humanitarian emergencies is itself a difficulty because tangible progress may be set back by a relapse of violence.¹¹⁰ Most of the nine NGOs interviewed for the InterAction report indicated that evaluation would be a key focus for them in the coming years. World Vision was, in fact, devising an evaluation process for its peace building activities within development programs that might also be applicable to its relief programs.¹¹¹ This is an area that warrants further study.

6.4 Costs

The research conducted in the preparation of this report found no hard data on the cost of PVO/NGO collaboration or NGO capacity building costs. Impressionistically, the two least expensive and most effective capacity building models appear to be exchange programs and learning networks.

The synthesis report of PVC matching grant evaluations noted that one issue that merits more in-depth examination is the cost-

Some NGOs simply don't have the ability to manage money. In cases like these, USAID should look at ways to help NGOs without spending a lot of time on accountability. OTI has done this through providing grants to NGOs in East Timor for items like motorcycles and computers.

--Terry Myers, Mission Director, USAID/Russia

¹⁰⁵ Ibid., pp. 65-66

¹⁰⁶ Ibid., p. 66

¹⁰⁷ Ibid., p. 66

¹⁰⁸ Kimberly Mancino, Anita Malley, and Santiago Cornejo. *Developmental Relief: NGO Efforts to Promote Sustainable Peace and Development in Complex Humanitarian Emergencies*, prepared for InterAction's Transition Working Group, June 2001, p. 12

¹⁰⁹ Ibid., p. 12

¹¹⁰ Ibid., p. 12

¹¹¹ Ibid., p. 12



effectiveness of PVC's investments in partnership development and management as compared with other less time-consuming and more direct approaches to the achievement of its strategic objectives.¹¹²

Some PVC matching grant evaluations (e.g., Winrock, Foundation of Compassionate American Samaritans) do indicate that training is a relatively low-cost activity and can have impact. However, the term training covers a variety of activities from one day workshops to an integrated strategy of seminars. The impact of training is notoriously difficult to measure beyond end-of-event evaluations which are almost always positive. Learning networks are said to be relatively inexpensive to maintain, particularly with groups that can pay some fee for membership to offset some of the costs. However, very little is known about the actual costs of capacity building or the cost-effectiveness or cost-benefit of different methods of capacity building.

The financial management capability of NGOs is an important issue equally in need of further study in the context of the cost-effectiveness and accountability of PVO or NGO management of development funds. USAID is one of the few international donors that does not work directly with local NGOs. There is a sense that NGOs cannot properly manage and account for USG funds. Few USAID Missions give funds directly to local organizations; typically, USAID funds go to PVOs who then make sub-grants or sub-contracts to local groups. Many countries now have NGOs that are fully able to manage sub-grants to other groups at a fraction of the cost. The World Bank's Community Driven Development model gives money directly to community groups in the form of small grants, vouchers, letters of credit, and other low-risk financial instruments. This model has been developed for countries where the local government is too corrupt to handle money responsibly. Programs in Nepal (JAKPAS Project) and a replication of that project in India have been highly successful.

In the mid-1990s the main strategy for working in Russia was through partnerships and exchange programs. The USAID Mission in Russia undertook a study of partnerships between American and Russian groups that involved a questionnaire completed by 37 matched pairs of partners. Most of the partnerships included a sub-grant from the American organization to the Russian group but they also involved a lot of interaction, exchanges of personnel, and joint activities. World Learning managed \$22.5 million in sub-grants. The partnerships covered a wide range of interests including health, the arts, youth, the disabled, and energy. While they had initial issues of inequality and difficulties in getting acquainted, the partnerships were found to be highly effective, low-cost, and generally sustainable.¹¹³

The American International Health Alliance is a highly effective exchange program that continues to expand its links to health care institutions in the U.S. with partners in

¹¹² Joan Goodin. *Synthesis Report of PVC Matching grant Evaluations*, USAID/PVC Matching grant Evaluation Series (Washington, D.C.: Management Systems International), October 2002, p. 8

¹¹³ Anon. *American-Russian Partnerships: Accelerating the Social, Political, and Economic Transitions in Russia*. USAID/Russia, November 1996.



E&E.¹¹⁴ The partnerships have been low-cost as the primary expense is for travel between the partner institutions; most of the technical expertise is donated. The exchange model also has the advantage that it includes a wide range of U.S. groups such as fire-fighters, professional associations, civic groups, pharmaceutical firms, and municipal organizations that might not otherwise play a role in international development. Exchange partnerships such as this have shown themselves to be a very effective capacity building mechanism for collaboration, not just between PVOS and NGOS, but also with many other partners, and they have generated a substantial return on investment.

The other effective and low-cost mechanism for capacity building is networks, which are discussed in section 4.3. PVC has commissioned a study of networks as a mechanism for collaboration.

7.0 The PVO Role in Building the Capacity of the NGO Sector

Any program that aims to work with NGOs, and especially to strengthen NGO capacity, necessarily must take into account the developmental stage of the individual NGOs involved and, more broadly, the developmental level of the NGO sector, which is linked to the development environment of the particular country.

This section discusses both types of NGO strengthening and the role that PVOs can play in each. The information presented is in the form of a framework for NGO capacity building based on three stages of organizational development and for NGO sector development that is linked to the development environment. Both frameworks are adapted from previous work in Central and Eastern Europe (CEE) and the New Independent States (NIS), specifically, the *1998 NGO Sustainability Index and the report, Lessons Learned in Implementation: The NGO Story*. The hallmark of both NGO capacity building and sector development is extensive consultation and participation on the part of PVOs, NGOs, other relevant civil society actors, government, and USAID Missions and other donors.

7.1 NGO Development Stages and PVO role

The NGO Sustainability Index, created and developed by USAID's Bureau for Europe and New Independent States (ENI) with the NGO community, provides a useful schema for classifying NGO development.¹¹⁵ The schema has been adapted somewhat for the purposes of this report and consists of three stages of NGO development that are elaborated upon below.¹¹⁶ NGO capacity building needs are identified for each stage, and the role of PVOs is addressed.

¹¹⁴ www.aiha.com

¹¹⁵ See USAID. *The 1998 NGO Sustainability Index, Foreword*. It should be noted that the NGO Sustainability Index was developed for the NGO sector and not as a means to assess individual NGO development as it is used here.

¹¹⁶ The NGO Sustainability Index was developed to analyze five different aspects of the NGO sector (legal environment, organizational capacity, financial viability, advocacy, and public image). This paper only uses the aspects of organizational capacity and financial viability to discuss the three stages of NGO development.



7.1.1 Stage 1

NGOs at this level are not very well developed, have little capacity, and are frequently one-man or one-woman shows that often split apart as they grow due to personality clashes. Stage 1 NGOs have substantial capacity building needs to move from start-up to stability. They appear in all development environments as new ones are being created almost daily. The characteristics of a Stage 1 NGO are shown in the Table 3 along with their needs and the role of PVOs in building them as individuals and as a sector. In failed or fragile states, all the NGOs are likely to be Stage 1.

Table 3: Stage 1 NGOs, their Characteristics, Needs, and the Role of PVOs

CHARACTERISTICS OF STAGE 1 NGOS
<ul style="list-style-type: none"> • Often humanitarian organizations created for the purpose of distributing relief supplies to victims of political or natural disasters • Often political or faction leaders • Often focused on one issue, ethnic group, or political faction. • All funds are from international humanitarian groups • Survival from grant to grant and/or dependant financially on one (foreign) sponsor • Very limited human and other resources such as offices, vehicles, computers • No clearly defined sense of mission beyond some immediate problem • Not formally registered with government • No or very small office • Little or no understanding of strategic planning or program formulation • Limited organizational skills and procedures for budgeting and tracking expenditures • Limited ability to monitor, report on, and evaluate programs • Rarely has a board of directors, by-laws, written policies, or more than a handful of active members • A few NGOs or individuals (development darlings) win the attention of the international community and receive disproportionate amounts of funding or opportunities for training or travel
STAGE 1 NGO NEEDS
<p><i>In all development environments:</i></p> <ul style="list-style-type: none"> • Basic understanding of NGO structure and functions • Skills in fundraising and financial management • Assistance with management systems such as reporting, personnel, policies • Better understanding of donor culture, and language • Do No Harm training • Conflict mediation skills • Need skills in fundraising and transition to sustainable development • Small NGOs need an incubator or outside organization to manage/oversee bookkeeping <p><i>In fragile and failed states:</i></p> <ul style="list-style-type: none"> • health centers for immediate problems and programs for the prevention of other problems • Help designing sector integrated programs • Water and sanitation programs • Infrastructure programs (roads, clinics, schools) • Refugee camp management



<ul style="list-style-type: none"> • Humanitarian assistance • Peace building or Conflict Management skills
PVOS CAN PROVIDE
<p><i>To individual Stage 1 NGOs:</i></p> <ul style="list-style-type: none"> • Organizational development in management including training in basic NGO structure and function including financial management, fund-raising skills, information on international donors and their cultures, board development and internal management systems. • Capacity development in sector programs including program design, monitoring and evaluation, strategic planning, and sector expertise. <p><i>To the sector:</i></p> <ul style="list-style-type: none"> • Review legal and regulatory framework for NGOs and work on legislation and rules that allow NGOs to work without undue government interference. • Create a coordinating body to assure that all PVOs and INGOs programs are effective. • Assure that all humanitarian assistance Does No Harm • Build sustainable development strategies in humanitarian assistance programs. • Provide some support services such as financial management, personnel systems, office space, and vehicles. • Work with local groups on conflict mediation. • Share ideas from other countries on how to work in conflict situations. • Create Support Organizations that provide capacity building and small grants to new and small NGOs. • Work with the media to increase their coverage of NGO activities. • Train NGOs in advocacy. • Create NGOs support centers where people can access computers, get basic business services, and information. • In Fragile or Failed States, work with other PVOs and government to create a system of registration and monitoring of NGOs. • In Transitional or Developing States, find mechanisms to assure that new and small NGOs are included in events and information.
POTENTIAL PROBLEMS
<ul style="list-style-type: none"> • In Failed or Fragile States, in times of crisis, PVOs and INGOs may be disorganized, competitive, or unwilling to cooperate with each other and NGOs. • In the rush to deliver services, very little effort is put into partnership development and capacity building. • NGOs have very limited capacity to absorb money responsibly. • PVOs tend to have difficulty working with Stage 1 NGOs; because of the power imbalance; the relationship is largely top-down.

A PVO working with a Stage 1 NGOs should conduct a needs assessment on a case-by-case basis that could include a grouping of NGOs. The needs assessment will consider participants' needs, priorities, existing capacities, appropriate training delivery modes, gaps between the current situation and the needed capacity, resources and time allocations needed for participation, and internal organizational and external constraints, among others. The needs identified will, in all likelihood, match those cited in Table 3 but each situation is unique and the PVOs should not make assumptions about NGO needs.



The PVOs have a variety of capacity self-assessment tools they can use with their NGO partners to identify areas the NGO perceives as their priority needs. PVOs can prepare a capacity building plan or project—either stand-alone or integrated into a larger project. The plan or project design will address the standard elements, including monitoring indicators and how capacity building will be evaluated. PVOs will implement the plan or project in partnership with the target NGOs, and implementation will involve PVO partnerships with Stage 2 NGOs that are qualified to provide the needed capacity building activities. The Democracy Network (DemNet) programs of E&E are an example of this strategy.

7.1.2 Stage 2

Individual NGOs at this stage that work in the major sectors (e.g., environment, business, social sector, human rights or democracy) are developed organizations but still have capacity building needs. Table 4 shows the characteristics and capacity building needs of Stage 2 NGOs and the role PVOs can play.¹¹⁷

Table 4: Stage 2 NGOs, their Characteristics, Needs, and the Role of PVOs

CHARACTERISTICS OF STAGE 2 NGOs
<ul style="list-style-type: none"> • Enhanced capacity to govern and organize work by most or a number of NGOs in individual sectors (such as women, health, or other social services) • Increased number of full-time staff and orderly division of labor between board members and staff • Different approaches for financial independence and viability • Experimentation to increase revenues through providing services, winning contracts, and grants from municipalities and ministries to provide services • Resource pooling with other NGOs to share overhead costs • Recruitment of dues paying members or domestic donors
STAGE 2 NGO NEEDS
<ul style="list-style-type: none"> • Financial management, cost recovery and advanced fundraising • More sophisticated capacity self-assessment tools • Transparency training • Information systems • Technical standards for sector programs • Advocacy training • Strategic planning and client needs forecasting • Public and media relations • Networking as a means to share ideas and build collaboration
PVOs CAN PROVIDE
<ul style="list-style-type: none"> • Sector specific training or learning networks on a sector • Interaction with government on positive legal and regulatory environment for civil society, NGO registration, incentives for people and business to make donations. • Best practices from other countries • Opportunities for NGOs to participate in regional and international networks and meetings • Research and documentation across sectors, NGOs

¹¹⁷ Ibid., pp. 9, 11



<ul style="list-style-type: none"> • Training on how to work with businesses • Social entrepreneurship and innovative fund raising strategies
POTENTIAL PROBLEMS
<ul style="list-style-type: none"> • PVOs are most skilled at working with Stage 2 NGOs but still have more power so there is always a danger of imposing the PVOs strategies on the NGOs and being top-down. This causes resentment by NGO partner. • NGOs may resent the PVOs and feel like they could do the work if they had the money the PVOs are receiving. • FBOs may have difficulty working in non-Christian communities. • Some communities may be hostile to American organizations. • NGO staff resent differential pay between U.S. and local experts.

The role of PVOs in Stage 2 NGO capacity building, again, is to conduct a needs assessment of NGOs on a case-by-case basis that could include a grouping of NGOs. The needs assessment will probably include many of the needs in Table 4. PVOs can prepare a capacity building plan or project—either stand-alone or integrated into a larger project. The plan or project design will address the standard elements, including monitoring indicators and how capacity building will be evaluated. PVOs will implement the plan or project in partnership with the target NGOs. Alternately, PVOs may administer the plan or project in partnership with Stage 2 NGOs that are qualified to provide the needed capacity building activities. USAID Missions have a number of NGO umbrella grants that are an example of this model.

PVOs can form partnerships at one of Leach's six levels with Stage 2 NGOs. It is well documented that forming partnerships requires time, a strong commitment to mutual decision-making and they also require resources. The partnership needs to be planned, with objectives and strategies just like any other program.

In countries where there are a number of Stage 2 NGOs, then the PVOs role is both to build the capacity of individual NGOs but also to strengthen the sector and assure that the legal and regulatory environment makes it safe for NGOs to work without undue government interference. The PVOs can also play a larger role in information sharing across organizations through learning networks, regional meetings, and the documentation of best practices or research that is beyond the resources of an NGO.

7.1.3 Stage 3

NGOs at this stage are very well-developed, sustainable and deliver effective programs. Table 5 lists their characteristics and possible capacity building needs and the role PVOs can play.¹¹⁸

Table 5: Stage 3 NGOs, their Characteristics, Needs, and the Role of PVOs

CHARACTERISTICS OF STAGE 3 NGOs
<ul style="list-style-type: none"> • Transparent governance and capable management • Demonstrable essential organizational skills, including how to recruit, train, and manage a

¹¹⁸ Ibid., pp. 11-12



<p>volunteer network.</p> <ul style="list-style-type: none"> • Diverse approach to financial independence and viability, including cost recovery • Possible reduced foreign funding and increased minimal, volunteer-based operation • Monitoring data documents that programs produce results • Experimentation with raising revenues through providing services, winning contracts, and grants from municipalities and ministries to provide services • Some revenue from the sale of publications, research services. • Possible attempt to attract dues-paying members or domestic donors • Larger, more established NGOs reach out to build the capacity of newer and smaller community organizations. • NGO centers may provide incubator services to decrease administrative costs for fledgling NGOs • Possible resource pooling with other NGOs to share overhead costs • NGOs begin to understand the importance of transparency and accountability from a fundraising perspective.
STAGE 3 NGO NEEDS
<ul style="list-style-type: none"> • Tools for improved financial management • Efficiency management • Social entrepreneurship training • Service Quality Reviews • Knowledge of how to connect with broader array of international donors • Better results monitoring, report writing • Help on scaling up programs • Sustainability strategies for all programs
PVOs CAN PROVIDE
<ul style="list-style-type: none"> • Training in how to work with media and public relations • Development of Support Organizations to promote the interest of the sector • Sector specific state-of-the-art training • Development of local training capacity, trainers associations • Building partnerships with government and business • Sustainability strategies • Regional activities that provide information sharing with other countries • Monitoring and evaluation training, better results data • Cost-benefit analysis of different program strategies • Cross-NGO research on best practices • Strategies for scaling up most effective programs to reach more people
POTENTIAL PROBLEMS
<ul style="list-style-type: none"> • NGOs may feel that they do not need PVOs; resent their presence. • PVOs may have difficulty merging their program strategies with those of established NGOs. • In countries with a strong NGO community, government may be wary of NGOs and see them as oppositional.

Because Stage 3 NGOs have the capabilities to meet most of their own needs, as well as those of Stages 1 and 2 NGOs in their country, PVOs have a limited role in the provision of capacity building for Stage 3 NGOs. PVOs could provide capacity building in areas in sector specific technical assistance, tri-sector partnership development, and regional conferences and information sharing across national borders. PVOs could also



have a role to play in the administration of capacity building funds/grants, as was the case with World Learning's management of the PVO Initiative for New Independent States (PVO/NIS) Project that funded 45 partnership grants.¹¹⁹ However, large Stage 3 NGOs are usually able to manage sub-grant programs in a responsible way and may do so for other donors. Because of USAID support and the PVOs long experience in these countries, many the developing countries in Asia, Africa, and Latin America now have several Stage 3 NGOs

7.2 Development Environment

The development of NGOs is related to the development of the NGO sector that, in turn, is linked to the development environment in which NGOs operate. In many countries governments are suspicious of NGOs, regarding them as potential competitors in service delivery, subversive, or representatives of international donor interests; moreover, weak, arbitrary or hostile legal and regulatory environments can severely constrain NGO operations.¹²⁰ In its strategic framework, PVC's approach to strengthening NGOs includes the possibility of improving the enabling environments within which NGOs work.¹²¹ It is strongly recommended that this possibility be translated into concrete action for the reason that the synergy produced by NGO capacity building and sector development would have a greater impact than NGO capacity building alone, where appropriate.

For NGOs operating in conflict-affected countries and regions, no matter the NGO development stage, capacity building needs would include Do No Harm training, conflict analysis, conflict sensitivity training, conflict management training, assistance with integrated approaches to include cross-sectoral programs, and training in the developmental relief approach of preventive development and transitional peace building, that proactively address potential underlying sources of conflict and peace building programs that take place during the transition from emergency programming to development.

The British Council is using Pool funding to run a "Do No Harm" training program in Nepal, teaching development workers effective conflict prevention skills.
--UK Global Conflict Prevention Pool

Many local NGOs providing humanitarian assistance in conflict settings need capacity building for commodity transport, storage, distribution, and financial management. In conflict situations, there are often no local NGOs that can manage the distribution of goods flowing to refugees or victims. It is also important to build the financial capacity of local groups to manage humanitarian assistance and assure that it is being used responsibly.

USAID, the World Bank, and PVOs have developed a number of strategies for giving commodities or supplies to local community groups in such a way as to assure accountability, including the provision of vouchers, hiring local auditing firms to handle

¹¹⁹ See World Learning. *The Partnership Report, A Study based on the PVO Initiative for the New Independent States (1992-1997)*, 2002.

¹²⁰ *A Strategic Framework for the Office of Private and Voluntary Cooperation*, op. cit., p. 11

¹²¹ *Ibid.*, p. 11



the money, and requiring multiple signatures on financial documents. These strategies should be documented and disseminated. NGOs also need help with the introduction of integrated development programs once the most violent conflict ended. PVOs need to work further toward the integration of their relief and humanitarian work.

The role of PVOs in NGO capacity building in conflict areas would include partnering with local NGOs in order to respond quickly and efficiently to the outbreak of conflict; building capacity for commodity processing; financial management training; assessing NGO partner's ability to respond to conflict and developing partner's conflict preparedness capabilities; consensus building, advocacy, and conflict resolution; peace building; and providing assistance with integrated approaches and training in the developmental relief approach.

In light of USAID's emphasis on working in conflict-affected areas, PVOs should prepare to do much more work in conflict areas and less in relatively stable developing countries. The models for programs that they have developed may no longer be appropriate. In addition, as experience has shown, a key factor in the success of working in conflict-affected areas is the development of field-based PVO/NGO consortia (networks) that provide a positive basis for better conflict programming, among others.

Some cautions are noted on working in post-conflict states. According to the USAID Mission Director, REDSO Mission, the urgency to rebuild may lead to an overwhelming influx of donors, a proliferation of local NGOs that may not be credible, hasty proposals, thin knowledge of local conditions, reliance on expatriate staff, and weak donor coordination.¹²² Too much reliance on expatriate staff causes great resentment and undermines local capacity. Mary Anderson's *Do No Harm* work makes it clear that doing good in a conflict situation is a highly complex task.

A useful analysis of NGO sector development is presented in *Lessons in Implementation: The NGO Story*, a study that focuses on the emergency of civil society in Eastern Europe and Western Asia.¹²³ The study places NGOs "within the context of their political and economic environment, and divides the field into three phases: pretransition, transition, and consolidation."¹²⁴

Lessons in Implementation broadens the analysis to include information on other regions. USAID has not yet developed a consistent terminology for its new strategy. In the white paper, four types of development environments are identified: the *failed state* (e.g., Iraq, Afghanistan, Sudan); *fragile state* (e.g., Liberia, Ethiopia, DRC); *emerging state*

Host country policy environment is extremely important for strengthening NGO capacity. Donors and PVOs can help to advocate for new laws that promote NGO vitality.

--Andrew Sisson, Mission Director, USAID/REDSO

¹²² 2003 PVO Conference, *USAID Mission Perspectives on Local NGOs*, op. cit.

¹²³ *Lessons in Implementation: The NGO Story*, op. cit.

¹²⁴ *Ibid.*, p. 50



(e.g., Czech Republic, Poland, Estonia); and *developing state* (e.g., Bangladesh, Peru). The failed state is similar to the pretransition phase in Eastern Europe and Central Asia, as defined in the *Lessons in Implementation* study. Likewise, the fragile state corresponds with the transition phase, and the emerging state, to the consolidation phase.

At a conference in Sri Lanka earlier this year,¹²⁵ The Center for Institutional Reform and the Informal Sector at the University of Maryland and USAID defined three types of fragile states:

- **Failing:** There is a growing inability to ensure the provision of basic services and security and there are economic downturns, conflict, and humanitarian disasters.
- **Failed:** The central government has lost its monopoly on the use of force, it has lost control over its territory, has lost legitimacy, and there are serious erosions in cohesion accompanied by politically motivated violent conflict.
- **Recovering:** The country is still weak but is on an upward trajectory with increased stability and basic governance. There is a reduction in violence, more security, and provision of basic public goods.¹²⁶

For purposes of discussion, this paper uses the white paper terminology in combination with the stages identified in the E&E region.

For each development environment, areas of program focus and corresponding activities of NGO sector development are identified, which USAID and its NGO implementation partners could carry out. That is, the areas and activities are elements of program design for NGO sector development that USAID and PVOs, respectively, would implement depending mostly on the type of activity. PVOs would be expected to partner with local NGOs, where possible.

7.2.1 Failed state or pretransition phase

In pretransition countries, NGOs operate in an environment where government is hostile to calls for reform and there is repressed political activity. A description of this state might include:

- some programmatic success in developing local capacity of NGOs or facilitating progress of the NGO sector is hampered by a contracting economy,
- an authoritarian leader,
- a highly centralized governance structure,
- a controlled or reactionary media, or
- a civil conflict.

¹²⁵ Workshop on Conflict and Development in the ANE Region: Building USAID's Capacity to Address Violent Conflict presented by ANE/TS, DCHA/CMM and USAID/Colombo. January 13-15, 2004. A report is forthcoming.

¹²⁶ USAID and IRIS. *Fragile States Strategy Update: Status Report*, January 8, 2004. Presentation at conference in Sri Lanka.



The absorptive capacity of the NGO sector is limited—perhaps limited geographically to the capital city, or sectorally to two or three areas of activity or policy issues.¹²⁷ Countries ranked at this stage in the 1998 NGO Sustainability Index were Armenia, Belarus, Bosnia, Serbia, Tajikistan, and Turkmenistan.¹²⁸

The features of a failed state include the following:

- Ineffective central government.
- Powerful regional or ethnic factions.
- Media controlled by dominant factions.
- Frequent civil conflict.
- Lack of personal security for citizens.
- Much of the humanitarian assistance is delivered by PVOs and INGOs.
- Main groups available to work with are political or faction leaders.
- All funds are from international humanitarian groups.
- No legal and regulatory framework for NGOs.
- Few NGOs. Those that exist are often highly political, run by relatives of political leaders.
- No system for due diligence of NGOs.

There are rarely any Stage 2 or 3 NGOs in failed or pretransition states.

Table 6 illustrates possible areas of program focus and corresponding activities for NGO sector development in failed states or countries in the pretransition phase that USAID and its NGO implementation partners could carry out.

**Table 6: Failed States and Pretransition Countries:
Illustrative Areas of PVO Program Focus and Activities for NGO Sector Development**

AREAS	ACTIVITIES
Sectors and Organizations Supported	<ul style="list-style-type: none"> • Provide broad-based project grants and technical support to non-threatening humanitarian and social service NGOs. • Support projects that bring immediate, tangible benefits to communities such as social service delivery, youth programs, income generation, and community development. • Support programs that build the credibility of local government, that are quick to implement and highly visible (roads, schools, utilities). • When possible, give direct support and donor cover to human rights advocacy groups and others pressing for government reform. • Support associations of legal professionals where available and support individual legal professionals active in human rights and other reform areas. • Support NGOs carrying out civic education programs to increase an

¹²⁷ Ibid., p. 49

¹²⁸ Ibid. pp. 49-50



AREAS	ACTIVITIES
	awareness of democratic process and the role of civil society. <ul style="list-style-type: none"> • Encourage the integration of sectors and development with humanitarian assistance.
Legal and Regulatory Framework	<ul style="list-style-type: none"> • Support organizations and activities that work to create a legal framework in which NGOs can operate. • Provide model legislation and regulations for NGO sector development.
Support Services	<ul style="list-style-type: none"> • Create or foster the development of NGO information and support centers either by supporting existing groups or by establishing new ones. • Develop a cadre of local trainers, including those living in rural areas who can speak to the needs of rural organizations. • Support networking, internships, and other mechanisms, that bring people out of the country to share experiences and knowledge, to foster internal and international linkages. • Use partnerships as a mechanism to provide NGOs with access to sector-specific technical skills training. • Create community telecenters where community groups can access computers and other office services. • Participate in and strengthen donor coordination activities.
NGOs and Other Sectors	<ul style="list-style-type: none"> • Facilitate dialogue among local NGOs, businesses and governments to show the value and capacity of NGOs as viable partners for sustainable development. • Educate government officials about the NGO sector. • Raise the profile of NGOs in the media by educating journalists and making NGO information available to them.

-Adapted from: USAID. Lessons in Implementation: The NGO Story, pp. 49-50

7.2.2 Fragile state or transition phase

The range of transition countries runs from an early transition stage of political opening in which an authoritarian regime accepts some political liberalization, to a late transition stage where a fundamental redirection of a more open political system is under way. NGO programs in transition countries should be structured to quickly respond, if necessary, to the changing political situations.¹²⁹ In early transition countries, progress in NGO development is hampered by a stagnant rather than a contracting economy, a passive rather than hostile government, a disinterested rather than controlled or reactionary media, or a community of good-willed but inexperienced activists. While NGOs in the capital city in three or four sectors are progressing, others lag far behind.

Fragile States require a holistic, multi-dimension approach to assessing, and improving state capacity.

*-IRIS and USAID Status Report
January 8, 2004*

¹²⁹ Ibid., p. 50



In late transition countries, society has agreed on new rules for democratic governance in the early transition period and now the major task is ensuring that political actors and government begin conforming to them. At the most liberal level of this stage, foreign assistance would be able to accelerate or facilitate reform because the environment is generally enabling or local progress and commitment to developing NGOs is strong. An enabling environment includes a government open to political and legal reform, a growing economy, some decentralization of governing structures, and an increasingly independent media. NGOs in regional centers and in four or five sectors are beginning to mature.¹³⁰

Countries ranked at this stage in the 1998 NGO Sustainability Index are Albania, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Latvia, Macedonia, Romania, Russia, Ukraine, and Uzbekistan.¹³¹

These features are similar to those of a fragile state in other regions:

- Authoritarian leaders
- Highly centralized, top-down government
- Controlled or reactionary media with little honest reporting
- There is frequent civil conflict
- NGOs survive from grant to grant or depend financially on one (foreign) sponsor
- NGOs lack basic fundraising skills, e.g. proposal writing
- Most funds come from international donors, as there is no tradition or incentives for local charity, few businesses and no tax incentives for corporate or private donations.
- Competition between NGOs for attention of a limited number of international donors.
- PVOs and NGOs work under difficult and dangerous conditions.
- PVOs rely on local staff with expatriates only in capital city or safe areas.
- No legal and regulatory framework for NGOs.
- The government is hostile to NGOs.

NGO's role in transition economies can be especially helpful; the primary goal in these situations is to build local capacity. In the new foreign policy environment, PVOs must make sure their programs are politically relevant.

--Denny Robertson, Mission Director, USAID/Caucasus

Table 7 illustrates areas of program focus and corresponding activities for NGO sector development in fragile states and transition countries that USAID and its NGO implementation partners could carry out. In addition to NGO sector development, it is very important for USAID to achieve an integrated approach, joining together D&G, OTI, and PVO assistance, and to support the notion of developmental relief in using

¹³⁰ Ibid., p. 51

¹³¹ Ibid., p. 51



humanitarian assistance to lay the groundwork for integrated social and economic development programs.

**Table 7: Fragile States and Transition Countries:
Areas of PVO Program Focus and Activities for NGO Sector Development**

AREAS	PVO Role:
Sectors and Organizations Supported	<ul style="list-style-type: none"> • Develop issues-based coalitions and professional associations. • Broaden grant programs to focus on and develop the NGO sector as a whole, in addition to focusing on the survival of individual NGOs. • Direct grants strategically to selected NGOs that show promise or potential. • Introduce mentoring-partnering relationships in grant programs. • Provide funds for innovative, riskier projects.
Legal and Regulatory Framework	<ul style="list-style-type: none"> • Focus on legal and regulatory framework issues, making sure that NGOs are able to register, receive funds and operate by 1) engaging in dialogue on what the legal framework should look like and 2) building the capacity of NGOs to interact with legislators and government.
Support Services	<ul style="list-style-type: none"> • Strengthen the variety and sophistication of support services. • Expand access to support services to more isolated parts of the country. • Localize ownership of NGO support centers. • Begin the development of Support Organizations to provide training, technical assistance and networking capacity to NGOs. • Integrate training and technical assistance with grants. • Move from broad-based training to individualized onsite technical assistance in targeted areas. • Create community telecenters where citizens and community groups can assess the internet and business services. • Lengthen the time frame of grants to 24-36 months.
NGOs and Other Sectors	<ul style="list-style-type: none"> • Support social partnerships between government, business, and NGOs by educating government officials and business about NGOs and ways that they can work together. • Strengthen the advocacy capacity of NGOs and train them in how to improve their public image. • Launch civic education campaigns to educate citizens about their rights in a democracy. • Train mid-level government officials to facilitate partnerships between local businesses and NGOs. • In providing support to social service NGOs, encourage them to think beyond strict service provision and to advocate on behalf of the interests of their constituency. • Support and engage think tanks and academic institutions to teach and research on NGO and civil society topics. • Create corporate good citizenship awards and other incentives to encourage a culture of philanthropy.



AREAS	PVO Role:
NGO Constituencies	<ul style="list-style-type: none"> • Educate NGOs to reach out to the media. • Educate journalists about the NGO sector. • Assist NGOs in doing customer satisfaction surveys and service quality reviews. • Foster constituency development for NGOs through the use of community mobilization methodologies. • Foster community-based internal governance and board development. • Train NGOs in recruiting and managing volunteers. • Foster the development of volunteer support centers. • Raise the public profile of NGOs through community NGO fairs and other events.
Financial Sustainability	<ul style="list-style-type: none"> • Introduce corporate and government challenge grants to encourage collaboration among the three sectors on specific local needs. • Foster local fundraising and earned income. • Facilitate cost sharing on grants. • Organize meetings and workshops where businesses and NGOs can develop joint-ventures. • Teach and require NGOs to raise funds from business. • Urge the use of cost-recovery fees and fees for service. • Educate NGOs about the impact of international donor eventual departure and their exit strategies. • Encourage social enterprise. • Foster NGO contracting with local governments and businesses • Develop ways to fund small community groups that are working on specific local issues but are not formal NGOs.

-Adapted from USAID. Lessons in Implementation: The NGO Story, pp. 51-52

7.2.3 Emerging state or consolidation phase.

Consolidation is marked by a deepening of democratic governance within society's institutions and culture. Basic and operational rules have been agreed upon, and the mechanisms to ensure political participation and government accountability are in place. At the consolidation stage, the legal environment is enabling and the local NGO community demonstrates a commitment to pursuing needed reforms and to developing its professionalism. Foreign assistance continues to accelerate or facilitate these developments.

By the end stage of the consolidation phase, not all needed reforms or the NGO sector's development may be completed, but the local NGO community recognizes that reforms or developments are still needed, and it has plans and the ability to pursue them itself. Model NGOs can be found in cities and towns, in all regions of a country, in numerous sectors. A critical mass of NGOs draws financial support from diverse funding



sources.¹³² Countries ranked at this stage in the 1998 NGO Sustainability Index are Czech Republic, Poland, Estonia, Slovakia, and Hungary. The features of an emerging state or consolidation phase are:

- Weak or corrupt central government.
- Disinterested media.
- Early stages of democratic governance.
- Stagnant economy, high under- or unemployment rates.
- Legal and regulatory framework exists but often cumbersome and unevenly applied.
- Some public distrust of NGOs.
- Development of many small community groups to work on specific local issues.
- Main role for PVOs and INGOs is to provide training in management skills for NGOs.
- Critical mass of NGOs adopt rules on conflict of interest, prohibitions on self-dealing and private procurement, appropriate distribution of assets upon dissolution, and other policies to win potential donor's confidence.
- Local NGO sector may lay groundwork for financial viability by cultivating future sources of revenue for the sector, e.g., lobbying for government procurement reform for NGO-delivered services and cultivating a domestic tradition of corporate philanthropy.

Table 8 illustrates interventions for NGO sector development in emerging states or consolidation countries that USAID and its NGO implementation partners could carry out.

Table 8: Emerging States and Consolidation Countries: PVO Interventions for NGO Sector Development

PVO INTERVENTIONS
<ul style="list-style-type: none"> • Strengthen local NGO links to the international community and to in-country funding sources through the use of partnership grants, targeted regional visitor programs, and other regional activities. • Foster the establishment and development of community foundations. • Make grants directly to local intermediate service organizations (ISOs). • Continue to improve the legislative and regulatory environment, through targeted, narrowly focused technical assistance. • Introduce model regulations that encourage both international and local businesses to partner with NGOs for joint-ventures. • Create post-presence mechanisms like the CEE Trust for Civil Society and the Baltic American Partnership Fund to fund strong civil society organizations in USAID-graduated countries—these will be crucial to the future financial sustainability of NGOs.

- Adapted from USAID. *Lessons in Implementation: The NGO Story*, pp. 52-53

¹³² Ibid., p. 53



7.2.4 Developing countries

Relatively stable developing countries are those where the policy environment supports lasting economic growth and poverty reduction. Countries in this category include Armenia, Benin, Bolivia, Cape Verde, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Mozambique, Nicaragua, Senegal, Sri Lanka, and Vanuatu.¹³³

Most developing countries have effective State 3 NGOs, in addition to nonprofit consulting firms and non-service delivery NGOs; hence, there is not much of a role for PVOs in capacity building except to introduce innovative ideas, organize learning networks that reach across national borders, and facilitate regional and international exchanges of people and ideas. It is one of USAID's great successes that it has contributed to the development of a flourishing civil society in the developing countries where it has worked in the past. It has achieved the ultimate development objective of making its presence no longer necessary.

8.0 Conclusion

This review of the literature on PVO-NGO collaboration covers those activities that are best documented. One of the major conclusions of the research is that there is very little substantive data on capacity building strategies. While the development community places great emphasis on lessons learned and best practices, the information is not easily accessible. There is a pressing need for more summaries and consolidations of evaluation reports, workshop findings, and particularly for more substantive results information.

The literature reviewed in this report shows that several factors influence the changes in the role of both PVOs and NGOs in development: 1) the global trends of reduced government, 2) the privatization of foreign aid, 3) decreased government foreign assistance spending, 4) work toward overcoming the North-South divide, and 5) the changed development environment. The sector-specific development models (such as child survival, micro-credit, or cooperatives) that PVOs have used in the past are no longer appropriate to the fragile countries where USAID will be working. To the credit of the PVOs and the Agency, most developing countries, at least in Asia and Latin America, where the agency has worked in the past decade, now have sustainable nonprofit communities that can meet their own technical and managerial needs.

USAID has a well documented experience of building a civil society in Eastern Europe, but the context there is unique, and the lessons learned have only limited implications for work in countries such as Sudan, Iraq, and Afghanistan. Through OTI and D&G experiences, the Agency does have an emerging model for working to build the capacity of local NGOs in areas of conflict. Based on the experience of E&E, and the experience of OTI and D&G, it is possible to identify a preliminary strategy for building

¹³³ Millennium Challenge Corporation. *Report on the Selection of MCA Eligible Countries for FY2004*, Summary, n.d.



NGOs in fragile states and taking advantage of the PVO's expertise in developmental relief.

In the future, USAID will be focusing on fragile states; specifically those countries that help achieve U.S. foreign policy goals of the war on terrorism. There will be more emphasis on humanitarian response and what is called developmental relief, which combines humanitarian assistance with development programs. There will be a greater demand for programs that focus on more than one sector.

PVOs have three roles to play in NGO capacity building: 1) NGO capacity building with individual organizations, 2) NGO sector development including a supportive legal and regulatory environment, and 3) fostering regional and international exchanges of ideas. The role of PVOs in NGO capacity building would include the preparation of capacity building needs assessments, development of capacity building plans or projects, and implementation in partnership with NGOs.

The role of PVOs in NGO sector development in fragile states would be to assist with the legal and regulatory environment that will allow NGOs to register and carry out their work with limited government intervention. It would also include the preparation of needs assessments that may cross sectors or be focused on personal security or projects that will strengthen the credibility of local governments. The hallmark of both NGO capacity building and sector development would be extensive consultation and participation on the part of PVOs, NGOs, other relevant civil society actors, government, and USAID Missions and other donors. The process needs to be much more bottom-up and open to innovation than it currently is.

A review of the literature indicates areas for further research, which are recommended in order to develop more effective and efficient programs whose implementation depends on collaboration between PVOs and NGOs: (a) NGO capacity development needs and the most effective mechanisms for building capacity from the point of view of NGOs; (b) the cost and cost-effectiveness of the different models of PVO/NGO collaboration; (c) the cost and cost-effectiveness of NGO capacity building; (d) the extent to which traditional sector-specific projects can be adapted to areas of conflict needs; and (e) the development community's experience in direct funding of NGOs.



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Annex A: Scope of Work

Mechanisms for PVO/NGO Collaboration: An Evaluation of the Development Community's Experience Scope of Work

I. OBJECTIVE

The objective of this study is to evaluate the utility of various mechanisms for PVO/NGO collaboration, as supported by various donor agencies, as a tool for improved NGO organizational development, service delivery and performance. Examples of these mechanisms may include, but are not limited to, sub-grants and contracts, dependent franchise, spin-off NGO, collaborating organizations, shared vision or co-equal arrangement. The study will consider the range of development environments in which these mechanisms are utilized, including transitional, conflict and post-conflict settings. In addition, the study shall attempt to determine whether any or all of these models for collaboration are cost-effective interventions to achieve improved local NGO organizational development and performance, as compared with other programming options. The study shall cover USAID and other donor programs and cover at a minimum, the range of mechanisms noted, including those mentioned previously and others as appropriate.

The report shall (1) summarize the findings of the research, and (2) provide recommendations for approaches to PVO/NGO collaboration that USAID and the larger development community should consider supporting in the future in order to achieve maximum program impact.

From rigorous qualitative and quantitative research, the evaluation shall:

1. Determine the impact of various types of PVO/NGO collaboration, including the impact of donor financial or other support for these efforts, on the organizational development and performance of individual NGOs; and,
2. In comparison with other NGO development activities, determine the relative value and cost-effectiveness of providing financial or other support for PVO/NGO collaboration; and
3. Evaluate the utility of PVO/NGO collaboration mechanisms in the continuum of development contexts, from sustainable development countries through failed states.

In particular, the evaluation shall analyze and address, as a minimum, the following set of questions:

Impact:

- Are certain kinds of PVO/NGO collaboration mechanisms more cost-effective and results producing than others?
- Do certain combinations of type and number of PVO/NGO partners produce better results?



- Are certain kinds of PVO/NGO collaboration mechanisms more successful in achieving improved performance of local NGOs?
- Are certain combinations of type and number of PVO/NGO partners more cost effective in terms of achieving broader development impact?

Utility:

- In the face of limited resources, should donor resources be directed to programs that focus on supporting PVO/NGO collaboration, or on other aspects of NGO development?
- What are the benefits of PVO/NGO collaboration as compared to other kinds of NGO development activities?
- Are there some combinations of programs (such as support for PVO/NGO collaboration plus targeted training) that can maximize NGO development results?
- Is there a sequences of programming (i.e. support for specific areas of individual NGO organizational development first, and then for PVO/NGO collaborations) that produces better outcomes?
- Is strengthening NGOs through collaboration with PVOs the most efficient and effective way to promote NGO organizational development?

Context

- Does the impact of PVO/NGO collaboration mechanisms vary with different political contexts (i.e. conflict, transition)?
- Are certain kinds of PVO/NGO collaboration mechanisms more suitable in specific country contexts? Are certain kinds of PVO/NGO collaboration mechanisms inadvisable in specific country contexts?
- Are there risks associated with certain kinds of PVO/NGO collaboration mechanisms in specific country contexts?

II. SUMMARY of TASKS

The contractor shall provide a report providing an evaluation and analysis of the strategies that USAID, other donors (e.g., European Union), and partners (e.g., PACT), have employed to provide support to PVO/NGO collaboration mechanisms. The contractor shall conduct a debriefing, held in a USAID facility, to present the findings of the evaluation to USAID staff and other interested members of the development community.

III. TANGIBLE RESULTS

The contractor understands and agrees that achievement of the Tangible Results and Benchmarks is the essence of this task order, and that USAID will judge that contractor's success or lack thereof on whether or not the tangible results are achieved. In the event that any one or more of the tangible results and benchmarks are not achieved or should the contractor at any time realize that they are not achievable, the contractor shall immediately advise USAID in writing and shall provide a complete explanation of the circumstances



related thereto.

A. The evaluation report shall contain:

- An assessment of the impact PVO/NGO collaboration mechanisms on improving the organizational development and performance of those NGOs through an evaluation of existing knowledge in the development community. The assessment shall provide discrete analysis of the impact of financial or other support by donors for these PVO/NGO collaboration mechanisms on both organizational development and performance, and shall note differences among and within donor programs studied.
- An assessment of the relative utility of financial or other donor support to various PVO/NGO collaboration mechanisms as an activity to promote improved organizational development and performance of local NGOs. If another strategic approach(es) is (are) determined to be more cost-effective for the purpose of improving local NGO organizational development and performance, the contractor shall specify the approach(es) and provide examples where such approach(es) have been implemented.
- An assessment of the suitability of support for PVO/NGO collaboration mechanisms across the spectrum of development contexts including transition, conflict and post-conflict environments, with particular attention to contexts in which certain kinds of PVO/NGO collaboration mechanisms may be unhelpful or even counterproductive.

IV. BENCHMARKS

A. (1) No later than 20 calendar days after the task order is signed, the contractor shall design and present a rigorous evaluation methodology that gathers qualitative and quantitative data through a variety of mechanisms (i.e. the contractor shall not rely on interviews alone to gather data). In its presentation, the contractor may recommend changes to the specific questions that the evaluation seeks to answer (see Section I of this work statement) if the contractor believes that such changes will improve the quality of the evaluation. (2) USAID will provide comments on the methodology within 7 calendar days after the methodology presentation. No later than 7 calendar days after receiving USAID's comments, the contractor shall revise the proposed evaluation methodology according to the aforementioned comments.

B. The contractor shall present the draft of the report to USAID no later than July 1, 2004. The draft shall present the research methodology and contain a stand-alone executive summary (between 2-5 pages) that can be utilized as a briefing paper.

C. USAID will return its comments to the contractor within 21 calendar days (no later than July 22, 2004). The contractor shall then revise the report according to the comments and present the final report to USAID within 21 calendar days (no later than August 12, 2004).

D. The contractor shall conduct a briefing for USAID within 30 calendar days after completion of the report to present findings.



Clarification on Scope of Work

The SOW is intended to provide PVC-ASHA with information on the current “State-of-the-Art” in the referenced area. Our intent is not to solicit an exhaustive survey or field study, but rather to generate a summary of current knowledge, both within USAID and outside, that may serve as a launching point for further study and/or help guide PVC-ASHA programming decisions for future grant programs. We anticipate that the majority of contacts at this initial stage would be with the U.S. offices of various members of the development community. While we can assist with providing PVC-ASHA current knowledge on these subjects, we expect that the consultant will have sufficient knowledge of the international development community to be able to ascertain which agencies will have useful information to provide.

We are interested in synthesizing what others have already learned rather generating any new knowledge on this topic at this point. We are interested in knowledge from a range of development environments (transition, conflict, post conflict, etc.) but recognize that information may not be available for the range of possible development environments.

PVC-ASHA also seeks to understand whether any knowledge exists about the relative cost-effectiveness and utility of various methods of NGO strengthening: in other words, we want to know whether given limited resources we should be focused on certain aspects of NGO strengthening (such as networks) versus other aspects (such as PVO-NGO partnerships). In each case, the focus is on the outcome of NGO strengthening.

To the extent that information exists about whether certain types of activities produce better outcomes in terms of strengthening NGOs, we are interested in documenting this. We recognize that this data may not be available, but the purpose of this exercise is to determine, in fact, what the development community writ large does know about these topics. While we recognize that the timeline is short, this is unavoidable and we accept that this may limit the acquisition of certain information.



Annex B: Methodology

Proposed Evaluation Methodology for Mechanisms for PVO/NGO Collaboration: An Evaluation of the Development Community's Experience

The purpose of this research is to offer USAID guidance on how best to build the capacity of NGOs, particularly in fragile states where USAID will increasingly be working, and explore the role the PVOs can most effectively play in that process. The report will be a summary of existing material from the point of view of USAID, PVOs, NGOs, and others. There is a substantial body of literature on PVO-NGO relations. For this reason, the research will focus on documents that:

- Describe a typology of NGOs and their needs at each level of development
- Contain qualitative or quantitative information on relationships between PVOs and NGOs and identify collaborative efforts that have or have not worked.
- Contains at least implicit information on costs and which strategies for NGO capacity building result in the greatest benefit for the least cost.
- Information on the role PVOs can most effectively play in building the capacity of NGOs in fragile states such as Sudan, Afghanistan, and Iraq.

1. Data Collection

The evaluation will use two principal means of data collection: document review and interviews.

Document review. We will rely on the web to identify documents that are relevant. We will down-load what we can and order hard-copies of those that cannot be accessed electronically. The document review will cover relevant documents from the following sources written in the past five years. These will include

- USAID documents, including evaluation reports.
- Other donor documents such as the World Bank, DFID, and CIDA.
- University and academic research from institutes such as INTRAC, and IDR (Sussex), and individuals such as Alan Fowler, Carol Lancaster, and Tom Carroll.
- PVO documents from Katalysis, World Neighbors, InterAction, and Oxfam.
- Articles and reports from NGOs such as Pria (India), and INTRAC (UK).

Interviews Interviews will be used to vet findings and interpretations of the document review. There are a number of people in Washington with practical experience with NGO capacity building projects whose experience has not been written. We will identify approximately 15 people (USAID, InterAction, and PVO) and review our preliminary findings with them to see if their experience agrees with our interpretation. We will also vet our preliminary findings by email with a few select NGO leaders by email.



2. Data Analysis and Interpretation

It is anticipated that there will be very little quantitative data on successful NGO capacity building efforts and the role of PVOs in that development. Similarly, there are not likely to be specific cost data on which approaches have the greatest benefit for the cost. The data analysis will look for trends, patterns, and themes. It will identify, where possible, that there are similar or conflicting points of view on a particular program strategy such as NGO Umbrella Projects or partnerships. The report will indicate where we were unable to find data and additional research that will be needed. The report will also discuss some of the limitations of the methodology.

3. Geographic Coverage

The evaluation will include representative geographic coverage but will make a special effort to identify reports on countries where USAID the NGO community has been particularly weak. If such information is available it might include Eastern Europe, Western Asia, certain countries in Africa, and fragile states such as Ethiopia, Sudan, and Afghanistan.

4. Report:

See the attached outline

5. Schedule of Activities

Date	Activities
May 15-30	Prepare evaluation methodology
June 1	Submit evaluation methodology to PVC-ASHA
	Begin to collect documents
June 7	PVC-ASHA deadline for comments on methodology
June 9	Final evaluation methodology revised and submitted to PVC-ASHA
June 10-30	Review documents, interviews and draft report
July 16	Submit draft report to PVC-ASHA
July 30	PVC-ASHA deadline for comments on draft report
Aug 1-15	Report revision
Aug 15	Submit final report to PVC/ASHA

6. The research team:

The evaluation will be carried out by Shirley Buzzard, Ph.D. and Anna Webb, Ph.D. Dr. Buzzard has extensive experience with USAID, PVOs and NGOs world wide but particularly in Africa, Eastern Europe and Western Asia. Dr. Webb has in-depth experience with the World Bank and in Latin America. The team leader will be Shirley Buzzard.