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UNITED STATES AID MISSION TO CAIRO

ASSESSMENT OF AID/PVO COLLABORATION

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REPORT

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Private Voluntary Organization Office  
Program Development and Support Directorate

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Acknowledgements

Appendices

I. Executive Summary

A. This is an assessment of USPVOs and IPVOs, their relationship with each other, with the Government of Egypt, and with USAID. The assessment reviews the basis, and suggest a structure, for an Umbrella Project to simplify funding and implementation of projects.

B. Findings:

1. There are important differences in Egyptian and US uses of the term "PVO". The term "PVO" in Egypt is now usually associated with those community-based social and welfare organizations supported and regulated by the Ministry of Social Affairs (MSA), largely volunteer staffed. The USPVOs tend to be development-oriented, non-profit organizations, professionally (but low-cost) staffed and highly motivated, largely independent of Government.

2. There are almost 14,000 community-level "PVOs" registered with MSA, with another 160 centrally registered "PVOs", often with branches in the Governorate. Within this latter group, as well as some of the stronger community-level groups, there is emerging a number of intermediate level, development-oriented organizations.

3. There is a relatively small number of USPVOs working in Egypt, and they operate pursuant to a variety of official GOE arrangements. USPVOs have a record of successful working relationships with Egyptian institutions, Often Egyptian "PVOs". USPVO plans in Egypt largely concentrate on promoting local skills and systems for development-oriented work by Egyptian organizations

4. USPVOs require a greater level of acceptance by the GOE of the value of their role in promoting and assisting community-based institutional growth. The USPVOs seek from USAID:

- a higher level of support in their dealings with GOE;
- higher levels of USAID/GOE funding of their work in support of local development institutions; and
- an easing of USAID's grant approval and monitoring requirements.

C. Conclusions:

1. A "FVO" typology is suggested to bridge gaps between Egyptian and US usages of the term "FVO" :

- Group II level IPVOs are Egyptian "FVOs" and other indigenous non - profit, non - government groups, which are centrally and/or originally organized and provide support assistance (not limited to financial) to the institutions and persons working at the Group I level; and

- Group II level USPVOs are those USPVOs in Egypt which work with and in furtherance of the Egyptian institutions and persons working wither at the Group I or Group II level.

2. USPVOs now in Egypt (and some aspiring to work here) require wider understanding and acceptance by the GOE and by USAID development institution growth.

3. There<sup>is</sup> is some preliminary indication of support within the Government of Egypt for the role and work of USPVOs and intermediary level IPVOs through improved procedures which would obviate the mutual bureaucracies of the GOE and USAID which may inhibit this work.

D. Recommendations:

1. USAID Missions increasingly use "umbrella" mechanism to simplify funding and implementation of USPVO and IPVO projects. The mechanisms used in other countries have elements applicable to Egypt, but a mechanism for Egypt must be tailored to the specific realities here, including (a) the nature and structure of the "FVO" system in Egypt, and (b) the particular circumstances of the GOE/USAID funding relationship.

2. The assessment reviewed a range of possible "umbrella" mechanisms for Egypt. In the long term, a comprehensive "umbrella" mechanism may well be desirable and feasible. At this point, however there is not yet a sufficient meeting of the minds among all interested parties to warrant commencement of formal design of a comprehensive, "umbrella" project. Further dialogue among the GOE, USAID, USPVOs and IPVOs is required.

3. There is, however a basis for proceeding now with a limited, trial "umbrella" activity, aimed initially at supporting the growth of Egyptian intermediary FVOs (as per the typology in C.1., above) through and in association with the work of USPVOs. A possible mechanism to house this trial

would be an ad hoc Council formed by USPVOs (authorized to work in Egypt) and Egyptian PVOs (registered with USAID as eligible for direct USAID grant funding). The Council might be designated as a "PVDO" Council, signifying that it is composed of private voluntary development organizations, distinguishing it from other forms of PVOs. The Council could execute the management contract with a USPVO or other non - profit, competitively selected, to administer a sub-grant program for USPVOs and intermediary level Egyptian PVOs. The sub-grant resources would be provided through a cooperative agreement between USAID and the "umbrella" manager.

## II. Scope , Nature of the Assessment

The objective of this assessment was stated as follows in the Scope of Work :

"Following analysis of USAID / PVO needs and discussions with USAID and PVOs, recommend the structure of an Umbrella Project to simplify funding and implementation of projects."

The detailed Scope of Work is contained in Appendix A.

The assessment is to elicit, and analyze, the views of the Government of Egypt, USAID, Egyptian PVOs, and USPVOs on current and prospective PVO roles in development work in Egypt.

An assessment team was assembled, composed of the following :

John Rigby - Contractor, Team Leader  
Andrea Collins - Catholic Relief Services  
Peter Downs - USAID (PDS/P/PS)  
Seifalla Hassanein - USAID (DR/LAD)  
Karl Jensen - USAID (IS/IR)  
Makram Naguib - USAID (DR/LAD)  
Fawzia Tadros - USAID (HRDC/H)

The work of the assessment team was done under the immediate supervision of Karim Gohar (PDS/P/PVO) with on-going support of Laila Boutros (PDS/P/PVO). Lottie Eriksson (PDS/P) was active in the assessment, although not formally a member of the team.

Prior to commencement of the assessment team work, USAID circulated questionnaires on PVO needs in Egypt to staff within USAID and to representatives of USPVO community. The USPVO and USAID staff were consulted by team members and commented on this Report in draft. During the course of the assessment, interviews were conducted with the persons listed in Appendix B; and a bibliography of books and materials consulted during the assessment is contained in Appendix C.

In addition to frequent individual consultations among team members, a series of team meetings was used to develop focus and share views, along the way, on the assessment and on the likely shape of a PVO umbrella project in Egypt. After an initial organizing meeting on October 16, 1988, the following team meetings were held :

- At a meeting on October 24, the team focused on means to help Egyptian PVOs achieve development objectives; an introductory memorandum, with materials for discussion at the meeting, is annexed as Appendix D;
- The team meeting on October 27 reviewed some of the issues and options pertaining to selection of an umbrella mechanism ;
- The meeting on November 3 was led by team member Peter Downs, following the discipline of the Log Frame analytical method.

Weekly update briefing sessions were held with Charles Weden (DD), John Patterson (AD/PDS), and Sydney Anderson (PDS/P). Final assessment debriefing also included Mission Director Marshall Brown.

### III. Findings

#### 1. Introduction

The term "PVO" has specific connotations in the U.S. which are not always shared in Egypt. In fact, on several occasions during the assessment there were instances where Egyptians, in discussing USPVOs, or Americans, in discussing Egyptian PVOs, said about the other: "They are not Real PVOs". In the U.S., the "PVOs" are sometimes also called "Voluntary Agencies" (VOLAGs), or Non-governmental organizations (NGOs), and they are mostly development-oriented or service-oriented institutions, independent of government, professionally managed (but at lower cost and higher motivation than For-profit firms). In its 1988 Policy Paper on PVOs, A.I.D. defines PVOs as :

"tax-exempt non-profit organizations which receive some portion of their annual revenue from the private sector (demonstrating their private nature) and receive voluntary contributions of money, staff time or in-kind support from the general public (a demonstration of their voluntary nature). Not all non-profit organizations are necessarily PVOs".

A.I.D. maintains a registry of those U.S. non-profit organizations which it deems "PVO" for purposes of A.I.D. funding.

The 1988 A.I.D. Policy Paper goes on to say that :

Increasingly, PVO programs have become quite responsive to major agency priorities in addressing development problems and meeting basic human needs in the LDCs. For example, the work of PVOs in the field of small-scale private enterprise development is recognized as fulfilling an important role in the developing of the private sector. In the area of institution building, PVOs assist local institutions to develop the skills necessary to address their own development problems..."

While USPVOs have funding resources independent of USAID, and most often work independently of USAID, there are times when USPVO and A.I.D. program

interests come together. In a 1985 report to the Congress, the A.I.D. Administrator cited with enthusiastic approval a General Accounting Office (GAO) set of findings about the uniqueness and value of PVOs in A.I.D.'s line of work, emphasising the special value of PVO managerial independence :

- PVOs develop programs through their own networks, not A.I.D.'s ;
- PVOs undertake pilot projects which provide a basis for large follow-up projects and provide opportunities for experimentation;
- PVOs are willing to take risks and innovate;
- PVOs promote voluntarism, that is people organizing to meet needs which government cannot or will not meet;
- PVOs can start projects relatively more quickly than A.I.D.;
- PVOs mobilize human resources, both at the community level as well as government officials and corporate executives;
- PVOs attract staff members who are highly motivated, sensitive to different cultures, willing to work for modest salaries, and willing to live under difficult conditions in remote locations.

Clearly, then, the kinds of organizations which A.I.D. historically viewed as "PVOs" are significant agents for change at the community level. However, unlike Egyptian PVOs, the USPVOs do not themselves originate in — nor are they "owned" by — the communities of the poor and the powerless which the PVOs so often effectively serve.

In Egypt, the term "PVO" is used to describe a wide range of national, regional, and local level non-profit social, welfare, relief, cultural, and development organizations. As discussed in the Section immediately below, "PVO" is most often recognized as applying to those 14,000 organizations registered with and regulated by the Ministry of Social Affairs. (The "O" in the 1964 Law on Egyptian "PVOs" is from the Arabic word "gama'at" , perhaps as readily translated "association" or "society" as "organization", since it connotes as much the inter-relationship of the members as the structure of the group.)

While Egyptian FVOs and USPVOs share many characteristics -- in operating style as well as, for some Egyptian FVOs, the status of being exogenous to communities in which they serve -- the vast bulk of the Egyptian FVOs derive from origins in the communities where they serve. Those "remote" locations where USPVOs are willing to work are the very places that most Egyptian FVOs call "home".

Under A.I.D. usage , the Egyptian FVOs would normally be identified by the term such as IPVO ("I"ndigenous FVO), and would also cover some non-government organizations such as cooperatives; in Egypt, however, the English acronym "FVO" would not generally be recognized as being applicable to a cooperative or any group other than those "FVOs" recognized as such by the MSA.

With these preliminary observations, it is not necessary at this stage to draw too fine a point on the "FVO" term usage. Generally in this report, the terms USPVO and IPVO will be used to distinguish between the U.S. organizations, relying on context and other descriptors when further refinement in the terms are warranted.

## 2. Egyptian FVOs

### (a) Origins and History

The more proximate origins of the voluntary service movement in Egypt are traceable to the 19th Century (although community mutual support and self-help efforts to some degree go back to antiquity; also, the "habs" or "waqf" traditions of Islam go beyond religious to include medical, social, education, and cultural benefits for the public).

Some authors point to the influence of European welfare societies, observed overseas by sojourning Egyptians then adapted on return to Egypt.

The first Islamic Benevolent Association was formed in 1878, and the first Coptic Benevolent Association was formed in 1891.

By the 1920s, various voluntary associations had been formed, and their operations were expanding. These tended to pursue a wide range of community interests. By the 1930s, specialized voluntary associations emerged, particularly in the social studies and community development fields. By the time of the creation of the Ministry of Social Affairs in 1939, there were already scores of voluntary associations in Egypt offering social, economic, educational as well as religious services for the citizenry.

Law 49 (1945) established voluntary associations (now known as "PVOs", although until recent years they were most often identified as "PVAs") as the only legal form of non-governmental citizen activity, requiring MSA registration and substantial MSA monitoring of the associations' activities. Law 384 (1956) ordered the dissolution and reorganization of all of the voluntary associations, formed federations of the associations, and decentralized some aspects of MSA authority over the associations to the Governorate level. Finally, in 1964 with law 32, the comprehensive regulatory scheme for PVAs or PVOs was refined and the PVO system which obtains in Egypt today was put into place.

(b) The MSA Regulatory Scheme

Law 32 (1964) increased Government (MSA) involvement with the voluntary associations by prescribing the charter and by-laws, authorized MSA to review and approve Board membership (substituting MSA choices or even MSA

personnel when MSA deems it necessary), giving MSA authority to dissolve an association without court order, and restricting association activities to one category from a prescribed list (with additional categories only on approval by MSA).

The areas in which FVOs are permitted to function under Law 32 (1964) (with the last four being added by Decree No. 12 in 1968) are :

- |  |                                |
|--|--------------------------------|
| 1. Maternity and child care                      | 7. Local community development |
| 2. Family welfare                                | 8. Literacy activities         |
| 3. Social, financial assistance                  | 9. Organization                |
| 4. Care of the aged                              | 10. Prisoner (and family) care |
| 5. Care of handicapped                           | 11. Family planning            |
| 6. Educational, cultural, and religious services | 12. International friendship   |

FVOs must secure Ministry permission to start new projects, and specific MSA permission is required if a FVO is to engage in more than one of the above fields of service.

As of the end of October 1968 there are almost 14,000 Egyptian FVOs registered with MSA for work at local level; there are an additional 160 national level FVOs registered with MSA, with branches in the Governorates. Of the FVOs, approximately one-third are Community Development Associations (CDAs), with a somewhat broader range of activities than the single-purpose societies listed above.

CDAs are organized at the village level; villages in Egypt have populations in the range of 5,000 - 20,000 or more persons. Under Law 32, no more than one CDA may exist in a village.

CDAs have Boards which are supposed to rotate their membership (by one-third) each year. In some instances, these Boards originate from within the communities of the poor, sometimes they are prompted by MSA, and sometimes they are formed by prominent citizens concerned about the welfare of their neighbors.

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CDAs receive their funding through a variety of means, including MSA grants, community contributions (MSA permission is required for solicitations), external and even foreign funds (with MSA approval), fees for services (day care centers, clinics), and some cost recovery from sale of products derived from training activities (sewing, carpentry, carpet making, metal work, etc.). CDAs are not permitted to actually engage in business. All CDAs with annual revenues or expenditures in excess of L.E. 1.000 must have accounts prepared by a chartered accountant (with help from MSA, if required).

Law 32 (1964) created two types of quasi-governmental federations to coordinate the work of the PVOs, in addition to MAS's regulatory oversight :

- regional federations of PVOs at the Governorate level ; and
- specialized, central federations dealing with specific, functional categories of work and concern.

Decree 1303 (1969) supplemented Law 32 by forming a General Federation, at the central (Cairo) level, to serve a further coordinating role among the Regional Federations and the specialized central federations.

Thus, there are six administrative bodies, somewhat intertwined and overlapping, which have responsibilities for various aspects of Law 32 and with which CDAs and other MSA-related PVOs must relate :

- The MSA, central level, concerning receipt of foreign aid, initiating activities in additional Governorates, and some documentation required to be under seal of the Minister;
- The Municipality Board (Executive Board of the Governorate), over such issues as conformity with laws and regulations, registration procedures, changes in bank accounts, annual financial reports;
- The Moudireyya for Social Affairs (District Level) which often houses the CDA along with the MSA Social Unit, and is the point of most direct contact between the CDA and MSA;

- The Regional Federations, which inspect and comment on PVO financial statements, review decisions of the CDA and other PVO Boards concerning receipt of gifts and legacies;
- The General Federation (Cairo Level), which oversees work of the Regional Federations, and serves in an advisory capacity to the Ministry of Social Affairs; and
- The Specialized Federations (Cairo level)

(c) Cooperatives

As noted earlier, the term "PVO" in Egypt does not, in official Terminology, extend to cooperatives. However, for purposes of this assessment, cooperatives are included since they are local non-governmental entities with which USPVOs sometimes associate in development work (including that funded by USAID).

Prior to 1960, the Ministry of Social Affairs was also responsible for all co-operative societies.

In 1960, under Egypt's first Five-Year Plan, cooperatives were split among various ministries :

- Agricultural cooperatives were assigned to the Ministries of Agriculture and Land Reclamation and Agrarian Reform;
- Handicapped cooperatives were assigned to the Ministry of Local Government and Building
- Housing cooperatives were assigned to the Ministry of Housing; and
- Consumer cooperatives were assigned to the Ministry of Supply

Subsequent laws in 1976 (Law No. 825) and 1980 (Law No.122) further revised the cooperative and cooperative credit system, increasing its complexity.

Consumer cooperatives under Law 109 (1976) and producers cooperatives under Law 110 (1976) have on occasion in recent years become associated with USPVOs in small enterprise or income generating programs. Those laws appear susceptible of interpretation that the cooperative members can engage in community development activities without encroaching on the regulatory scheme for FVOS, outlined above. As noted earlier, some of the USPVOs work in Egypt in association with one or another form of cooperative.

(d) Prior AID Support of Egyptian FVOs

USAID's support of Egyptian FVOs has been accomplished indirectly through its funding of USPVOs as well as directly through the Neighborhood Urban Services Program (NUS) and LD-II. In addition, USAID has funded cooperatives through Projects 263-0095 (agricultural coops, which grew out of some pilot work undertaken by a USPVO) and Project 263-0066 (low-income housing and community up-grading). The Egyptian Organization Family of the Future, which is registered as an Egyptian FVO as a special project of the Egyptian Family Planning Association, receives all of its funds (for contraceptive marketing) from a USAID grant (with 20% of the income actually coming from contraceptive sales).

In NUS, USAID provided some \$ 8 million in small grants to Egyptian FVOs covering the following activities :

- nursery /day care facilities
- health services
- skills training centers
- services for handicapped persons
- homes or clubs for the elderly
- residences for guests, orphans, neglected children
- youth and womens' clubs
- other multi-purpose social centers

LD-II will continue some funding of urban PVOs and will extend local PVO support to rural Governorates. PVO activities in LD-II funded by grants are comparable to those of NUS. The first cycle of LD-II grants, covering only the 4th quarter of FY 1987, was in the amount of \$ 586,000, all to rural Governorates. The grants for LD-II's second cycle, covering the last quarter of FY 1988, will be in excess of \$ 6 million. A chart listing LD-II Egyptian PVO funding is contained in Appendix I.

(e) Egyptian "Intermediary" PVOs

This assessment has not attempted to draw up a "short list" of Egyptian PVOs (or USPVOs, for that matter) that might be candidates for USAID registration or for technical or financial support through a USAID PVO Umbrella Project. The assessment has, however, inquired into the existing or potential capacity within the Egyptian PVO community for PVOs which, like the USPVOs, serve as resource, support, and development agencies for the community-based PVOs.

USAID, through NUS and LD-II, has provided financial support to several thousand Egyptian PVOs. In addition, USAID funding of U.S. Universities, cooperatives organizations, and USPVOs, has had major elements of nurturing and/or incubation of Egyptian PVOs. However, to date only one Egyptian PVO has established its eligibility with USAID to receive direct grant funding from USAID. This is CEOSS (the Coptic Evangelical Organization for Social Services), whose registration was approved by USAID in 1988. A second Egyptian PVO - AWA (the Adventist Welfare Association) - has a registration application pending with USAID. A third Egyptian PVO - The Hoda Sharawi Association - submitted its registration questionnaire response to USAID on November 10, 1988.

The USAID criteria funding legibility requirements for Egyptian PVOs are reflected in the questionnaire set out in Appendix F. Using this as a point of reference, there are already some Egyptian PVOs that might fit in the category of resource and support agencies for community-based PVOs in Egypt. Examples of such Egyptian PVOs are listed below.

- Centrally - Registered PVOs

(This includes Egyptian PVOs, usually centrally registered with MSA, serving Egyptian PVOs either through branches and/or as resource institutions for other PVOs)

CEOSS and AWA are such organizations. Another intermediary - type PVO, previously funded by USAID (through Project 263-0030 in association with the University of North Carolina) is the Integrated Social Services Center, with branches at Tanta and Assiut, for upgrading of Community Development Associations (CDAs).

Other Egyptian PVOs identified during the assessment with some potential for registration and serving as "intermediaries" include the following :

- Association for the Productive Families
- Egyptian Save the Children Society
- Society for Egyptian Ladies
- Wafaa Wa Amal Association
- Society for Community Development and Rehabilitation Research
- Egyptian Association for Social Defense
- Women Association for Health Care
- General Association for Christian Girls
- YMCA, YWCA
- YMPA
- Balady ("My Country") Association
- Association of Mattaria for Intellectual Development

Within the governorates, there are larger, better established CDAs (such as the Association for Cultural and Social and Cooperative Services in Sidi-Bishr, Alexandria) which can serve as support centers or "intermediaries" for other, smaller PVOs at the Governorate level.

In addition, while not developed in any detail, it was suggested during the assessment that some of the Government units (e.g., within the Regional Federation structure itself), could serve as bases for technical support work for assisting Egyptian PVOs, going beyond their current, more limited oversight and coordination roles. (In this connection, care would have to be taken to avoid interference with the objectives and activities of LD-II in providing support services, as well as funding, for Egyptian PVOs.)

- PVOs Concerned With Gender Issues

There are ample examples of Egyptian PVO work in what can accurately be styled "women's activities". Certainly productive activity by women in Egypt is not in short supply. By and large, however, the PVO women's activities center on several set forms of "involvement" of women (e.g. sewing centers) or "servicing" (e.g. day care centers). There are, however, some organizations (registered PVOs) which have some history of dealing with gender specific constraints to development, including the following :

- Hoda Sharawi Association (Feminist Union)
- The Society for the Economic Liberation of Women
- Gama'at Sayedat Misr
- Egyptian Family Planning Association
- Egyptian Home Economics Association

- PVOs Involved With Environmental Concerns

A limited number of Egyptian PVOs are committed to the view that strategies for economic and social development can be made compatible with a sustainable physical environment. Among some of the Egyptian PVOs which have a professed interest in this area are :

- The Conservation Organization for National Wealth
- The Egyptian National Man and Biosphere Committee
- The Arab Office for Youth and Environment
- Y.E.S. (Youth for Environmental Services)

(some quasi - governmental or university - affiliated institutes not clearly Governmental in nature, and with environmental interests and/or programs include) :

- The Academy of Scientific Research and Technology (ASRT)
- National Research Center NRC)
- The High Institute of Public Health (semi - independent branch of University of Alexandria)
- Institute of Environmental Studies and Research (an independent institute of Ain Shams University)
- The Desert Research Institute

(In addition, a newly formed futurist organization, established under the Civil Companies law as a "not - for - profit" company, the Center for Development and Future Studies, will have the environment and ecological concerns as a prime focus).

3. USPVOs

This AID / PVO assessment did not undertake a substantive evaluation of the merits of USPVO projects in Egypt. The worth of these programs, and the policy of USAID that there should be increased support for PVOs in Egypt (both USPVOs and Egyptian), were premises for the assessment. USAID's view that support of PVOs should be increased is expressly voiced in USAID's FY 1989 Country Development Strategy Statement (CDSS) and in USAID's Mission Order 1-5, as amended August 17, 1988.

Appendix G is a summary by USAID of the nature and scope of USAID's funding of USPVOs in Egypt in 1988. This funding includes grants, contracts, and cooperative agreements executed directly between USAID and the USPVOs, as well as sub-grants to several USPVOs under the special PVO Development Fund established by monetized surplus commodities under Title II of PL-480.

The USPVOs and other U.S. non - profit organizations working in Egypt do so under a variety of Governmental approvals. Mission Order 1-5 cited above provides that a USPVO, to receive a contract or grant agreement with USAID, must first have "adequate GOE authorization to operate in Egypt". The types of Government authorization, whether bilateral agreement or "letter of authorization", and the circumstances when either (or neither) would be required for a USPVO, are outlined in the excerpt from Mission Order No. 1-5 annexed as Appendix H.

As indicated above, the USPVOs which are registered with A.I.D., whether or not they receive USAID funds, operate in Egypt under a variety of arrangements and official recognition, including the following :

- Catholic Relief Services (CRS) has a bilateral agreement with the Inter - Ministerial Committee on Voluntary Assistance (IMC), chaired by the Ministry of Supply
- CARE has an agreement executed jointly with the IMC and the Ministry of Social Affairs (MSA)
- Save the Children (US) has an agreement with MSA
- ACIDI has an agreement (derivative from a predecessor agreement by the USPVO Partnership for Productivity) with the Ministry of Agriculture
- Project Hope has an agreement with the Ministry of Higher Education
- Amideast has an agreement with the Ministry of Foreign Affairs

Several other U.S. organizations, while registered with A.I.D. in the United States, are operating in Egypt without USAID funds, and under a variety of local arrangements. For example, the Institute for Cultural Affairs is operating under a Governorate Agreement. Plan International (affiliated with the USPVO Foster Parents Plan) is operating pursuant to MSA decree while its bilateral agreement is awaiting approval. Academy for International Development (AID), a USPVO, is operating in Egypt under contract and not a USAID grant. Heifer Project, International provides MSA - approved assistance to the ISBC at Tanta. The USPVO VITA has not succeeded in getting approval of a bilateral agreement with a Ministry, but provides some technical information by mail to Egyptian FVOs and, from time to time, provides training in the U.S.

There are some US non - profit organizations or voluntary agencies which are not registered with USAID as USPVOs and that operate in Egypt with their own resources. World Vision International is registered as an Egyptian

PVO. Ford Foundation has an agreement with the Ministry of Foreign Affairs. The Near East Foundation provides support for development practitioners through grant funding directly from the United States.

The USPVOs and other US non - profit organizations working in Egypt under these various arrangements reflect their intention of providing support (whether financial, technical services, or both) to and through Egyptian institutions (mostly PVOs and cooperatives).

B. PVO Needs In Egypt

1. Introduction

Prior to commencement of this assessment, USAID/Cairo prepared a questionnaire patterned on a world - wide questionnaire of USPVOs and USAID Missions. (The results of the global study are reported in "A Study of A.I.D./PVO Collaboration. USAID, November 9, 1987, Christine Burbach and John Oleson). The questionnaire inquired into a number of elements of USPVO and USAID/Cairo's self and mutual appreciation. It generated opinions on USPVO relations with Egyptian PVOs. In addition, it sought views on possible elements and structure for a PVO umbrella project.

A summary of the questionnaires and responses is annexed in Appendix I.

No questionnaire was developed for the Egyptian PVO community, or for the Egyptian Government. The information developed for the assessment concerning Egyptian organizational needs was obtained through interviews.

## 2. Egyptian PVOs

The assessment of Egyptian PVO needs has been based upon limited direct contact with those PVOs specifically in connection with this exercise. However, the assessment has drawn upon a wide range of knowledgeable persons in the public and private sector in Egypt, together with review of substantial written information on Egyptian PVOs. Thus, the following comments reflect, certainly, an informed judgment.

- First, it is clear that there is need for further funding in the private and voluntary sector in Egypt. However, there is no clear basis for concluding that additional funding or its availability from a new source (e.g., an Umbrella Project vs. LD-II) should necessarily take the form of cash grants to the Egyptian CDAs and other community based PVOs. To the contrary, there is some strong opinion (including from within MSA) that simply providing additional grant funding to the community level PVOs may retard rather than advance their long-term self-sufficiency and sustainability.
- There is strong need, despite some creative efforts to date (including by USPVOs), for expansion in the talent pool of Egyptians skilled, available, and willing to take leadership and management roles for Egyptian PVOs. This includes, for example, the need for increased knowledge and skills on the part of the Egyptian Community Development Association (CDA) PVO Boards of Directors. (One senior official in MSA lamented that the bulk of CDA Board member training consists of learning the steps that need to be taken to avoid contravening the provisions of Law 32).

IPVO needs also include increased knowledge and skills among those trainers, extension workers, and other PVO practitioners who will serve as the next generation of resource support cadres for the community-based private voluntary sector in Egypt.

- There is an "apparent" need for Egypt's public sector to develop a stronger sense of confidence that its private sector can productively and honestly function without micro-regulation. The word "apparent" is placed in quotations, because the question of what needs to be done with reference to the relationship of the Egyptian Government to local community associations is an internal issue, beyond the jurisdiction of this assessment. The point, though, is that the government's comprehensive regulatory scheme does have the effect of deterring IPVO growth from social welfare groups to more development-oriented organizations.
- There is the opportunity for the development within Egypt of a number of intermediate - level Egyptian PVOs which can support the work and growth of the community-based PVOs.
- Finally, there would appear to be a need for the relatively more affluent and powerful segments of Egypt's society to share more fully in support of the private and voluntary development activities in the country. The question whether this "apparent" need is a genuine need will most likely be determined by Egyptian society itself over time, and is not properly the target of a PVO Umbrella Funding mechanism. Egypt does have a strong tradition of leadership and support by its more affluent and powerful citizens in charitable and welfare efforts. As Egypt's PVOs, working at

community and intermediate levels, shift to more developmental roles, they may experience a need for renewed leadership and support for this shift at the "top" in the private sector in Egypt.

3. The USPVOs

The USPVO community in Egypt has a particular concern that it has not established itself among the priorities of either USAID or the Government of Egypt, even though the USPVOs represent a low-cost means of supporting local institutional growth within priority areas of GOE interest. Thus, while the U.S. Congress mandates an increasing share of the A.I.D. budget for programming through USPVOs, USAID/GOE funding is small in comparison with other USAID programs, viewed as a percentage of total USAID/GOE expenditures in Egypt. Of course, given the nature of USAID's funding relationship with Egypt, it is not sufficient for the USPVOs to be accorded a priority rank by USAID; they must also be viewed with some priority by the Government of Egypt.

In addition, the administrative demands of A.I.D. (and USAID) regulations and process are compounded, in the eyes of USPVOs, by the complex set of relations and dealings between USAID/Cairo and the Government of Egypt, and between the latter and the USPVOs.

In general, then, USPVOs in Egypt see their greatest need as stronger evidence that they are accorded a priority role by USAID. The evidence they seek would be reflected in a combination of the following :

- Greater expenditure by USAID of its political capital in support of USPVO dealings with the Government of Egypt;

- Levels of USAID/GOE funding through USPVOs more commensurate with the particular competences they offer in Egypt's current development efforts (and particularly their competence to support Egypt's indigenous private and

voluntary role in community - based, self - help efforts); and

- acceptance by USAID of project approval and oversight procedures which reflect greater respect for the maturity and competence of the USPVOs' own development program capacity.

#### IV. Conclusions

The assessment supports the following conclusions :

1. There are fundamentally different Egyptian and U.S. usages of the label "PVO".

A typology going beyond the distinction between USPVOs and IPVOs is needed for better understanding by the Government of Egypt and USAID (beyond USAID's PVO office) of the particular role that USPVOs and IPVOs might play in Egypt's development.

2. The organizational and operational characteristics reviewed during this assessment suggest the following typology :

(a) Group I Level IPVOs

There are Egyptian PVOs, community - based and often community controlled, intended and capable of providing basic community services on a self - help, sustainable basis. These IPVOs, for example, are those receiving cash grants through the USAID - supported NUS and LD-II programs. These base level IPVOs are under a comprehensive scheme of Government regulation and oversight. They are intended more for social welfare and public relief, but some have a potential to help enable self - determined productive development in rural and urban Egypt.

There are other Egyptian groups and institutions, such as cooperatives, not officially designated "PVOs" under laws of Egypt but which also reflect community ownership and work at the same community level as the Group I Level IPVOs, described above.

(b) Group II Level IPVOs

There are Egyptian PVOs, and other non-profit private sector (and units or affiliates of public sector) institutions, which are centrally and/or regionally organized and which provide support assistance (not limited to financial) to the institutions and persons working at the Group I level.

Many of the private non-profit institutions organized and working at this level tend to have greater capacity (than the IPVOs at the

Group I level) to cope with the regulatory scheme without losing their independence. Often the Group II level IPVOs employ professional staff.

(c) Group II Level USPVOs

The USPVOs in Egypt work with and in furtherance of the Egyptian institutions and individuals who work at the Group I and/or the the Group II levels.

3. While the GOE regulatory scheme for IPVOs operating at the Group I and Group II levels may achieve social welfare purposes for which it was established, the scheme also, whether intentionally or not, inhibits a more developmental role for IPVOs.

4. The USPVOs in Egypt have a positive, albeit low-visibility, track record working in Egyptian institutions and organizations concerned with community-based, sustainable self-help development efforts. The USPVOs represent a useful channel in Egypt, consistent with Egypt's social welfare regulatory and support scheme, to aid in expansion of Egypt's capacity for community-based development. The USPVOs in Egypt, and other USPVOs which have expressed an interest in working in Egypt, see their future roles as continuing to concentrate on strengthening the capacity of Egypt's indigenous private and voluntary community which works at both the Group I and Group II levels, described above.

5. The USPVOs must secure wider understanding by the Government of Egypt, and by USAID, of the unique and positive role which the USPVOs can play in Egypt's economic and social development, and particularly their beneficial impact on Egyptian PVOs.

6. There is support within the Government of Egypt for exploration of activities and procedures to expand the role of USPVOs and IPVOs through USAID-supported programs. Further, there is unanimity among the Government of Egypt, USAID, and the USPVOs that USAID - supported work of IPVOs and USPVOs

can most effectively be expanded if processes are devised to obviate, rather than compound, the respective bureaucratic imperatives of all interested parties.

V. Recommendations On An IPVO and USPVO Umbrella Project

A. The Umbrella Concept -- Some precedents

Over the past 15 years, A.I.D. has engaged in an increasing number and variety of support programs globally for IPVOs and USPVOs. Increasingly, A.I.D. has used "umbrella" or "wholesale" funding mechanism. Among the various approaches to "umbrella" funding of USPVO and IPVO activities have been the following :

1. USAID management, through Mission staff, of small-grant funding to USPVOs and IPVOs

The Mission-housed "umbrella" approach has been the preference of USAID Missions in Asia, which pioneered the PVO "umbrella" concept within A.I.D. The Asia "umbrella" programs include Indonesia, Bangladesh, the Philippines, and Sri Lanka. As the programs have developed, some of the IPVOs supported by the USAID missions themselves have become "Umbrellas", providing sub-grants or technical assistance to smaller, emerging IPVOs.

2. Use of a consortium of IPVOs to administer sub-grants to IPVOs and USPVOs

Use of a "consortium umbrella" has been a common approach of the A.I.D. Latin America / Caribbean Bureau USAID missions, In Costa Rica, and Guatemala, a U.S. non - profit PVO consortium (PACT) was engaged under a form of management contract to administer the sub-grant program in behalf of the local IPVO consortia. For Haiti, the local IPVO consortium (HAVA) operates the sub - grant "umbrella" without expatriate firm involvement.

3. Use of a single USPVO or IPVO as a selected intermediary for

sub-grants and technical assistance to IPVOs and USPVOs

This approach has been followed mostly by USAID Missions in Africa, usually accompanied by limitation of the sub-grants to one or several sectoral areas, and with strong preference given to sub-grants to IPVOs over USPVOs :

- Chad (for small enterprise support projects)
- Kenya (two umbrella projects, one through a USPVO for small enterprise support through IPVOs and another, recently curtailed, through an IPVO consortium for general IPVO support)
- Liberia (recently commenced, a USPVO - managed umbrella, for IPVO support in health, education, and enterprise)
- Senegal (managed by a US non-profit - not a USPVO - with sub-grants and technical to IPVOs and USPVOs, emphasis on credit through IPVOs and associated village organizations)
- Somalia (a USPVO intermediary provides staff support services to an IPVO support program housed in a Government ministry)
- Sudan (two umbrella projects, one managed by a private contractor as part of a renewable energy program with grants to IPVOs, the other a decentralized IPVO support program through three regionally - based USPVO intermediaries)
- Zaire (initial USPVO - managed umbrella for IPVO health and rural infrastructure subprojects, now and broader umbrella project now out for bid by USPVOs, to administer sub - grants to IPVOs, USPVOs, and Peace Corps)

A common purpose among virtually all of the "umbrella" projects reviewed is increasing the capacity of the IPVOs. This IPVO institutional development is achieved through a combination of direct financial support of the IPVO, and technical support services, often provided by or through the USPVOs or other IPVOs. Another common objective of these umbrella mechanisms has been simplification of the procedures so that the means for achieving the institutional development objectives might be more readily accessed by the IPVOs and the USPVOs.

These other USAID "umbrella" experiences contain replicable elements for Egypt, but the particular format for Egypt should be dictated by

the unique combination of capacities, needs and context of development institutions here. An "umbrella" transplant is not called for.

B. Some Alternative Approaches For a PVO "Umbrella" in Egypt

Several specific alternatives for an umbrella mechanism tailored to Egypt have been reviewed during the assessment. These include the following:

- (a) Officials within the Ministry of Social Affairs (MSA) suggested that an "umbrella" support mechanism for IPVOs and USPVOs might be established and housed within the quasi-governmental General Federation of PVOs, described above. This mechanism might channel grants and technical support services to PVOs both centrally through that Federation as well as on a decentralized basis through the Regional Federations for MSA-associated PVOs.

Under the Ministry suggestion, the "umbrella" within the PVO Federation system would have its own Project Board, with, for example, 1/3 membership reserved for USPVOs and the balance for private and public sector Egyptian membership. There would be separate Project Boards at the Regional (Governorate) levels.

- (b) Three of the community development-oriented USPVOs have submitted an unsolicited proposal to USAID proposing establishment of an independently functioning PVO Development Fund, for support of IPVOs through USPVO activities in Egypt. The Fund would be administered by a Board composed 1/3 of USPVOs, 1/3 US cooperatives, and 1/3 Egyptian PVO/cooperatives. Once the Fund is established with USAID and Government of Egypt approval, further USAID and GOE approval of sub-grants would not be required. The sub-grants would be extended under simplified procedures, relying largely upon the project design capabilities of the PVOs themselves.
- (c) Another approach, suggested by the assessment Team Leader, envisions creation of a new Egyptian non-profit Foundation (dubbed the "Misr Foundation") which would house an umbrella project under cooperative agreement with USAID, covering both technical assistance support and financial sub-grant support for IPVOs and USPVOs. For the first few years of operations the sub-grant activities of the Foundation would be handled under a management contract, financed through a separate cooperative agreement with a USPVO or other non-profit organization. This proposal would also contain a mechanism for establishment of a permanent endowment fund, from private Egyptian contributions, in order that the activities of the Foundation might be continued beyond the term of the USAID funding. In order to stimulate the creation of such an endowment, USAID might commit to furnishing endowment contributions on a matching basis, within established limits.

While these three specific approaches do not exhaust the

possibilities for a PVO "umbrella" in Egypt, they rather well cover the range of feasible choices. Each of the suggested approaches contains significant elements of appeal as well as major drawbacks:

—All three approaches called for an umbrella mechanism established independently of USAID, serving as an intermediary (or "buffer") between the USPVOs and IPVOs, on the one hand, and USAID and the Government of Egypt, on the other hand. There are clear merits in the decentralization features of the ministry's suggested approach (Germany's GTZ has commissioned an Egyptian consultant to explore decentralized PVO funding support through the PVO Federation system). The independence foundation's endowment goal is desirable for sustainability, as is its strategy for ultimate Egyptian stewardship of the foundation with substantial private sector stake in the foundation's capital endowment. And the USPVO proposal has the important practical benefit of being able to commence promptly, without the need for creation or introduction of an unfamiliar intermediary institution, and it would center PVO support activities within a mechanism particularly sensitive to PVO needs and styles.

—On the other hand, there are distinct disadvantages in each proposal. For example, the ministry's suggestion would essentially limit the activity to MSA-recognized IPVOs, and the Federation-centered mechanism would scarcely escape the bureaucratic reach of the Government itself. The independent foundation approach entails creation of a new, untested mechanism, centrally-based and potentially monolithic, whose efficacy would depend upon attraction and assembly of a unique blend of persons for stewardship of the foundation's resources. The USPVO proposal,

as originally presented, holds the possibility of self-dealing among limited number of institutions, and poses severe challenges of acceptance under USAID's financial responsibility standards. The following section of the Report recommends an approach combining better features of the three approaches.

C Recommendations.

There is no clear consensus among all interested parties as to the value of a comprehensive PVO "umbrella" program, or the optimum form it might take. The collaborative, mutual learning process involving the Government of Egypt, USAID, USPVOs, and Egyptian IPVOs seems required to merge various interest in furtherance of an expanded role of IPVOs and USPVOs in Egypt's economic and social development.

The process of exploring a far-reaching "umbrella" program is not far enough along to be susceptible of formal project design. In fact, the disciplined boundaries of project design may be too confining at this point for the dialogue required to bridge perception gaps between and among US and Egyptian Governments and PVOs.

It is possible, however, and desirable to begin now with some limited form of a PVO "umbrella" effort, at least on a small scale, to address some of the immediate bureaucratic constraint. The initial start-up efforts should be consistent with the longer term evolution of a more comprehensive approach to fostering a development-oriented voluntary agency community in Egypt.

An inaugural sequence could be as follows:

—A PVDO council could be formed, signifying "Private Voluntary

Development Organizations", along the lines of the USPVO-IPVO initiative outlined in the unsolicited "umbrella" proposal of the USPVOs identified earlier. Membership in the Council would be open to USPVOs registered with A.I.D. (and eligible to work in Egypt), as well as Egyptian organizations established as eligible to receive USAID funds. The council membership would draw from these USPVOs and IPVOs working at the Group II level, described in the typology in the previous section. As new Egyptian IPVOs become eligible for USAID funding, they could become members of the Council, if they wished.

--The PVDO Council could have, as one of its purposes, a leadership role in continuing the dialogue to determine long-term approaches to expansion of the Egyptian PVDO capacity, including (but not limited to) a comprehensive PVO "umbrella" support program such as suggested in broader models reviewed in this assessment.

Of course, the PVDO Council should not become a major bureaucratic structure in its own right, and should not supplant or smother the existing informal networks among USPVOs and IPVOs. Thus, the Council would rely primarily upon contributed staff and executive time of the Council members.

--The Council could, with approval of its membership and agreement of the GOE and USAID (evidenced in a Project Grant Agreement among the parties), undertake to house an initial and experimental "umbrella" grant mechanism. This might be viewed as an extension of the concept of the earlier Monetization Fund mechanism, but with a higher level of independence from USAID and the GOE.

--Rather than have the PVDO Council itself assume an operational

bureaucratic function in administering the trial "umbrella" program, a management contract could be let--separately funded by cooperative agreements with USAID--for the task of administering an initial "umbrella" pool of grant funds. The "umbrella" manager could also be assigned the task of assisting IPVOs secure qualification for USAID funding by meeting the USAID registration requirements. While A.I.D. regulations now permit sub-grants through intermediaries to IPVOs not registered with USAID, it would be best during this experimental "umbrella" period for USAID to retain the role of approval of registrants, perhaps aided by the staff work of the "umbrella" manager.

-- The cooperative agreement for the "umbrella" management would presumably be awarded through the AID competitive bidding process, with the following as principal selection criteria:

- The managing institution should itself be a USPVO, a US non-profit organization or joint venture of such organizations;
- The managing institution should have a demonstrable capacity to manage the grant program, including ability to handle AID management and financial accountability, as well as sensitivity to PVO needs, interests, and style; and
- The managing institution should have a demonstrable track record (institutionally and /or persons nominated for service) in Egypt. There should be commitments to use Egyptian personnel. The management activity should be bi-lingual (Arabic and English) for purposes of proposals and reports.

The trial "umbrella" activity will provide grant funding to USPVOs and/or IPVOs with the view to improving the Egyptian institutional capacity for sustainable, community-based, self-help development activities. In order to stimulate as much IPVO and USPVO innovation and creativity in the focus of actual projects, there would not be

a restrictive, pre-determined list of project topics. Local institutional strengthening would be a prerequisite for all projects supported. Based on USPVO and IPVO work in Egypt to date, it is likely that the project topics would center on one or more of the following:

- income generation, employment
- agriculture, consumer goods production
- addressing gender specific constraints to development.
- community organization and development
- preventive health care
- functional education
- sustenance of a liveable environment.

## ACKNOWLEDGEMENTS

I wish to acknowledge the professional and cordial assistance I received from the members of the Assessment Team and the staff of PDS/P in whose midst I was thrust. I particularly appreciated the opportunity to work in partnership with Karim Gohar, under whose leadership this assessment was undertaken.

Lou McNeil, in DIC, quickly and thoroughly assembled relevant and useful material.

An array of people brought particularly new thoughts and insights to my attention. Sarah Loza shared her "dream" of a private sector endowment fund. Roger Hardister produced living examples of his focus on developing skills of practitioners. Hind Khattab instructed me on origins of self-help traditions in modern Egypt, supplementing Makram Naguib's eloquence on the topic. Sawsan El Mesiri tracked down information on the form and contents of the Regional PVO Federations. Linda Oldham impressed realism on me, and the value of PVO "R&D".

Of course, like all others who have sought to inquire into private and voluntary organizations in Egypt, I was treated to the high-watt luminance of several sessions with Dr. El-Banna.

There's a Bambara saying, "The stranger only sees what he knows." I am grateful to those who helped me to come to know what to look for.

John Rigby  
November 1988

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USAID/Egypt  
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APPENDICES

- A - Assessment Scope of Work
- B - Persons Consulted
- C - Bibliography
- D - Memorandum (with Attachments)  
For October 24, 1988 Team Meeting
- E - LD-II PVO Funding
- F - IPVO Registration Questionnaire
- G - USAID PVO Funding
- H - Excerpt from Mission Order No. 1-5
- I - USAID/USPVO Questionnaire

APPENDIX A

USAID/Egypt  
Assessment of AID/PVO Collaboration

SCOPE OF WORK

I. OBJECTIVES:

Following analysis of USAID/PVO needs and discussions with USAID and PVOs, recommend the structure of an Umbrella Project to simplify funding and implementation of projects.

II. BACKGROUND:

At present there are ten U.S. PVOs implementing USAID-funded activities in Egypt. Eighteen of such activities are currently under implementation or have been completed in FY 87. The greater number of these are in the form of grants in the areas of agriculture, health, nutrition, and employment and income generation.

Historically, the major source of funding PVO unsolicited grant proposals has been the PD&S funds. Recently, there has been a pronounced decline in submission and approval of PVO proposals, primarily the result of the difficulty in obtaining Ministry of International Cooperation (MIC) authorization. USAID has for some time now been considering and seeking alternate funding sources and mechanisms which would simplify and expedite both the review of PVO proposals within the Mission as well as the lengthy MIC approval process. In May, 1987 the Mission finalized the procedures for financing and monitoring PVO activities funded from the proceeds generated by the monetization of some Title II commodities, with the expectation that the experience with these simplified procedures would provide the basis for a future PVO Fund.

Egyptian PVOs number approximately 13,000. USAID supports a great number of them through the local units in the 26 governorates under the Local Development II Project. The typical activities supported are day-care centers, village public health clinics, literacy classes, vocational training centers for youth and adults and technical planning, management and implementation. However, the potential development resource represented by IPVOs remains to be fully utilized.

The Mission policy is to activate IPVOs to participate in USAID development efforts. USAID has therefore started identifying the institutional characteristics of Egyptian PVOs to better utilize their potential development resources. USAID has recently completed its first-time registration of an Egyptian PVO, namely CEOSS (The Coptic Evangelical Organization for Social Services).

CEOSS is a good example of a very active and effective IPVO with extensive experience in development. CEOSS has implemented two USAID-funded, CRS-sponsored activities in the areas of beekeeping and income generation. USAID has approved in principle a second phase of CEOSS's Income and Employment Generation activity and three other activities under the USAID/CRS Special Account, namely, Cattle Breeding; Rabbit Raising and Agricultural Extension.

### III. STATEMENT OF WORK:

The assessment will answer the following key questions:

1. Briefly, what are the common goals and purposes of these PVOs, and as stated in their current short- and long-term strategic plans? What are the major distinctions which set apart the goals and strategies of each? How have their strategies changed over the last 10 years?
2. Do PVOs believe they have a good understanding of USAID's country development strategy overall and in specific sectors?
3. What characteristics are shared by the particularly successful PVO projects in terms of:
  - a. Project Concept,
  - b. Target groups,
  - c. Scale of project,
  - d. Sector Focus, and
  - e. Counterpart relationships.
4. In the light of interviews and questionnaire responses, what do US PVOs operating in Egypt perceive as their major strengths and weaknesses:
  - a. Strategic planning capability,
  - b. Project design,
  - c. Project implementation,
  - d. Technical assistance,
  - e. Expertise in technical sectors,
  - f. Relationship with host government,
  - g. Institutional development,
  - h. Project sustainability, and
  - i. Repeatable pilot projects.
5. Do the PVOs contemplate becoming more involved in the near future in efforts to increase the capacity of Indigenous Private Voluntary Organizations (IPVOs)? What linkages exist at present? How strong are they? What do the PVOs think is the appropriate framework for such assistance? What assistance is needed? What assistance could they provide?

6. What kinds of PVO umbrella projects has USAID financed around the world that could be applicable to Egypt?
7. How do IPVOs view their experiences with USAID projects? What are the advantages and frustrations of working through a US PVO?
8. Analyze PVO relationships with USAID and the major government counterpart organizations, including Ministry of International Cooperation (MIC), MSA and technical Ministries; specifically with regard to:
  - a. grant application and approval procedures, reporting requirements, etc., and
  - b. communication and information exchange.If problems exist in these or other areas, recommend ways to improve relationships. Can the number of government clearances be reduced?
9. What internal obstacles do PVOs face in program operations, project design and implementation processes, including PVO internal management and programming constraints/restraints? If necessary, recommend assistance USAID could provide.
10. What is the attitude of the Ministry of International Cooperation (MIC) towards PVOs? What does it view as the major strengths of PVOs and opportunities for their participation? Identify MIC's minimum requirements for an umbrella project.
11. In light of the findings, recommend structure for PVO Umbrella Project. Identify the generic criteria and minimum requirements USAID should seek in USAID-supported PVO activities. Recommend changes as needed to improve PVO-USAID communication, assist PVO project design/implementation, and simplify USAID procedures.

#### IV. TEAM COMPOSITION:

The evaluation team will be conducted by a six person team:

- An external consultant (Team Leader) having broad experience with PVOs, and
- Two USAID/Egypt USDHs and two FSNs, and one PVO staff member.

## V. METHODS AND PROCEDURES:

1. Prior to commencement of the evaluation, USAID/Egypt will compile available project documents and evaluation summaries on USAID funded PVO projects as well as background information. (USAID Policy Determination on PVO's, other USAID evaluations of PVO activities, etc.) A modified version of the questionnaire used in A Study of A.I.D./PVO Collaboration (USAID, 11/9/87) will be sent to US PVOs with offices in Egypt and USAID/Egypt staff working with PVOs. To assist in timely completion of interviews, the PVO Office will schedule appointments with US PVO directors.
2. The team leader will spend 3 days in AID/W taking an inventory of AID-financed PVO umbrella projects, focusing particularly on effective methods of streamlining sub-grant approval and implementation procedures, without running afoul of AID's accountability responsibilities.
3. Before starting work in Cairo, the team will be briefed by the Associate Director of Program Development and Support and the Program Office Director and hold a half day planning session.
4. The Evaluation Team will review background material and interview PVO, GOE, and USAID staff. The team will also interview selected IPVOs.
5. The team will analyze questionnaire and interview information and prepare an evaluation report providing findings, conclusions, and recommendations responsive to the questions in the Statement of Work.

## VI. DURATION:

The above tasks require 5 work weeks by the Team Leader who will be responsible for writing the final report and 2 weeks by each of the USAID/Egypt staff and the PVO representative.

## VII. REPORTING REQUIREMENTS:

1. The evaluation team will brief the Associate Mission Director/Program Development and Support and the PVO and Evaluation Officers mid-way through the evaluation on progress to date.
2. The team will submit a draft report to USAID and participating PVOs three weeks after they commence work. A meeting will be held to discuss the draft. The final report will take these comments into account.

3. The team will submit the final evaluation report to USAID and PVOs within one week after discussions on the draft. Copies of the final report will be provided to participating PVOs (9) and USAID (8) copies.
4. The format for the report should be as follows:
  - Executive Summary of not more than three single spaced pages which includes major findings and recommendations.
  - Main Report consisting of the information and evidence on which the conclusions and recommendations are based. The information should be analyzed, and integrated to respond directly to the key questions in the Statement of Work. The report should not exceed thirty double-spaced pages.
  - Annexes should include the evaluation Scope of Work, analysis of questionnaire responses and comparison with results of the original survey, a bibliography of documents consulted, a list of individuals interviewed and their agency affiliation, and other information considered appropriate by the team.
5. The team will conduct debriefings for USAID to present their major findings, conclusions and recommendations.



PERSONS CONSULTED

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PVOs

|                    |   |
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| Nabih Abbas        | Sidi Bishr Society                        |
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| Mrs. Bousina       | Alex. Federation of PVOs                  |
| Drew Collins       | CRS                                       |
| Peter W. Cross     | IESC                                      |
| Michael Diamond    | Plan International                        |
| Sherif Ebeid       | ACDI                                      |
| Mohammed 'id       | Guidance Association (Alex.)              |
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| Neal Keny          | Save the Children                         |
| Dr. Fathy el-Malak | YMCA                                      |
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| Sarah Loza       | Consultant                             |
| Leo A. Pastore   | Chemonics (Sen. Admin. Officer, LD-II) |

APPENDIX C

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| Philippines | Sudan     |
|             | Zaire     |

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APPENDIX D

October 24, 1988

To: Members of PVO/NGO Assessment Team

From: John Rigby  
Team Leader

Re: Getting Into Focus: Purpose and Targets

At this stage, one week into our effort, I see our assignment revolving around four fundamental, interrelated issues:

- o Compatibility of a discrete PVO umbrella project with the wider range of USAID activities in Egypt, including existing mechanisms for USAID support of PVOs (e.g., through LDII, Health JWG, etc.)
- o Current, prospective relationship between USPVOs and IPVOs
- o Nature, extent of Government of Egypt role
- o Mechanism(s) adequate to reconcile the "multipolarity" among principal players -- i.e., GOE, USAID, PVOs, IPVOs.

My initial inquiries, including consultations with each of you and following leads you have suggested, make it abundantly clear that the vast array of sub-issues and topics prompted by these four basis points make it essential that our inquiry operate from some more precise focus on just where, within the PVO/IPVO spectrum, we should direct our attention. What, really, can be done with an umbrella project? With whom should we be dealing.

For starters, I suggest we establish a GOAL and PROJECT PURPOSES along the lines of Attachment A, expressed in LogFrame (first vertical column) form. The thrust is umbrella project assistance to help Egyptian community-based organizations achieve development objectives, the USPVO and Egyptian IPVO intermediaries. The project assistance would be funding and other forms of help (including R&D, management training and technical assistance).

Understanding of the types of organizations with which the umbrella

project might work and/or those groups intended to be benefited by the resources of the project, requires some categorization

- of the place, within the PVO/NGO spectrum, of PVOs/IPVOs likely to be involved with an umbrella project; and
- of the kinds of institutional or capacity improvement (and indicators) which the project might foster.

On these points, I annex three papers which I find helpful in my current work here, and which reflect analyses which have some standing within the global A.I.D. experience of dealing with PVOs/NGOs. I solicit your help to me in translating these to the specifics and realities of Egypt. The annexes are:

- o Appendix B -- David Korten's "Generational Analysis" of PVOs (expressed here in terms of IPVOs).

I see our focus in Egypt as falling largely within the Second ("community development" "Generation")

- o Appendix C -- An analysis (by DAI and Cornell) of institutional development indicators based on a study of two USPVOs concentrating on institutional strengthening of indigenous PVOs.

This suggests that programs aimed at institutional strengthening through collaborative relationships are susceptible of monitoring and evaluation.

- o Appendix D -- A more recent ISTI study, taking the two earlier pieces (App. B and C) a bit further, but covering a mix of USPVO work with independent IPVOs as well as local "spin-offs" of USPVOs.

Proposed PVO/NGO Umbrella Project

Initial Draft LogFrame "ACHIEVEMENTS" Column

jtr/October 24, 1988

GOAL: To improve the quality of life of low income residents in rural and urban Egypt through sustainable community-based self-help activities

- PURPOSES:
1. Indigenous private voluntary associations, groups and organizations plan, finance, implement, and maintain programs and projects which promote sustainable community-based, self-help activities
  2. Indigenous private voluntary associations, groups, and organizations secure capacity and mobilize local and external resources necessary to achieve Purpose 1.

- OUTPUTS:
1. Indigenous private voluntary associations, groups and organizations (Group I) assisted to achieve Purposes 1 and 2.
  2. Intermediary IPVOs (Group II) assisted to help Group I achieve purposes
  3. Intermediary USPVOs (Group II) assisted to help Group I and Group II achieve purposes.

- INPUTS
1. R&D for, and management training and technical assistance to, Groups I, II, and III.
  2. Grants to Groups II and III.
  3. Project management, support and evaluation..

STRATEGIES OF DEVELOPMENT ORIENTED IPVOS

David Korten's "Generation"  
Analysis of IPVOs

|                        |    | GENERATIONS          |                         |  |
|------------------------|----|----------------------|-------------------------|--|
|                        |    | FIRST                | SECOND                  | THIRD  |
| DEFINING FEATURES      | -- | Relief & Welfare     | Community Development   | Sustainable Systems Development                            |
| PROBLEM DEFINITION     | -- | Shortage             | Local Inertia           | Institutional & Policy Constraints                         |
| TIME FRAME             | -- | Immediate            | Project Life            | Indefinite Future  |
| SCOPE                  | -- | Individual Or Family | Neighborhood Or Village | Region Or Nation   |
| CHIEF ACTORS           | -- | IPVO                 | IPVO & Community        | All Public And Private Institutions That Define The System |
| DEVELOPMENT EDUCATION  | -- | Starving Children    | Community Self-Help     | Interdependence System-Failure                             |
| MANAGEMENT ORIENTATION | -- | Logistics Management | Project Management      | Strategic Management                                       |

## DAI-CORNELL INSTITUTIONAL DEVELOPMENT CATEGORIES AND INDICATORS

Taken from the January 1985 study prepared under contract for AID by Development Alternatives, Inc. (under Contract PDC-1406-I-1097-00) and Cornell University (under Contract DAN-1096-G-SS-4099-00). The complete title of the Report is:

Private Voluntary Organizations and Institutional Development: Lessons From International Voluntary Services, Inc. and The Institute for International Development, Inc.

This outline covers indicators, based on study of two US PVOs concentrating on institutional strengthening of indigenous PVOs (IPVOs), whether institutional development has been achieved in terms of

- o organizational capacity building capacities
- o organizational linkage categories
- o categories common to organizational capacity building and organizational linkages

### A. ORGANIZATIONAL CAPACITY BUILDING CATEGORIES

1. Resource Management (allocation, distribution, mediation)
  - a. IPVO possesses and maintains adequate financial resources, facilities and equipment
  - b. Resources are allocated according to predetermined and established criteria
  - c. Resources are distributed efficiently and in a timely fashion
  - d. System(s) exists for mediation in conflicts over distribution of resources
2. Service Delivery
  - a. Services or products are of the type and quality required to meet the needs of beneficiaries and constituents
  - b. Supply is being distributed efficiently
3. Diversification (ability to innovate and be flexible)
  - a. Programs/solutions have been undertaken to meet additional beneficiary demands
  - b. Diversification has not overextended the IPVO
  - c. Expansion of service delivery has not overextended the IPVO

4. Human Resources, Administrative Performance/Incentives

- a. IPVO has adequate number of internal human resources to perform key functions
- b. Appropriate incentives exist to motivate staff (compensation, benefits, per diem, bonuses, rewards for high performance, etc.)
- c. IPVO has authority hire, fire, and remunerate staff
- d. IPVO has training program for its staff (formal, informal, regular, etc.)

5. Leadership and Management Style

- a. Leaders are selected in ways that are perceived as legitimate by staff/members
- b. Decisions are made on the basis of consultation (open or closed management style).

6. Planning, Monitoring, and Evaluation

- a. There is a planning process that is documented, perceived as useful, and used by the IPVO
- b. Information is gathered and records are kept that permit assessment of progress toward meeting objectives (expenses, activities, performance, outputs, problems).
- c. Evaluations have been used to assist in the planning process

7. Learning

- a. IPVO has made deliberate modifications of its objectives and programs on basis of experience/evidence
- b. Evidence of regular interchange of information among IPVO staff, with constituency groups, and interested organizations.

B. ORGANIZATIONAL LINKAGE CATEGORIES

8. Forging Links (horizontal and vertical)

- a. IPVO has entered into formal/informal agreements to exchange services, resources, or information
- b. IPVO has received official recognition from public, private, or international authorities

9. Claim-making (leverage and advocacy)

- a. IPVO represents interests of its constituency with the government, local elites, and other authorities
- b. IPVO able to mobilize resources required/desired by its constituency from other sources

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C. CATEGORIES COMMON TO ORGANIZATIONAL  
CAPACITY BUILDING AND ORGANIZATIONAL LINKAGE

10. Resource Mobilization/Income Generation

- a. IPVO has access to resources required to do the job.
- b. IPVO has control over resources.
- c. IPVO has specific awareness of future resources needed and realistic idea of where they will come from.
- d. IPVO mobilizes resources from its members/constituency

11. Accountability/Responsiveness

- a. Specific procedures exist for client group input, and
- b. IPVO has satisfactorily responded to client group demands
- c. IPVO accounts to constituency for their financial participation

12. Conflict Management (resolution/mediation)

- a. IPVO mediates conflicting interests among constituency or members

13. Demonstration Effect

- a. IPVO has served as a model for replication.

## ISTI STUDY ON "ACCELERATING INSTITUTIONAL DEVELOPMENT"

Taken from the September 1987 Report of the International Science and Technology Institute, Inc. (ISTI), "Accelerating Institutional Development." This was a Final Report, prepared by Richard Huntington, in the "PVO Institutional Development Evaluation Series" commissioned by AID's Bureau for Food for Peace and Voluntary Assistance, Office of Private and Voluntary Cooperation.

The ISTI Report, following on the Korten analysis and the DAI-Cornell framework for judging institutional development, compiled "an empirically based assessment of the role of U.S. PVOs in fostering and strengthening sustainable private institutions in third world communities. The ISTI Report covered studies of 28 IPVOs or developing country affiliates of 12 USPVOs, in 18 countries (6 in each of AID's regional bureau areas).

The Final Report included this summary of five principal characteristics of successful institutional development yielding a strong and viable IPVO:

### 1. People

Leadership and the ability to attract and retain good senior staff

### 2. Roots

An organization must have a community base of support. The community may be a village or chieftancy, or it may be a network of influential people in a capital city combined with a program to involve citizens, churches, or other groups in periodic activities to support the organization in question.

### 3. Networks

The worst thing that can happen to a small service or development organization is that it became isolated and thereby reinvents wheels, duplicates the activities of others, and fails to make the best use of scarce resources. An institution needs to have:

- o Networks with similar organizations in country
- o Relationships with appropriate government entities; and
- o International relationships

4. Systems and Strategies

There need to be management and information systems, even simple ones, used in a way that allows for the correction of errors, the improvement of programs, the development of promising lines, and the dropping of unpromising programs. Institutional strength includes the ability to evolve, grow, and adapt to changing situations. This depends on having a vision of the major institutional goals, including acknowledgement of priorities and trade offs, and strategies and timnetables for accomplishing them. Management information systems provide the information necessary to guide, monitor, and evaluate the progress and performance.

5. Resources

An organization must have a diversified portfolio of financial support and sources of income, e.g., private funds, the parent PVO, multilateral donors, bilateral donors, private foundations, NGOs from different nations, income generating activities, home government support, philanthropic contributions, etc. Given the uncertainties of budget cuts, shifting priorities of donors and national governments, an organization too dependent on one source will not outlive the current regime, trend, or budgetary distribution.

The PVOs which participated in the ISTI study, and their related IPVOs which were covered by the study, are:

| PVOs                                | IPVOs  |
|-------------------------------------|--|
| Episcopal Church of the USA (ECUSA) | Church of the Province of Kenya  |
| YMCA of USA                         | Kenya YMCA   |
| Goodwill Industries of America      | Caribbean Association for the Rehabilitation of the Disabled (CARD)<br><del>Buena Voluntad (APIBV)</del> |
|                                     | Jairos Jiri Institute, Zimbabwe  |
|                                     | Asociacion Panamena de Industrias de Buena Voluntad (APIBV)  |
| Save The Children Federation        | Fundacion de Desarrollo Comunidad (FUDECO), the Dominican Republic                                       |
|                                     | Save the Children, Zimbabwe  |

| PVOs  | IPVOs   |
|---|---|
| World Relief Corporation (WRC)                              | Comite de Developpement et de Planification (CODIPLA), Haiti  |
| World Vision Relief Organization                            | World Vision Relief Organization (WVRO), the Philippines  |
|   | World Vision Relief Organization (WVRO), Indonesia  |
| International Institute for Rural Reconstruction (IIRR)     | International Institute for Rural Reconstruction, HQ and Social Laboratory, Cavite, the Philippines |
|   | Guatemalan Rural Reconstruction Movement  |
| Foundation for the Peoples of the South Pacific (FSP)       | FSP/Solomon Islands (Soltrust)  |
|   | Solomon Islands Development Trust   |
|   | FSP/Tonga; Tonga Community Development Trust (TCDT)   |
| Centre for Development and Population Activities (CEDPA)    | CEDPA Alumnae Units, Kenya  |
|   | CEDPA Alumnae Units, Egypt  |
|   | PRERANA, India  |
| Accion International  | Asociacion Para El Desarrollo de Microempresas (ADEMI), the Dominican Republic                      |
| Lutheran World Relief                                       | LWR Andean Regional Office  |
|   | Centro de Investigacion Educacion Desarrollo (IDEAS), Peru  |
|   | Centro de Investigacion Educacion y Desarrollo (CIED), Peru   |
|   | El Equipo para Desarrollo de Cajamarca (EDAC), Peru   |
| Opportunities Industrialization Centers International (OIC) | Liberian OIC  |
|   | OIC-Ghana   |
|   | OIC-Nigeria   |
|   | Lesotho OIC   |

APPENDIX E

APPENDIX E

LD II <sup>AID</sup> PVD DISBURSEMENTS BY FISCAL YEAR  
 =====

| <del>FY 87</del>         | <sup>87</sup><br>FY 88 | - - - - -   |      |           |              |              |  |
|--------------------------|------------------------|-------------|------|-----------|--------------|--------------|--|
| GOVERNORATE              | 4thQ                   | 1stQ.       | 2ndQ | 3rdQ      | 4thQ         | TOTAL        |  |
| : 1. MENDOUFIA           | : 100,000              | :           | :    | :         | : 1,312,760  | : 1,412,760  |  |
| : 2. NEW VALLEY          | : 50,000               | :           | :    | :         | : 213,345    | : 263,345    |  |
| : 3. SOHAG               | : 100,000              | :           | :    | :         | : 935,650    | : 1,035,650  |  |
| : 4. QALUBIA (F.M.)      | : 100,000              | :           | :    | :         | : 419,210    | : 519,210    |  |
| :                        | :                      | :           | :    | :         | :            | :            |  |
| : 5. DAKAHLIA            | : 100,000              | :           | :    | :         | : 1,300,550  | : 1,400,550  |  |
| : 6. BEHEIRA             | : 100,000              | :           | :    | :         | : 1,100,075  | : 1,200,075  |  |
| : 7. ASSIUT              | : 100,000              | :           | :    | :         | : 890,665    | : 990,665    |  |
| : 8. DAMIETTA            | : 100,000              | :           | :    | :         | : 235,900    | : 335,900    |  |
| : 9. BENI SUEF           | : 100,000              | :           | :    | :         | : 647,595    | : 747,595    |  |
| : 10. EL DOKKI EL SHEIKH | : 100,000              | :           | :    | :         | : al         | : 100,000    |  |
| : 11. SHARKIA            | : 100,000              | :           | :    | :         | : 1,593,165  | : 1,693,165  |  |
| : 12. QENA               | : 100,000              | :           | :    | :         | : 842,210    | : 942,210    |  |
| : 13. GHARBIA            | : 100,000              | :           | :    | :         | : 1,121,920  | : 1,221,920  |  |
| :                        | :                      | :           | :    | :         | : al         | :            |  |
| : 14. CAIRO (K)          | :                      | : 800,000   | :    | :         | : al         | : 800,000    |  |
| : 15. ALEXANDRIA (K)     | :                      | : 560,000   | :    | :         | : al         | : 560,000    |  |
| : 16. GIZA (K)           | :                      | : 160,000   | :    | :         | : al         | : 160,000    |  |
| : 17. QALIUBIA (K)       | :                      | : 160,000   | :    | :         | : 381,805    | : 541,805    |  |
| : 18. FORT SAID (K)      | :                      | : 100,000   | :    | :         | : 108,875    | : 208,875    |  |
| : 19. SUEZ (K)           | :                      | : 100,000   | :    | :         | : 186,375    | : 286,375    |  |
| :                        | :                      | :           | :    | :         | :            | :            |  |
| : 20. GIZA               | :                      | : 100,000   | :    | :         | : 681,625    | : 781,625    |  |
| : 21. FAYDUM             | :                      | : 100,000   | :    | :         | : al         | : 100,000    |  |
| : 22. ISMAILIA           | :                      | : 100,000   | :    | :         | : 182,445    | : 282,445    |  |
| : 23. ASWAN              | :                      | : 100,000   | :    | :         | : 441,395    | : 541,395    |  |
| : 24. MINIA              | :                      | : 100,000   | :    | :         | : 1,354,635  | : 1,454,635  |  |
| :                        | :                      | :           | :    | :         | :            | :            |  |
| : 25. MATROUH            | :                      | :           | :    | : 50,000  | : 201,865    | : 251,865    |  |
| : 26. RED SEA            | :                      | :           | :    | : 50,000  | : 145,260    | : 195,260    |  |
| : 27. NORTH SINAI        | :                      | :           | :    | : 40,000  | : 265,015    | : 305,015    |  |
| :                        | :                      | :           | :    | :         | :            | :            |  |
| : 28. SOUTH SINAI        | :                      | :           | :    | :         | : 111,855    | : 111,855    |  |
| :                        | :                      | :           | :    | :         | :            | :            |  |
| : TOTAL L.E.             | : 1,250,000            | : 2,380,000 | : 0  | : 140,000 | : 14,674,195 | : 18,444,195 |  |
| : TOTAL \$               | : 568,182              | : 1,081,818 | : 0  | : 63,636  | : 6,378,812  | : 8,092,448  |  |

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APPENDIX F

APPENDIX F

Best Available Document

I. Please respond to the following questions in detail:

Agency Name:

1. Purpose:

- (a) Is your organization philanthropic and service oriented in purpose?
- (b) Is your organization nonprofit, nongovernmental, and nongovernmental?
- (c) Is your organization a university, college, accredited degree-awarding institution, school, foundation or other similarly structured organization engaged exclusively in research or scientific activities?
- (d) Is your organization a church or organization engaged exclusively in religious activities?

2. Voluntarism:

- (a) Is your organization voluntarily organized for some specific purpose? What is that purpose?
- (b) In the last audited fiscal year, did your organization receive voluntary contributions of money, donated goods or services from the general public?
- (c) Does your organization draw upon volunteer services and/or in-kind support from the general public for the performance of some aspects of its activities?

3. Privacy:

- (a) In the last audited fiscal year, did your organization receive cash from private, nongovernmental sources, e.g. individuals, groups, corporations and/or foundations?
- (b) In the last audited fiscal year, did your organization receive cash from non-private sources, e.g. cash contributions directly or indirectly from the government, the United Nations, and other public international organizations, and foreign governments (including all in-kind contributions)?

- (c) During the last audited fiscal year, what was the ratio of cash received from private sources to the cash received from non-private sources?

4. Program Activities:

- (a) What voluntary charitable and/or development assistance operations of a nonreligious nature has your organization involved in?
- (b) Describe in detail the program scope and activities currently implemented by your organization.

5. Financial and Administrative Control:

- (a) Does your organization have an annual financial statement prepared by an independent (chartered) accountant/auditor attesting to the fairness and accurateness of the figures as presented in the audit and that accounts are maintained in accordance with generally accepted accounting principles?
- (b) What is the annual size of your organization's operations? Compare income to expenditures over the last fiscal year.
- (c) Is your organization controlled by an active and responsible governing Board of Directors which maintains effective policy and administrative control? How often does this Board meet? Do its members serve without compensation? If paid officers serve on the Board, can they constitute a majority in any decision?
- (d) Of the organization's total expenditures during the last audited fiscal year, what was the percentage of expenditures in support of the stated program objectives?
- (e) During the last audited fiscal year, what was the ratio of the cost for promotion, publicity, fund raising and administration to program costs?
- (f) In the last audited fiscal year, what percentage was the fund raising, publicity and promotion costs of the total cash and in-kind contributions to the organization?

Best Available Document

- (g) In the last audited fiscal year, what percentage was the total expenditures for fundraising, publicity, promotion and administration of the total cash and in-kind contributions to the organization?
- (h) What are the salaries of the top five headquarters and overseas (if any) directors?

6. Legal Status:

- (a) Under which Egyptian law(s) is your organization established as a legal entity?
- (b) If registered with the Ministry of Social Affairs (MSA), what is the Registration Number and date?
- (c) What are the activities authorized by the MSA registration?
  - 1. Charitable \_\_\_\_\_
  - 2. Developmental \_\_\_\_\_
  - 3. Health Services \_\_\_\_\_
  - 4. Educational Services \_\_\_\_\_
  - 5. Other \_\_\_\_\_
- (d) Does your organization enjoy a tax-exempt status? Does your organization enjoy a customs-exempt status?
- (e) What are the appropriate government approvals, licenses, and/or articles of incorporation which affirm the legal nonprofit nature of your organization?

II. Registration Documentation to be Furnished in Support of Certification of Eligibility:

- a. Articles of incorporation, by-laws, constitution, and any other relevant documents which describe the purpose of your organization, its methods of management, and scope of program.
- b. A copy of the MSA registration certification.
- c. Copies of statements of tax and customs exemptions.
- d. Copies of all other appropriate government approvals and licenses which affirm the legal nonprofit nature of your organization.

- e. Latest financial statement prepared by an independent (chartered) accountant/auditor who can certify, in accordance with generally accepted accounting principles, that the organization is financially viable.
- f. Current budget, detailing sources of income, administrative (personnel and related overhead) expenses, and program costs.
- g. Annual report of program activities (within last year) or document of similar import.
- h. Names and addresses of members of Board of Directors; average number of times Board meets in a year; and minutes of Board Minutes and/or other evidence demonstrating that the Board has an active role in the governance and that there is no apparent conflict of interest in the conduct of the organization's governing body.
- i. Compensation statement disclosing the top five headquarters and overseas (if any) directors.

In the absence of any of the above documents, please furnish available substitutes which you judge provide the same or equivalent information.

APPENDIX J

APPENDIX G

January 19, 1988.

INDIGENOUS PVOs (IPVOs)

SECRET 3

Egyptian PVOs number approximately 13,000. USAID supports a great number of them through the local units in the 26 governorates under the Local Development II Project. The typical activities supported are day-care centers, village public health clinics, literacy classes, vocational training centers for youth and adults and technical planning management and implementation. However, the potential development resource represented by IPVOs remains to be fully utilized.

The Mission policy is to activate IPVOs to participate in USAID development efforts. USAID has therefore started identifying the institutional characteristics of Egyptian PVOs to better utilize their potential development resources. Mission registration procedures are currently being finalized to make IPVOs eligible for direct USAID funding.

USAID is currently reviewing applications for registration submitted by two IPVOs, namely CEOSS (Coptic Evangelical Organization for Social Services) and AWA (Adventist Welfare Association).

CEOSS is a good example of a very active and effective IPVO with extensive experience in development. CEOSS has implemented two USAID-funded, CRS-sponsored activities in the areas of beekeeping and income generation. USAID has approved in principle three CEOSS activities under the USAID/CRS Special Account, namely: Cattle Breeding; Rabbit Raising and Agricultural Extension.

Clearance:

PPP/P/PVO: Karim Gohar in draft.

*LB*  
Drafted by: PPP/P/PVO: Laila Boutros (1/19/88):hk  
DOC NAME: (DIRBRIEF).

U.S. PRIVATE VOLUNTARY ORGANIZATIONS

(A) PROGRAM SCOPE:

At present there are ten U.S. PVOs implementing USAID-funded activities in Egypt. Currently, USAID supports U.S. PVO activities in the areas of agriculture, health, nutrition, and income generation. The greater number of USAID-supported PVO activities are in the form of direct grants. Historically, the source of funding for unsolicited proposals has been the umbrella project, Technical Cooperation and Feasibility Studies (\$) and AID Activity Trust Fund (L.E.).

CARE and CRS stand at the forefront of U.S. PVOs with the longest-standing presence in Egypt; they have been operating in Egypt under Bilateral Agreements with the Government of Egypt (GOE) since 1974 and 1976, respectively. These two organizations have been the cooperating sponsors for the PL-480 Title II food program in Egypt since 1975.

Over the past ten years CARE and CRS implemented a fair number of USAID-funded activities in the areas of income generation, agricultural mechanization, aquaculture, beekeeping, nutrition education, community development, road construction and provision of potable water. CARE has recently started implementing a project\* which provides additional income to rural families and at the same time aims at upgrading the programming and management capabilities of 65 indigenous Community Development Associations in four governorates. CARE is due to soon start a USAID-approved activity which provides financial and management assistance to two fishermen cooperatives in South Sinai while CRS is planning to start a project which provides assistance to small scale enterprises.

ACDI is one U.S. PVO which only recently finalized a Bilateral Agreement with the GOE. An ACDI proposal for a pilot T.V. series for rural agricultural education was recently approved in principle by USAID. This activity\* holds promise as a successful endeavor in an area new to U.S. PVOs operating in Egypt.

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\* To be financed from the USAID/CRS Monetization Special Account described in Section (B) of this document.

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The following table lists all PVO activities currently under implementation or completed in FY 87:

| PVO      | Umbrella Project                                   | Type of Activity    | PACD  | Type of Agreement |
|----------|--|---------------------|-------|-------------------|
| AALC     | Tech Trnsfr & Mnpr. Dev. & AID Activity Trust Fund | Vocational Trng.    | 9/88  | Grant             |
| ACDI     | Small Farmer Production                            | TA in Ag. Credit    | 7/87  | Grant             |
| ACDI     | Ag. Prod.& Credit Prog.                            | TA in Ag. Credit    | 8/88  | Contract          |
| ACDI     | Sector Dev. & Support                              | TA in SSE Credit    | 9/88  | Coop. Agree.      |
| AMIDEAST | Peace Fellowship Prog.                             | Fellows Placement   | 5/88  | Contract          |
| AMIDEAST | Tech Trnsfr & Mnpr. Dev. & AID Activity Trust Fund | Counselling Serv.   | 9/88  | Grant             |
| CARE     | Tech & Feas. Studies & AID Activity Trust Fund     | Integ. Basic Serv.  | 10/88 | Grant             |
| CHF      | Comm. Hsng Upgrading                               | Consult. Advisory   | 8/88  | Contract          |
| CRS      | AID Activity Trust Fund                            | Silk Production     | 8/87  | Grant             |
| CRS      | Tech Trnsfr & Feas/Stud. & AID Activity Trust Fund | Nutrition Education | 9/88  | Grant             |
| CRS      | AID Activity Trust Fund                            | Fish Culture        | 5/89  | Grant             |
| FPPIA    | Pop & Family Planning                              | Family Planning     | 12/88 | Grant             |
| HOPE     | Tech & Feas. Studies & AID Activity Trust Fund     | TA Nurs. Curricul.  | 1/88  | Grant             |
| IESC     | Business Supp. & Invest.                           | TA in Bus. Invest.  | 9/88  | Grant             |
| SAVE     | Tech Trsfr & Mnpr Dev. & AID Activity Trust Fund   | Rural Development   | 3/87  | Grant             |

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(B) PVO DEVELOPMENT FUND:

Recently there has been a pronounced decline in approvals of PVO activities, which is the result of the difficulty to secure MIC funding authorization. USAID is now attempting to secure alternate funding sources and mechanisms which would simplify and expedite both the review of the activity proposals within the Mission and the lengthy procedure for MIC's approval of each single activity, no matter how low the funding requested by the PVO.

Over the past few years PL-480 Title II and related legislation were amended, offering opportunities to monetize surplus commodities and thereby create funds for PVOs to carry out development activities. In FY 87 AID/W approved the monetization of 1050 M/T raisins and 2000 M/T NFD. By March 87 the Mission had finalized the procedures for financing PVO activities from the proceeds generated and deposited in a USAID/CRS Special Account initially totalling LE 4,273,000. These procedures do not require MIC approval and are meant to reduce the USAID approval process to the minimum prudently possible. This fund finances activities which promote Egypt's food self-reliance or Child Survival activities in Egypt.

Several proposals have been submitted by CARE, CRS, ACDI, SAVE and one Egyptian PVO, the Coptic Evangelical Organization for Social Services (CEOSS)\*, for funding from the USAID/CRS Account.

Three activities, namely: CRS Assiut Beekeeping; CRS Samalou. Beekeeping and CARE Village Self-Reliance have been approved and are under implementation. Five other activities entitled: ACDI/T.V. Series for Rural Agricultural Education; CEOSS Rabbit Raising; CEOSS Cattle Breeding; CEOSS Agricultural Extension and SAVE Child Survival have been approved in principle. All the funds in the USAID/CRS Account have been either disbursed or reserved. The experience with this Account will provide the basis for a permanent PVO Development Fund. The source of such a fund remains to be identified.

(C) FUTURE DIRECTIONS:

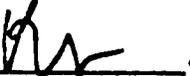
- Carrying out an overall assessment of the PVO program in Egypt to date, and developing generic criteria to determine the kinds of PVO activities the Mission should support.
- Establishing a permanent PVO Development Fund and developing procedures for financing PVO activities.

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\* See "Indigenous Private Voluntary Organizations" document in the Briefing Library.

- Securing increasing participation of PVOs, when such engagement is developmentally most advantageous, in appropriate components of USAID-funded projects.
- Facilitating and promoting the interaction of U.S. and Egyptian PVOs.

Clearance:

PPP/P/PVO: Karim Gohar .

<sup>DB</sup>  
Drafted by: LMBoutros: 12/27/87 - 12/29/87 - 12/30/87 - 1/18/88  
Doc. Name (DIRBRIEF), P.1-4.

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## B. TITLE II

### 1. Relationship to the Mission Strategy and ESF Program:

The PL-480 Title II program has supported USAID's health and nutrition goals since 1974, through maternal-child health feeding programs, school lunch programs, and selected feeding programs targeted at displaced Bedouin populations in the Sinai. The decision was made in 1984, however, to phase out the Title II program by 1989, based on: (1) the generally high level of food availability in Egypt, and (2) AID's conviction that a significantly improved nutritional contribution to reduced infant mortality and morbidity will come through nutrition education of mothers, including developing their capacity to fashion infant foods from their own food resources. The School Lunch Program ended in FY 1985; the Other Child Feeding and General Relief Programs are phasing out in FY 1988; and the MCH program will finish in FY 1989.

With the decision to phase out the Title II program, USAID encouraged U.S. PVOs in Egypt to consider developing proposals to utilize other A.I.D. resources including monetization of Title II and Section 416 commodities. In FY 1987 CRS has monetized 2000 M/T NFDM and 1050 M/T Raisins. The proceeds of the sale of commodities amounting to LE 4,273,000 were deposited in a Special Account. This newly established Account finances principally PVO activities which promote Egypt's food self-reliance, and secondarily PVO activities in the area of child survival. Three activities are currently under implementation while another five activities have been approved in principle. During the current FY 88, the mission will be considering alternative sources for replenishing this fund and establishing a permanent PVO Development Fund which would replace the Project 0102 as the source of funding for PVO activities.

### 2. Capacities of the Cooperating Sponsors:

As the Title II program is phasing out, the capacities of the Ministries of Health, Education, and Social Affairs to administer the program are no longer at issue. Along with the phase-out, USAID, CARE, and CRS had hoped to assist the GOE with some self-reliance measures that could compensate for the phase-out of Title II food. The Ministry of Education and the Nutrition Institute, however, have been slow to implement a program to develop an indigenous nutritious cookie for school lunch programs. Similarly, the Ministry of Health and the Nutrition Institute were unable for three years to obtain MIC approval for USAID funding to develop an indigenous weaning food supplement (WFS) for the MCH program. In FY 87, USAID finally decided to drop the WFS proposal.

### 3. Need for Complementary Inputs:

There are only modest needs for complementary inputs between now and the end of the Title II program in 1989.

Clearance: PPP/P/PVO: Karim Gohar 198.

Document # 0847A, page 15, Drafted by: PPP/P/PVO: Laila Boutros (1/19/85)

October 16, 1988.

CASH GRANTS TO PVOs  
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| PVO                                   | PROJECT TITLE   | USAID CONTRIBUTION |         | APPROVAL DATE | COMPLETION DATE | GOE/PVO CONTRIBUTION    |           | TOTAL COST OF PROJECT |           |
|---------------------------------------|---|--------------------|---------|---------------|-----------------|-------------------------|-----------|-----------------------|-----------|
|                                       |   | LE                 | \$      |               |                 | LE                      | \$        | LE                    | \$        |
| <u>ESF/FT-800 ON-GOING PROJECTS:</u>  |   |                    |         |               |                 |                         |           |                       |           |
| CRS                                   | Intensive Fish Culture (Amended)                                      | 1,358,000          |         | 10/20/83      | 05/30/89        | 1,260,000               |           | 2,618,000             |           |
| CRS                                   | Nutrition Education II  | 783,100            | 259,498 | 06/27/83      | 10/31/88        | 2,899,288               |           | 3,682,388             | 259,498   |
| CARE                                  | High Dam Lake Integ. Basic Services                                   | 512,000            | 282,700 | 11/01/84      | 12/31/89        | 1,117,256               |           | 1,629,256             | 282,700   |
| CAKE                                  | South Sinai Fisheries Development                                     | 1,308,173          | 77,600  | 08/23/88      | 11/27/90        | 599,230                 | 184,030   | 1,907,403             | 261,630   |
|                                       | Sub Total   | 3,961,273          | 619,798 |               |                 | 5,875,774               | 184,030   | 9,837,047             | 803,828   |
| <u>ON-GOING MONETIZATION PROJECT:</u> |   |                    |         |               |                 |                         |           |                       |           |
|                                       |   |                    |         |               | <u>DURATION</u> | <u>GOE CONTRIBUTION</u> |           |                       |           |
| CARE                                  | Village Self-Reliance   | 1,515,000          |         |               | 3 years         | 1,831,000               | 930,000   | 3,316,000             | 830,000   |
| ACDI                                  | National Pilot Test of a Television Series for Rural Agric. Education | 1,427,744          |         |               | 1 year          | 517,900                 |           | 1,945,644             |           |
| CRS                                   | Assiut Beekeeping   | 110,567            |         |               | 3 years         | 73,164                  |           | 183,731               |           |
| CRS                                   | Samalout Beekeeping   | 132,476            |         |               | 3 years         | 56,176                  |           | 188,652               |           |
| SAVE                                  | Child Survival  | 497,168            |         |               | 5 years         | 110,638                 | 102,469   | 607,806               | 102,469   |
| CEOSS *                               | Agricultural Extension  | 309,016            |         |               | 3 years         | 105,394                 | 58,696    | 414,410               | 58,696    |
| CEOSS *                               | Cattle Breeding   | 230,182            |         |               | 3 years         | 60,892                  | 19,720    | 291,064               | 18,720    |
| CEOSS *                               | Rabbit Raising  | 135,491            |         |               | 3 years         | 51,471                  | 9,280     | 186,962               | 9,280     |
|                                       | Sub Total   | 4,357,644          |         |               |                 | 2,806,625               | 1,020,165 | 7,161,269             | 1,020,165 |
| <u>PROJECTS UNDER DEVELOPMENT:</u>    |   |                    |         |               |                 |                         |           |                       |           |
| CEOSS *                               | Income and Employment Generation II                                   | 785,770            |         |               |                 | 312,715                 |           | 1,098,485             |           |
|                                       | Sub Total   | 785,770            |         |               |                 | 312,715                 |           | 1,098,485             |           |
|                                       | Grand Total   | 9,104,687          | 619,798 |               |                 | 8,995,114               | 1,201,195 | 18,099,801            | 1,823,993 |

\* "Income and Employment Generation for Social Services" - an Egyptian PVO not registered with USAID and sponsored by CRS.

| PROJECT NUMBER             | PVO  | PROJECT TITLE                    | USAID CONTRIBUTION |         | APPROVAL | COMPLETION | REMARKS                    |                    |
|----------------------------|------|----------------------------------|--------------------|---------|----------|------------|----------------------------|--------------------|
|                            |      |                                  | LE                 | \$      | Date     | Date       |                            |                    |
| <u>PROJECTS COMPLETED:</u> |      |                                  |                    |         |          |            | <u>CLOSURE LETTER DATE</u> |                    |
| 263-0005-G-00-1010-00      | CARE | Bir El Abd Potable Water         |                    | 270,000 |          | 12/10/80   | 01/31/83                   | December 13, 1982  |
| 263-0498006                | CRS  | 10 Horsepower Agriculture        |                    | 67,500  |          | 09/26/79   | 03/31/81                   | November 8, 1982   |
| 263-0498001                | CRS  | CEOSS Beekeeping                 |                    | 69,510  |          | 12/28/78   | 06/30/82                   | December 5, 1982   |
| 263-899-935-9605           | CRS  | Nutrition Education I            |                    | 218,075 |          | 06/13/79   | 12/31/81                   | March 1, 1983      |
| 263-80-G-011               | CRS  | Nomads in the Red Sea            |                    | 108,840 |          | 04/27/80   | 05/03/83                   | July 12, 1983      |
| 263-00FT-G-00-1054-06      | CARE | High Dam Lake Fish. Shelters     |                    | 307,000 |          | 08/09/81   | 12/31/83                   | March 29, 1984     |
| 263-00FT-G-00-2047-00      | CRS  | Multicrop Threshers/Winnowers II |                    | 480,648 |          | 06/27/82   | 03/31/84                   | July 16, 1986      |
| 263-0026-G-00-1048-00      | SAVE | Rural Development in Minia       |                    | 341,133 | 257,525  | 07/20/81   | 03/31/87                   | September 16, 1987 |
| 263-00FT-G-00-3023-00      | CRS  | Income & Employment Generation   |                    | 259,330 |          | 05/22/83   | 08/22/86                   | September 16, 1987 |
| 263-00FT-G-00-5004-00      | CRS  | Revival of Raw Silk Production   |                    | 136,205 |          | 11/01/83   | 08/31/87                   | September 16, 1987 |

Drafted by: PDS/P/PVO: Laila Boutros.

DOC # 0330A - DISK # 0048A).

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APPENDIX H

APPENDIX H

- b. USAID approval of subordinate agreements or contracts;
- c. USAID involvement in selection of key personnel; and
- d. USAID monitoring to permit specified kinds of direction of the work because of interrelationships with other projects.

B. Agency Policy:

AID Policy Paper: Private and Voluntary Organizations states that PVOs are development partners "both as intermediaries in conducting AID's programs and as independent entities in their own right". This support to PVOs is consistent with the dual Congressional intent to facilitate the development activities of PVOs which are consonant with AID development objectives, while at the same time protecting and preserving the independence and voluntary nature of PVOs.

C. USAID/Egypt Policy:

The Country Development Strategy Statement (CDSS) identifies those major development goals of the GOE which USAID will support. In Egypt USAID-supported PVO activities need not be confined to the same sectors and the same geographic regions as USAID; however, they should be an integral part of a consistent and coordinated utilization of resources to address Egypt's major development priorities.

Based upon the long and solid record of PVOs in Egypt's development, the CDSS states that USAID will increase its support for PVOs, U.S. and indigenous, during the planning period.

III. FUNDING PROVISIONS

A. PVO Eligibility for Funding:

1. Non-Indigenous PVOs:

Eligibility of all non-indigenous PVOs for USAID grant and cooperative agreement funding is contingent upon the following:

a. Registration with AID:

To receive an OPG or any other type of direct AID support, except disaster relief under Section 491 of the FAA, the organization must be registered with AID. Registration signifies that the particular organization meets AID's definitions of a PVO. AID/W is responsible for registering (and annually reviewing the registration of) U.S. and all other non-indigenous PVOs.\*

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\* Two registries -- one of U.S., the other of foreign PVOs -- are maintained and issued periodically by AID/W.

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b. GOE Operating Authorization:

The non-indigenous PVO must have adequate GOE authorization to operate in Egypt. The range of GOE operating authorizations include GOE/PVO bilateral agreement, GOE/PVO letter of authorization, and the GOE/USG bilateral agreement. The key circumstance dictating which GOE operating authorization shall be considered adequate centers on the PVO intent in coming to and operating in Egypt. The policy follows:

(1) When a non-indigenous PVO comes to Egypt at its own instigation and proposes to expend its own funds, it may decide to carry out an activity under a "letter of authorization" which is a GOE mechanism providing temporary authorization for the PVO to carry out a specific activity. Letters of authorization may be issued by an undersecretary, the director of a university or a hospital, or a governor. With only a letter of authorization, USAID may fund the PVO via a contract. However, when the PVO seeks grant or cooperative agreement funding from USAID to support its own activities, the appropriate GOE operating authorization is a GOE/PVO bilateral agreement. The bilateral is necessary because it:

(a) maintains the organizational and financial independence of the PVO in relation to the USG;

(b) helps GOE ministries understand the modus operandi of PVOs -- these ministries frequently are more familiar with contractors and the procedures applicable to contractors;

(c) avoids ambiguity and misunderstanding with the GOE concerning the PVO's status in the country; and

(d) avoids embarrassment and suspicion which could occur if a PVO without a bilateral receives a USAID grant but attempts to operate the multi-faceted type of program (normally authorized by a bilateral agreement) instead of the activities strictly limited to those of a contractor.

(2) When the PVO comes to Egypt at USAID's request, (e.g. in response to an RFP) to carry out a USAID-requested activity whether by contract, grant, or cooperative agreement over a USAID-dictated time period, the operational authorization would be based on documentation such as the AID/GOE Bilateral Agreement, the individual AID/GOE bilateral grant agreements, PIO/Ts, ...etc. In such situations, no bilateral agreement between the PVO and the GOE will be necessary.

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