

**USAID Development
Information Services**

**Annotated Bibliography
NGO Effectiveness in USAID Programs
(Response to an Information Request)**

January 2006

USAID Development Information Services
Information Request Response
United States Agency for International Development
Bureau for Policy and Program Coordination
Office of Development Evaluation and Information
1331 Pennsylvania Avenue, NW, Suite 1425
Washington, D.C. 20004



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January 24, 2006

Annotated Bibliography- NGO Effectiveness in USAID Programs

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Introduction:

The US Government has been channeling foreign aid through US PVOs since the end of World War II, and the USAID/PVO partnership has grown significantly stronger in recent years. USAID now relies heavily on non-governmental organizations to deliver the bulk of its foreign assistance.

USAID partnerships with US-based PVOs and local NGOs offer flexibility and creativity in addressing development problems and can often help USAID deal more effectively with systemic issues that cut across sectoral domains. They can improve the technical and managerial ability of host-country organizations and add to the experience base of USAID program staff.

However, working with PVOs/NGOs poses several key challenges for USAID: relationships with PVOs/NGOs can be expensive to support and maintain, they often take a long time to get started, and their success frequently hinges on factors that are difficult to attain and manage: trust, good communication, cross-cultural sensitivity.

The effectiveness of NGO-implemented programs will vary widely depending on the local conditions and the institutional capacity of the host country, so it is difficult to generalize across USAID programs. However, the following resources and studies examine USAID and other donor programs implemented via PVOs/NGOs and highlight the challenges and lessons learned from these experiences.

Selected Bibliography

1.

“USAID Relies Heavily on Non-governmental Organizations, but Better Data Needed to Evaluate Approaches”. GAO Study, April 2002.

<http://www.gao.gov/new.items/d02471.pdf>

USAID relies heavily on nongovernmental organizations to deliver foreign assistance. GAO found that in fiscal year 2000, USAID directed about \$4 billion of its \$7.2 billion assistance funding to nongovernmental organizations, including at least \$1 billion to private voluntary organizations (charities) working overseas. However, the amount of funding USAID provides to specific types of organizations for different kinds of assistance activities is unknown because USAID lacks comprehensive and reliable information in this area.

USAID uses a range of funding mechanisms to provide assistance through nongovernmental organizations, such as endowments and global grants and contracts. The mechanisms have both potential advantages and disadvantages in terms of cost, time, selection of implementers, and USAID’s authority to oversee assistance activities.

USAID generally favors mechanisms that delegate a large amount of control over programs to implementing organizations. However, the agency has not compiled detailed data on its use of specific types of funding mechanisms or evaluated their effectiveness.

2.

Designing and Managing Partnerships Between U.S. And Host-Country Entities

USAID Center for Development Information and Evaluation (CDIE). May 2001

http://www.aed.org/ToolsandPublications/upload/Designing_and_managing_partnerships.pdf

“Many of the principles and skills needed to ensure an effective partnership are applicable to both the relationship between USAID and implementing organizations and between the U.S. and host-country partners. The collaborative nature of a partnership mechanism differs from the traditional consulting mindset. For a partnership, process is important. This guide argues that to foster partnerships effectively between host-country and U.S. entities, USAID needs to practice what it preaches. Thus, the Agency’s own relationship with implementing organizations that are to develop partnership programs also must be collaborative.

There is no reliable way to determine beforehand if a partnership will succeed. Even so, certain characteristics are associated with effective partnerships. Five factors—country context, maturity of participating organizations, nature of the organizations’ work, similarity of norms and organizational culture, and complementary income structure—are, when favorable, normally associated with an effective relationship. Taking these factors into consideration when forming partnerships will improve the chances of achieving effective and sustainable relationships.”

3.

Mechanisms for PVO-NGO Collaboration: The Development Community’s Experience

Prepared for USAID/DCHA Office of Private and Voluntary Cooperation

by Shirley Buzzard, Ph.D. and Anna Kathryn Webb, Ph.D. August 25, 2004

<http://www.corcom.org/heartlands/publications/PVO-NGO-Report.pdf>

“USAID does not directly implement projects. Projects are 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. 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.” [Rather, USAID works with US-based private voluntary organizations (PVOs) which in turn collaborate with non-governmental organizations (NGOs) in the field.]

4.

"Non-Governmental Landscape." Chapter 3 in "Ambiguity and Change: Humanitarian NGOs Prepare for the Future." Boston: The Feinstein International Famine Center, 2004.
http://www.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/conf_feinstein_chapt.3.pdf (Chapter 3)
http://nutrition.tufts.edu/pdf/research/famine/ambiguity_and_change.pdf (full report)

A 2002 study of AID funding identified a range of mechanisms to fund NGOs, with grants and co-operative agreements the predominant ones. Under grant agreements, an NGO implements an agreed-upon program without further substantial AID involvement. Under a cooperative agreement, an NGO retains significant independence but AID is involved in agreeing to the activities to be performed, the selection of key personnel, and the approval of monitoring and evaluation plans. The study concluded that, compared with most other donors, USAID's choice of funding mechanisms tends to be guided by a desire for programmatic and financial controls and competition. Hence it is not surprising that AID has increased its use of cooperative agreements and of for-profits (in relation to non-profits) as implementing partners. The head of AID has lamented the lack of standardized and quantified reporting by NGOs.

5.

"Lessons in Implementation: The NGO Story"
http://www.usaid.gov/locations/europe_eurasia/pdfs/lessonsnew.pdf

This report conveys what USAID and participating American NGOs have learned about the process of strengthening civil society in Central and Eastern Europe and Eurasia between 1990 and 1999. The study presents lessons learned on many implementation issues encountered over the years, and in its final chapter, describes illustrative options for future programming, categorized by the stage of development attained by the NGO sector in particular countries.

This study documents that, in nine short years, the efforts of USAID and its American NGO partners have dramatically strengthened the prospects for ultimate sustainability of NGO sectors in Central and Eastern European countries and New Independent States.

6.

"The Role of Civil Society in Sustainable Development". USAID Advisory Committee on Voluntary Foreign Aid (USAID/ACVFA, December 1998)
http://gopher.info.usaid.gov/hum_response/pvc/acvfafullreptdec1998.pdf

Thomas Fox, USAID/PPC Assistant Administrator, congratulated ACVFA for taking on the issue of civil society and how it can be better integrated into the whole foreign policy program. "Support for civil society is fundamental to our work," he said, "and it is key to development and to sustaining our efforts." It is also essential for broad-based participation, democratization, and strong public/private partnerships. NGOs are a vital component in the full spectrum of activities in which USAID is engaged. USAID is strengthening NGOs and other civil society organizations by funding umbrella grants, providing endowments, creating networks and coalitions, and supporting community

based organizations. The Regional Bureaus each have their own approaches and the Central Bureaus have played key roles in strengthening civil society organizations."

7.

Gibbs, C.; Fumo, C., Kuby, T. (1999) Non-governmental Organizations in World Bank-Supported Projects: A Review. World Bank. Washington.

[http://wbln0018.worldbank.org/oed/oeddoclib.nsf/7f2a291f9f1204c685256808006a0025/096f027fdaa81b5e852567f5005d9327/\\$FILE/177precis.pdf](http://wbln0018.worldbank.org/oed/oeddoclib.nsf/7f2a291f9f1204c685256808006a0025/096f027fdaa81b5e852567f5005d9327/$FILE/177precis.pdf)

"NGOs are on the ground, reaching poor communities and remote areas, identifying local needs, drawing in the marginalized, and providing services. In the last two decades, NGOs have been involved in a growing number of projects supported by the World Bank because of the experience they bring to emergency relief and participatory development. But the quality and depth of this collaboration are uneven."

8.

Fowler, Alan. "PVO and NGO Futures: A Framework for Reflection and Dialogue." August 2004.

http://www.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/conf_fowler.pdf

"Official finance will be driven more by geopolitical considerations than by moral imperatives. It will value PVOs and NGOs for their pragmatic problem solving capabilities and their long-term contribution to breaking a believed causative link between poverty and terrorism."

9.

Shea, Catherine and Sandra Sitar. "NGO Accreditation and Certification: The Way Forward? An Evaluation of The Development Community's Experience." 2005

http://www.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/conf_icnl.pdf

"Recent initiatives to promote accreditation and certification mechanisms have produced valuable lessons about how to further accountability, particularly in the not-for-profit sector."

10.

Sholes, Rebecca and Jane Covey. 1996. "Partnerships for Development: USAID and PVO/NGO Relationships."

Institute for Development Research (Boston), IDR Reports 12, 1.

http://pdf.dec.org/pdf_docs/PCAAA952.pdf

The US Government has been funding US PVOs since the end of World War II when they were officially recognized as legitimate actors in the delivery of official American

foreign aid. Since then, the amount of public funding to US PVOs has grown steadily to the point where it represents nearly 40% of total PVO funding from all sources. This growing reliance on US PVOs has been accompanied by a shift in PVO activities from providing short term relief to planning and implementing long-term development projects. Due to this change, the relationship between USAID and the PVO community has become more collaborative over the last 20 years. Changes in development approaches and USAID goals also brought a new player into the picture, local NGOs who are now occupying a greater role in the development process.

11.

United States Agency for International Development, New Partnerships Initiative Learning Team. 1997. "NPI Research Guide: A Strategic Approach to Development Partnering - NPI Executive Summary." Report to the Administrator of USAID. <http://www.info.usaid.gov/pubs/npi/npiresrc.htm#execsumm> (Exec Summary) <http://www.info.usaid.gov/pubs/npi/npiresrc.htm> (links to full report)

"The USAID *NPI Resource Guide* serves to document and clarify local empowerment as a program option and to highlight the critical role of civil society in the development process. NPI demonstrates the strategic potential of the local community for advancing sustainable development across a broad range of development activities, in balance with nation building activities and market development."

12.

Downs, Charles. "Negotiating Development Assistance: USAID and the Choice Between Public and Private Implementation in Haiti." Pew Charitable Trusts; Washington, D.C.: Distributed by the Institute for the Study of Diplomacy, School of Foreign Service, Georgetown University, 1994. <http://www.guisd.org/index.cfm?action=Shop&thisPage=Abstract&ProductID=29&MenuCategoryName=Case%20Studies>

This case looks at the specific negotiations necessary to turn broad U.S. foreign assistance policy decisions into identifiable programs. It does so by examining the 1988 policies of USAID/Haiti toward the public and private sector agencies operating within that country. This case encourages students to reflect on several important issues concerning the politics and practice of international development assistance programs and on how they can best be negotiated.

13.

NGOS: Linking Funding and Results
A Development Associates Occasional Paper in Democracy and Governance. Number 11 in the Series by Thomas J. Cook, Ph.D., Senior Associate, Democracy and Governance Center
<http://www.devassoc.com/msword%5Coccpap11.doc>

NGOs have long been regarded, not only as essential to a functioning civil society, but to democratic government, because of the channel they can provide for citizen participation

in the public policy process. However, Dr. Cook argues that NGOs have failed to prove that they are achieving worthwhile results. Moreover, their funding from international donors has, so far, not been linked to results. This paper identifies key sources of this defect and offers a remedy, drawing upon the knowledge gained in a recent evaluation of a USAID-funded NGO development program in Macedonia.

14.

“An Assessment of the State of the USAID/PVO Partnership”. USAID Advisory Committee on Voluntary Foreign Aid, June 1997.

http://www.pvo.net/about_usaid/acvfa/acvfaassessment.pdf

This Assessment has found that the USAID/PVO partnership is significantly stronger today than it was four years ago. USAID and the PVO community now share a more common development agenda, have engaged in constructive dialogue on foreign assistance programs, and have worked together to resolve administrative barriers to a more collaborative relationship. These achievements are particularly noteworthy given the stresses on the relationship and the entire development community resulting from the greatest pullback in U.S. foreign assistance since the Marshall Plan.

15.

USAID Program and Operations Assessment Report No. 13
Strengthening the Public-Private Partnership: An Assessment of USAID’s Management of PVO and NGO Activities

By Patricia L. Jordan, USAID/CDIE, April 1996

http://pdf.dec.org/pdf_docs/pnabs548.pdf

This assessment examines the working relationship between USAID and the PVO/NGO communities and suggests ways for USAID policymakers and project managers to improve that relationship. Thus, the study looks at how USAID does business--that is, the processes--as opposed to looking at the development impact of USAID-funded PVO and NGO activities.

16.

“Foreign Assistance: Private Voluntary Organizations’ Contributions and Limitations”. GAO Study, December 1995.

<http://www.gao.gov/archive/1996/ns96034.pdf>

While PVOs have demonstrated that they are generally effective in carrying out community-based development projects, most have not had wide experience in working with governments and institutions on sectoral and macroeconomic policy reforms necessary to create an environment favorable to development, although some PVOs have begun to expand their activities into these areas.

Accountability for USAID assistance funds has been a continuing concern. Over the last decade, USAID has encouraged and assisted PVOs to improve their program and financial management systems. While there is evidence of improved accountability in the

PVO community, providing increased amounts of foreign aid directly through PVOs or through a foundation, suggested in some reform proposals, would remove a key accountability mechanism from the U.S. foreign assistance programs.

17.

2003 USAID/DCHA/PVC-ASHA Annual PVO Conference

“USAID, PVOS and Local NGOS: Mission Priorities and Perspectives” October 2003.

Dr. Jerry VanSant, Terry Sanford Institute of Public Policy, Duke University
Keynote Speech: Challenges of Local NGO Sustainability

http://ftp.info.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/pvo_conf_vansant03.pdf

Links to all Conference Presentations:

http://ftp.info.usaid.gov/our_work/cross-cutting_programs/private_voluntary_cooperation/pvo_conf2003.html

Local NGOs... can blaze a new path and pull politicians with them; there is an emerging community of local NGO activists who are, with varying degrees of formality and design, networking globally to tackle common issues that concern citizens and citizenship throughout the world.

The concepts of NGO networking and partnership and the growing role of civil society all come together in the context of globalization and a revolution in technology to create a potent opportunity for local NGOs.

As partners of these NGOs... USAID and the U.S. PVO communities have a significant facilitating role to play.

18.

USAID Advisory Committee on Voluntary Foreign Aid Meeting Report (May 2003)

“U.S. Foreign Assistance Strategy – A New Role for NGOs and USAID?”

http://www.usaid.gov/about_usaid/acvfa/acvfafullreptmay2003.pdf

19.

USAID Advisory Committee on Voluntary Foreign Aid Meeting Report (1988). The Effectiveness of Private Voluntary Organizations. Washington, DC: USAID.

http://www.dec.org/search/dexs/index.cfm?fuseaction=Dexs.citation&rec_no=51533

This paper evaluates and offers recommendations for improvement of PVO performance in four areas: 1) PVO effectiveness in implementing self-sustaining projects 2)

Managerial characteristics of PVOs 3) Cost-effectiveness of PVOs as development agents 4) PVOs as agents of policy reform.