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**The Cooperative Agreement between A.I.D./FVA/PVC  
and Private Agencies Collaborating Together (PACT)**

**An Evaluation Report**

**Final Draft**

**by**

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## EXECUTIVE SUMMARY

This is the final evaluation of PACT's three year Cooperative Agreement (CA) with A.I.D./FVA/PVC. The CA covered the period from 1 September, 1988, through 31 August, 1991 and was for a total amount of \$5,175,000 which includes two add-ons. The CA made up about 27 percent of PACT's \$6 million annual budget. This evaluation, carried out during August, 1991, is required by the terms of the CA and follows up issues raised by a mid-term evaluation carried out in May and June of 1990. As it was agreed in the CA that the A.I.D.-approved evaluator would work throughout the life of the program, the same evaluator carried out both evaluations.

The purpose of the evaluation is to document activities undertaken since the last evaluation and address issues of management and governance identified in the mid-term evaluation. The evaluation is based largely on interviews with 18 of PACT's 27 U.S. Members and program documents describing activities in the field. The evaluation also drew on notes from interviews with over 50 representatives of U.S. Private Voluntary Organizations (PVOs) and Non-Governmental Organizations (NGOs), including PACT's International Members and program partners in Thailand, carried out for the mid-term evaluation.

Since the CA was signed, several important changes in the agreement have been made. Originally, CA funds were designated all for PVOs and to be delivered through a cumbersome set of programs. Midway through the CA, about the time of the last evaluation, PVC and PACT agreed that funds should be used to foster collaboration between NGOs as well as between PVOs and NGOs. This led to a re-organization and alignment of PACT's programs into four regional programs. This re-organization has enabled PACT to target its programs more closely to its mission and, because it is simpler, made it easier for PACT to communicate how it works to Members and donors.

### Management issues:

A year ago, PACT moved its headquarters operations to Washington, D.C. Because the move was never discussed or approved by the full Board of Directors, that move was questioned by some Board Members. Now that the move has been accomplished, there are no strong feelings about the location of the office. Costs of maintaining a small office in New York, primarily for the Communications Program, which is too new to be moved, and as a representational office for international visitors and the U.N., will be partially offset by savings in travel time and money.

One consequence of the move has been several new staff members in

the Washington Office, all of whom seem eager and well qualified for their jobs. PACT is moving towards a new organizational structure that will see Regional Directors in place in Asia, Africa, and Latin America who are in charge of all PACT program activities in their regions. The development of regional offices is essential as PACT places increasing emphasis on regional rather than country level consortia and networks. The evaluation suggests careful attention to lines of communication and authority as the regional programs are put into place.

One of PACT's most impressive accomplishments is its ability to leverage funds for the PVO/NGO community. Over the course of this CA, PACT's program strategy has led to about \$55 million for consortia, PVOs, NGOs and collaborative efforts world-wide. Members frequently mistakenly believe that PACT uses CA funds for fund raising but, as with all A.I.D. grants, only overhead is used for marketing and program development and some of PACT's overhead even goes to Members for program development. Seventy-five percent of the CA was spent on U.S. programs (during the first two years, all funds had to be spent in the U.S.). Overall, PACT's efforts have led to over \$10 dollars raised from other sources for each CA dollar spent on program support and small grants. Funds spent on overseas programs to develop consortia and demonstration projects have, by contrast, lead to the generation of \$43 for each CA dollar. This suggests that PACT's field strategy is particularly beneficial to the PVO community.

PACT has been particularly successful at generating funds by submitting unsolicited proposals to donors. Approximately two-thirds of the \$55 million leveraged was through unsolicited proposals presented by a coalition of PACT Members, other PVOs and NGOs. These are funds that would not necessarily have been available to the development community without PACT's leadership.

#### Governance issues:

When PACT started, the idea was that smaller, weaker PVOs working on grass-roots type development could leverage more donor money if they worked together. At that time, many PVOs were at the developmental stage. Over the past twenty years, PACT's Members matured and PACT expanded to include PVOs working in specialty areas as well as NGOs and other consortia.

PACT's mission, to improve socio-economic conditions for the poor in developing countries by supporting and fostering local organizations is heartily endorsed by most Members. There is a very small, but very vocal, minority who feel that it is inappropriate for PACT to be carrying out activities in the field and, in particular, for A.I.D. money to go directly to NGOs without first passing through PVOs. These critics have orchestrated an effort to close PACT down, generally using other grievances as a smoke screen, rather than discussing their

concerns openly.

PACT's critics, while small in number, persevere and bring up the same issues at the renewal of each CA, to the point where other Members who support PACT, weary of the repetition, have disengaged from discussion. Discussion of a merger with InterAction, for example, is considered a tiresome non-issue by most Members interviewed. There are no compelling reasons for a merger and several disadvantages, not the least of which is that the Executive Directors of the two organizations do not want to merge.

PACT now has 26 institutional Members (nine international and 17 U.S.) and 11 individual Members. Most international Members are unable or unwilling to pay their membership dues (ranging from \$500 to \$2500 annually) and this has led to some resentment against International Members whom a few U.S. Members view as not taking full responsibility and accuse PACT of patronizing them.

Membership is widely viewed as a haphazard collection of organizations. While PACT staff, at their last annual retreat, developed their vision of a membership strategy, the Membership Committee of the Board has not been active. Some organizations that appear to receive few benefits of membership still support PACT while some of PACT's most vocal critics are also its greatest beneficiaries.

Those organizations with the most active programs in countries where PACT has field staff are the Members deriving the greatest benefit of Membership. Now that grants and other services such as workshops are carried out mostly in the field, some Executive Directors appear to be unaware of the level of collaboration between their and PACT's field staff. PACT Members are always given preferential treatment in access to grants, workshops, and information about potential new program initiatives. Despite grumbling about PACT's program policies over the years, no Member has yet dropped out in protest.

PACT developed an expertise in NGO/PVO consortia building in the early 1980s. Since then, some of PACT's Members have matured to the point where they, too, feel competent to bid on the management of umbrella projects under grants from USAIDs. When PACT bids on a project, it always does so by first contacting all Members who are currently working or would like to work in an area and all bids are presented collectively with Members, other PVOs, and NGOs. In doing this, it fulfills one of PACT's oldest mandates, to help Members do as a group what any one could not do alone.

One of PACT's Members, has been very critical of PACT for working in the field because PACT, along with other Members, is an occasional competitor. Other Members that have competed against PACT, say that competition is normal and healthy. As Members are successfully able to manage country level consortia, PACT is

freed to focus more on regional and international consortia and networks. Since PACT always bids on grants as part of a coalition of PVOs and NGOs, competition is actually of one PVO against a coalition of PVOs and NGOs rather than against PACT, per se.

While PACT's program strategy has evolved and its Members have matured, the governance system has remained the same. PACT's Members serve on the Board of Directors creating conflicts for staff who must give out grants while answering to individuals on the Board. Individuals interviewed cited numerous cases of potential conflict of interest. A Task Force has been meeting to try to resolve the governance problem but has not gathered momentum. There is a growing sentiment that it is time for PACT's Board of Directors to be all non-Members, individuals with a vision of private development's role in the future and a strong commitment to PACT's mission.

Relations with PVC are excellent. As PACT places greater emphasis on regional programs, PVC may play a supportive role in helping PACT gain access to appropriate A.I.D. regional and Mission staff. PVC and PACT need to discuss the role of an intermediary organization and the role A.I.D. hopes PVOs will play in their overall programs. PVC and PACT should consider alternative types of contracting procedures which allow for longer term CAs (five years) but with greater program accountability on a year by year basis. Things have changed so much, that the original CA proposal bears little relation to current agreements and is not useful as a measure for evaluation.

#### Program Performance:

PACT's program strategy is to build coalitions and networks at the grass roots level and facilitate their efforts to leverage funds from donors. For many organizations, collaboration does not come easy. Using small Institutional Development Grants (IDGs) as an incentive, local organizations soon learn that collectively, they are greater than the sum of their parts. Working together, they can share information, lobby for policy change, build networks to strengthen their sector expertise, and leverage donor funds. PACT has country level staff in place in four countries.

Since the mid-term evaluation, PACT has made excellent progress in moving from a nearly incomprehensible collection of small activities to a clear program strategy focusing on four regions. Now all PACT activities are designed to further the regional strategies. Based on an outline generated at the last staff retreat, a new Program Policy Manual has been drafted and will be discussed at the next Member Assembly later this month. An Africa and Asia Regional strategy have been developed with contributions from Members, other PVOs, and NGOs. The Latin America Strategy as described in a proposal called CAPACITA, has

not yet been finalized but is under review.

The U.S. program has accounted for 75 percent of the CA funds. Activities have included 22 administrative workshops, program workshops in the U.S. and Kenya, and other services to PVOs such as a Personnel Cooperative, a Financial Managers Association, the Small Enterprise Education and Promotion Network, and a group insurance plan.

PACT's most successful U.S. programs are the two Communications Services. A Media Services Unit (MSU) collects and distributes training tools and publications, while the Media Production Unit (MPU) publishes brochures, books, and videos for non-profit organizations. While new, and comprising less than four percent of the CA budget, both programs have been much more successful than originally envisioned. The MPU was designed to generate revenue for PACT and the MSU will show a profit within the next two years. The main thrust now is to integrate these two units more closely with regional field activities and training.

Largely for historical reasons, (in the original CA, all IDGs had to go to U.S. PVOs) IDGs still come from the U.S. Regional program although most are now used in the field. PACT managed 116 IDGs to 46 PVOs and 21 NGOs under this CA. Forty-nine percent of the IDG funds went to PACT Members, 36 percent to other PVOs and only 15 percent went to NGOs. IDGs are extremely important to recipients and to PACT's program strategy. They are small but very frequently lead to major new funding or programs for their recipients. They are a very effective use of money (only \$800,000 made important contributions to new program development for 67 organizations).

Programs in Africa are moving slowly but positively, particularly in West Africa. A major new natural resource initiative in Madagascar will lead to funds for many PVOs and NGOs to work there. A Regional Office is open in Dakar though a Regional Director is not in place there yet. PACT's leadership has led to the generation of \$25 million in PVO and NGO program money in Africa.

In Latin America, PACT continues to work with its long time partners in Cosa Rica and Guatemala and is building up programs in the Andean region. PACT presence and the consortia it has assisted have generated \$10 million in program funds in Latin America.

Asia is PACT's strongest program region with established programs in Thailand, Bangladesh and Nepal, and major new initiatives underway in Indonesia, the Philippines, Pakistan, India, Tibet, Thailand, and Cambodia. PACT's strategy has been effective in raising over \$16 million in funds for PVOs and NGOs in Asia, all through unsolicited proposals to major donors.



## Findings:

The major findings of the evaluation are:

- Despite major institutional stress (a relatively new Executive Director, new Chairman of the Board, a move of the office to Washington, major staff turnover, and problems with the Executive Committee), since the last evaluation, PACT has made major program strides in clarifying its program strategy. The new regional strategy is appropriate and is fully in line with PACT's Mission.

- PACT's Mission is endorsed enthusiastically by most of its Members. Only a small but very vocal minority feel that PACT should work only in the U.S. and that CA funds should go only to US PVOs.

- There was miscommunication between the Executive Director and the Executive Committee as to what level of involvement in the development of the next CA was expected. Although the Board voted to endorse the new proposal unanimously, some Members went directly to PVC and asked them not to fund the proposal.

- PACT's program strategy of building coalitions that can successfully compete for donor funds for the PVO/NGO community is extremely success and has led to the leveraging of over \$49 million in three years. The development of demonstration projects and networks that lead to the funding of unsolicited proposals has been particularly successful.

## Recommendations:

The major recommendations of the evaluation are:

- PACT should continue with the regional strategy and the development of regional offices. However, PACT has been in a period of high growth and needs to consolidate its programs. Regionalization needs to be accompanied by careful attention to management systems to make the regional offices effective. This would be assisted by clearer signals from the Board on PACT's efforts to regionalize.

- Members should review PACT's overall and regional program strategies and make appropriate contributions.

- Members should follow Member-approved procedures for dealing with grievances against PACT. Internal problems should be handled internally.

- PACT should constitute a new Board of Directors consisting of non-Members, one-fourth of whom are from each of PACT's four program regions (Asia, Africa, Latin America, and the U.S). One

half of the Members should be women.

- PACT needs a membership strategy by which there is a plan for recruiting new Members (and perhaps eliminating some old ones) so that the membership array closely matches PACT's current and future program strategy.



## List of Acronyms

ACORDE - A Costa Rican NGO consortium  
A.I.D. - Agency for International Development  
A.I.D./AFR - A.I.D.'s Africa Bureau  
A.I.D./ANEE - A.I.D.'s Asia, Near East and Europe Bureau  
AITEC - ACCION's affiliate in Central America  
ASINDES - A Guatemalan NGO consortium  
ATI - Appropriate Technology International  
CA - Cooperative Agreement  
CAMARA/CEOP - An Ecuadoran NGO consortium  
COPEME - A Peruvian NGO consortium  
CRS - Catholic Relieve Services  
EIL - Experiment in International Living  
FAVDO - an international NGO consortium  
FON - Food Oils Network  
IDG - Institutional Development Grants  
IVS - International Voluntary Services  
MPU - Media Production Unit  
MSU - Media Services Unit  
NGO - Non-governmental organization, non-U.S. based  
NRM - Natural Resource Management  
PACT- Private Agencies Collaborating Together  
PADF- Pan American Development Foundation  
PVC - A.I.D./FVA/PVC  
PVO - Private Voluntary Organization, U.S. based  
RADI - A Senegalese NGO  
RFP - Request for a proposal  
SAVE - Save the Children  
SEEP - Small Enterprise Education and Promotion Network  
SME - Small and Micro-Enterprise  
USAID - A.I.D. country missions  
VITA - Volunteers in Technical Assistance  
VOCA - Volunteers in Overseas Cooperative Assistance

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## 1.0 Background

### 1.1 The evolution of the Cooperative Agreement

The Cooperative Agreement (CA) covers the period of 1 September, 1988, through 31 August, 1991, for a total of \$5,175,000 including add-ons. PACT's total annual budget is just over \$6 million and the CA comprises 27 percent of PACT's total revenue. PACT has undergone two important changes since the CA was signed, both in conjunction with policy changes at A.I.D./FVA/PVC (PVC). First, with this CA, PACT money could again go to U.S. based Private Voluntary Organization (PVO) non-Members and then, midway through the agreement, PVC allowed its money to go directly to local Non-Governmental Organizations (NGOs) in developing countries. PVC and PACT have worked closely together over the course of the CA and with PVC support, PACT has become much more focused in its strategy. (A short history of PACT from the mid-term evaluation report is included here as Appendix A)

The original objectives of the CA were:

- to strengthen the capacities of Private Voluntary Organizations (PVOs) to assist local affiliates and partners.
- to expand development benefits and broaden impact.
- to strengthen the technical and managerial skills of PVOs.
- to encourage collaboration and joint approaches to PVO effectiveness.

Prior to 1988, PACT funds went, as they do now, to Members, other U.S. PVOs, consortia, and NGOs. In 1988, PVC had a policy change and required all CA funds to go only to PVOs. The 1990 change was a return to earlier policy.

The original proposal was for \$6 million over three years. AID funded the proposal at a lower level but without guidance as to how the funds were to be apportioned among PACT's programs. The proposal set forth seven types of activities to be undertaken:

- Building the U.S. PVO capacity to assist local affiliates and partners. This component included workshops, planning meetings, the production of a video, and other activities to encourage PVOs to establish local affiliations and work through existing Non-governmental Organizations (NGOs).

- Technical and Managerial Services: This component included workshops on management, the personnel cooperative, and the financial managers association.
- Collaboration: The objective of this component was to test whether PVO/NGO interventions could be more effective where several worked together on an issue. Two test cases were the Southern Africa initiative and the Thailand country program. This also included the Food Oils in Africa Network and the SEEP Network.
- Communication and Dissemination: This component included a marketing study to build a capacity of PACT to collect and disseminate literature of interest to the PVO community. The communication program was started with a \$90,000 add-on to the CA.
- Market Driven Services: This has been an experiment to see whether PACT could generate funds by providing services to the PVO community at a small profit. Activities included a Media Services Unit to produce materials and reports and a group health insurance plan for small PVOs.
- Institutional Development Grants: Grants of up to \$10,000 have been available to PVOs to assist in the accomplishment of each of the other program categories.

Midway through the CA, in November 1989, PVC and PACT agreed that PACT should place greater emphasis on field programs and less on U.S. activities. This was a change PACT welcomed and signaled a second turning point for PACT as an organization. The midterm evaluation was held shortly after these changes took place and one of the objectives of that evaluation was to offer guidance on how to re-focus the programs.

That evaluation determined that the old CA program categories were cumbersome and confusing. The evaluation recommended that PACT's programs be organized along regional lines with staff, programs, and sub-grants grouped around a program strategy for each of the four regions where PACT has programs: the U.S., Africa, Asia, and Latin America.

The CA also had two add-ons.

- The first was \$892,794 for three years to create a Debt for Development Coalition which PACT managed during start up but which is now financially and managerially independent of PACT.
- The second was \$90,000 for one year for the Media Services Program.

In 1990, 2.7 percent of the CA (\$137,000) was set aside but only \$44,000 was spent) to start the Citizens Democracy Corps which is a clearing house on volunteer activities for Central and Eastern Europe.

## 1.2 Reasons for the evaluation

The evaluation is being undertaken as required by the CA. The purposes of the evaluation are two fold:

- to follow up on issues raised and recommendations made in the mid-term evaluation and,
- to document program achievements since the last evaluation.

The specific questions the evaluation is designed to answer are:

- Is PACT's mission statement an accurate reflection of what the organization does? Is the mission supported by PVC, PACT's Members, and PACT's Board of Directors?
- Should PACT remain a membership organization? What alternative governance structures may be appropriate?
- Does PACT compete with its Members?
- Are there advantages to PACT membership?
- Have the recommendations made in the last evaluation been acted on?
- What have been the program accomplishments over the past year? Is the new regional organization structure appropriate to accomplishing PACT's goals?
- Is it cost effective to maintain two U.S. Offices?
- What has been the impact of the Institutional Development Grants?

Following is a description of the evaluation methodology and information on the management, governance, and program performance of PACT. Section 6.0 summarizes the main findings, 7.0 gives specific answers to the evaluation questions while the final section, 8.0, presents recommendations.

## 2.0 Evaluation Methodology

### 2.1 Evaluation Design

Under the terms of the CA, PACT was to hire an evaluator who would work with PACT throughout the CA. A mid-term evaluation was carried out in May and June of 1990. This is the final evaluation of the three year CA.

The evaluation was carried during the month of August, 1991. The Scope of Work (SOW) was drafted after an initial meeting with PACT's Executive Director and Deputy Director. The draft was reviewed by PVC and their comments were incorporated into the evaluation plan. The final SOW is included here as Appendix B.

### 2.2 The Evaluator

The evaluator holds a Ph.D. in anthropology and has been a professional consultant in the field of international development for the past nine years. During that time she has worked with many PVOs and NGOs in one capacity or another. She was one of the originators of the SEEP network and was senior editor of the SEEP Step by Step manual on the evaluation of small enterprise projects. She has worked in 25 countries and specializes in issues of organizational development and program management. Her sector expertise is in small enterprise development, health, and gender issues. She carried out the mid-term evaluation of PACT's CA.

### 2.3 Evaluation activities

The evaluation was based on the following:

- o Interviews with 18 U.S. PACT Members including past and present Members of the Board of Directors.
- o Interviews with representatives of InterAction and A.I.D.
- o Interviews with all senior PACT staff in the New York and Washington offices.
- o A review of information from field staff on program accomplishments.

A complete list of those interviewed is included here as Appendix C. Because the evaluation also relied on notes from the mid-term

evaluation, a list of people interviewed then is also included.

As with the mid-term evaluation, the process was a participatory one. Evaluation findings and issues were discussed with staff while data were being collected. Many of the recommendations offered here came from individuals who were interviewed.

This evaluation report was sent to all PACT members early in September, 1991, just before PACT's annual member Assembly. The evaluator attended the business sessions of the Assembly and discussed the report informally with Members. Additional information gathered after the report was written and circulated is included here in brackets in appropriate places in the text.

#### 2.4 Limitations of the evaluation

The evaluator had complete access to all PACT files and staff. Because the evaluation took place during the August vacation season, some individuals could not be reached for interviews.

The primary limitation on the evaluation was access to information from the field. While all field staff had provided written reports, the evaluator was unable to visit programs and interview PACT's international Members. Therefore, this report is likely to be biased towards issues and problems of U.S. Members.

The mid-term evaluation, carried out just over a year ago, did include a field trip to Thailand and interviews with many of PACT's field staff and international Members at the 1990 Member Assembly. The evaluator reviewed information gathered then for this evaluation. [Some international members and field staff were interviewed informally at the Assembly following circulation of the draft report].



### 3.0 Management of PACT

#### 3.1 Move of the office

When PACT was founded 10 June, 1971, its offices were established in New York. From its earliest days, there has been discussion of moving the office to Washington but there had never been a real impetus to make the move. When the new Executive Director was hired in October, 1989, his home was in Washington. For reasons that may never become clear, at this point the Executive Committee urged that the move be made as soon as possible.

The April, 1990, announcement that the office would move caused great distress among the staff, many of whom had been with PACT for years, as well as the Board of Directors, some of whom felt that such an important decision should have had a feasibility study and have been voted on by the full Board. One Board Member felt that it had been clear that the current Executive Director had the mandate to move the office. "If the board wasn't anxious to move the office, they shouldn't have hired [the current Executive Director]. His hiring was a tacit approval of the move."

The move took place over the course of a year with Washington offices opening in May, 1991. The New York office is still maintained with a much reduced size. The New York Office is still home to U.S. program activities including Media Services, Media Production, and Communications divisions as well as the SEEP network.

While there was much confusion at the time of the announcement of the move, in the end the move was accomplished with no disruption in services and Members now express little or no concern about the move. Most say the location of the office is irrelevant. A few people felt that having the office in Washington gave staff even closer contact with Members but some Members said visiting PACT gave them an excuse to go to New York where they could make contacts with other donors and PVOs located there.

The primary concern has been whether it is cost effective to maintain two U.S. offices. PACT's argument is that while it costs more, the difference is not significant. The same number of staff and the same number of square feet of office space would be needed with one or two offices. Annual rent on the New York office last year was \$99,156 (with a 6 percent increase per year). PACT's staff had increased to the point where additional space would have been needed if the Washington office had not opened. Rent on the New York office is \$74,933 this year and for the Washington office is \$100,035. PACT's office in New York is now much reduced in size and the annual costs are \$24,223 lower

than the Washington office.

The added expense will be offset by some savings. Since one condition of hiring the current Executive Director was providing an apartment for him in New York City and that is no longer needed, \$20,000 is saved along with weekly travel expenses for him. Also, staff frequently traveled to Washington for meetings saving another estimated \$45,000 in travel. While some travel to New York will be required (e.g., quarterly by the Finance Director and monthly by the Deputy Director to consult with Media staff), a substantial savings in travel time and costs will result. Total costs before (including the Executive Director's apartment and staff travel) were about \$164,000 and are now (with the two offices) about \$175,000 for a difference of only \$8,000. PACT was given three months free rent on the Washington office as an incentive to sign the lease. This bonus is not included in the figures above.

More important than cost is the fragility of the new Media Production and Media Services Units. These programs have been very successful but are not yet fully established. Moving these programs now would be untimely as new staff would have to be hired and new professional connections with publishers established. The two programs are not yet mature enough to consider relocation.

Since it is essential to maintain a New York office for these two programs, Information Services, SEEP, and other programs can be run out of that office with minimal disruption to staff associated with these programs. This year there have been high travel costs between the two offices in connection with the move and responding to problems with the Board of Directors. The New York office is also important as a representation office to donors such as UNDP and many visitors, especially internationals still visit that office. Some training will also be managed from that office.

Within the next two years, Media Services should begin to return a profit (as Media Production is already doing). This will further offset the cost of maintaining the office.

### 3.2 Staffing

As only the Deputy Director, an Associate Director, and one Administrative Assistant were able to make the move to Washington, one consequence of the move is that PACT Headquarters has now has a virtually all new staff. A new Director of Finance and Administration and her staff of three are creating a much needed set of office systems and manuals for accounting, reports, personnel, expense accounts, and recruiting. Previously PACT was small, staff were all in the office (in New York), most had been

with PACT for years, and the management system has been a familial one. Now that PACT has more staff, most of whom are new, and greater emphasis is to be placed on regional offices, the development of a rigorous system of office procedures is urgent.

Other new Washington-based staff include two Associate Directors for Asia, and one Associate Director each for Latin America and Africa. At the time of this writing, there was only one Regional Director in place. One of two Co-directors for Asia began in Jan, 1991 (located at PACT's new Jakarta office) the other will take responsibilities as of 1 September. The Regional Director for Africa will be moving to Madagascar to manage the new umbrella project there and the Associate Director for Africa will assume responsibility for the programs along with the Deputy Regional Director who now manages PACT's new regional office in Dakar. The position of Regional Director for Latin America is open and may not be filled immediately.

Morale among the staff in Washington is generally high as most are new and still in the "honeymoon" stages of their jobs. Morale among those who have been with PACT longer, particularly those left behind in New York is very low. Recent governance problems have lead to a feeling of insecurity and not being appreciated. Because the current CA is only for one year, all staff feel uneasy making longer term commitments to individuals and organizations fearing that PACT's funding may be in jeopardy or that its mission or structure might change dramatically.

Because of the move, neither office represents an attractive work environment. The New York Office looks barren and dilapidated while the Washington office does not yet have its office furniture and boxes clutter the office. New carpet is on order for New York and the offices should be more pleasant before long. Non-smokers (who are outnumbered by smokers) complain that smoke in the office is annoying and even contributing to health problems. Since a new Washington law guarantees all employees a smoke free work place, this problem should abate when the law is enforced.

[Following the strong endorsement of PACT's strategy at the Assembly, office improvements, and a settling in of new staff, morale in New York is reported to be much improved. Smoke in the office continues to be a problem for those who must work in the central area as smokers often fail to close their doors when smoking or the smoke leaks out when they do open their doors.]

With the move and new professional and support staff, the Washington office does not yet have an efficient system of support. Program staff still spend valuable time sending international faxes, making photocopies, and doing other tasks more appropriately delegated to support staff. The New York

office has more administrative support than the Washington office, partly because many of those who stayed with PACT there were at the support level.

PACT has been criticized in the past for not having a clear organizational chart, or for changing the organizational chart too frequently. Part of the confusion was the old CA categories made it difficult to know who was responsible for what. At this time, PACT is now working from an organizational chart that does not show lines of authority. A new system will be put in place when Regional Directors are in place. Both charts are shown in Appendix D. Finance and Administration are not integrated with programs.

With new staff in place, the Executive Director and Deputy Director have been unable to delegate authority as much as they should have and all the Program staff gave examples of confusion about lines of authority within the office and particularly how people in the Washington office relate to the regional people. Much of the current confusion is because the new system has not yet been put into place.

[As new staff have learned their jobs, they have taken on increased responsibility and much more work is now delegated to Program staff.]

Over the next year or two, as money becomes available, Regional Directors are to be hired and located in the field and they will have authority over all programs in their regions. Associates will to be their support at Headquarters. Some confusion remains about the relation between the Regional Directors and the Associate Directors and how they relate to the Deputy Executive Director. Several staff in the New York office expressed confusion as to how they relate to those in the Washington office.

Program staff express strong concern about how field staff can learn PACT's philosophy and become familiar with systems and staff unless they make regular visits to Washington. To resolve this problems, authority will have to be delegated to the field and a communications system will have to be established. The Executive Director and Deputy Director are conscious of the need to monitor the situation closely. [The Asia Regional Office, already in place, will serve as a model for working out the lines of authority and communication before the other two regional offices are established.]

Field staff express an interest in becoming more knowledgeable about the Communications Services. While some publications are in Spanish or French, they want more information in local languages and to have more interaction with the communication staff so that they are more familiar with services available and

can assist with the development of regional Media Services. They also expressed a need for objective reviews of PACT's publications (perhaps published in IMPACT) so that they will know which publications best suit their needs. They cannot tell much about the publication's strengths and weaknesses from the catalog.

### 3.3 Regionalization

PACT has pioneered in the creation of coalitions of PVOs and NGOs at the country level. Over the course of the CA, PACT has refined its country strategy and the use of small grants and communication. In those places where there are strong country consortia PACT is placing greater emphasis on regional networks and sharing of information. This is a niche that is strongly endorsed by PACT's international Members as it is one that no NGO and few PVOs have the resources and skills to develop.

In order to increase their capability at the regional level, PACT has opened a Regional Office in Asia, and in Africa (Dakar) in addition to the U.S. Regional Office in New York. The Asia Regional office will be in the Regional Director's home in Jakarta. The Africa office in Dakar currently houses only the Assistant Regional Director and an administrative assistant. The Regional Coordinator function is still handled in the Washington Office. The Latin America Regional Office has not yet been established and, because travel time to the U.S. is less than for Asia and Africa, it may not be established for some time. Likely sites are with one of PACT's partner agencies in Guatemala or Costa Rica.

PVC has made it clear that administrative expenses for these office cannot be paid for out of the CA. They feel that such offices are most appropriately funded either by USAID missions or by A.I.D.'s Regional Offices.

Some PACT Members expressed concern about regional offices. The two main concerns were cost and whether this meant that PACT was moving towards implementing projects. The costs should be relatively minor since it is planned that the offices will stay small, perhaps even sharing offices with a PACT Member or NGOs as is the case in Indonesia, or working from home.

The development of regional networks and consortia requires a greater depth and breath of skills than that for country level coordinators. To work internationally, they need stronger negotiation skills and an ability to work in a variety of policy settings. For this reason, PACT does need to have regional staff as well as country representatives in place to establish a presence, build rapport, and begin the process of regional network building. The sources of funding for regional projects

will be somewhat different and international consortia building requires a great deal of hands-on collaboration. Staff can save considerable travel time and money in Asia and Africa if they are housed in the field. Since travel time and costs is not such a consideration for Latin American, the establishment of an office there is less urgent.

With PACT's success at raising funds for country level umbrella organizations, it is likely that they also have success with the generation of funds for regional level activities. PACT will need to build relations with A.I.D.'s Regional Offices and PVC can play a supporting role in facilitating this relationship.

PACT makes it clear that they have no plans to implement community level projects. All of PACT's programs are carried out at the community level by other PVOs and NGOs. PACT plays only a facilitative, managerial, and coordinating role. PACT's workshops, for example, are all highly participatory and are designed to take advantage of expertise available in the local PVO/NGO community.

#### 3.4 Program strategy and planning

As a result of the mid-term evaluation, and as outlined in last years staff retreat, PACT has now developed a draft Program Policy Manual. The draft has been be sent to all PACT Members and will be discussed at the next annual Assembly in September. When approved by the Members, the Program Policy Manual will be an important step in clarifying PACT's program strategy (both what it does and what it does not do) for Members, field staff and potential donors.

[The draft Program Policy Manual was reviewed by staff at a two-day retreat held just before the September Member Assembly. It was also distributed to all Members before the Assembly and was discussed there. The Manual is now being used as guidance for all new PACT programs. It will continue to be refined over the next year.]

PACT was very successful in developing its Africa Program Strategy in dialogue with Members, other PVOs and NGOs. This participatory approach has lead to considerable support for PACT's programs by Member program staff and local organizations. PACT has an Asia Program Strategy that was developed several years ago. A Latin America Regional Strategy is included in the CAPACITA proposal to ROCAP.

Since the mid-term evaluation PACT has tightened its program planning strategy and all programs now have work plans against which they evaluate their performance. Office-wide staff meetings are held weekly during which staff report on accomplishments and

discuss upcoming activities. In September of this year, in connection with the annual Assembly, and while all of PACT's field staff are in town, there will be a two day staff retreat to discuss issues of administration and program development. The retreat this year will be open to all PACT Members and will afford them an opportunity to meet and interact with staff and participate in program development.

Board Members have noted an increase in information coming to them about the programs. Some say there is too much for them to absorb and it needs to be condensed. Others have complained that they are not given enough information on which to base decisions. Several remarked that the problem is not in the amount of information they receive but that it is all description of what has been done. Several expressed the view that they would like to be consulted more often and included in the development of ideas rather than just being "talked to" at Assemblies and Board Meetings.

An example of miscommunication is that, in preparing the proposal for the next CA, staff prepared concept papers, formal presentations and several other briefing papers in the six months leading to the proposal which was approved unanimously by the full Board in April. Despite this, two Members of the Board believed they had not been adequately informed and approached A.I.D. with their concerns, leading to a scuttling of the next three year agreement.

There has been a lack of communication between the Board and the Executive Committee about how much information they want and in what form they want it. A primary task for the new Chair of the Board (coming on in September) is to work with the Executive Director to establish guidelines on communication.

One Board Member suggested a "monthly report" with a brief description of activities this month and a list of ideas and potential projects on which the Executive Director is inviting comment rather than the thick documents that come in throughout the month.

### 3.5 Fund raising

PACT's most impressive accomplishment is its extraordinary ability to raise money for the PVO/NGO community. It has done this primarily by creating coalitions and demonstration projects which are attractive to other donors such as USAID missions, A.I.D. Regional Offices, the World Bank and the U.N. As the chart below shows, PACT and its partners can take credit for the generation of \$55 million dollars (gross; PACT's budgeted overhead rate is 28 percent) for PVOs and NGOs since this CA was signed.

While just over \$4 million of these funds are still pending the results are still impressive. Of the \$55 million PACT has assisted in generating, 67.5 percent was through unsolicited proposals. These funds would not likely have been available to the PVO/NGO community without PACT's initiative. The remaining 32.5 percent was raised through responses to Requests for Proposals (RFPs) and would have been available but PACT Members would not have had priority access.

TABLE Showing Funds Raised by Region  
Resulting from PACT's Leadership

Regional Program	CA Funds Spent on program support and subgrants	Raised through Unsolicited Proposals	Raised in response to RFPs	Total funds raised through PACT's Leadership
U.S - IDGs	\$ 3,897,727 \$ 55,167	--	--	--
E. Europe - IDGs	\$ 44,034 \$ 14,378	\$ 2,799,999	--	\$ 2,799,999
Asia - IDGs	\$ 165,204 \$ 249,184	\$16,647,818	--	\$16,647,818
L.A. & C - IDGs	\$ 102,318 \$ 205,461	\$ 8,065,751	\$ 2,433,000	\$10,498,751
Africa - IDGs	\$ 202,619 \$ 238,908	\$ 9,800,000	\$15,500,000	\$25,300,000
<b>TOTAL</b>	<b>\$ 5,715,000</b>	<b>\$37,313,568</b>	<b>\$17,933,000</b>	<b>\$55,246,568</b>

Notes on the Table:

- The figures presented here are as of 31 July, 1991 and are unaudited figures. The CA has one more month to complete the original three year agreement.
- The Table does not include the \$90 million trust fund in Sri Lanka in which PACT has played an active design and implementation role.
- \$4 million of these funds are pending, though all pending funds included here PACT feels are likely to be awarded.
- \$870,647 of ACORDE's sub-grants were dispersed before this CA took effect and are not included here.

One common misconception among Members is that PACT uses its CA funds to do marketing. In fact, as with all A.I.D. funds, this is illegal. PACT uses only a portion of its overhead to do



marketing and fund raising. Headquarters staff all spend less than five percent of their time on new initiatives (only \$387,211 was spent on marketing and new project development). Some of that amount is spent on Members as when a PACT staff member was sent to Romania to design a program for Project Concern International.

Of the \$5,175,000 in CA funds spent so far, 75 percent were spent in the U.S. During the first two years of the agreement, all CA funds were spent in the U.S. Overall, \$1,277,273 has been spent on overseas activities, including Institutional Development Grants (IDGs).

While CA money is not used directly to leverage funds, PACT's presence in the field and its strategy of building consortia and learning networks has enabled PACT's Members and other partners to share in the funds that result. Looked at from a cost-benefit perspective, each dollar of the CA contributes indirectly to the generation of other funds.

TABLE showing funds raised by PACT for each dollar of the CA

	Funds per CA \$ from unsolicited proposals	Funds per CA & responding to RFPs	TOTAL
Total CA budget	\$ 7	\$ 3	\$20
CA funds spent overseas	\$29	\$14	\$43

At the minimum, if PACT only responds to RFPs, and the current mix of U.S.-field programs were maintained, the PVO/NGO community has access to \$10 for each A.I.D. dollar going to PACT. At its best, considering only CA funds spent overseas, the return on A.I.D.'s dollar is \$43. It is difficult to imagine a better use of A.I.D. funds. Clearly PACT's strategy overseas has generated impressive amounts of money for PACT's Members and its sister agencies.

PACT has also participated in the development of prototype projects with the World Bank. While the World Bank has always talked a great deal about working with NGOs, they have not always been able to find ways to do that. PACT is playing a central role in the development of the Janasaviya Trust which will open a \$90 million dollar fund to PVOs and NGOs for credit and community

development funds. PACT is also working with several governments in Latin America to create programs whereby NGOs can serve, along with governments, as implementing agencies for Social Investment Funds.

## 4.0 Governance of PACT

### 4.1 Changing role of PVOs.

When PACT started, its Members were small and unskilled at fund raising. Through time, larger PVOs such as Save the Children and CARE joined and the original Members grew and became more sophisticated. Where one of its original objectives was to bring its Members into the development mainstream, now its Members are the mainstream. "The original idea was that Members were at the teething stage" as one Member remarked. Some of those interviewed raised the question of what PACT can do for its Members now that they have matured and no longer need organizational strengthening.

Meanwhile, partially because of the effort of PACT Members, NGOs began to develop and flourish. One observed called the "proliferation of NGOs the most positive development ever." As NGOs have developed, they are increasingly thrown into competition with PVOs and it has created an ethical dilemma for PVOs on whether PVOs should compete with NGOs for donor funds.

Competition between NGOs and PVOs for donor funds is, unfortunately, an issue that most people feel uncomfortable discussing. The first responsibility of the Executive Director of a PVO is to keep the organization alive financially and as more PVOs start up and donor dollars dwindle, that means increased competition. Some PVOs have gone out of business and several are marginal, others have merged to stay alive.

Some PACT Members recall the good old days when PACT's money was divided among its Members and may still feel they have a proprietary right to the CA money. There is a general feeling that PACT's critics may see a dismantling of PACT as leading to greater access for themselves to PVC's money. In earlier times, funds went directly from PACT/NY to the PVO headquarters and the benefits of Membership were obvious. In those days, all Members were generalists and small. If PACT went back to the earlier system many current Members would be ineligible for membership. Now, much of PACT's money is given out to the field and some CEO's may not even be aware of how much collaboration there is between their field staff and PACT. The correspondence between CARE and PACT/Thailand, included here as Appendix E, is an example.

Many of those interviewed indicated that they feel the whole PVO community is in trouble as donor funds dry up, A.I.D. policies change, and U.S. organizations become unwelcome in more countries. One observer said that the PVOs are "killing each other off" in their efforts to stay afloat. At the same time, several individuals mentioned the terrible need for more

assistance overseas. "People in Africa", one person said, "are getting poorer and poorer." There is plenty of work for everyone, most agree. However, there may not be plenty of money for them to work.

A few PVOs have turned to creative funding devices. ACCION has created a socially responsible investment funds to establish an endowment for their programs. TechnoServe sells its services. VITA is experimenting with income producing activities. But most PVOs are cutting back on staff and are having some difficulty maintaining their program commitments. PACT has hired a consultant to prepare a report and workshop on alternative sources of funding for PVOs and hopes to lead an initiative whereby PVOs can begin to talk among themselves about alternative funding strategies.

Some of those interviewed see recent criticisms of PACT as a last ditch effort to postpone the inevitable. As one long-time Member said "We can not hold off the future." Those PVOs that cannot find a new role for themselves will die off, he predicted. Others suggested that criticisms of PACT were really disguised criticisms of PVC.

#### 4.2 Mission

PACT's mission is as follows:

PACT supports the initiative of low-income persons in developing countries to improve their social and economic conditions through the collaborative efforts of private development agencies throughout the world, **particularly by supporting and fostering local organizations' increased strength and self-sufficiency.**

The mission has been the same since PACT was founded in 1972 though the last phrase (shown in bold) was added in 1983. The current mission statement was approved at that time by the PACT membership by a vote of 25 to two (with one abstention).

Over the course of this evaluation, the overwhelming majority of Members supported PACT's mission, most with great enthusiasm. International Members, of course, favor it strongly. Individuals remarked that it is clear, appropriate, and "couldn't be anything else." Several underscored the importance of having international Members, even if they didn't play as active a role as the U.S. Members. As one Member remarked, "having international Members at least makes us give some consideration to their views." Others said they would quit PACT if international Members were excluded.

Only one person interviewed felt the Mission is incorrect based

on the opinion that PVC funds are set aside for U.S. PVO's and should not do to NGOs. Two or three persistent but vocal Members want PACT to go back to only being a service organization to U.S. PVOs. Although their own organizations do not need institutional strengthening, they felt there were small PVOs in need of these services.

[At the Member Assembly, this assessment was borne out. The Assembly unanimously passed a resolution endorsing PACT's Mission Statement]

Many of those interviewed resented the current discussion about PACT's mission, potential merger with InterAction, and whether it should continue as a membership organization as deflecting discussion for issues such as the future of the PVO community which really need to be discussed. They felt the issues were yesterday's news. "Every three years, the same people bring up the same issues and I just don't have time to sit through it anymore," one Member replied. This sentiment was echoed by many others. Several people even suggested a moratorium on talking about these issues for a few years.

Those who were most critical of PACT also say that they don't know what PACT is doing. They feel they do not understand how PACT works in the field and they do not know the current program staff. Objecting, as they do, to PACT working overseas at all, they have not been inclined to learn about PACT's strategies.

There is a sentiment that the central concern is access to PVC money. Many of those interviewed expressed the view that the merger with Interaction, competition with members, and other complaints are cover for the central issue which PACT's critics are unwilling to discuss openly. Rather than confront the growing problem of competition with NGOs for development dollars, and issue that is of concern to the whole development community, they have chosen instead to attack PACT on other fronts.

#### 4.3 Role of Members

PACT currently has 26 institutional Members (9 international, 17 U.S.) and 11 individual Members (all U.S.). Through the years PACT has added Members and despite considerable intra-familial squabbling, only four have ever dropped out and those for reasons unrelated to PACT's policies or programs. Two, including OEF and the Congregational Christian Service Committee, went out of business. One, a Colombian consortium fell apart, and the Hiefer Project dropped out because their location in Arkansas made it difficult for them to participate in PACT activities.

There is some resentment against the international Members. As one Member said, "PACT overrates international Members, they pay

to bring them in but they are behind in their dues and they don't take their share of responsibility." Another Member said, " We have to treat Third-World Members as equals. They have to pay their own way. PACT shouldn't look for Member organizations that are so weak they can't afford an air ticket."

Membership in PACT costs \$500 for organizations with expenses up to \$1 million. For those with expenses between \$1 million and \$10 million the annual fee is \$1,250. For those larger than \$10 million, the fee is \$2,000. Indeed, seven of PACT's nine international Members are in arrears on their fees. Five of its 17 U.S. institutional Members are overdue. If all dues were paid, PACT would generate an income of around \$30,000. For many international Members, the free trip to the Annual assembly is worth more than their annual dues.

Several Members remarked that "membership has no rhyme or reason," or called it "happenstance." PACT does have a Membership Committee which is generally not very active and there has never been a big push to add Members, particularly PVOs. PACT staff have made some effort to enlist Members from program countries and all international Members are consortia or NGO service agencies. Staff outlined a membership strategy at last year's retreat but no action was taken on it.

In addition to institutional membership, PACT has individual Members. Individual Members pay no dues and the bylaws restrict individual Members to six years (two three-year terms). This covenant has been widely ignored and is now in the process of change so that individual Members can remain with PACT for as long as they like. The Chair of the Board is always chosen from among individual Members, making a small pool from which to select a chair.

Some have raised the question of what advantages there are to PACT membership now that Members no longer have a proprietary right to CA money. Some of the advantages Members suggested are as follows:

- Member are the first line of contact on new initiatives
- Members may participation in PACT's governance through the Board and various committees.
- Members receive special consideration for grants
- In countries with PACT country or regional representatives there are many opportunities to participate in workshops, networks, collaborative efforts and joint proposals.
- There is an opportunity to be co-bidders on projects
- PACT can be a mechanism for "laundering" A.I.D money for those in those places where there are sensitivities about U.S. foreign assistance.
- Members receive an all-expenses paid trip to PACT's annual Assembly.

Certainly, some Members get more benefits than others. Esperanca, for example, located in Arizona, cannot send staff to PACT functions and happens to have programs in places where PACT does not work. Others, such as CARE work virtually everywhere PACT does and takes full advantage of PACT's field staff and other services.

PACT's annual Assembly of Members has come in for some criticism. People have compared the Assembly unfavorably with InterAction's forum. Several people felt the two activities should be merged or held at the same time so that people could attend both on one trip. Others felt that they could not be away from their offices for both meetings on one trip.

There is a strong feeling that the Assembly should be more of a working session than just an opportunity to hear PACT staff describe what they have been doing. While Members complained about the last Assembly, the Executive Director has had only one response to three mailings of the agenda for the September Assembly and no responses to his request for suggestions for panelists. PACT Members are not inclined to take advantage of opportunities for participation yet complain that they are not included.

[This year's Assembly was considered much more successful than last years. The centerpiece of the Assembly was a series of working groups on PACT's Mission, its future, and its organizational structure]

While there is a great deal of discussion about what Members get from PACT, responsibility of Membership is rarely discussed. According to PACT's Membership Policy, for example, in order to be a Member, each organization must "pursue an affirmative action policy in which women and minorities hold upper management and leadership positions." Judging from the racial and gender distribution of Executive Directors, this policy has not been enforced. Also, the Bylaws require Members to submit an annual field report to the Corporation describing in detail all projects in which Members of PACT are jointly involved. This has never been done.

While the Membership policy outlines the advantages and responsibilities of Membership there is no guidance on the optimal composition of the Membership. PACT has never determined how many Members are optimal, what type of geographic and sectoral balance is sought, and how these may differ for U.S. and international Members. There is an interest in international consortia as Members but can organizations working only in the U.S. join? What about organizations such as Partners for the America or EIL which do not do community development in the usual sense of the term? PACT now focuses on natural resource

development and health but has few Members with expertise in these sectors.

[At the Member Assembly, it was affirmed that the whole concept of Membership in PACT needs to be reconsidered and is part of the new task force's mandate]

#### 4.4 Competition with Members

PACT pioneered in the field of NGO consortia. Based on a series of studies commissioned in 1983 and 1984, it was determined that an appropriate role for PACT to play overseas was to foster the development of consortia and manage PVO umbrella grants. At that time, no U.S. PVO was actively working in consortia building.

PACT then worked to build consortia, particularly in Central America and Asia and developed a reputation for excellence. Several reasons have been posited for PACT's success at managing umbrella grants:

- PACT is neutral and has no preconceived ideas about how development should work or how partnerships should be structured.
- Because it is neutral and does not implement projects, it can work with several organizations at a time without ulterior motives.
- PACT's Members acknowledged at their 1988 Assembly that "Pact may be better qualified to perform [the coordination function] than any individual Member."
- When one PVO manages an umbrella project, it interferes with the egalitarian relationship among PVOs and NGOs. This can slow the development of a sense of community among PVOs and NGOs.
- When one PVO is dispensing funds to a sister organization, it may be difficult to disallow expenses, carry out audits, or do evaluations.
- When one PVO manages a project, it automatically precludes their working at the community level where they are most effective.

In the past few years, at least two of PACT's Members have competed against PACT on bids to manage umbrella grants in Africa. In some cases, PACT has won, in others it has lost. Most people interviewed felt that if Members wish to compete with PACT, that keeps PACT on its toes and allows PACT to focus more on regional level activities that, to this point, no Member has



attempted.

When PACT decides to compete on a bid, it first contacts all the Members working or interested in working in that country and offers to bid collaboratively with them. Usually, this is to the advantage of all as joint bids are frequently stronger than those of a single organization. Sometimes, however, when a Member feels it has a strong proposal, it bids against PACT.

One of PACT's Members, the Experiment in International Living (EIL), has found this particularly troublesome. EIL believes that PACT should focus exclusively on consortia building but should not manage umbrella projects. Their argument for this, aside from the fact that it puts them in competition with PACT's other members, is that they question PACT's capability to successfully manage these grants. In fact, PACT has a long history of successfully managing such projects.

EIL feels that PACT has a competitive edge in that CA money underwrites PACT's core operations. "Everyone would love to have a core grant," they say. They also feel it is "ironic" to pay fees to an organization that then becomes a competitor. PACT argues that the CA, like any other grant, pays only for specific activities and does not directly leverage any funds for PACT. Furthermore, PACT is constrained from raising funds from the U.S. public and other donors, a source which is open to EIL.

PACT's other main competitor, New TransCentury Foundation, has a completely different perspective. "We have no problem with competition. There is so little money, we have to allow anything that is cost effective.... To say that PACT ought not to bid on the very thing it is good at would constrain the organization. They should bid on things they are good at."

Since PACT always bids with a group of weaker Members and NGO's, it is placed in the position of deciding whether to support the group or the individual Member. In fact, it is somewhat misleading to say PACT competes with anyone. Coalitions of PACT Members and partners compete but PACT never competes on its own.

In 1988, the Assembly adopted a "procedure" by which PACT would avoid conflict with its members (See Appendix F). While EIL has complained strongly about the competition issue, and their point of view is well known, they have never launched a formal complaint or asked for Board intervention as outlined in the Board approved "procedures" and there are few Members who support their view.

Several Members felt that the airing of PACT's dirty laundry to actual and potential donors (particularly USAID's and PVC) was detrimental to the PVO community as a whole. Several people expressed the view that when Members have problems with PACT they

should use internal procedures for resolving those differences and that Members should use some discretion in discussing internal issues with non-Members. PVC has been clear that it does not want to deal with individual Members on internal issues.

In interviews, when asked whether PACT competed with their programs, most respondents replied that, to the contrary, PACT had opened up possibilities for them. Most saw competition as normal and healthy. While they are aware that EIL has regularly raised this issue, only New TransCentury Foundation among those interviewed had the experience of competing against PACT, in Senegal and Cambodia. TransCentury Foundation prepared the PACT/World Education proposal for Malawi. EIL competed against PACT on RFPs in Malawi, Senegal, Madagascar and Cambodia.

#### 4.4 Role of the Board of Directors

From among PACT's 37 Members, 15 are chosen by the Nominations Committee to be on the Board and to serve as its officers. The current By-Laws say that the board will comprise 15 Members and one Chair. The officers, including the Chair, Vice-Chair, a second Vice Chair, Secretary and Treasurer constitute the Executive Committee. Board Members serve for two years and one half revolve off each year. Ten Board Members are to be institutional Members and five are to be individual Members including the Chair who is also an individual Member, for a total of 16 Board Members.

During this and the mid-term evaluation, many criticisms of PACT's governance structure were voiced. A number of people said that they had never seen an organization where the Board is there to take from the organization rather than to give to it. What some have termed "tension" others have called a conflict of interest. Some criticisms:

- Some Members of PACT are on PVC's Advisory Council.
- Staff are responsible for administering grants to PVOs while being responsible to specific PVOs to their board.
- One IDG went to study a merger between two PACT Members, one of whom is represented on the Executive Committee. The consultant hired to carry out the feasibility study is the Chair of the Board.
- PACT's only collaboration with a for-profit organization is the employer of the current Chair of the Board.
- Board Members are often called on to make decisions that are in the best interest of the whole but which may not be in the best interest of their individual organizations.

- Many Board Members are so busy they just do not have the time to devote to the level of involvement expected of Board and Committee membership.

- Some felt that in the end it is PVC that runs PACT as they can override any decision of the staff or Members.

When PACT started, the Board included all Members and their primary responsibility was largely to divide up the CA money among themselves. Originally each Member represented the interests of his or her organization. When PACT went to a smaller Board, Members continued to represent themselves, leaving those not currently on the Board without effective representation. Over time, PACT has grown and changed and the Board's performance has never been seriously reviewed. There is a strong feeling that there is too much potential for conflict of interest in the current system. There is also a feeling that there is too much micro-management. One Member questioned whether micro-management was inherited in the same way that child abuse is passed on. The very people who complain of micro-management from their Boards, then turn around and do the same to PACT, he said.

International Members also expressed a concern that they do not have equal access to the nominations procedure. The Nominations Committee presents a slate of candidates that is always approved by the Board and the Assembly without much discussion. There is no open nomination process and no opportunity for potential officers to campaign for positions and thus give members an opportunity to discuss alternative views. Three (of nine) international Members are currently on the Board, one of whom is on the Executive Committee. Because of travel limitations, international Members are not able to participate in committees and task forces. To increase the participation of international members, PACT may have to experiment with conference calls, computer networking, and nominal-group techniques.

PACT's Board has convened a Task Force to look into the governance issue and it has met three times. The Task Force has had some trouble gathering momentum as different Members have attended at different times. One participant in the Task Force has prepared a letter outlining views that, from the interviews for this evaluation, appear to be held by many Members. A resolution to be presented at the next Board meeting in September has also been circulated. The letter and the resolution are included here as Appendix G.

Widespread discontent with the governance system has lead to discussion of whether or not PACT should remain as a membership organization. One of PACT's strengths is that it is a consortium. The staff would like to continue to have Members, or affiliates, but share Member concerns about the functioning of

the Board.

Some options:

- Increase the number of individual Members and make the institutional Members the minority both in membership and in governance.
- Go with an all non-Member board similar to that of other non-profit organizations. Choose a board for their "wealth, wisdom, and work" as one Member put it. Or, for their vision of the future of PVOs as another person suggested.
- Change to a non-membership organization.
- Have Program Directors represent their organization rather than CEOs. Program Directors are more knowledgeable about issues and opportunities for collaboration and are more likely to understand and appreciate what PACT does.

Changing PACT to a non-Member organization and creating a new PVO seems to be an overreaction to problems with governance, problems that can be solved with minor rather than major surgery. Changing to a non-Membership organization and to a regular PVO would undoubtedly change PACT's relationship with PVC and would lead to other changes that would need careful study. At this point, PACT seems to fill a valuable niche in the development community and that would likely change if PACT became just another PVO.

[At the Member Assembly, small groups discussed the governance problem and presented various options back to the Membership. A team of current Board Members, the Executive Director and one other person are undertaking a six month reorganizational activity to develop a strategic plan for the next three to five years, review the by-laws and other governance documents, and recruit new Board Members. The Assembly agreed by overwhelming majority that the nature of Membership needs to be reconsidered and that the Board should be at least 51 percent independent of PACT's Members]

#### 4.5 Merger with InterAction

Since PACT started, there has been discussion of a merger with InterAction. Because it has been discussed so often in the past, most people interviewed said it was not worth discussing any further. While one or two people interviewed were unclear about what InterAction does and how it differs from PACT, most were aware that InterAction is a trade association that lobbies on behalf of the PVO community and does not carry out programs overseas. There seem to be no compelling reasons for the two

organization to merge. While there might be some small cost savings if the two shared offices and the same could be said for merger with any other organization such as one of PACT's members. Since PACT just moved and InterAction is about to move, any further moving would be highly untimely and costly.

One strong argument against such a merger is that PVC has gone on record in the past and again for this evaluation that they cannot give money to PACT unless it maintains its 501 (c)(3) status. Since InterAction is a 501 (c)(6) organization, this could lead to some problems. In discussing a merger individuals frequently used terms such as "swallow-up" and "subsume" suggesting that merger has become a euphemism for an end to PACT. Several people interviewed felt the merger issue is another a smoke-screen for efforts of PACT's critics to bring PACT down.

From InterAction's perspective an important constrain to merger is that many of their members are strongly opposed to taking A.I.D. money, feeling that doing so constrains them from criticizing A.I.D. when the occasion warrants. Even if there were some organizational system which allowed PACT to continue to receive PVC money, many InterAction members would quit. Since InterAction is heavily dependent on member dues, this would create financial problems and perhaps weaken their credibility.

There is strong consensus that PACT and InterAction should coordinate their work and not duplicate efforts. The two organizations have collaborated some in the past but the two PACT staff who collaborated most with InterAction are now gone. Now that PACT is in Washington an even closer collaboration may be possible.

The Executive Director of PACT has gone on record opposing a merger while the Executive Director of InterAction has shown little enthusiasm for the idea. There have long been plans for occasional joint planning meetings between the two organizations but these meetings have never actually happened. InterAction is moving its main office from New York to Washington. When both organizations have recovered from their moves, perhaps these meetings can take place. As both organizations are thinking of doing more training and workshops in the field, there will undoubtedly be opportunities for collaboration.

#### 4.6 Relationship with PVC

PACT and PVC have worked together very closely over the course of this CA and changes in PVC policy have been very much in tune with PACT's mandate. While some Members feel that PVC gets too involved in PACT's policies, staff express appreciation for the assistance, support, and guidance they receive from PVC. PVC funds now constitute only one-fourth of PACT's money but they

play a proportionately larger role because they cover the costs of PACT's core operations and U.S. programs.

Over the course of this CA, there were many changes from the original proposal. If PVC is going to use PACT as an intermediary organization they might consider signing a very general longer term agreement (five years) with PACT submitting annual work plans or strategy papers by which PACT's progress can be more accurately monitored, increase accountability on a year by year basis, and yet allow both organizations to be more responsive to changing needs in the PVO/NGO community.

PVC and PACT could profit from discussions about the role of an intermediary organization, the objectives of the relationship, and alternative forms of contractual relations.

## 5.0 Program Performance

PACT has made remarkable strides in the organization and coordination of its field strategy since the mid-term evaluation. The elimination of the old CA categories and the re-organization of the office and programs around regional programs makes the programs much easier to understand. Earlier PACT carried out workshops, sponsored various kinds of networks, and gave out IDGs for any collaboration between organizations. Over the past year, there has been a dramatic increase in the coordination of PACT's programs and a targeting of those programs around regional strategies. This not only makes the programs easier for members (and evaluators) to understand, it makes them much more effective.

Described below are the four regional programs and accomplishments during the last half of the CA. Because the Eastern European program is still new, it is still treated as part of the U.S. region. The descriptions are divided into two sections, one covering activities paid for out of the CA and the second, a brief description of activities funded from other sources but generated because of PACT's field strategy. As described in section 3.5, PACT's presence, demonstration projects, and country level networks have attracted donor interest and has contributed to raising \$55 million for PVOs and NGOs.

Since PACT implements its programs through PVOs and NGOs, all the funds PACT raises, aside from 28 percent budgeted overhead, go to the PVO/NGO community. PACT has not always made it clear to its members how the CA money to PACT results in increased funds available to the PVO community in the field. No doubt, some of these funds would have been available to PVOs whether PACT was involved or not but a substantial portion of the funds (67.5 percent) were generated by PACT and its partners through unsolicited proposals to donors. Where PACT manages programs and sub-grants, members are certain to be given priority access to funds and information.

### 5.1 U.S. Region

All U.S. programs are paid for from CA funds. Seventy-five percent of the total CA funds have been spent in the U.S. During the first two years of the grant, all funds were spent in the U.S.

#### 5.1.2 Administrative training

PACT organized 22 workshops in the U.S. on administrative subjects including such topics as Responding to RFPs,

Telecommunications, Stress Management, and Telephone Skills. Over the course of the CA, 124 different organizations have been represented at these workshops. Most of the workshops were co-sponsored by the Personnel Co-op or the Association of PVO financial managers. PACT also provided a consultant to assist with an ASINDES workshop on financial management for NGOs.

PACT supported the production of five publications:

- The Association of PVO Financial Managers' Indirect Cost Survey
- The Personnel Co-op's 1990 Salary and Benefits Survey
- The Personnel Co-op's Expatriate and Benefits Survey
- Personnel Co-op's Personnel Policies Manual (in press)
- Resource Manual on A.I.D. (in press)

The Personnel Cooperative and Financial Manager's Cooperative are now independent of PACT and will continue on their own. PACT will continue as a member of the Personnel Cooperative and will continue to do occasional training on financial management issues.

#### 5.1.3 Program training

PACT facilitated two workshops on program issues.

- In July, 1990, a workshop for PVO evaluation officers was held at Illinois State University on the theme of evaluating organizational development. Twenty PVOs were represented.
- In November, a week-long workshop on "Management through teamwork" was held in Kenya.

PACT plans to expand its program training efforts both in the U.S. and overseas. The new plan is to tie the training in with the communications division and use the workshops to develop tools that allow the workshops to be replicated and materials to be disseminated through the MSU.

#### 5.1.4 Information services

Information services produced four issues of IMPACT, including two special double issues. Topics have been expanded and visuals increased. Readership continues to expand and circulation now exceeds 5,000. Reprints have appeared in the publications of other organizations.

In addition, four issues of a new PACT news bulletin The Consortium Courier has been distributed quarterly. It was developed in response to a recommendation in the mid-term evaluation that PACT members needed more information about PACT's



activities. Plans are to add program news from PACT members.

#### 5.1.5 Communications program

The communication program includes two units, Media Services and Media Production. The communications program was started with an add-on to the cooperative agreement and is intended to be financially self-sufficient. The program planned in 1989 got started in 1990 and has been much more successful than even the planners had expected. The MSU started in early 1991 has been built in less than three years and will be financially independent in 1992. The MPU was designed to be independent and returns a percentage of all contracts to PACT.

##### 5.1.5.1 Media Services Unit (MSU)

The MSU is a repository of publications on development subjects. Two editions and four mailings of the catalogue have been sent out. The catalogue now contains 124 titles. The mailing list has expanded from 1,000 to 6,000 in less than a year. A growing number of organizations are asking to include their publications in the catalogue. Over 700 individuals and organizations have purchased materials. Plans to develop MSU's for the regional offices have been tabled pending further funding. However, an overseas distribution network has been planned.

Working with the GEMINI project and the SEEP network, the MSU is preparing a catalogue of small-enterprise publications.

##### 5.1.5.1 Media Production Unit (MPU)

The MPU produces high quality communications materials on topics suggested by PVOs and NGOs. Many organizations have training materials or ideas for videos but lack the time and resources to put them into final form and distribute them. The MPU has the equipment and staff to publish virtually any type of pamphlet, informational material, books, or videos. The MPU provides consultations to prospective clients on all aspects of desk top publishing from writing and editing through final layout, publication, and distribution. By design, the MPU is operating in the black and pays PACT 20 percent of each contract.

##### 5.1.6 The Small Enterprise Education and Promotion (SEEP) Network

The SEEP network now includes 31 U.S. and Canadian members. Three active workgroups focus on institutional development, financial services, and poverty lending. Last year, SEEP members prepared 28 case studies on institutional development and small enterprise projects. This year, they have placed emphasis on drawing lessons from those cases and disseminating the information. This

included the preparation of a summary paper. In order to prepare a workbook on the subject, the Institutional Development Work Group has been given a grant of \$50,000 from Ford Foundation.

The Financial Services Work Group has been particularly active. They have organized working and planning sessions, designed and tested a computer based model for projecting income and the expenses of credit programs, produced seven papers on resource mobilization, and developed a workshop on financial-self sufficiency and scaling up.

The Poverty Lending Work Group is looking into credit systems for the very poor including village banking methods. They conducted a seminar on the role of apex institutions in poverty lending. Representatives of several non-SEEP members have attended sessions including The World Bank, The World Council of Credit Unions, and the Gemini Project.

SEEP now has a publications list of five manuals (one available on diskette), 10 reports and studies, a directory, and four videos. Most SEEP materials are distributed through the MSU. Given PACT's new regional focus, SEEP's programs are not well integrated with other PACT programs.

The SEEP network has been reluctant to undertake overseas activities though representatives of some members local partners have attended workshops in the U.S. The Network now costs \$70,000 per year plus overhead. While there has been some discussion of independence for the SEEP network, or affiliating with some other organization, there are no specific plans. Undertaking fund raising and doing training would require additional resources since the coordinator is only a half-time position.

#### 5.1.7 Institutional Development Grants (IDGs)

Over the course of the CA, PACT has given out 116 IDGs totalling \$780,098 to 46 PVOs and 21 NGOs. Initially, IDGs were given out for virtually any kind of collaborative or cooperative activity between PVOs and NGOs. Distributed among the five original categories of the CA (see section 1.1), they were, however, extremely useful to recipients. Because the regional strategy was not yet clearly articulated, IDGs were not clearly tied in with specific objectives of PACT.

Over the course of the CA, and particularly because of the effectiveness of the grants in Thailand, PACT now uses the grants to motivate organizations to work together and develop plans that enable several organizations to focus on one problem. They are the glue that holds PACT's consortium building strategy together at the field level. PACT has not successfully communicated to its

Members that the IDGs are not just pass-through grants but an important part of PACT's field strategy. How they are used at the field level is shown eloquently in the memo from PACT/Thailand's Country Director regarding PACT's collaboration with CARE in Thailand and included here as Appendix E. Another useful description of how they are used is the "Illustrative Field Synopsis" included as Appendix I.

The grants may be as large as \$10,000. The grants have been distributed as follows:

PACT Members	49%
Other PVOs	36%
NGOs	15%

The ten organizations receiving the largest amount of IDGs, all PACT Members, include OEF International, World Education, Technoserve, Save the Children, and Accion International. Additional detail on IDG grants (their size, purposes, and recipients) along with final reports from three recipients are included in Appendix J. The mid-term evaluation report contains a case study of the way IDGs were used to foster the relationship between Katalysis and its partner in Belize.

The IDGs have always been extremely important to their recipients. As discussed in some detail in the mid-term evaluation, IDGs fill a badly needed niche in the funding system. Few donors can manage such small grants yet as little as \$5,000 can help get an exciting new initiative started so that larger donors can pick it up.

IDG recipients report several advantages of these small grants. First, the response time can be as little as one week. This responsiveness allows field staff to take advantage of new opportunities and build on the excitement generated at a planning session or workshop. There is no waiting for the next funding cycle to kick in months down the road. As one recipient gratefully responded, "our visitors arrived in Washington on February 24, exactly one month from the date you first heard of our intentions and request." In a few cases, the check is in the mail within a week, an unheard of response time from a donor.

Second, IDGs can get things moving. As the Executive Directors of Belize Enterprise for Sustained Technology and the American Refugee Committee reported, getting funding creates a separate budget line item for an activity and moves it from talk to action.

Third, IDGs allow organizations to take risks. Most donors will not fund a project that is remotely risky. They want proposals that are grounded in experience. Many of the IDGs are given for exploratory work such as feasibility studies, planning sessions,

travel, and entirely new types of projects. Although they are high-risk, very few fall flat and some lead to major new programs and funding.

Because leveraging other funds is not necessarily one of the objectives of the IDGs, PACT does not routinely gather data on whether they lead to additional funds. However, PACT's IDG files contain many examples of testimonials from grateful IDG recipients which suggest that in a very large percent of the cases they do lead to some additional funds and in some cases, can lead to major new program initiatives. Some examples:

- Save the Children reports that their IDG was a the catalyst for a new program model for an ecologically sound agricultural project.
- CARE/Thailand says that an IDG led to a \$38,000 grant from Japan and additional CARE money. The participatory training materials they developed are now used in CARE projects in Latin America.
- IDGs helped Katalysis develop its innovative partnership relationship with BEST and they credit PACT's assistance with leading to their current matching grant.
- TechnoServe sent a team to Poland to explore program possibilities there and this lead to additional funding for follow-up trips from another donor.
- World Education reports that seed money from an IDG allowed them to develop a project which was later funded by USAID/Indonesia.
- A visit by representatives of the Poland NGO Rural Solidarity to New TransCentury Foundation led to agreements in principle for the development of a rural credit program in Poland, and the development of a collaborative project between the Hiefer Project, Winrock International, VOCA., Georgetown University, Greenpeace, and A.I.D./ANEE

In the future, PACT will increase the size of the grants to a maximum of \$25,000 and change the name to Strategic Activities Grants. PACT's experience with IDGs was that some worthwhile activities cannot be adequately funded with only \$10,000 though it is assumed that most grants will remain under \$10,000.

At the time of the mid-term evaluation, PACT's system for monitoring the grants was very informal and many recipients had not sent financial reports or final reports. Since that evaluation, PACT has computerized the system and can now generate reports that describe and summarize the program. The system also allows the manager to identify those with final reports overdue

so that reminder letters can be sent out.

#### 5.1.8 Other programs and services

- The Partners Program aims to help smaller PVOs with scholarships to attend workshops and meetings. Grants of up to \$400 are available. Several requests have been received but only two grants have been given due to limited funds.

- PACT provides group health insurance to small PVOs and currently has an enrollment of 33 organizations (612 individuals). The health insurance program will be managed out of the Washington office. The program provided a net income of \$16,000 for PACT this year.

- The Expansion of Benefits program was started under the previous CA. This component formalized the activity and sponsored the preparation of 23 case studies on scaling up. With most of the budget spent, the staff person who was working on this program is no longer with PACT. While there are promises that the final summary report is forthcoming, plans to use the case studies or report once they are published are not yet developed.

- The Citizens Democracy Corps has been independent of PACT since February, 1991, six months earlier than planned.

- The Debt for Development Coalition will be autonomous by 1 October, 1991.

- In Central Europe, (see chart) PACT has a Cooperative Agreement (with AID/Washington) for \$2 million to develop a collaborative project with Project Concern International, World Vision, and other PVOs and NGOs to provide services to children in Romanian orphanages and institutions. Partners include Holt International Children's Services, a Romanian NGO called Salvalii Copii and EquiLibre, a French NGO. In September 1991, the National Committee on Adoption will join the project.

**UPDATE ON REGIONAL PROGRAMS: CENTRAL EUROPE**

<b>Proposal/Bid</b>	<b>Source/Budget</b>	<b>Status</b>	<b>PVO/Member Involvement</b>	<b>Comments</b>
<b>Central European Region CDC</b>	NED & AID/W Unsolicited. US\$800,000	Completed	Compendium of US PVOs involved in Central Europe.	CDC became an autonomous organization 6 month sooner than planned.
<b>Romania Children of Romania II: The Disabled</b>	AID/W RFA.	Rejected	Developed with Holt International, EquiLibre, Council for Exceptional Children, Helen Keller International, and the Young Adult Institute.	
<b>Romania Children of Romania</b>	AID/W Cooperative Agreement. Unsolicited. US\$1,999,999	Active	Developed and implemented in collaboration with PCI and World Vision. Sub- grant awarded to Holt International Children's Services and Salvati Copiii.	Proposal being submitted for additional funding to facilitate adoption through the Romanian Committee on Adoption.

## 5.2 Africa Region

The Africa Region has been a particularly active one in the past year. A major program advance was the development of an Africa Strategy Paper for PACT. This paper was reviewed, revised, and discussed widely among PACT Members with programs in Africa and local NGOs until an agreed strategy was reached. The strategy calls for PACT to focus entirely on umbrella and consortia projects and then only where PACT has the support of interested Members. Four themes were identified as PACT's focus in Africa: natural resource management, food processing, employment, and special health concerns. The development of the strategy paper was an important opportunity to PACT Members and local NGOs to think together about collaboration and coordination of efforts.

PACT spent \$202,691 from the CA (plus \$238,908 in IDGs) on programs in Africa. PACT along with 21 collaborating PVOs and NGOs, has responded to one request for a proposal for \$15.5 million in Madagascar and prepared two unsolicited proposals for \$9.8 million totaling over \$25 million for Members, other PVOs, and NGOs. An overview is given in a chart on the next page.

### 5.2.1 Cooperative Agreement Activities

The primary activities in Africa under the CA have been the funding of a Regional Director. PACT also opened a small regional office in Dakar in May. The Regional Office is staffed by an Assistant Regional Director.

- The Food Oils Network (FON), originally housed in New York, is now located in Dakar. In addition to the Food Oils Press newsletter which is published in French and English, the FON is undertaking a pilot project using an oil extracting machine known as the Bielenberg Press. This project aims to strengthen a Senegalese NGO, RADI, while upgrading the technical skills of RADI staff and laying the ground work for replicating the project. Appropriate Technology International and Catholic Relief Services are actively involved in this project.

Now that the FON is located in Africa, plans are underway to create workgroups and make better use of the FON data base of information on food oils projects, research, technology, and FON Members. Requests from information about food oils come in from all over the world and PACT is now viewed as a major source of information on the subject.

- Natural Resource Management (NRM) is of particular concern in the Sahelian region of Africa. PACT has been laying the

groundwork for coordinating the organizations working in NRM by preparing a relational data base of foreign and African organizations working in the Sahel and making contact with those doing research in the region. A major activity was a conference in Quebec on "Partnership and Participation in Natural Resource Management in the Sahel" sponsored jointly by PACT and Solidarite Canada Sahel. This conference brought together 90 PVOs, NGOs, and all the major donors working in the eight Sahelian countries. Many PACT Members and local partners participated in the conference.

- Employment creation has taken two thrusts. First, by identifying NGOs with high employment creation impact, assisting them with grants from the African Development Foundation and with access to credit funds. It is anticipated that these NGOs will form a nucleus of small-enterprise projects around which other learning and cooperating activities would take place.

Secondly, a London based organization that sponsors youth centers in 16 African countries has expressed interest in working to create employment for young people. Another London-based donor has approached PACT about serving as a pass-through for funds to NGOs but the details of this have yet to be worked out.

- The primary health concern on which PACT is focusing is AIDs. Over the past year, the regional office has gathered information on organizations working particularly on the preventive and educational aspects of AIDs and has found a number of innovative and efficiently implemented programs. PACT feels that these organizations can provide technical assistance and information to others if exchanges of personnel and information were coordinated. PACT is prepared to put this program into place when funds are available. A proposal is pending with the AID/AFR.

#### 5.2.2 Other Activities

PACT has just concluded an 18 month U.N. Development Programme (UNDP) sponsored effort to coordinate and strengthen NGO networks. Three international NGO networks (PACT, International Council of Voluntary Agencies, and FAVDO) worked in partnership with eight African NGO consortia. The goal was that each participant would have improved internal management and the project provided a range of management training and information to the participants. The project will be continued under a UNDP grant.

- In Madagascar, with support from 11 PVO partners, PACT has successfully bid on a \$15 million dollar project to give sub-grants to PVOs and NGOs working on natural resource issues. If approved, the project will create a very large pool of money for PACT's Members and NGOs. Several PACT Members are likely to



create new programs in Madagascar.

- PACT has two major proposals pending in Africa, which if funded will generate considerable additional funds for PVOs and NGOs.

- Based on the Africa Strategy developed in cooperation with its Members, PACT submitted an unsolicited proposal to AID/Afr. If funded, this would generate \$6.8 million in sub-grants.

- With 21 PVO/NGO partners, PACT submitted an unsolicited proposal to USAID/South Africa. This will involve building the capacity of local NGOs using PVOs to provide technical assistance and training. The request is for \$3 million dollars.

**UPDATE ON REGIONAL PROGRAMS: AFRICA**

<b>Proposal/Bid</b>	<b>Source/Budget</b>	<b>Status</b>	<b>PVO/Member Involvement</b>	<b>Comments</b>
Senegal PVO/NGO Support Project	USAID Mission. RFP.	Rejected	Members were consulted and made contributions to the proposal concept and design.	
Malawi SHARED	USAID Mission. RFA.	Rejected	Members were consulted and made contributions to the proposal concept and design.	
Madagascar SAVEM	USAID Mission. RFP. US\$15,500,000	Active	Support from 11 US PVO partners. Likely sub-grants to, and collaboration with, several PACT Members including IVS, VITA, CARE, and TransCentury.	Very likely; Mission negotiating final budget details
Africa Bureau Proposal	AID/W (Africa Bureau). Unsolicited. US\$6,800,000	Pending	Strategy prepared after extensive Member consultations, however, PVO and NGO implementing role needs more detailed definition. Continued consultation with Membership anticipated. Will involve sub-grants to, and collaboration with, members/PVOs in all of the countries where program will be implemented.	Africa Bureau suggests country by country activities rather than multi-country approach. Re-submission scheduled for last quarter of FY1991.
South Africa SALN	USAID Mission. Unsolicited. \$US3,000,000	Pending	21 PVO/NGO partners. Strong South/South orientation, therefore will involve member field locations in Southern and East Africa. Likely involvement of PACT member field offices in Zambia, Botswana, Zimbabwe, Kenya, Mozambique, Tanzania.	Positive dialogue continuing with the Mission.

**5.3 Latin America Region**

PACT works directly in six countries, Guatemala, Costa Rica,

Ecuador, Colombia, Panama, and Peru, and indirectly through consortia members in Belize, Honduras, El Salvador and Nicaragua. PACT's total CA investment in Central America of \$102,318 (plus \$205,461 in IDGs) has contributed to \$10 million in sub-grants available to PACT members and NGOs. An additional \$2,165,751 is pending and PACT is working to increase the role of NGOs in Social Investment Funds in Ecuador and Peru.

### 5.3.1 Cooperative Agreement Activities

CA money provided core support for the Latin America Program. It funded most of the technical assistance provided by the Regional Director including field visits and workshops. IDGs totaling \$42,000 were given out in Panama, Ecuador, Peru, and for regional activities.

### 5.3.2 Non-Cooperative Agreement Activities

- In Costa Rica, PACT phased out direct support to ACORDE, an NGO consortium which PACT assisted from its beginning. ACORDE now has a budget of \$5 million, including a direct grant from USAID/Costa Rica. These funds all go to NGOs including Partnership for Productivity, AITEC, TechnoServe, SAVE, PADF, CARE, and OEF.

- In Guatemala, PACT has worked as a partner with ASINDES. Over time, ASINDES has come to rely less on PACT and at the same time to consolidate its technical assistance program to members. ASINDES plays a strong role in coordinating government initiatives involving NGOs, particularly in tropical agro-forestry, a social investment fund, and micro-enterprise development.

With ASINDES, PACT helped arrange workshops on the environment and financial management. PACT published ASINDES annual report and a video as well as facilitating proposals to Inter American Foundation and the World Bank to allow ASINDES to systematize, publish, and continue to develop strategic plans.

- In Honduras, PACT is working with the government to facilitate a conference of PVOs and donors as a first step in coordinating the work of PVOs and NGOs in the country.

- Regionally, PACT has worked with ASINDES to develop a regional consortium of NGOs in six countries including Guatemala, Panama, Nicaragua, Honduras, El Salvador, and Belize. A proposal to A.I.D.'s Latin America Regional Office (ROCAP) for \$2,165,751 is pending.

- In the Andean Region, PACT has a promising base because so many of PACT's members have strong programs there including five PACT members which are themselves Latin American NGO consortia.

- In Colombia, three of PACT's members are organizing an NGO council of development agencies and have developed a fund raising arm, the North-South Foundation.

- In Haiti, PACT paid for Partners of the Americas, PADF, and Delphi to collaborate on a bid. On the basis of information gathered at the planning stage, PACT decided not to bid but the others did.

- In Ecuador, PACT is working to strengthen an NGO consortium, CAMARA/CEOP, by organizing a strategic planning workshop for 40 NGOs and representatives of government ministries. PACT working with the World Bank to assure access to Social Investment Funds with the aim of creating an implementation role for NGOs. This is a particularly good example of how a small investment from PACT can lead to coordination among NGOs which itself can lead to access to a large amount of funding.

- In Peru, through CARE, PACT has supported the organization of a consortium of 30 NGOs (COPEME). With an IDG to ACCION, they have consolidated a network of small enterprise credit programs in the country. PACT is currently negotiating with the World Bank to create a Social Investment funds in Peru.

**UPDATE ON REGIONAL PROGRAMS: LATIN AMERICA**

<b>Proposal/Bid</b>	<b>Source/Budget</b>	<b>Status</b>	<b>PVO/Member Involvement</b>	<b>Comments</b>
<b>Costa Rica ACORDE</b>	USAID Mission. Unsolicited. US\$4,900,000	Active	13 grants to PVOs totaling US\$3,440,000. PACT Member sub-grantees of the program: PFP, AITEC, TNS, SAVE, PADF, CARE, OEF.	No-cost extension approved through 6/30/92.  Proposal to be submitted for continued funding.
<b>Guatemala ASINDES</b>	USAID Mission. RFP. US\$2,433,000	Active	Sub-grants, totalling \$US2,443,000, to NGOs and PVOs.	Extension approved through December 31, 1991.
<b>Honduras NGO Support</b>		Development	Being developed with the Government of Honduras and the PVO/NGO community.	PACT hosting conference of PVOs/donors, on behalf of the Government of Honduras, to explore PVO involvement in Honduras.
<b>Central America CAPACITA</b>	AID Latin American Bureau ROCAP US\$2,165,751	Pending		Proposal being reviewed and modified by Central American consortia from Panama, Costa Rica, El Salvador, Honduras, Guatemala, Nicaragua, and Belize.

**5.4 Asia Region**

PACT's program in Asia is the largest and most focused of the regional programs. Working from a regional strategy developed three years ago, the objective is to strengthen PVO/NGO learning and technical assistance initiatives in four countries: Thailand, Indonesia, Philippines, and Sri Lanka. Since the strategic plan was developed, PACT has also developed programs in Bangladesh, Nepal, Sri-Lanka. Programs were temporarily suspended in Thailand during a coup but the programs are now back in operation.

PACT works with over 250 Asian NGOs, many of which are partners of PVOs, and 10 national consortia. Most of the CA money has gone into the development of the Thailand program. In addition to the programs described below, PACT also is in the process of developing new initiatives in Cambodia, Tibet, the Philippines, and India.

The Cooperative Agreement programs cost of \$160,117 but PACT's presence resulted in \$16 million, all in unsolicited funds, being

leveraged for PACT Members, other PVOs, and the NGO community. Just over \$1 million of that amount is still pending but seems likely to be awarded. An overview is in the charts on the following pages.

#### 5.4.1 Cooperative Agreement Activities

- The Small and Micro Enterprise (SME) Network in Thailand has been supported with \$165,204 (plus \$249,184 in IDGs) in CA funds. The Network now includes 40 NGOs, PVOs, UN agencies Government of Thailand ministries, and the World Bank. The network builds staff skills, organizational capacity, and develops linkages with other sectors. It does this through workshops, meetings, publications, and a newsletter that is of particular interest to NGOs working in isolated parts of the country. IDGs have been used to foster collaboration and develop the network.

#### 5.4.2 Other Activities

The SME network gave PACT credibility in Thailand and created an opportunity for PACT to develop partnerships with local organizations. This led to the development of several other activities

In Thailand:

- The SPRITED project was developed by PACT and funded by USAID/Thailand for \$965,000. This fund provides assistance to PVOs to assist with local organizations. An additional \$643,065 will be added on 1 August, 1991.

- RESCUE, a project to assist displaced children is has been funded by USAID/Thailand for \$290,000 to allow PACT to work with a local organization.

In Indonesia:

- PACT supports PVOs and NGOs through a Partners Program which builds NGO capacities to carry out environmentally sound activities. Funded with an USAID/Indonesia grant of \$684,057 in response to PACT's unsolicited proposal, the program matches the expertise of PACT Members and other PVOs with the needs of local organizations in the development of environmentally sound programs.

- PACT is developing a proposal to USAID/Indonesia to work with a PVO in developing a program for street children.

- PACT is collaborating with the International Labour Organization to develop an SME network in Indonesia similar to the one that has been so successful in Thailand.

In Bangladesh:

- PACT has a cooperative agreement with USAID/Bangladesh to administer a \$5 million program of sub-grants to PVOs and NGOs. The program is likely to be extended for an additional three to five years for an additional \$5 million.

In Sri Lanka:

- In collaboration with the World Bank and UNDP, PACT has agreed to assist in the development of a trust which would make \$90 million available to PVOs and NGOs for credit and community project funds.

In Pakistan:

- PACT presented an unsolicited proposal to USAID/Pakistan to send a PACT Member, IVS, to prepare a feasibility study of developing a consortium of NGOs in Punjab state.

In Vietnam:

- PACT has prepared a proposal to a private foundation to assist a major NGO consortium by placing Vietnamese-American volunteers (from VITA and IVS) with Vietnamese NGOs.

In Cambodia:

- PACT and John Short International Research and Training submitted an invited proposal for a \$3.5 million umbrella project. PACT also held a three-day workshop with IVS and VITA for Cambodian-Americans helping them design a volunteer program.

**UPDATE ON REGIONAL PROGRAMS: ASIA**

<b>Proposal/Bid</b>	<b>Source/Budget</b>	<b>Status</b>	<b>PVO/Member Involvement</b>	<b>Comments</b>
<b>Nepal Socio-Economic Development Through PVOs</b>	USAID Mission. Unsolicited. US\$208,143	Pending. Revision of existing program after coup.	PACT helped create US\$8,000,000 Co-finance PVO fund of which this amount (US\$208,143) is for local NGOs.	Negotiating language in agreement. Very likely.
<b>Bangladesh PRIP</b>	USAID Mission. AID initiated cooperative agreement. US\$5,000,000	Active	Consortium partners and sub-grantees: CARE, IVS, EIL. Grants have also been made to: Aid to Artisans, Winrock, IDR, Save, WIP, and a host of indigenous organizations such as: ADAB, BRAC, BURO, and TARD.	Mission has requested PACT to submit a proposal for funding for next 2-5 years @ US\$5,000,000. Disaster Assistance component added to present grant with additional funding of \$18,703.
<b>Sri Lanka Technical Assistance to Janasaviya Trust</b>	UNDP and World Bank. Phases I & II: US\$525,000 Phase III: US\$2,500,000	Active	Creates US\$90,000,000 trust fund from which PVOs and NGOs can access credit and community project funds.	Currently in Phase II: PACT has fielded five consultants.  PACT has designed Phase III; a bid is forthcoming.
<b>Indonesia Learning &amp; Linkages Program</b>	USAID Mission. Unsolicited. US\$684,057.	Active	Principally works with WALHI and Bina Swadaya to promote environmentally sound development. Draws upon the expertise of other PVOs and NGOs as needed, e.g., Save, CARE, PCI, and World Ed.	Grant ends 9/30/91. Requesting 6-month, no-cost extension.  Proposal submitted for continued funding.
<b>Indonesia Street Children Project</b>	USAID Mission. Unsolicited.	Development	Working with US-based PVO, CHILDHOPE, to develop a proposal.	Project development encouraged by S&T/Health.
<b>India Participatory Training</b>	Dutch Government. Unsolicited. US\$700,962.	Pending		Dutch Government has reservations about funding a U.S. agency.
<b>Pakistan Support for NGOs in the State of Punjab</b>	USAID Mission. Unsolicited. US\$24,500.	Pending	Feasibility Study. May open up new possibilities for PACT Membership.	Likely.



**UPDATE ON REGIONAL PROGRAMS: ASIA**

<b>Proposal/Bid</b>	<b>Source/Budget</b>	<b>Status</b>	<b>PVO/Member Involvement</b>	<b>Comments</b>
<b>Indonesia Resource Center for Micro Enterprise Development</b>	ILO Potential Funder	Development	Like SME Network/Thailand, open to all PVOs and NGOs involved in micro-enterprise promotion.	Early stages of development with International Labor Organization
<b>Philippines/ Indonesia Support to Moslem NGOs.</b>	USAID Mission/Philippines	Development	Possible partner: LP3ES	
<b>Thailand SPIRTED</b>	USAID Mission. Unsolicited US\$1,608,055	Active	70% of grant fund will go to US PVOs to assist local organizations.  SAVE is lead agency for coordinating initiatives related to community forestry and land use.	
<b>Thailand Small and Micro Enterprise Network (SME)</b>	PACT PVC Agreement. US\$90,280.	Active	Network composed of 36 NGOs, PVOs, UN agencies, government agencies, and World Bank.  PACT Members in network: CARE, SAVE, SVITA, HKI.	
<b>Thailand RESCUE: Street Children Program</b>	USAID Mission in response to AID/W initiative: Assistance to Displaced Children. US\$290,000.	Active	Working with local NGO, Foundation for a Better Life for Children.	
<b>Pakistan Feasibility Study for Community-based NGO Development Initiatives in the Northwest Frontier Province</b>	USAID Mission. Unsolicited. US\$23,992	Active	Harry Jayasingha of IVS conducting study. May open up US\$3,000,000 for PACT membership.	

**UPDATE ON REGIONAL PROGRAMS: ASIA**

<b>Proposal/Bid</b>	<b>Source/Budget</b>	<b>Status</b>	<b>PVO/Member Involvement</b>	<b>Comments</b>
<b>Vietnam Vietnamese American Volunteer Program</b>	<b>Christopher Reynolds Foundation US\$86,990</b>	<b>Pending</b>	<b>Working in coordination with PACCOM, the organization which coordinates NGO/PVO activities in Vietnam, to place Vietnamese-American volunteers with agencies in Vietnam, including PACT Members.</b>	
<b>Tibet NGO Support</b>		<b>Development</b>	<b>Being developed with IIRR and International Fund for Development of Tibet.</b>	<b>Exploring possible roles for PVOs in development of Tibet.</b>
<b>Cambodia Cambodian American Volunteer Program</b>	<b>AID/W</b>	<b>Development</b>	<b>Developing a concept paper with AID, US-based Cambodian-American organizations, VITA, and IVS to place Cambodian American volunteers in Cambodia.</b>	
<b>Cambodia Community Outreach Program</b>	<b>AID/W RFP \$4,996,119</b>	<b>Active</b>	<b>Subgrants to over 60 PVOs available to work in Cambodia</b>	
<b>Philippines Advancing NGO Coalitions: Realizing an Alternative Vision</b>		<b>Development</b>	<b>Developed in cooperation with The Green Forum and Caucus of Development NGO Networks.</b>	
<b>Philippines NGO Communication Support Service Program</b>	<b>USAID Mission</b>	<b>Rejected</b>	<b>Developed in cooperation with PBSP (Philippine Business for Social Progress).</b>	

## 6.0 Evaluation Findings

### 6.1 PACT's Management

- The move of the office from New York to Washington caused some concern among Board Members who felt the move was not adequately discussed and should have come before the whole Board. Over the course of the year, the move was accomplished and since only two staff made the move, there has been a very high staff turnover. Now that it has been accomplished, it seems to be a moot issue. It is too early yet to say how well the new staff will do and what the implications will be for greater proximity to A.I.D. and many of PACT's Members.

- All new staff appear to be qualified and energetic. While those left behind in New York are suffering from low morale, it is likely that their spirits will improve when the office there is cleaned up and if the next Assembly gives them the mandate to continue with their program initiatives.

The primary concern about staffing is clarification of lines of authority within the office and, with the new regional offices, with the field. Because the system is not yet operational, there are many new staff, and only one Regional Co-director is in place, management systems remain to be fine tuned. PACT is to be commended for its commitment to egalitarianism but it is not the most efficient approach to management. Every staff person interviewed gave examples of situations where they felt they had been left out of the information loop, felt unclear about who was in charge on an issue, or expressed confusion about the difference between different staff positions. Presumably the confusion is temporary until the new regional system is fully implemented.

- The new regional program strategy has been very effective in helping PACT coordinate its various activities. As PACT places greater emphasis on building regional networks and consortia, Regional Offices will be essential.

- The Program strategy and planning system is working well. There is much greater clarity about what PACT does, how it does it and activities are even more focused on PACT's mission than was at the beginning of this CA.

- PACT's current program strategy places it more in line with its mission than ever in PACT's history. Not only is it "supporting and fostering local organizations" in the process it has generated over \$55 million dollars to support their efforts.

- PACT's least known but most impressive accomplishment is how its

leadership and program strategy generates funds for the PVO/NGO community. While 75 percent of the CA funds are spent in the U.S., the remaining 25 percent (\$1,277,273) spent overseas have contributed to the leveraging of \$55 million. Sixty-seven percent of those funds were generated through unsolicited proposals creating funds that would not likely have been available to PVOs/NGOs had PACT not developed the projects and approached donors with the concept.

CA money spent overseas appears to return a far greater benefit to PVOs and NGOs than money spent in the U.S.. Efforts in the U.S. leverage about \$10 for each CA dollar spent while each dollar spent overseas leverages about \$43. Overall, PACT's efforts lead to over \$10 for each CA dollar.

## 6.2 Governance of PACT

- Many things have changed since PACT was started 20 years ago. PVOs have grown up and are now fully capable not only of managing themselves but of providing technical assistance to NGO partners on technical and organizational issues. Most countries now have a number of highly sophisticated NGOs that are capable of carrying out projects and competing for donor dollars.

- PACT's mission is appropriate and is strongly supported by most of its Members.

- PACT's Membership is a happenstance collection of organizations. One of PACT's attractions to donors is the roster of technically proficient and diverse organizations through which it will implement organizations.

- While Members feel they should have benefits of membership, the responsibilities of membership have not been enforced. No member has presented its program plan to PACT and affirmative action policies (if any) have apparently never been reviewed.

- Members have the right and responsibility to try to make changes in PACT when they see ways that PACT can better serve them. Some members, however, who are dissatisfied with PACT have taken their grievances directly to donors. Many PACT members have found this inappropriate.

- While the development environment has changed, and PACT's programs have changed, its governance structure has not. A few Members who have been with PACT from the start have resisted these changes and each three years (when the CA is renewed) raise the same issues. The organizational structure is one that leads to conflict of interest and the Board of Directors no longer has an appropriate role.

- Some of PACT's members now compete with PACT. PACT has Board approved procedures for assuring that competition is kept to a minimum. The cases of competition are very few. Most members see competition as normal and healthy and feel that each organization should continue to do what it is good at. In bidding on RFPs, PACT is fulfilling one of its oldest mandates to assist small organizations to do collectively what they could not do individually.

- Since PACT's detractors have made their concerns known to A.I.D. and supporters have not, A.I.D. has the impression that dissatisfaction is more widespread than it really is. The complains against PACT are largely a smoke screen for an effort to destroy PACT with the idea that CA funds would then be available to U.S. PVOs. They feel that U.S. money to NGOs should all be channeled first through U.S. PVOs.

[The central issue at the annual Assembly of Members was the governance issue. Members voted unanimously to reaffirm PACT's Mission and in a separate resolution underscored that PACT's primary role is in the field. The Assembly voted to undertake a major reconsideration of PACT as a Membership organization and will review the by-laws and reconstitute the Board so that the majority is individuals independent of PACT]

- Merger with Inter-Action is a non-issue. There are no compelling reasons for a merger and several strong reasons not to merge. Most Members are weary of the discussion which has been going on for over ten years. There is consensus that the two organizations should make every effort not to duplicate services and programs and that they should collaborate wherever possible.

- PVC seems unclear about what direction it wants to take with PVOs and what role PACT can play. At a time when the PVO community is deeply troubled, PVC appears to be encouraging new PVOs to start up. There is a definite leadership role for PACT and PVC to take to help PVOs make the transition to the future.

- Policies and circumstances have changed so much that the original CA no longer applies to what PACT does making accountability difficult. While the evolution of the CA has been mutually agreed on between the two organizations and has moved in a very positive direction, there is no clear written agreement about what is expected of both parties.

### 6.3 Program Performance

- PACT started the CA with the mandate to use all the money in the U.S. in seven specific categories. Midway through the grant, PVC allowed money to be used in the field and, following the mid-term evaluation, PACT dropped all the old CA categories and

reorganized its programs around regional field strategies. This change has greatly simplified and improved PACT's programs. It also made the original proposal obsolete.

- PACT has new initiatives underway in about 20 countries. With its current staff, it cannot continue with this kind of growth.

- PACT's most successful U.S. programs are the Media Services and Media Production units. These programs fill an urgent need in the PVO/NGO community and promise to earn a small profit for PACT.

- PACT has done a noticeably better job of communicating what it does to members. IMPACT and the Consortium Courier are excellent vehicles for communication not only about PACT but about other organizations as well. Members still complain that the information is all about what PACT has already done. They would like to be included in the planning and discussion stages.

- The remaining problem with the Media programs is to integrate them with the regional strategy. Plans are underway to set up regional distribution systems for the Media Services program.

- The SEEP network continues to fill an important need in the PVO community and its members find it valuable. However, it no longer fits with PACT's regional strategy.

- The Institutional Development Grants are one of PACT's most important services. The grants have been extremely important at three levels.

First, they are a very effective use of money. For \$800,000, 116 grants have been made to 67 organizations.

Second, they are very important to recipients. They fill a niche in the funding system that allows ideas to turn into projects. Creativity can be fostered and a very large number of grants appear to lead to further funding. Some very small grants have led to very large new initiatives.

Third, the grants are essential to PACT's consortia building strategy. Cooperation and the sharing of information can be facilitated by giving small grants. When small pockets of collaboration develop around particular issues or specific projects, these form the raw material from which larger coalitions are built. When these coalitions are in place, NGOs can have an influence on government policy and the consortia can serve as a conduit for donor money.

Under the current one-year CA, IDGs will be known as Strategic Activities Grants, will be up to \$25,000 and will be administered through the regional programs.

## 7.0 Evaluation Questions Answered

**- Is PACT's Mission Statement an accurate reflection of what the organization does? Is the mission supported by PVC, PACT's Members, and PACT's Board of Directors?**

PACT's Mission Statement is an excellent description of what the organization does. PACT's programs are more directly targeted to its mission now than at any time in its history. Its mission is fully supported by PVC and the overwhelming majority of Members endorse the mission enthusiastically. Only one or two vocal critics express concern about the role of international Members. While no one will admit to objections about Institutional Development Grant money going to NGOs (and non-PACT Members), this may in fact be an issue for one or two Members.

[This was confirmed unanimously at the Member Assembly and a separate resolution states that the emphasis should be on overseas activities]

**- Should PACT remain a membership organization? What alternative governance structures may be appropriate?**

PACT must remain a membership organization in order to implement its program strategy. PACT's problems are not that it is a membership organization but rather in the fact that the Board of Directors is composed of Members leading to conflicts of interest.

The Board of Directors should be re-constituted. The new Board should include individuals with a vision of where PVOs can and should be going along and individuals knowledgeable about or representing major donors (World Bank, UN, A.I.D. and others). The new Board should be approximately one-fourth from each of PACT's regions (Africa, Asia, Latin America, and the U.S.) and one half of the Members should be women.

[PACT's new task force, approved at the Member Assembly, will review alternative models for membership and present a new structure within six months. The Board will be completely re-constituted and comprising at least a majority of individuals from non-Member institutions. The task force must take special care to see that the views of international members are fully represented in this process.]

**- Does PACT compete with its Members?**

PACT has pioneered in the field of umbrella organization management and consortia building. Recently, two of PACT's

Members have developed an interest in working in these areas and have competed against PACT on projects funded by USAID missions. This type of competition is healthy and as more PVOs are able to work at the country level, PACT will be able to place greater emphasis on regional networks. The advantages of PACT membership far outweigh any concerns about competition for most Members.

When PACT submits proposals, it does so with one and usually more of its Members. PACT's oldest mandate was to assist Members leverage funds collectively where they could not do so individually. Where a Member feels it has some advantage to competing with PACT this is appropriate. Since PACT does not implement projects, technically, the competition is between one Member and a coalition of other Members.

Since PACT has procedures for dealing with the competition issue, any Member with grievances should bring those issues to the Board through proper internal systems.

**- Are there advantages to PACT membership?**

The primary benefits of PACT membership are being in the front line in the development of new projects. The advantages are greatest to those Members with field programs in the countries where PACT now has field staff as they become the vehicle through which PACT develops the collaborations and networks that become consortia. With IDGs, they are able to develop innovative new projects, find new partner NGOs, and experiment with new approaches to development.

In addition, Members receive information about PACT programs and those of other Members. Members are given priority in attendance at PACT's workshops, meetings, and can use PACT's extensive network of contacts with NGOs world-wide.

Program staff in the field seem to be most conscious of the advantages of PACT membership since most activities now take place in the field. Because there are now few direct grants from PACT to PVO headquarters, some CEOs may not even be aware of the extensive collaboration between their program people in the field and PACT's field staff. Seventy-five percent of the CA money was spent in the U.S. and much of that on programs and services to PACT's Members.

From a larger perspective, PACT's program strategy has led to \$55 million in funds for the PVO/NGO community. Members should feel some pride in their contributions to an organization that so successfully works for the private development effort.

[A review of the whole Membership issue is included as part of the new task force activity.]



**- Have the recommendations made in the last evaluation been acted on?**

PACT has acted on, or is in the process of acting on all recommendations made in the mid-term evaluation. The re-organization of the programs away from the original CA categories and around regional strategies was particularly effective and will make PACT much more efficient. New administrative systems for accounting, reporting, personnel, and program planning are all in place or being developed. A Program Policy Manual has been drafted. There are regional strategies for Asia and Africa. All staff submit work plans and staff meetings are held regularly. PACT has made a great deal of progress in clarifying what it does over the past year. It has accomplished this at a time of much institutional turmoil (a move, new staff, problems with the Board).

**- What have been the program accomplishments over the past year? Is the new regional organization structure appropriate to accomplishing PACT's goals?**

PACT's field programs continue to grow. PACT now has new initiatives underway in nearly 20 countries and has been particularly successful in generating unsolicited funds for PVO/NGO programs.

The new regional strategy has given a much greater focus to all of PACT's programs and will allow PACT to do at the regional level what it has been so successful in doing at the country level.

Because PACT's methods of operation for encouraging collaboration requires a great deal of hand-holding, one-on-one contact, and the facilitation of many small planning and strategy sessions, the presence of a Regional Representative on the ground is essential.

PACT needs to take time now to consolidate its work and build on the programs it now has in place and place a moratorium on expansion into new countries. It also needs to give much greater consideration to the management systems necessary to make the Regional Offices effective.

**- Is it cost effective to maintain two U.S. Offices?**

There is some additional cost to having two offices. However, the rent on the New York office is low, they would have had to rent larger offices had they stayed, and the main cost is salaries which would have to be paid in any event. If that

office were closed, the Washington office would have to be much bigger. Having the Washington office saves some money in travel and housing for the Executive Director. The total additional cost for the two offices is around \$8,000.

The main issue is that the Communications program, while very successful, is very new and moving it at this time would be hazardous to its health. Within the next few years, the Media Services and Media Production Units will turn enough profit to pay for the additional costs of the office. Additionally, the New York office is still an important stopping off place for visitors to New York. The presence of an office there near the United Nations is an asset with other donors.

**- What has been the impact of the Institutional Development Grants?**

The IDGs have been extremely important at three levels.

First, they are a very effective use of money. For \$800,000, 116 grants have been made to 67 organizations.

Second, the grants are extremely helpful to their recipients. They fill a niche in the funding system that allows ideas to turn into projects. Creativity can be fostered and a very large number appear to lead to further funding. Some very small grants have led to very large new initiatives.

Third, the grants are essential to PACT's consortia building strategy. Cooperation and the sharing of information can be facilitated by giving small grants. When small pockets of collaboration develop around particular issues or specific projects, these form the raw material from which larger coalitions are built. When these coalitions are in place, they can have an influence on government policy and can serve as a conduit for donor money.

## 8.0 Recommendations

### About PACT's management:

- PACT should continue with the regional program strategy by updating its Asia Regional Strategy and completing its Latin America Regional Strategy. The participatory process used in the development of the Africa Regional Strategy should be followed.
- The development of the Regional Offices should proceed as funding becomes available but with careful attention to the management systems needed to make these offices effective. The role of the Regional Directors must be monitored and attention given to ways to assure communication between the field and headquarters. The Latin America Office should not be opened until some of these issues have been worked out in Asia and Africa.
- PACT staff should be commended for their accomplishments in reorganizing the program, improving their communications with the Members, and more tightly focusing their activities at a time of considerable organizational confusion and, for some, personal hardships.
- PACT should continue its strategy of working with PVOs and NGOs to generate funds through unsolicited proposals to donors such as USAIDs, A.I.D. Regional Offices, the U.N, and the World Bank.
- PACT should be commended for the exceptional record of fund raising on behalf of the PVO/NGO community. It should be clear that CA money is not used for fundraising activities.

### About Governance:

- PACT should develop a Membership recruitment strategy to include more PVO and NGO Members with strong technical skills in a variety of sectors. There should also be a clearer strategy for the selection of international Members.
- Since the payment of fees is clearly difficult for international Members, creates some hard feelings among those Members who do pay their fees, and since the fees are not a major source of revenue, PACT needs to reconsider the purpose of the fees and whether some other gesture of commitment could be substituted.
- PACT should have a clear statement of responsibilities of membership and should create a mechanism for enforcing those responsibilities.

- Members with grievances against PACT should use internal procedures for resolving those problems. Members should use discretion in discussing internal problems with non-Members.

- PACT should change the composition of its Board of Directors to one that is all non-Members. The new Board should include individuals knowledgeable about the future of private development efforts in the U.S. and overseas, representatives of major donors (A.I.D., World Bank, UN, and so on), as well others with both influence and a commitment to PACT's mission. The emphasis should be on what Board members bring to the organization rather than what they get from it. Approximately one-fourth of the new board Members should be from each of the regions in which PACT works (U.S., Asia, Africa, Latin America) and one half of the Members should be women.

- PACT should continue to follow its Board approved Procedures for eliminating competition with Members and any organization with a grievance should follow internal procedures for resolving the problems.

- PACT and InterAction should meet regularly to review upcoming activities and identify opportunities for collaboration. The first topic of discussion should be the coordination of training in the U.S. and overseas.

#### About PVC:

- PVC should, wherever possible, work with PACT in support of their efforts to generate funds from A.I.D.'s regional development offices.

- PVC and PACT need to discuss the role of an intermediary organization and consider alternative contracting procedures that would allow for longer CA's but greater accountability on a year by year basis. Perhaps a five year CA with general program parameters and brief annual work plans. This would allow PACT and PVC to be responsive to changing PVO/NGO needs and still have an agreed yearly agenda with accountability.

- PVC, perhaps using PACT's Members as a resource, should determine what role PVOs will play in development in the future and how they will fit in with A.I.D.'s overall strategy. It is important for both organizations to have a clearer vision of PVC's relationship with PACT and its constituency.

#### About programs:

- Over the next year PACT needs to consolidate its programs. Growth should be slowed and greater attention given to developing quality programs in the countries where it now has initiatives.

- IMPACT should have a column where material from the Media Services Catalog is objectively reviewed (perhaps by someone who has used it). This would enable readers in the field to better determine which publications fit their needs.

- PACT, with PVC support, should examine its relationship with the SEEP network and work with SEEP to develop a plan for either integrating it into the field programs, spinning it off as an independent organization, or finding a home in another organization such as InterAction or one of the SEEP network Members.

## 1.0 Background

### 1.1 A brief history and description of PACT

Private Agencies Collaborating Together (PACT) is a consortium of 35 Private Development Organizations (PDOs) and individuals with a commitment to development activities outside the U.S. Throughout its 18 year history, membership levels have remained relatively stable. The primary change in membership has been from all U.S. based private voluntary organizations (PVOs) to an active drive to recruit non-U.S. based non-governmental organization (NGOs) to membership. Now there are 11 NGO members, mostly from Latin America. The first Asian member was admitted at the 1990 board meeting. A list of PACT's current members is included here as Appendix A

PACT was created in 1972 by a group of representatives of small U.S. based PVOs. Its original purpose was both to serve as a forum for members to discuss innovative approaches to development and potential cooperation as well as a mechanism for dispersing A.I.D. funds through grants too small for A.I.D. to manage on its own. There were already several large organizations with sophisticated financial and management systems who could interact with A.I.D. directly but many of the smaller ones lacked the size to get into the larger donors arena. The underlying idea for PACT was that the smaller PVOs could have more clout with A.I.D. if they formed a foundation to represent them. Implicitly, both A.I.D. and the PVO representatives wanted to explore the possibility of mergers. However, the idea of a collective of smaller PVOs was lost when first large PVO, Save the Children, joined and was followed shortly by the other larger PVOs.

It should be mentioned, too, that PACT membership represented only the subset of PVOs which focused on community development. PACT, originally, excluded from membership organizations which focus on specialized issues such as family planning, refugees, emergency assistance, and welfare.

What remained by 1976, was the theme which still characterizes PACT. That is, to foster collaboration within the PDO community. At that time, PACT was funded entirely by A.I.D./FVA/PVC (PVC) and member contributions and served as a grant-making body. Requests for funds were approved by a seven member Project Selection Committee and grants could go to either PVOs or NGOs.

The early 1980's were a time of crisis for PACT. PACT funding at that time represented 15 percent of PVC's total budget and was handling \$3.2 million dollars in grants. As A.I.D. resources dwindled, it became clear that PVC could no longer support PACT at that level.

By this time, some of the larger PVOs were getting money directly from PVC and PVC felt it was inappropriate for PACT to give grants to organizations which already had A.I.D. funds from other sources (most of the larger PVOs had matching grants and/or mission funding). With as much as 60 percent of PACT funding was going to NGOs, there was a growing feeling among PACT members that PACT's grants should only go to PVOs. Sentiment was so strong that some members even lobbied PVC to close PACT completely.

In PACT's 1984 Cooperative Agreement (CA) with PVC, funding dropped from \$4 million to \$2.5 million, the Executive Director resigned and PACT was being urged by PVC to diversify its funding base. It was also a time of major re-thinking of PACT's role. For the first time, PACT began to carry out field activities of its own and became well known world wide for its studies of NGO consortia, umbrella organizations and collaborative efforts among PDOs. The lessons learned from those studies were quickly put into action as PACT hired field staff to work with emerging consortia in the field.

Since its inception, PACT has channeled approximately \$38 million in grants to 450 member and non-member projects but eligibility for grants has changed frequently. PACT grants originally went to all PACT members, then only to U.S. PACT members, then to U.S. organizations working with local partners, and finally now, to the entire PDO community.

During its sixteen years as a funder, PACT had a major impact on the PVOs which received its grants and on the development community at large. Grants were used to create and strengthen country level PDO consortia as well as for creative approaches to development, upgrading PDO management, and training staff. PACT funds also underwrote the preparation of legislation which created the African Development Foundation.

In the mid-1980s PACT re-organized its management structure. No longer were decisions made by all PACT members. Rather a corporation of members was formed and a Board of Directors created to make most management decision. Within the Board of Directors was an Executive Committee which had even more oversight. Whether it was the change in management structure or the other changes going on in the PVO community is uncertain but observers mark this as a time at which PACT began to take on its own identity as a PVO and member's roles in decisions began to weaken.

At the time, the dramatic cutback in PACT funding was seen as devastating. In retrospect, the crisis forced PACT to seek an identity aside from its role as donor and also lead to the diversification of PACT funds. Over the past six years, PACT has made the difficult transition from a funding agency heavily dependent on PVC to one with field programs of its own and primary funds from USAID missions, UNDP, and other sources. PACT's total annual income for this fiscal year is just over \$4 million, of which only 34 percent comes from PVC.

This short history of PACT is presented so that this evaluation can be seen in its proper context of an organization which is just pulling out of a major period of change and which has still not fully come to grips with a new identity, management structure, and funding base.

Scope of Work for  
Final Evaluation of PACT's  
Cooperative Agreement with A.I.D./FVA/PVC

Background:

PACT's Cooperative Agreement (CA) with A.I.D./FVA/PVC (PVC) comes to an end 31 July, 1991. Over the course of three years, PVC has given PACT \$4,495,000 for programs in the U.S. and overseas. The CA calls for two evaluations. The midterm evaluation took place in the Spring of 1990 and found few problems with PACT's field programs which are progressing well. The evaluation did, however, identify some problems with PACT's governing structure, particularly the relation between PACT and its members, and a lack of clarity on the role of the Board of Directors.

Since the midterm evaluation, problems among Board members have increased and for that reason, the final evaluation will place special emphasis on overall governance and mission as well as summing up accomplishments in the field.

Evaluation Questions:

The final evaluation will answer the following questions:

1. Is PACT's mission statement an accurate reflection of what the organization does? Is the mission supported by PVC, PACT's members, and PACT's Board of Directors?
2. Should PACT remain a membership organization? What alternative governance structures might be appropriate?
3. Does PACT compete with its members?
4. Are there advantages to PACT membership?
5. Have the recommendations made in the mid-term evaluation been acted on?
6. What have been the program accomplishments over the past year? Is the new regional organization structure appropriate for accomplishing PACT's objectives?
7. Is it cost effective to maintain two U.S. offices?
8. What has been the impact of the Institutional Development Grants (IDGs)?



Methodology

The evaluation methodology will include:

1. Interviews with at least 20 PACT members (50 percent of the total membership) including past and present board members.
2. Interviews with representatives of InterAction, A.I.D. and others as appropriate.
2. Review of Board of Director's Meetings minutes on the issue of PACT's Goal Statement and discussions surrounding its adoption.
3. Collection of information from field staff on program accomplishments to date.
4. Visit to U.S. Regional Office in New York to interview staff and review files.
5. Interviews with all senior headquarters staff.

Schedule

The proposed schedule for the evaluation is as follows:

- 1-23 August - Interviews and data collection
- 26-30 August - Prepare first draft of evaluation report
- 2-4 September - Review of draft
- 4-6 September - Prepare final draft
- 9 September - Disseminate report to members prior to Member Assembly 18-20 September.

List of People Interviewed for the Final Evaluation  
August, 1991

At PACT/Washington

Louis Mitchell, Chief Executive Officer  
Jacob Pfohl, Deputy Chief Executive Officer  
M. Jean Thomas, Director of Finance and Administration  
Bindu Sharma, Associate Director for International Programs, Asia  
Cheryl Urashima, Associate Director for International Programs,  
Asia  
David Williams, Associate Director for International Programs,  
Africa and Romania  
Bertrand Laurent, Regional Representative and Director for Africa  
Programs  
Cecilia Cody, Associate Director for International Programs,  
Latin America  
Preston Grant, Manager for Administrative Services  
Susana Patricia Bazan, Accounting Manager  
Lamiriam Lee, Administrative Officer for International Programs  
Leslie Mitchell, Administrative Officer for International  
Programs, Africa and Romania.  
Doris Wall, Receptionist

At PACT/New York

Rita Gibbons, Director of Communications and Technical Services  
Ellen LeCompte, Associate Director for Training and Environmental  
Support Network  
Veena Sundararaman, Information Manager (editor of IMPACT and the  
Consortium Courier)  
Chris Srinivasen, Consultant on Communications  
Robin Munson, Finance Associate, Media Production and Services  
Charlotte McRobbie, Administrative Assistant  
Mary Wong, Office Manager

Members of Executive Committee:

Nan Borton, Development Alternatives International (Chair)  
Lew Townsend, Pan American Development Foundation (Treasurer)  
Katherine McKee, Center for Community Self-Help

Other Members of the Board:

Charles Post, Esperanca  
Fay Cowan, New TransCentury Foundation  
Ken Cole, InterAmerican Development Bank  
William Stedman, Partners of the Americas

Members:

Bill Burris, Accion  
Rudy Von Bernuth, CARE  
Anthony Schwartzwalder, The Experiment in International Living  
John Palmer, Helen Keller International  
Don Luce and Linda Worthington, International Voluntary Services  
Tom McKay, Project Concern International  
Henry Norman, Volunteers in Technical Assistance  
Walter Carrington, Joint Center for Political and Economic  
Studies  
Roland Johnson, The William Penn Foundation  
Marie Gadsden

Others

Sally Montgomery, AID/FVA/PVC  
Harry Wing, AID/FVA/PVC  
Sallee Jones, AID/FVA/PVC  
Carolyn Long, Vice President, InterAction  
Carolyn Stremlau, Citizens Democracy Corp.

## Appendix C

## List of People Interviewed for the Evaluation

## At PACT:

Louis Mitchell, Executive Director  
 Jake Pfohl, Director of Programs, Asia & USA  
 Allison Smith, Director of Programs for Administrative Services  
 Dan Santo Pietro, Director of Technical and Managerial Services/Training  
 Jim O'Brien, Director of Programs for Latin America  
 Bertrand Llaurent, Director of Programs for Africa (office in Senegal)  
 Warren Downs, Director of Finance and Administration  
 Robert Sutherland, Director of Media Services  
 Veena Sundararaman, Director of Communications  
 Rita Gibbons, Senior Associate Director for Programs, Asia & USA  
 Ellen LeCompte, Associate Director for Programs, Latin America/Office  
 Systems/Grants Management.  
 Maria Blaque-Belair, Associate Director for Africa Programs  
 Robin Munson, Associate Director for Finance

Elaine Edgcomb, Consultant, Coordinator, SEEP Network  
 Al Miller, PACT's UNDP Program Director, West Africa  
 Johnathan Otto, Consultant, Coordinator of Food Oils in Africa Network  
 Chris Srinivasin, Consultant  
 Carolyn Stremlau, Consultant, Coordinator of Expansion of Benefits Study

## Representatives of U.S. Organizations:

Nan Borton, DAI International and Chair of PACT's Board of Directors  
 Walter Carrington, PACT Board Member  
 Ed Bullard, President of TechnoServe  
 Peter Davies, President of InterAction  
 Tom Fox, Director of CIDE at World Resources Institute and PACT Board Member  
 Donna Frago, Program Officer at AID/FVA/PVC  
 Suzanne Kindervatter, Director of Technical Services at OEF International  
 and Chair of Steering Committee, SEEP Network  
 Robert Graham, Chairman of the Board and Founder of Katalysis Foundation  
 International;  
 Stanley W. Hosie, Executive Director of Foundation for Peoples of the South  
 Pacific and PACT Board Member  
 Ron Howard, Director of Field Operations for Opportunities Industrialization  
 Centers International (OICI)  
 Roland Johnson, Secretary of The William Penn Foundation and outgoing Chair of  
 PACT Board of Directors.  
 Tom Juring, Vice President for Programs at Katalysis Foundation  
 Joel Lampstein, President of World Education  
 Carolyn Long, Director of Washington Office, InterAction  
 Charles MacCormack, President of the Experiment in International Living.

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Tom McKay, Executive Director of Project Concern International  
 Charles Post, Executive Director of Esperanca (Phoenix, AZ)  
 John Palmer, Executive Director of Hellen Keller International and PACT Board Member.  
 Elizabeth Scott, Director of International Programs at Goodwill Industries

Representatives of Non-U.S. Organizations:

Dewaker Chand, Executive Director of SSNCC in Nepal  
 Gustavo Correa, Executive Director of FUNDAEC in Cali, Columbia  
 Francesca De Escoto, Director of Organizacion de Desarrollo Empresarial Femenino (ODEF) in Honduras  
 Enrique Fernandez, Secretary General of Solidarios in Santo Domingo, Dominican Republic  
 Aroma Goon, Assistant Technical Advisor of Private Rural Initiatives Project (PRIP) in Bangladesh  
 Alberto Jimenez, Director of Servivienda in Bogota, Columbia  
 John Kelly, Fondo Ecuatoriano Populorum Progressio in Quito, Ecuador  
 Manual Montoya, Executive Director of Accion Comunitaria del Peru in Lima, Peru and PACT Board Member  
 Carlos Santos, Director of Belize Enterprise for Sustained Technology (BEST) in Belmopan, Belize  
 Rafael Vargas, President of the Board of ACORDE om Costa Rica

In Thailand:

Heather Clark, PACT Regional Representative  
 Robert L. Medrala, Project Director of American Refugee Committee, Medical Project in Thailand (IDG recipient)  
 Chatree Watetip, Project Director of Freedom from Hunger Foundation (IDG applicant)  
 Don L. Douglas, Country Representative for Program for Appropriate Technology in Health (PATH) (IDG applicant)  
 Susan L. Schneider, Associate Program Officer of PATH/Washington D.C. Office  
 Michael Levitan, Country Director of Save the Children (IDG recipient)  
 Saksith Muenkul, Field Coordinator of Save the Children  
 Andrew Mittleman, Agroforestry Specialist with Save the Children  
 Gary Suwannarat, Private Sector Initiatives Division, USAID/Thailand  
 Narintr Tima, Program Specialist with USAID/Thailand  
 Malee Suwana-adth, Honary Secretary General of SVITA Foundation; FWWT; APROTECH/Asia and PACT Board Member  
 Karnitha, Program Officer for UNICEF funded SME project at SVITA Foundation  
 Dao-noi Srikijon, Program Officer at SVITA (UNICEF project)  
 Charles F. Ames, Country Director of Foster Parents Plan International  
 Raymond H. Rignall, Country Director of CARE  
 Mike Carroll, Assistant Country Director of CARE  
 Marshall Bear, Regional SEAD Advisor of CARE  
 Paiboon Wattanasiritham, Director of Foundation for Thailand Rural Reconstruction Movement (IDG Recipient)

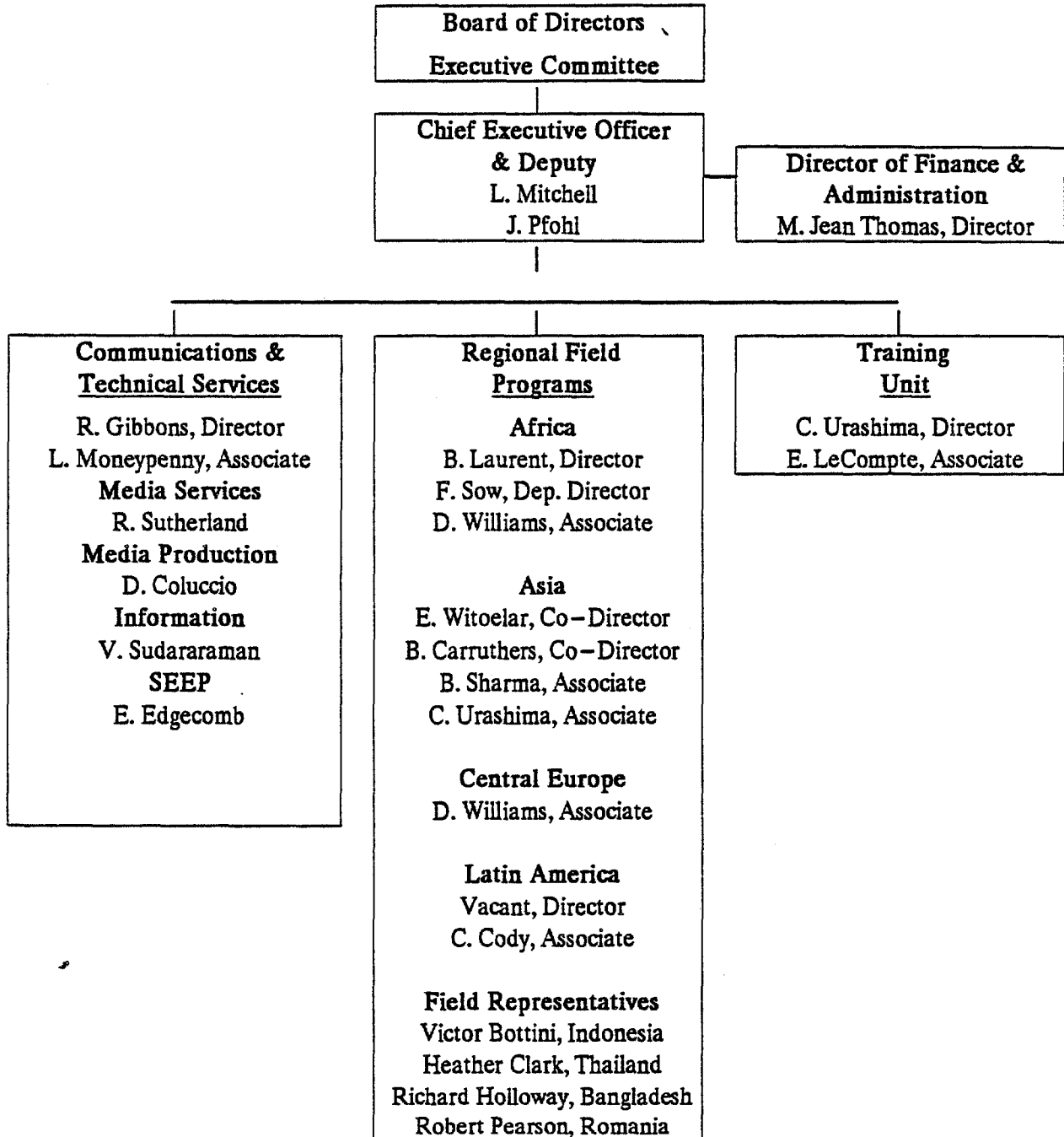
Lila Tidwell, Assistant Country Director for Adventist Relief and Development Agency (ADRA)

Anek Nakabutara, Executive Director of Local Development Foundation (IDG Recipient)

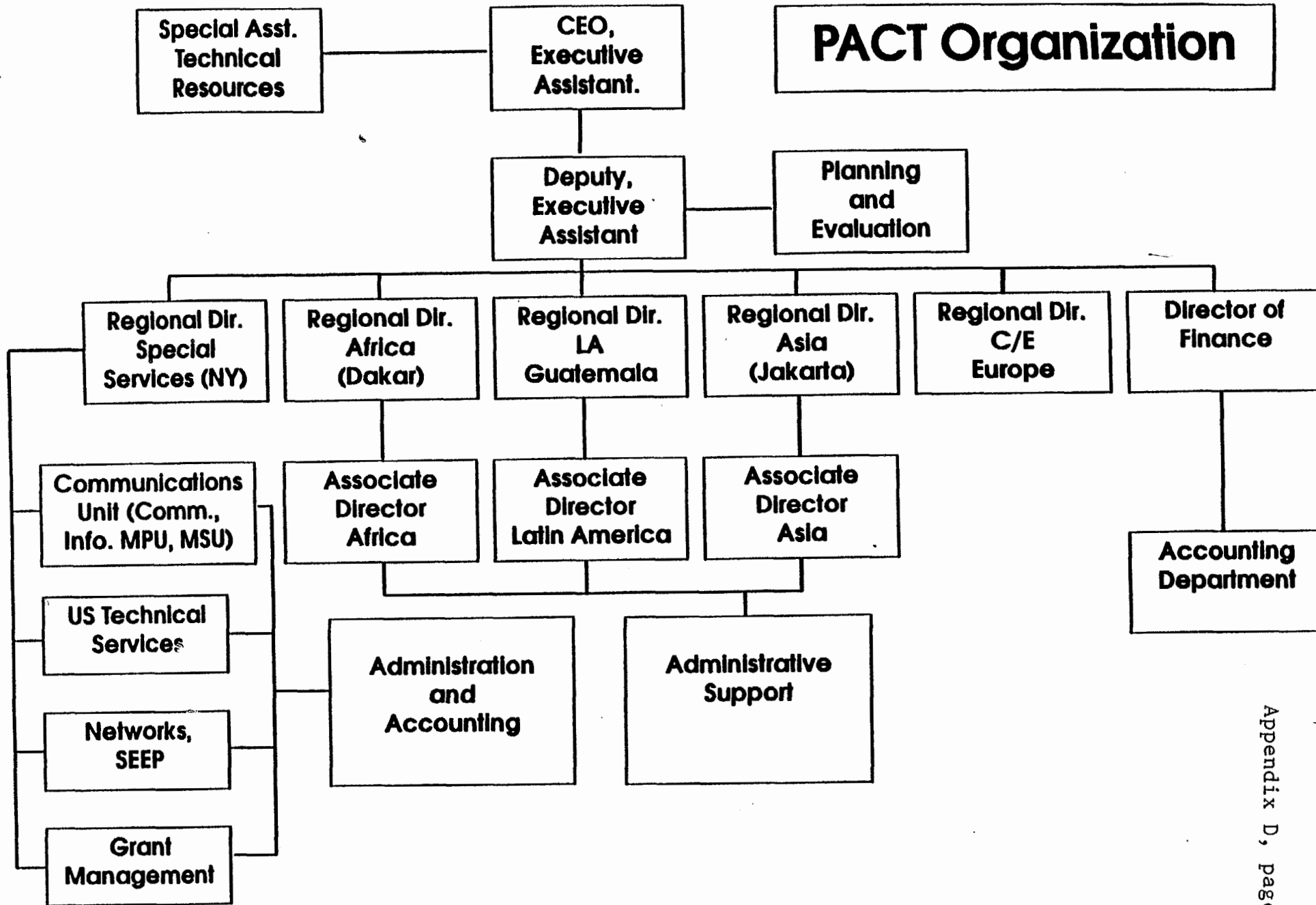
Pornchai Vetayanugul, Director of NGO-REDI and Korat consortium project (WLAT/TECDA/SVITA/monks)

# PACT, Inc.

## Organizational Chart



# PACT Organization







660 First Avenue - New York, NY 10016 • (212) 686-3110 • Fax (212) 696-4005

July 17, 1991

Nan Borton  
Development Alternatives, Inc.  
7520 Woodmont Avenue  
Suite 200  
Bethesda, Maryland 20814


Dear Nan:

By means of this letter I would like to share with you my concern over the proposed or ongoing evolution of PACT's institutional mandate. In simpler terms, PACT is a membership organization, created to support institutional needs of its members. Recently it seems to be following a trend of becoming much more field operational, and at least potentially competing with its membership in its choice of program activities and in its pursuit of grant and contract support.

I believe this evolution creates a potential conflict of interest situation, which must be resolved by the PACT Board as a constitutional issue.

I look forward to talking with you and Lew Townsend, and to hearing your thoughts on how the PACT Board plans to proceed on this issue.

Sincerely,

  
Rudy von Bernuth

*Great to see you last week*



**Private Agencies Collaborating Together** 22/28-29 Kaset Villa Tower  
Soi Than Phuying Phahon, Ngamvongvarn Road, Bangkok 10900, Thailand.

### FACSIMILE TRANSMISSION

**TO: Tom Drahnman**  
**CARE**  
**Thailand**  
**Facsimile #: (662) 271-4467**  
**Date: August 19, 1991**

**From: Heather Clark**  
**PACT/Thailand**  
**Bangkok**  
**Facs. #: (662) 561-4494**

4 pages

Dear Tom,

Attached is a letter from CARE / NY that has come to my attention through PACT headquarters. The experience of PACT CARE in Thailand has been a strong collaborative working relationship beneficial to both CARE and PACT, on many counts. PACT in Thailand has a strong collaborative relationship with other USPVO's including Save the Children, Freedom for Hunger Foundation, and PATH.

Three years of accumulated facts about the CARE/PACT experience in Thailand demonstrate that a PACT field presence can be and has been beneficial to PACT members, and has never been "at least potentially competing" as Mr. Bernuth's letter suggests. Quite the opposite. Based on the history of PACT in Thailand, a PACT field office can promote member collaboration for achieving shared development objectives and assist members in obtaining access to funding.

Because you have recently arrived in Thailand, I would like to take this time to summarize a few key events. I would appreciate it if you could share this information with your head office so they may be better informed about the field program, its methodology of collaboration and the concepts upon which it is based.

Through its headquarters and its field office in Thailand, PACT offers its members funding, technical assistance, coordination with other PVO, local NGOs and donors. For the past three years, CARE, as one of PACT's major partners in Thailand, has benefited from each of these services. These services have been offered and used in a true spirit of collaboration. I cite the following examples:

o In early 1990, USAID/Thailand put out for bid a "Democratic Pluralism Initiative" Project. USAID requested PACT to bid on the project and indicated they were looking for a "non-implementing umbrella organization" with experience making sub-grants in Thailand. USAID also sent the bid to USPVOs in Thailand. The PACT Representative asked the CARE Country Director if CARE had plans to bid on this project. CARE said it would decline to bid on this project as CARE was neither an umbrella organization nor had experience making sub-grants to NGOs in Thailand. CARE further reasoned that

- 2 -

handling a sub-grant program for USAID would compromise CARE's operational status, as CARE would be seen as a donor in the local NGO community.

o Subsequently, PACT granted CARE a small grant under this larger project and is currently discussing plans to support a larger project under that same grant.

o Because PACT has been awarded the grant from USAID, a new source of funds has been created to which CARE, and other PACT members, can apply. This supports PACT's role as a creator of additional funding, rather than competition for existing funding. If PACT had neither bid on nor subsequently been awarded the grant, the funding would not have been available to USPVOs at all. In fact, PACT's "competition" for this grant was the Asia Foundation, not any PACT member.

o Since January 1985, PACT has supported CARE efforts to develop a new program initiative to work with indigenous NGOs. According to CARE "these initiatives have also attracted the interest of major potential donors such as CIDA, AIDAB, USAID and several multilateral/international organizations." (CARE report on IPVO project)

o These PACT grants to CARE allowed CARE to explore new program parameters in Thailand and assisted CARE to increase credibility to act in partnership with the Thai NGO community. The development of this project with PACT support enabled CARE to successfully bid on and win a Thai NGO Management Training contract from USAID.

o In August 1990, USAID put out for bid a contract for Management Training for Thai NGOs. The bid was sent to PACT and CARE and for-profit consulting firms. PACT asked CARE if they were interested in bidding. CARE indicated that it was, and PACT declined to bid.

o In this particular case, PACT assisted CARE to write the proposal which was later awarded to CARE by USAID. PACT also helped organize the regional study tours, which were carried out with assistance from PACT's office in Indonesia and PACT consultants in the Philippines. In this way, PACT directly assisted a number organization compete with private firms.

o When CARE reviewed the management contract budget and required more funds to carry out the study tours, PACT supported this effort with an additional grant.

o In 1989 PACT provided technical services to CARE/Thailand in the form of SEAD workshop participation and manual production. Parts of the manual have since been translated into Thai and used for the benefit of the NGO community in Thailand. Several of these sessions have been incorporated into other USPVO's regional training courses, particularly ADRA and World Vision. In this sense PACT has assisted CARE to distribute

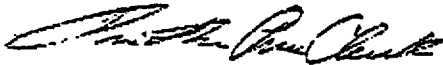
- 3 -

its materials and publicize its expertise in small enterprise development in the country, in the region and internationally.

o From 1989 to the present, CARE staff have participated in the SME (Small and Micro Enterprise) Network training courses covering technical aspects of small enterprise development. These courses are otherwise unavailable to the NGO community in Thailand.

I appreciate your concern that the PACT/Thailand field office history of collaboration be adequately represented by sharing this information with Mr. Bernuth.

Sincerely,



Heather A. Clark  
Representative/Thailand

cc: Lou Mitchell

#19

Board Resolution on Competitiveness

[Excerpt from the minutes of the PACT Board Meeting January 19, 1988]

"Following a presentation by James O'Brien on the Country Initiatives, including a revision of procedures to deal with the competition and member related issues, the Chairman recommended that PACT continue with the Country Initiatives, that the formalized set of Procedures serve as the outline, and that the financial implications to having the Country Initiatives be examined. The Director of Finance explained the positive ramifications of the Country Initiatives budget. Finally, addressing the issue of competition, it was asked if the Procedures had been discussed with the complainants. The Executive Director said they had been discussed with two, and the others had been aware of them.

"The following Resolution was proposed: In order to minimize the issue of "competition among members" related to regional and country initiatives, the (attached) procedures be adopted in principle, and be it further resolved that the procedures be reviewed at the June 1988 Board meeting to affirm that the procedures express and address the concerns of the members.

"Upon MOTION duly made and seconded, the Resolution was accepted."

[Excerpt from The Membership Governance Report, June 1, 1988]

"As it appeared that the competition issue had been defused, the Committee did not deal with this question."

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## PREAMBLE TO PROCEDURES

Now, in 1988, with an increasing interest in PVOs to collaborate with USAID and UNDP missions and other multilateral bodies, PACT considers it timely to define its role more specifically and to lay out procedures that will guide its actions.

PACT sees its role as exploring and discovering opportunities for greater membership and PVO involvement in cofinancing umbrella and discrete technical programs. PACT will be a promoter, informant and ready advisor to its members. In concert with the interested members it may take on additional roles of formulating joint proposals, conducting negotiations and assuming an appropriate management role. PACT staff, however, will never be involved in operating field grants or carrying out new training programs in isolation of its members.

To assure proper actions on behalf of the consortium, PACT will abide by the following procedures.

## PROCEDURES

1) PACT will use any available field resources to spark new opportunities and initiatives for members and other PVOs, and share pertinent information about upcoming opportunities with the members/other PVOs most interested in and relevant to the geographical area or technical function under consideration, both at headquarters and field levels.

2) Where a number of PACT members manifest an early interest in an PID, RFP, OPG, Contract, etc., PACT will attempt to play a facilitating role among U.S. PVOs to share information, to encourage appropriate dialogue and, when appropriate, to develop collective responses among the members. PACT, however, will always respect the individual decision of a member who chooses to pursue a singular course apart from other members.

3) PACT always will advise the Executive Committee of the Board of its progress in promoting field opportunities for members and other PVOs, such as cofinancing umbrella-type or technical programs. It will also apprise them of any supportive, technical backstopping or intermediary roles where PACT would play a continuing role in the field as part of collective or consortium efforts. The Executive Committee will be continually informed on proposals under consideration and programs actually occurring. PACT will also confer with the staff of concerned members and other PVOs and hold regular consultative meetings to strengthen collective response to field opportunities.

4) PACT's participation in cofinancing programs with multiple purposes will depend on the general consensus of the involved members and the approval of the Executive Committee. It

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may be determined that PACT could take the lead role, be a partner, subsidiary, or simply recommend other members.

5) In any cofinancing, umbrella or technical program where PACT is invited to play a management (not the operational) role, PACT will, upon approval, arrange briefings for its members on the content of the program and the possible ways to participate in the grants and services programs. PACT would play such a role in such cases where; a) interested U.S. agencies request PACT as a resource or intermediary; b) where due to USAID Mission requirements opportunities would not exist for U.S. PVOs without a PACT presence; c) when no U.S. PVO has a current interest in the activity but it has long term potential benefit to the PVO community; and d) when it is a pilot/or research effort that can generate opportunities for members in the field.

6) Throughout the life of the programs PACT will continually promote new opportunities for members and other PVOs through the leveraging of new opportunities as results have been achieved.

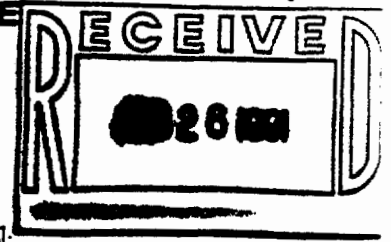
7) In any field program scenario where potential conflicts arise, PACT, upon request, will offer its staff or outside resources in order to bring about adequate resolution among conflicting or competing parties, e.g., between and among PVOs, local organizations and donors and governments.

8) In programs that call for a particular sectoral or capacity building expertise (e.g. credit management), PACT will endorse affirmatively the member(s) most suited to the task and use its influence to help them obtain the program.



## VOLUNTEERS IN TECHNICAL ASSISTANCE

Henry R. Norman  
President



August 22, 1991

Mr. Lewis Townsend  
Chairperson of PACT Task Force on  
Mission/Governance/Structure  
Private Agencies Collaborating Together  
1901 Pennsylvania Avenue NW  
Washington, D. C. 20006

Dear Lew,

On July 29 I attended my first meeting of the PACT Task Force on Mission/Governance/Structure. The minutes of the May 20 meeting of the task force were handed out and I was surprised to read the opening paragraph which stated:

1. In clarifying the task, it was concluded that looking at Mission, Program (competition), Structure (Governance and Membership), should proceed on the assumption that a "merger" or formal linkage between Interaction and PACT should occur.

I believe very strongly that the stated assumption is not valid, is not shared by a preponderance of the membership of either organization, is not in the best interest of PACT, and its discussion is irrelevant to the real issue facing PACT, which I believe is and has always been its governance.

The determined effort by a small group of PACT members to push the merger demonstrates the continuing anomaly of the organization's present governing structure in which its members are also part of its board of directors. Tom McKay recognized this when he was the head of the PVC Office of AID. In a December 9, 1987 letter to the then PACT Executive Director Tom Byrne, he stated:

C. PACT's Governance: The inherent conflict of interest represented by PACT member organizations constituting the majority of its Board of Directors while receiving grant funds from PACT was cited in the organizational study...

This conflict of interest, inherent in the current composition of the board of directors, must be resolved before the proposal can be considered for funding.

The fact that the members constituted a majority of the board and that they received grants from PACT were only the worst conflicts of interest. While the situation has changed with regard to

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grants and the proportion of member organizations on the board has been reduced, there remains a serious question of conflict of interest.

A person serving on the board of directors of an organization assumes a fiduciary relationship to that organization. He or she is ethically bound to act in the best interest of that organization. Where he or she has other interests that conflict on any matter, ethics dictate that the person abstain from voting on that matter. Because of the way PACT is organized, this principle is constantly and grossly violated by board members who not only vote on questions in which they perceive the interests of their own organizations are in conflict with those of PACT, but they initiate them.

The question of PACT's governance has been a source of controversy from its inception. Every few years we confront this same question and the discussion has often been heated and even rancorous. I feel that the issue of PACT's governance should be dealt with decisively and definitively in accordance with the points made in a letter from Bill Burrus to Lou Mitchell dated June 7, 1991, which stated:

1. I believe PACT's mission in the future should be the creation, fostering and strengthening of consortia of nongovernmental development organizations working in developing countries.
2. To accomplish this mission PACT should engage in a variety of training and technical assistance activities, provide seed capital, promote cross-fertilization and exchange visits among consortia members, mobilize resources, organize international, regional and national fora, etc.
3. PACT should maintain its status as a PVO but should no longer be a membership organization. To accomplish its mission PACT need not be a membership organization...
4. If PACT is no longer a membership organization, the issue of whether it should merge with INTERACTION becomes a non-issue...it should view its possible relationship to INTERACTION much like it does to all the other groups. Thus its particular market niche (and one which needs to be filled) is to support the building of consortia, including one in the US which is called INTERACTION.
5. PACT (and you personally) should resist the temptation to become simply another consulting outfit which is contract driven...

Bill and I have submitted a proposed reorganization plan which follows this outline to the Task Force for its consideration.

PACT's mission is supported by the organization's continuing

B

effort to integrate its members into the task, including U.S. PVO members, and by subcontract, training, planning assistance, and communications support services provided to the entire PVO/NGO community. PACT's services should be inclusive and available to PVOs/NGOs, Consortia and NGO Support Organizations who have something to offer to specific strategies. PACT has changed from being a resource transfer vehicle to a strategic catalyst; helping align and strengthen institutions to improve quality, sustain and expand development results around development needs and themes.

I view it as incongruous that at the very moment when the private nonprofit sector is exploding in the developing countries that there are those within PACT who seek to destroy its ability to encourage this very positive development. I believe that the AID emphasis on building democracy in the Third World is best served by a strong PACT working energetically to strengthen PVOs in the developing world. I see the private nonprofit sector in these countries as being of equal importance to the building of democratic institutions as is private enterprise in a free market economy.

PACT is well known to Southern PVOs. Its experience and its track record are respected and it has great credibility. I feel it is the logical organization to provide leadership in this area.

#### SIMILAR GOALS, DISSIMILAR PROCESSES

In a meeting between Peter Davies and Lou Mitchell hosted by John Palmer of Helen Keller, there were several points of agreement that were listed in a July 12 letter from Palmer to Lew Townsend. Among them were the following,

InterAction exists to enhance the effectiveness and professional capacities of its members engaged in international humanitarian efforts. InterAction exists to foster partnership, collaboration, leadership, and the power of this community to speak as one voice as we strive to achieve a world of self-reliance, justice and peace.

InterAction's mission is to provide a trade association for International US PVOs.

PACT's role, to build and strengthen grass-roots organizations through regional and indigenous consortia, NFO's and PVOs.

-Merger (PACT's) with InterAction would defeat the mission of the agency.

...a merger of the two organizations would not be appropriate in the immediate future...

InterAction is a 501(c)(6) trade association that has no restric-

tions on lobbying and is the primary means by which the PVO community expresses its position on issues facing the Congress and the US Government.

PACT is a 501(c)(3) organization that is precluded from lobbying.

Clearly, a merger of the two organizations is in the best interest of neither. I can only conclude that the purpose of those who persist in urging such a merger where there is little support or reason for it is to ultimately eliminate PACT.

#### COMPETITION

Much has been made through the years of PACT's alleged competition with its members as if we are all engaged in the making and delivery of pizza or some similar product instead of trying to help the poor of the world improve their wretched condition. The fact is that PACT has stayed well within its mandated mission when it has gone after contracts. It is some of the members of the organization who have seen contract possibilities in PACT's mandate who are seeking to elbow PACT out of the way in the hope of getting those contracts for themselves.

It is an article of faith in the free market that competition is the best assurance of quality. All of us compete with each other. Indeed, we may be joint contractors on one proposal and adversaries on another. I feel that the concern expressed about competition is a diversion. I am far more concerned about what I perceive as an effort by some Pact members to use their position within PACT to eliminate it as an independent organization. With all the suffering in the world and all that needs to be done it is pretentious nonsense to think that a handful of PVOs can do it all. Let's not become institutional cannibals. I am convinced that well conceived projects will almost always find funding somewhere. We don't need to destroy a good organization to get projects.

I urge the members of PACT to deal with the real issues of structure and governance so the organization can continue its work. We should resist the temptation to micromanage PACT and we certainly should either put its interests first or at least abstain from decisions in which we have a conflict of interest.

Very truly yours,



cc: Nan Borton

RESOLUTION OF PACT GOVERNANCE ISSUE

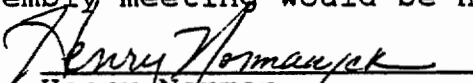
As CEOs of two of the charter members of PACT, we believe that the current institutional crisis faced by the organization is caused by an outmoded and conflictive governance structure. Each of us has expressed our views on the state of PACT in separate letters which have been distributed to the membership.

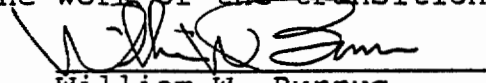
It is our belief that current discussion of other issues, namely, a possible merger with Interaction, competition between PACT and its members, and the effectiveness of the CEO's leadership, is unproductive and inappropriate at this time.

Indeed, it is our belief that the mission statement itself, while it may need clarification, is still valid and offers PACT the opportunity to make a unique contribution to the development process.

Therefore, we strongly recommend that the task force approve the following action plan for submittal to the Board of Directors and General Assembly in late September:

1. PACT's mission be restated to reflect a focus on creating, fostering and strengthening consortia of nongovernmental development organizations working in developing countries.
2. PACT cease being a membership organization.
3. A six month transition period be established beginning immediately after the Board and General Assembly in late September.
4. A 5-6 person transition team be designated to oversee the process comprised of current Board members, the CEO and one other staff person.
5. The transition team would accomplish the following general tasks during the six month period:
  - Develop a strategic plan for the next 3-5 year period for the organization, including a diversified fundraising strategy.
  - Review the current by-laws and other legal/governance documents and prepare necessary changes.
  - Identify and recruit potential new Board members. To ensure a smooth transition, it is recommended that several of the current individual Board members remain as Directors.
  - Initiate discussions with the PVC office of AID to secure a reasonable transition period (1-2 years) of funding.
6. At the end of the six month period a special Board of Directors and General Assembly meeting would be held to ratify the work of the transition team.

  
Henry Norman  
President, VITA

  
William W. Burrus  
Executive Director, ACCION

FINANCIAL STATUS REPORT		1. FEDERAL AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH REPORT IS SUBMITTED US Agency for International Development		2. FEDERAL GRANT NUMBER OR OTHER IDENTIFYING NUMBER OTR-0158-A-00-8239-00		PAGE 1 OF 4 OMB Approved No. 90-RO180	
3. RECIPIENT ORGANIZATION PACT, Inc. 1901 Pennsylvania Ave., N.W. Suite 501 Washington, D.C. 20006	New Coop	4. EMPLOYER IDENTIFICATION NUMBER 13-2702768		5. RECIPIENT ACCOUNT NUMBER		FINAL REPORT <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
	PROJECT/GRANT PERIOD		6. PERIOD COVERED BY THIS REPORT				
	FROM (Month, day, year) Sept. 1, 1988	TO (Month, day, year) August 31, 1991	FROM (Month, day, year) July 1, 1991	TO (Month, day, year) July 31, 1991			
10. STATUS OF FUNDS							
PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Capacity of PVO	(b) Expansion of Benefits	(c) Technical & Managerial	(d) Collaboration	(e) Market Services	(f) Debt/Development	TOTAL (g)
a. Net outlays previously reported	282,702	228,774	402,754	693,306	124,336	878,351	
b. Total outlays this report period	0	0	0	0	0	141,112	
c. Less: Program income credits	0	0	0	0	0	0	
d. Net outlays this report period (Line b minus line c)	0	0	0	0	0	141,112	
e. Net outlays to date (Line a plus line d)	282,702	228,774	402,754	693,306	124,336	1,019,463	
f. Less: Non-Federal share of outlays	0	0	0	0	0	0	
g. Total Federal share of outlays (Line e minus line f)	282,702	228,774	402,754	693,306	124,336	1,019,463	
h. Total unliquidated obligations	0	0	0	0	0	0	
i. Less: Non-Federal share of unliquidated obligations shown on line h	0	0	0	0	0	0	
j. Federal share of unliquidated obligations	0	0	0	0	0	0	
k. Total Federal share of outlays and unliquidated obligations	282,702	228,774	402,754	693,306	124,336	1,019,463	
l. Total cumulative amount of Federal funds authorized	597,000	517,900	637,300	855,500	175,000	1,106,184	
m. Unobligated balance of Federal funds	314,298	289,126	234,546	162,194	50,664	86,721	
11. INDIRECT EXPENSE			13. CERTIFICATION I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  TYPED OR PRINTED NAME AND TITLE Louis Mitchell Chief Executive Director		DATE REPORT SUBMITTED 8/30/91  TELEPHONE (202)466-5666
a. TYPE OF RATE <input checked="" type="checkbox"/> PROVISIONAL <input type="checkbox"/> PREDETERMINED <input type="checkbox"/> FINAL <input type="checkbox"/> FIXED							
b. RATE	c. BASE	d. TOTAL AMOUNT					
12. REMARKS: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.							

FINANCIAL STATUS REPORT		1. FEDERAL AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH REPORT IS SUBMITTED US Agency for International Development		2. FEDERAL GRANT NUMBER OR OTHER IDENTIFYING NUMBER OTR-0158-A-008239-00		PAGE 2 OF 4 OMB Approved No. 80-RO180					
3. RECIPIENT ORGANIZATION PACT, Inc. 1901 Pennsylvania Ave., N.W. Suite 501 Washington, D.C. 20006		4. EMPLOYER IDENTIFICATION NUMBER 13-2702768		5. RECIPIENT ACCOUNT NUMBER		FINAL REPORT <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
		PROJECT/GRANT PERIOD		PERIOD COVERED BY THIS REPORT		7. BASIS <input type="checkbox"/> CASH <input checked="" type="checkbox"/> ACCRUAL					
		FROM (Month, day, year) Sept. 1, 1988		TO (Month, day, year) August 31, 1991		FROM (Month, day, year) July 1, 1991		TO (Month, day, year) July 31, 1991			
10. STATUS OF FUNDS											
PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Indirect	(b) Dissemination	(c) SEEP	(d) Media Services	(e) Evaluation	(f) Media Production	TOTAL (g)				
a. Net outlays previously reported	947,729	159,994	130,932	148,528	31,749	51,805					
b. Total outlays this report period	50,861	0	3,338	12,307	0	1,418					
c. Less: Program income credits	0	0	43,527	23,004	0	5,200					
d. Net outlays this report period (Line b minus line c)	50,861	0	(40,189)	(10,697)	0	(3,782)					
e. Net outlays to date (Line a plus line d)	998,590	159,994	90,743	137,831	31,749	48,023					
f. Less: Non-Federal share of outlays	0	0	0	0	0	0					
g. Total Federal share of outlays (Line e minus line f)	998,590	159,994	90,743	137,831	31,749	48,023					
h. Total unliquidated obligations	0	0	0	0	0	0					
i. Less: Non-Federal share of unliquidated obligations shown on line h	0	0	0	0	0	0					
j. Federal share of unliquidated obligations	0	0	0	0	0	0					
k. Total Federal share of outlays and unliquidated obligations	998,590	159,994	90,743	137,831	31,749	48,023					
l. Total cumulative amount of Federal funds authorized	894,816	131,300	120,000	90,000	50,000	0					
m. Unobligated balance of Federal funds	(103,774)	(28,694)	29,257	(47,831)	18,251	(48,023)					
11. INDIRECT EXPENSE			13. CERTIFICATION I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  TYPED OR PRINTED NAME AND TITLE Louis Mitchell Chief Executive Director		DATE REPORT SUBMITTED 8/30/91				
a. TYPE OF RATE <input checked="" type="checkbox"/> PROVISIONAL <input type="checkbox"/> PREDETERMINED <input type="checkbox"/> FINAL <input type="checkbox"/> FIXED		b. RATE					c. BASE		d. TOTAL AMOUNT		
e. FEDERAL SHARE		f. FEDERAL SHARE					TELEPHONE (202)466-5666				
12. REMARKS: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.											

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3. RECIPIENT ORGANIZATION PACT, Inc. 1901 Pennsylvania Ave., N.W. Suite 501 Washington, D.C. 20006		4. EMPLOYER IDENTIFICATION NUMBER 13-2702768		5. RECIPIENT ACCOUNT NUMBER		FINAL REPORT <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
		PROJECT/GRANT PERIOD		6. PERIOD COVERED BY THIS REPORT			
		FROM (Month, day, year) Sept. 1, 1988		TO (Month, day, year) August 31, 1991		FROM (Month, day, year) July 1, 1991	
10. STATUS OF FUNDS							
PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Africa Based	(b) Asia Based	(c) Latin America Based	(d) US Based	(e) CDC	(f) Information	TOTAL (g)
a. Net outlays previously reported	188,957	160,117	97,993	148,170	44,034	76,436	
b. Total outlays this report period	13,662	5,087	4,325	3,364	0	8,078	
c. Less: Program income credits	0	0	0	4,640	0	0	
d. Net outlays this report period (Line b minus line c)	13,662	5,087	4,325	(1,276)	0	8,078	
e. Net outlays to date (Line a plus line d)	202,619	165,204	102,318	146,894	44,034	84,514	
f. Less: Non-Federal share of outlays	0	0	0	0	0	0	
g. Total Federal share of outlays (Line e minus line f)	202,619	165,204	102,318	146,894	44,034	84,514	
h. Total unliquidated obligations	0	0	0	0	0	0	
i. Less: Non-Federal share of unliquidated obligations shown on line h	0	0	0	0	0	0	
j. Federal share of unliquidated obligations	0	0	0	0	0	0	
k. Total Federal share of outlays and unliquidated obligations	202,619	165,204	102,318	146,894	44,034	84,514	
l. Total cumulative amount of Federal funds authorized	0	0	0	0	0	0	
m. Unobligated balance of Federal funds	(202,619)	(165,204)	(102,318)	(146,894)	(44,034)	(84,514)	
11. INDIRECT EXPENSE				13. CERTIFICATION		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	
a. TYPE OF RATE <input checked="" type="checkbox"/> PROVISIONAL <input type="checkbox"/> PREDETERMINED <input type="checkbox"/> FINAL <input type="checkbox"/> FIXED				I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.		DATE REPORT SUBMITTED 8/30/91	
b. RATE		c. BASE					
		d. TOTAL AMOUNT		e. FEDERAL SHARE		TELEPHONE	
12. REMARKS: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.						Louis Mitchell Chief Executive Director (202)466-5666	

FINANCIAL STATUS REPORT		1. FEDERAL AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH REPORT IS SUBMITTED US Agency for International Development		2. FEDERAL GRANT NUMBER OR OTHER IDENTIFYING NUMBER OTR-0158-A-00-8239-00		PAGE 4 OF 4 OMB Approved No. 90-RO180	
3. RECIPIENT ORGANIZATION PACT, Inc. 1901 Pennsylvania Ave., N.W. Suite 501 Washington, D.C. 20006		4. EMPLOYER IDENTIFICATION NUMBER 13-2702768		5. RECIPIENT ACCOUNT NUMBER		7. BASIS <input type="checkbox"/> CASH <input checked="" type="checkbox"/> ACCRUAL	
		PROJECT/GRANT PERIOD		8. PERIOD COVERED BY THIS REPORT			
		FROM (Month, day, year) Sept. 1, 1988		TO (Month, day, year) August 31, 1991		FROM (Month, day, year) July 1, 1991	
10. STATUS OF FUNDS							
PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Program Management	(b)	(c)	(d)	(e)	(f)	TOTAL (g)
a. Net outlays previously reported	62,528	0	0	0	0	0	4,859,195
b. Total outlays this report period	2,926	0	0	0	0	0	246,478
c. Less: Program income credits	0	0	0	0	0	0	76,371
d. Net outlays this report period (Line b minus line c)	2,926	0	0	0	0	0	170,107
e. Net outlays to date (Line a plus line d)	65,454	0	0	0	0	0	5,029,302
f. Less: Non-Federal share of outlays	0	0	0	0	0	0	0
g. Total Federal share of outlays (Line e minus line f)	65,454	0	0	0	0	0	5,029,302
h. Total unliquidated obligations	0	0	0	0	0	0	0
i. Less: Non-Federal share of unliquidated obligations shown on line h	0	0	0	0	0	0	0
j. Federal share of unliquidated obligations	0	0	0	0	0	0	0
k. Total Federal share of outlays and unliquidated obligations	65,454	0	0	0	0	0	5,029,302
l. Total cumulative amount of Federal funds authorized	0	0	0	0	0	0	5,175,000
m. Unobligated balance of Federal funds	(65,454)	0	0	0	0	0	145,698
11. INDIRECT EXPENSE				13. CERTIFICATION		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	
a. TYPE OF RATE <input checked="" type="checkbox"/> PROVISIONAL <input type="checkbox"/> PREDETERMINED <input type="checkbox"/> FINAL <input type="checkbox"/> FIXED				I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.		DATE REPORT SUBMITTED 8/30/91	
b. RATE 26.00%		c. BASE \$135,006					
12. REMARKS: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.						TYPED OR PRINTED NAME AND TITLE Louis Mitchell Chief Executive Director	
						TELEPHONE (202)466-5666	

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PACT Program Collaboration with PVOs/NGOsAn Illustrative Field Synopsis*(Board Meeting 4/27/91)*

Through the use of project funds, IDG vehicles and joint missions to investigate opportunities for PVO involvement, PACT has facilitated partnerships, consortia and development networks in three developing continents. More recently, PACT established the Citizens Democracy Corps Clearing House for U.S. institutions and individuals who are or wish to provide assistance to the countries of Central and Eastern Europe and the U.S.S.R. Further, in its role as intermediary, PACT presently manages the consortia program of World Vision and Project Concern in Romania - also involving European and indigenous NGOs. All this is in addition to the efforts expended within the U.S. through training workshops and IDGs, and the PVO-FMA and SEEP.

The following synopsis is illustrative of PACT successfully filling its role as catalyst in the development field.

ASIA

In the Philippines, PACT enabled EIL to form a partnership with an NGO consortium and farmers' associations. This enabled EIL to establish itself in the Philippines, and USAID has subsequently funded an OPG to substantially expand EIL's work.

PACT has provided monies to the consortium of US PVOs called the Philippines Development Forum to link up with Philippine agencies in a new coalition called the Green Forum - Philippines. A small grant given to the Green Forum - Philippines enabled it to carry out consultations on sustainable development with broad networks of NGOs and church groups. Since then the working group has drafted a white paper: "Philippine Economic Development by 1995 - Alternative to Crisis" which, in its final form, is likely to be an important force in the formulation of people-centered development strategies over the next few years.

In Thailand, PACT has established a Small Enterprise Network as part of the current PVC Agreement. Over 23 PVOs and Thai NGOs participate including U.S. groups ADRA, CARE, ATI, CRS, PLAN, Freedom from Hunger, Friends of Women's World Banking, Hellen Keller, Pearl S. Buck, Save (USA), World Vision and a YMCA affiliate. This network is conducting state-of-the-art training, materials development, exchange of experience, etc. to advance the work of Thai/U.S. groups in the sector. This enables agencies to be part of a larger sectoral thrust, to work with Thai counterparts and increase sustainability.

In Thailand project funds and IDGs have enabled U.S. PVOs to engage in partnership efforts and expand their programs and benefits. CARE received assistance to set up a new partnership to support NGOs in one region, and that program is now also supported by Canadian and Australian donors. Save the Children was enabled to expand its learning in agro-forestry through an IDG to NGOs and local government in Nakhon Sawan Province, which places them in a new strategic field mode. World Education was assisted to strengthen local hill tribe NGOs in a direct relationship, seeding a longer-term partnership. PATH received funding to develop a program in environmental health. PACT has also provided services to Thai member SVITA, to engage them in major new roles in support of the NGO sector.

With unrestricted funds, PACT sponsored several missions to Laos to try open up opportunities for U.S. members. CARE pursued the possibilities which arose and may become operational there. Language training options were identified for EIL and other PACT members, and follow-up is still being explored.

In Bangladesh PACT established the Private Rural Initiatives Program with USAID in which IVS, CARE, and EIL are partners and many other US PVOs are involved in building the national PVO capacity to advance development gains. IVS received a major sub-grant to strengthen technical assistance networks among national NGOs; CARE to extend its technologies in irrigation to the NGO community; EIL to develop training opportunities; Aid to Artisans to market handicrafts of BRAC; Winrock for an agro-forestry project. ASHOKA, SAVE the Children USA, Nathan Associates, and World Education are among other U.S. groups that have received assistance to identify and work with the Bangladeshi NGO community.

In Indonesia the Partnering, Learning and Linkage (LELI) Program enables PACT and its local collaborators WALHI (an Indonesian environmental forum) and Bina Swadaya (a rural development and training organization) to build the capacities of 60 agencies to design, implement and manage environmentally-sound community-based projects. PACT has provided IDGs in coordination with this effort to build U.S. PVO linkages to participating Indonesian groups. For example Save the Children was funded to translate and make available the SEEP manual "Step by Step Guide to Small Enterprise" in bahasa Indonesia.

In India, PACT funded a CARE study of indigenous PVO activity in 3-5 states to recommend how CARE might coordinate with the most capable ones in community-based development and health projects.

PACT has helped IDR, Institute of Development Research, to partner with PRIA, India (Society for Participatory Research in Asia) and other Asian networks to establish a major regional

program, now funded by the Ford Foundation. The project assists with NGO consortia support and training in policy research, strategic planning and other needed skills to influence local policy, to help build NGO coalitions, and to plan education campaigns.

In Sri Lanka, PACT has assisted the World Bank to create a trust called the Janasaviya National Development Trust fund to implement a large employment and poverty alleviation project. The Trust will require the expertise of international PVOs/NGOs at a later stage of project implementation. This will provide opportunity (and advantage) for PACT members and other US PVOs to participate in dealing with the problems of the poor and underprivileged through credit, rural works and human resource development.

### LATIN AMERICA

PACT's country programs in Costa Rica and Guatemala provided substantial grant funding to U.S. PVOs over the past four years. In Costa Rica, PACT facilitated the funding through ACORDE of several U.S. PVO partnerships: ACCION/ADVANCE, Technoserve, Save the Children, Aid to Artisans, CRS, CARE, Salvation Army, OEF and PADF. In each of these projects the US counterpart helped strengthen local NGOs and ensure their sustainability as a result of their assistance.

### AFRICA

The establishment of a Regional Office in Dakar last May afforded PACT an opportunity to work as closely with members in the field as it always had with headquarters personnel. Bert Laurent was titled "Regional Representative", to underline the role played by the Regional Office in support of member organizations' prerogatives and in coordination of PACT/Africa activities, which are implemented through PVOs and African Consortia.

The Regional Representative's first activity was the elaboration of a draft strategy document that would give a focus to PACT's work in the Region and that would serve as a rational basis for the structure of the Regional Office. The month of May, 1990 was spent researching and writing this draft. Important contributions to the draft were made by all staff and consultants that had been involved with PACT's work in Africa. The writing was done by the Regional Representative.

The draft went through a number of revisions, incorporating informal input from members and African NGOs and consortia.

During the summer of 1990, the draft Regional Strategy was sent to all PACT members involved in Africa, and their input, comments and suggestions were formally solicited.

The strategy document stated a policy regarding the appropriateness for PACT of responding to requests for proposals. PACT would bid only on umbrella and consortia strengthening projects, and even so only when members could be involved as partners or project beneficiaries. We saw this as 1) being consistent with our mandate as a consortium; 2) important in indicating explicitly the conditions under which PACT would make bids; and 3) appropriate given the evaluation of PACT's PVC cooperative agreement with USAID, which states:

"It has been the experience in Africa that when one (grassroots implementing) PVO has responsibility for an umbrella project, it interferes with the egalitarian relationship among PVOs. Relations between the implementing PVO and the members can become unhealthy and can lead to problems. Because it (PACT) is neutral and does not do projects at the community level, it can work with several organizations at a time without any ulterior motives."

Responses to the Strategy were received from Freedom from Hunger, New Transcentury Foundation, Opportunities Industrialization Centers International, Volunteers in Technical Assistance and Overseas Education Fund, as well as World Resources Institute. This input: 1) reinforced and guided the mandate and structure of the Regional Office and 2) informed the third draft of the strategy (Appendix A, this tab), which would evolve into a member-responsive proposal to USAID's Africa Bureau.

PACT responded to members' interest in Namibia by financing trips to that country by John Rigby (NTF), Steve Hirsch (VITA) and David Smith (PACT consultant.) Mr. Smith's report was disseminated among the membership. PACT also financed OXFAM/USA's summer conference in Amherst on private sector development work in Namibia, which David Smith attended as resource person. After the OXFAM conference, PACT invited all members active in Africa to a roundtable at VITA headquarters. The objectives of this roundtable were to: 1) bring the results of the Amherst conference to interested members; 2) determine how PACT could continue to support its members with respect to their interests in Namibia.

PACT's intention to set up a Namibia Partnership Office, and the objectives of that office, are a result of the roundtable. This was incorporated into the last (third) draft of the strategy paper and is consequently part of the proposal to the Africa Bureau.

**Senegal:** As early as April 1990, Lou Mitchell invited all interested members to a meeting (at OEF Headquarters) to share and discuss the PVO support project which was being designed by USAID/Senegal. The objective of this meeting was to determine which members might be interested in the project and how PACT could be of assistance in coalescing a group for a joint proposal. At that time, most member organizations opted to wait until an RFA was issued by USAID/Senegal.

When the RFA was imminent, PACT's Regional Representative talked with all of the member organizations who had attended to follow up on the April meeting. These included NTF, OIC, World Education (WEI), OEF, and VITA, as well as Near East Foundation (a non-member with close ties to PACT.) OIC and OEF decided not to join a bidding group. NTF decided to bid without the members, as did WEI. VITA chose to enter into a bidding partnership with PACT, which was supported by NEF.

**Madagascar:** When the SAVEM project was only a gleam in the eye of USAID/Madagascar, the Regional Representative contacted CARE's acting Africa Director to begin a process of determining interest in this umbrella project among appropriate members. He followed this up with discussions with VITA, IVS, NTF, TechnoServe, OIC, WEI, WRI and Conservation International. EIL was approached by Lou Mitchell. Every organization, except OIC and EIL, indicated strong interest in participating and/or supporting a bid led by PACT.

**Other contacts:** PACT has begun to make contact with PVO consortia outside the United States. ACORD and the Duke of Edinburgh International Association (both London-based) are interested in establishing administrative and working relationships with USAID-registered PVOs in Africa, especially those working in employment creation and youth development. PACT has supplied both with information on its members and hopes to transform these initial expressions of interest into new partnerships for members.

In the Food Oils Network, PACT has worked very closely with VITA which has been the main technical advisor for the project. Through IDGs, Technoserve's West Africa Representative, based in Nigeria, is providing assistance to two Ghanaian organizations documenting experience in food oils programs.

PACT has provided EIL with an IDG grant to replicate its AIDS counselling training from Uganda to Senegal. In Senegal, EIL will help the NGO, ENDA, develop its counselling techniques. Similarly, through an IDG PACT has helped World Education extend its successful Tototo small industries program to women in Swaziland and to develop the Zanzeli Women's Trust, a local NGO, as part of the effort. VITA developed a new partnership with a NGO trust fund in Tanzania, also through an IDG.

U.S. BASED SERVICES

In the last year PACT moved successfully into the media and communications sphere. The Media Services catalogue is the vehicle for distribution of the work of 36 PVOs. PACT thus creates an outlet for development agencies like CARE and World Education, who formerly had no outlets beyond their own organizations, as well as providing agencies like OEF and ACCION, who already have strong publication programs, another outlet. In the long term PACT envisions an expanding network of development/media tools and publications, and an extension of this network to the field. A third mailing of the catalogue is expected to be completed by May 1991.

Grant	Agency	Amount	Grant returned	Financial Report	Narrative Report	Category	Region	Description	Accomplish	PACT Strategy
001	CARE	7838	yes	yes	yes	Thai SNE	Asia	Adaptation and production of SNE development training materials.	E	E
002	FSP	10000	yes	yes	yes	Assist Partners	Asia	Consortium Development - International FSP.	G	F
003	Food for the Hungry	350	yes	yes	y. s	T & N -Scholar.	U.S.	Attendance at PACT Wkshp - Participation- The Critical Factor in Program Development	G	E
004	World Neighbors	375	yes	yes	yes	T & N -Scholar.	U.S.	Attendance at PACT Wkshp - Participation- The Critical Factor in Program Development	G	E
005	Technoserve	5357	yes	yes	yes	Southern Afr.	Africa	Planning collaborative activities with the Presidential National Trust for Self-Reliance in Tanzania	E	E
006	DEF	11300	yes	yes	yes	Assist Partners	U.S.	Assist in the organization of a study and workshop preparation on follow-up to ISTII	E	E
007	VITA	7999	yes	yes	yes	Southern Afr.	Africa	Feasibility Study - Collaboration with South African Organizations	F	G
008	World Education	6845	yes	yes	yes	Southern Afr.	Africa	Assessment of possibilities of women's income generating activities - Malawi	G	G
009	World Education	6350	yes	int.	int.	Southern Afr.	Africa	Setting up an independent women's NGO in Swaziland - The Zenzele Assoc. for Productivity	G	G
010	Food for the Hungry	5668	yes	yes	yes	T & N	L.A.	Training Conference for middle managers working in Latin America held in the Dominican Republic	G	F
011	World Education	9874	yes	no	no	T & N	U.S.	Facilitator's Guide for Participatory Development	-	-
012	DEF, IVS, Freedom from Hunger	20061	yes	no	yes	Mali	Africa	Study to document the experience of the three organizations in the Mali Initiative	F	G
013	Technoserve	10000	yes	no	yes	Guatemala	L.A.	Support and disseminate rural enterprise methodologies and experiences to NGOs in Guatemala	F	F
014	YNCA of the USA	400	yes	yes	yes	T & N-Scholar.	U.S.	Attendance at PACT Wkshp on Institutional Development	G	G
015	Accion Int'l	6000	yes	no	no	Expand Benefits	L.A.	Developing and disseminating a publication on the challenges of scaling up microenterprise credit programs		
016	World Education	5000	yes	no	yes	Assist Partners	Asia	Needs Assessment for developing a project to promote NGO involvement in minimizing harmful pesticides in Indonesia	E	E
017	Save the Children	10000	yes	yes	yes	Thai SNE	Asia	Feasibility study to serve as a model for social forestry projects in Thailand	E	E
018	American Refugee Committee	7400	yes	no	yes	T & N	Afr & Asia	Project for improving ARC's overseas programs for refugees through sustainable evaluation systems	E	E
019	Accion Int'l	10000	yes	no	yes	Expand Benefits	L.A.	Field testing self-training modules for Solidarity micro enterprise programs in Colombia	E	E
020	World Vision	10000				Expand Benefits		Case study to document the process of the Louga Child Survival Project		
021	DEF	8000	yes	yes	yes	Expand Benefits	Worldwide	Sponsorship of the Interregional Women and Development meeting held in Washington, D.C. in June 1989	G	F
022	Opportunity Int'l	7500	yes	yes*	yes*	Expand Benefits	L.A. & Asia	Research into Opportunity's role in stages of partner agency development		
023	PADF	5000	yes	no	yes	Assist Partners	L.A.	Contribution toward the cost of the Resource Exchange Forum carried out in partnership with FUNDESAN in Colombia		
024	African Food and Peace Foundation	400	yes	yes	yes	T & N -Scholar	U.S.	Participation in PACT-sponsored workshop Accelerating Institutional Development	G	G
025	Hernandad	4000	yes	yes	yes	Assist Partners	L.A.	First phase of a project for Hernandad to upgrade its financial systems in the U. and Dominican Republic	G	G
026	American Jewish World Service		Deob							
027	Katalysis	7895	yes			Assist Partners	L.A.	Documentation of the process of the spin-off of Caribbean Advisory and Professional Services (CAPS) from IVS		G
028	Katalysis	9950	yes	no	yes	Assist Partners	L.A.	Documentation of partnership building -Katalysis and its affiliates BEST, CAPSE ODEF.		G
029	Catholic Relief Services	3365	yes	no	yes	Food Oils	Africa	Preparation of a case study on the Gambian Sesame Promotion Program		
030	Experiment in International Living	2250	yes	yes	yes	T & N	U.S.	Assist in the organization of the PACT-sponsored workshop in Planning Evaluation held in June 1989	G	G
031	African Food and Peace Foundation	10000	yes	no	no	Assist Partners	Africa	Prepare a sourcebook documenting the philosophy, vision and methodology of AFPP in partnership with URDT		G
032	VITA	8216	yes	no	no	Expand Benefits	Africa	Prepare and disseminate guidelines for the production of fuel-efficient stoves	del	
033	World Rehabilitation Fund	5000	yes	yes	yes	Assist Partners	L.A.	Feasibility study for the establishment of Community Based Rehabilitation Services in the Dominican Republic	G	F
034	FSP	10000	yes	yes	yes	Assist Partners	Asia	Phase two of forming an international consortium of FSP metropolitan and Pacific partners	G	F
035	Equity for Africa	5000	yes	yes	yes	Southern Afr.	Africa	Evaluation of enterprise development projects in Zambia, Zimbabwe and Ghana and project planning in Tanzania	P	P
036	Katalysis	400	yes	no	no	T & N-Scholar.	U.S.	Participation in PACT-sponsored workshop on "Planning Evaluation" held July 24-26, 1989	G	G
037	Pan American Development Foundation	6550	yes	yes*	yes	Expand Benefits	L.A.	Feasibility and design of a project to intensify and extend collaboration between PADEF and APRODIB in NRN		
038	Andean Rural Health Care	9900	yes	yes	yes	Assist Partners	L.A.	Internal evaluation and long term strategic planning	G	G
039	Aid to Artisans	8000	yes	yes	yes	Assist Partners	Asia	Technical Assistance to local artisan organizations in Nepal.	G	G
040	AT International	7000	yes	yes	yes	Food Oils	Africa	Case study of a palm oil processing project in Cameroon		G
041	Technoserve	6194	yes	no	no	Food Oils	Africa	Continuation of sunflower oil promotion project in Rwanda		
042	Accion International	7000	yes	yes	yes	Assist Partners	L.A.	Quito conference, "Public and Private Sector Involvement in the Informal Sector in Latin America		G
043	Hernandad	6925	yes	yes	yes	Assist Partners	L.A.	Phase II of an initiative to increase Hernandad's institutional capacity.	G	G
044	Katalysis	9975	yes	?	?	Collaboration	L.A.	Survey of self-sustaining capability of local NGOs in Honduras, Belize and the Eastern Caribbean		
045	Institute for Development Research	9610	yes	?	yes	Assist Partners	Asia	In collaboration with PRTA, preparation of a NGO Leadership Development Resource Book	G	G
046	Save the Children	5000	yes			Assist Partners	Africa	Documentation on the partnership between SAVE and its Tunisian counterpart, FTDC	?	P
047	World Education	8900	yes	?	?	Thai SNE	Asia	Strengthening the projects and programs of the Will Tribe Community Development Foundation in Thailand		G
048	World Education	1500	yes	yes	?	Southern Afr.	Africa	Production of a video to illustrate the partnership and training techniques used in the Kenya-Suazi women's training prog	G	G
049	FINCA	7160	yes	?	?	Expand Benefits	L.A.	Rewrite the FINCA Village Banking Program Manual and create an administrative Manual.	G	G
050	OXFAM America	10000	yes	?	?	Southern Afr.	Africa	Institution building with the African Participatory Research Network in Tanzania		G
051	Save the Children	10000	yes	no	no	Assist Partners	Asia	Developing the capability for process documentation of the Guimaras program in the Philippines		G

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Grant	Agency	Amount	Grant returned	Financial Report	Narrative Report	Category	Region	Description	Accomplish	PACT Strategy
052	Technoserve	8790	yes	?	?	Food Oils	Africa	Technical Assistance to Partners in Development in Ghana to prepare a case study in palm oil production		G
053	OXFAM America	6950	yes	?	yes	Southern Afr.	Africa	Contribution toward the cost of the Namibia Strategy Session relevant to prospects for development in Namibia	G	G
054	Lutheran World Relief	4820	yes	?	yes	Food Oils	Africa	Preparation of a case study on the village Sunflower Project in Tanzania		G
055	The Resource Foundation	8000	yes	yes	yes	T & N	Caribbean	Carrying out a planning and financial strategy workshop for Caribbean partners.	G	G
056	Technoserve	5000	yes	?	?	Southern Afr.	Africa	A contribution toward the cost of continued program development work with the Presidential Trust Fund in Tanzania		G
057	Catholic Relief Services	2000	yes	?	?	Food Oils	Africa	Acquisition of a Bielenberg oil press tube by both CRS/The Gambia and RAB in Senegal		G
058	Center for Int'l Development & Environ.	6000	yes	no	no	Assist Partners	Africa	Documenting two cases in The Gambia of African Community Experiences in Sustainable Development		G
059	New TransCentury Foundation	7960	yes	yes	yes	Assist Partners	C & E Eur.	Collaboration and assistance to Rural Solidarity to plan for meeting the needs of its program in Western Poland	E	G
060	Heifer Project International	5000	yes	?	?	Southern Afr.	Africa	Networking among women working in livestock development. Contribution toward the cost of a conference held in May 1990.	G	F
061	InterAction - deobligated									
062	Save the Children for InterAction	5109	no	no	no	Assist Partners	U.S.	Development of a self-assessment questionnaire to help U.S. PVOs monitor progress in developing new forms of partnerships		G
063	Grain-Pro	9970	yes	no	no	Southern Afr.	Africa	Partnership with ORAP in Zimbabwe to reduce post-harvest losses through improved grain storage methods at village level.		G
064	NGOMESA	3000	no	no	no	Southern Afr.	Africa	Planning meeting to initiate a process to enable Southern African NGOs to become more effective and self-reliant.		G
065	Local Development Foundation - Thailand	5900	yes	yes	yes	Thai SNE	Asia	Participation of Anok Makabutara at an course at EIL/SIT in NGO management and financial systems.	G	G
066	Accion International	10000	yes	?	?	Collaboration	L.A.	Seed funding toward the creation of a new micro-business association in Ecuador.		G
067	CARE	9641	yes	?	?	T & N	L.A.	Prepare a Spanish language facilitator's guide for a ten day workshop in small enterprise development in Costa Rica.		G
068	Helen Keller International	9000	no	no	yes	T & N	Worldwide	Reprinting of 2000 copies of "Community-based Rehabilitation of the Rural Blind: A Training Guide for Field Workers."	G	G
069	Institute for Development Research	8235	yes	no	no	Assist Partners	Asia	Technical assistance including workshops in policy research geared to influencing legislation and building coalitions.		G
070	The Resource Foundation	14000	yes	yes	yes	T & N	L.A.	In collaboration with PACT, carrying out a strategic planning workshop in Costa Rica for 30 Central American PVO staff.	G	G
071	National Cooperative Business Assoc.	8368	yes	?	?	Expand Benefits	Africa	Documentation of the experience of the Niger Cooperative Development Project in expanding benefits.		G
072	FAVDO	10000	yes	yes	yes	Sahel	Africa	Contribution toward the cost of Statel Leadership Forum for the FAVDO Board.		G
073	PHILOHARRA	9936	yes	no	no	Philippines	Asia	Institution building program for member NGOs.	G	G
074	DEF International	10000	yes	no	no	Media Services	Africa	Field survey in Africa to expand and improve DEF's publications service.		G
075	Project Concern and FSP	15450	yes	no	no	Collaboration	U.S.	Assistance to FSP and PCI to form a strategic alliance of their headquarters administrations.	G	G
076	National Wildlife Federation	9725	yes	no	no	Philippines	Asia	Feasibility study to assess the potential for the institutionalization of the Philippines Development Forum.	G	G
077	Green Forum Philippines	10000	yes	no	yes	Philippines	Asia	Consultations among Philippine NGO networks to develop a framework for an alternative Philippine development plan.	E	E
078	FODEPA	8647	yes	yes	yes*	Central America	L.A.	Contribution toward the cost of a strategic planning workshop for NGOs in Panama.	G	G
079	Congress for a Peoples Agrarian Reform	10000	yes	no	no	Philippines	Asia	Support toward the decentralization of PAR's secretariat work.		G
080	Freedom From Hunger Foundation	10000	yes	yes	yes	Thai SNE	Asia	Support to design an educational component to be combined with FFH's small-scale credit program in Thailand		G
081	Technoserve	6418	yes	yes	yes	Assist Partners	C & E Eur.	Pre-feasibility study to assess the potential for Technoserve's assistance to small farmers in Southeastern Poland.	G	G
082	FONGTO	1200	yes	?	?	Sahel	Africa	Support toward a strategy planning session of the FONGTO Executive Committee.		G
083	PATH	10000	yes	no	no	Thai SNE	Asia	Environmental health assessment of the impact of rural pesticide use and urban pollution in Thailand		G
084	TOSC	1020	yes	no	no	Thai SNE	Asia	Publication of two books: "Development Networking: A Beginner's Guide" and "NGO Government Relations: A Source of Life.."		G
085	VITA	9252	yes	?	?	Southern Afr.	Africa	Exploring the potential for assisting development efforts of NGOs in Namibia.	G	G
086	IVS	6070	yes	no	yes	Southern Afr.	Africa	Exploration of the possibility of sending IVS volunteers to South Africa to assist with Institutional strengthening of NGO	G	G
087	Save the Children	7000	yes	no	no	Thai SNE	Asia	Implementation of a Community forestry Evaluation System in Thailand.		E
088	Christian Children's Fund	10000	yes	?	?	Expand Benefits	L.A.	Documentation of the experience of the Sao Domingos Community project in Belo Horizonte, Brazil.		G
089	Andean Rural Health Care	289	yes	yes	yes	T & N-Scholar.	U.S.	Attendance at the PACT-sponsored workshop on Indirect Costs.	G	G
090	Katalysis	400	yes	no	no	T & N-Scholar	U.S.	Participation in PACT-sponsored workshop: Evaluation: measuring Institutional Development held at ISU in July 1990	G	G
091	Technoserve	7705	yes	no	no	Food Oils	Africa	Assistance to Technology Consultancy Centre in Ghana in the design and preparation of a case study on palm oil mill tech		G
092	DEF International	8350	yes	yes	yes	T & N	U.S.	Phase I of a project to develop a training handbook: "Building Development Institutions: Strategies from the North".		G
093	The Resource Foundation	8900	yes	yes	yes	T & N	L.A.	Carrying out of a Strategic Planning and Financial Sustainability Workshop in Colombia in August 1990	G	G
094	CARE	10000	yes	no	no	Thai SNE	Asia	Expansion of CARE's work with IPVOs in the Northern and Southern regions of Thailand.		G
095	World Education	2808	yes	yes	no	Southern Afr.	Africa	Participation by a World Education specialist in the evaluation of the Swaziland leadership and business training program	G	F
096	Alliance for Communities in Action	5000	yes	no	no	Partners Prog.	L.A.	Consultation on strategic planning and organizational development as well as program development in Nicaragua & Bolivia		G
097	World Education	10000	yes	no	yes	T & N	Africa	Support to plan and implement two PACT-sponsored workshops in Kenya on participative management and facilitation skills.	G	G
098	Andean Rural Health Care	220	yes	yes	yes	Partners Prog.	U.S.	Attendance at the PVO Financial Managers sponsored workshop on the Single Audit held 12 July 1990.	G	G
099	Save the Children	9842	yes	no	no	Indonesia Parts	Asia	Translation into bahasa Indonesia and publication of the SEEP Manual: Monitoring and Evaluating Small Business Projects".		G
100	Decade Service/Sri Lanka	6813	yes	int	yes	Other	Asia	Preparation for and implementation of a 3-day seminar on sectoral issues to widen the role of the Decade Service.		G
101	Gateway Pacific Foundation	10000		no	no	Other	Asia	Assistance toward designing a program to expand the educational activities of several Asian NGOs - "Earth Train".		G
102	Accion Comunitaria del Peru		no	no	no	Andean Strat.	L.A.	Support toward phase I of building a nation-wide micro-enterprise program in Peru		G
103	Development GAP	10000	yes	yes	yes	Sahel	Africa	Feasibility study to strengthen the ability of NGOs to analyze and influence sectoral adjustment programs.	G	G

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Grant	Agency	Amount	Grant returned	Financial Report	Narrative Report	Category	Region	Description	Accomplishmt	PACT Strategy
104	TRRN	5957	yes			Thal SNE	Asia	Phase I of the Rural Products Switchboard pilot project		6
105	Bina Desa/INDHRRA	5500	yes	yes		Indonesia Parts	Asia	Sponsorship of the BANUS meeting, a forum for consultation among Indonesian NGOs		6
106	Aceh NGO Regional Forum	3500	yes	yes		Indonesia Parts	Asia	Sponsorship of Private Voluntary Organizations (LSW) Administrative and Program Management Training in Aceh Province.		6
107	Near East Foundation	5300	yes	yes	ye-	Southern Afr.	Africa	Study to assess the possibility of formation of the Zenzele Women's Groups in Swaziland into a national organization.	6	6
108	Cordillera Environmental Concerns Com.	5000	yes	no	int	Philippines	Asia	Assistance toward a project of training and information campaign on ecological issues in the Cordillera.		6
109	Convergence for Community Centered Dev.	4907	yes	no	no	Philippines	Asia	Start-up costs for area-based development programs in the provinces of Nueva Ecija, Cavite and Iloilo.		6
110	ESDEC	5426	yes	no	no	Philippines	Asia	Community Consultation/Workshops on the Comprehensive Agrarian Reform law and Ancestral Land Claims.		6
111	IP3M	1250	yes	no	no	Indonesia Parts	Asia	Participation of IP3M training coordinator in the IIRR Midle Managers training course in the Philippines.		6
112	LPSES	825	yes	no	no	Indonesia Parts	Asia	Design and planning of workshop exercises related to a conference on Islam and Democracy.		6
113	Camara Ecuatoriana Organizaciones Priv.	6500	yes	no	int.	Andean Strat.	L.A.	Organization of a strategic planning seminar; survey of NGOs financial needs; preparation of a directory of NGOs		6
114	ASINDES	10000	no	no	no	Central America	L.A.	Planning and carrying out of a regional meeting of CONCADE		6
115	ThalOHRRRA	11000	yes	no	no	Thal SNE	Asia	SNE Network Measurement training in northern Thailand		6
116	LEPPSEX	950	no	no	no	Indonesia Parts	Asia	Participation at a training of trainers workshop sponsored by VIS/Indonesia		6

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## IDG Grantees

U.S.-based PVOs (FY '89-91)

Accion Int'l  
 Africa Food and Peace Foundation  
 Aid to Artisans  
 Alliance for Communities in Action  
 American Refugee Committee  
 Andean Rural Health  
 AT International  
 CARE  
 Catholic Relief Services  
 Center for Int'l Development  
 and Environment  
 Christian Children's Fund  
 Development GAP  
 Equity for Africa  
 Experiment in International Living  
 FINCA  
 Food for the Hungry  
 Freedom From Hunger Foundation  
 Foundation for the Peoples of the  
 South Pacific  
 Gateway Pacific Foundation  
 GrainPro  
 Heifer Project Int'l  
 Helen Keller Int'l  
 Hermandad  
 Institute for Development Research  
 International Voluntary Services  
 Katalysis  
 Lutheran World Relief  
 National Cooperative Business Assoc.  
 National Wildlife Federation  
 New TransCentury Foundation  
 Near East Foundation  
 OEF Int'l  
 Opportunity Int'l  
 OXFAM America  
 Pan American Development Foundation  
 PATH  
 Project Concern Int'l  
 Resource Foundation  
 Save the Children  
 Technoserve  
 VITA  
 World Education  
 World Neighbors  
 World Rehabilitation Fund  
 World Vision  
 YMCA of the USA

TOTAL FUNDS \$672,237

NGOs (FY '89-91)

Accion Comunitaria  
 del Peru  
 Aceh NGO Regional  
 Forum/Indonesia  
 ASINDES/Guatemala  
 Bina Desa/Indonesia  
 Camara Ecuatoriana de  
 Org. Privadas  
 Convergence/Phil.  
 Cordillera/Phil.  
 CRAR/Phil.  
 Decade Serv./Sri L.  
 ESDEC/Phil.  
 FAVDO/Senegal  
 FODEPA/Panama  
 FONGTO/Togo  
 Green Forum/Phil.  
 LP3ES/Indonesia  
 LP3M/Indonesia  
 NGOMESA/Zimbabwe  
 PHILDHARRA/Phil.  
 TDSC/Thailand  
 TRRM/Thailand

TOTAL FUNDS \$119,424

IDG Grantees

U.S.-based PVOs (FY '89)

NGOs (FY'89)

Accion Int'l  
Africa Food and Peace Foundation  
American Refugee Committee  
CARE  
Catholic Relief Services  
Equity for Africa  
Experiment in International Living  
Food for the Hungry  
Foundation for the Peoples of the  
South Pacific  
Hermandad  
Katalysis  
OEF Int'l  
Opportunity Int'l  
Pan American Development Foundation  
Save the Children  
Technoserve  
VITA  
World Education  
World Neighbors  
World Rehabilitation Fund  
World Vision  
YMCA of the USA

None

TOTAL FUNDS \$237,393

## IDG Grantees

U.S.-based PVOs (FY '90)

Accion Int'l  
 Aid to Artisans  
 Andean Rural Health  
 AT International  
 CARE  
 Catholic Relief Services  
 Center for International Development  
 and Environment  
 Christian Children's Fund  
 Experiment in International Living  
 FINCA  
 Foundation for the Peoples of the  
 South Pacific  
 Freedom From Hunger Foundation  
 GrainPro  
 Heifer Project Int'l  
 Helen Keller Int'l  
 Hermandad  
 Institute for Development Research  
 International Voluntary Services  
 Katalysis  
 Lutheran World Relief  
 National Cooperative Business Assoc.  
 National Wildlife Federation  
 New TransCentury Foundation  
 OEF Int'l  
 OXFAM America  
 Pan American Development Foundation  
 PATH  
 Project Concern  
 Resource Foundation  
 Save the Children  
 Technoserve  
 VITA  
 World Education

TOTAL FUNDS \$351,074

NGOs (FY '90)

CPAR/Phil.  
 FAVDO/Senegal  
 FODEPA/Panama  
 FONGTO/Togo  
 Green Forum/Phil.  
 NGOMESA/Zimbabwe  
 PHILDHRRRA/Phil.  
 TDSC/Thailand

TOTAL FUNDS \$53,803

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## IDG Grantees

US-based PVOs (FY '91)

Alliance for Communities in Action  
 Andean Rural Health Care  
 CARE  
 Development GAP  
 Gateway Pacific Foundation  
 Near East Foundation  
 OEF Int'l  
 Resource Foundation  
 Save the Children  
 World Education

TOTAL FUNDS \$83,770

NGOs (FY '91)

Accion Comunitaria del  
 Peru  
 Aceh NGO Regional Forum/  
 Indonesia  
 ASINDES/Guatemala  
 Bina Desa/Indonesia  
 Camara Ecuatoriana de  
 Org. Privadas  
 Convergence/Philippines  
 Cordillera/Philippines  
 Decade Service/Sri L.  
 ESDEC/Philippines  
 LP3ES/Indonesia  
 LP3M/Indonesia  
 TRRM/Thailand

TOTAL FUNDS \$65,621

IDG Grantees  
(% Grant Funds)

PACT Members 49%

Accion Comunitaria del Peru  
Accion International  
CARE  
Experiment in Int'l Living  
Freedom From Hunger Foundation  
Foundation for the Peoples  
of the South Pacific  
Helen Keller Int'l  
International Voluntary Services  
New TransCentury Foundation  
OEF International  
Pan American Development  
Foundation  
Project Concern Int'l  
Save the Children  
Technoserve  
VITA  
World Education

Non-Member NGOs 15%

Aceh NGO Regional  
Forum/Indonesia  
ASINDES/Guatemala  
Bina Desa/Indonesia  
Camara Ecuatoriana de  
Org. Privadas  
Convergence/Phil.  
Cordillera/Phil.  
CPAR/Phil.  
Decade Serv./Sri L.  
ESDEC/Phil.  
FAVDO/Senegal  
FODEPA/Panama  
FONGTO/Togo  
Green Forum/Phil.  
LP3ES/Indonesia  
LP3M/Indonesia  
NGOMESA/Zimbabwe  
PHILDHERRA/Phil.  
TDSC/Thailand  
TRRM/Thailand

Non-Member U.S. PVOs 36%

Africa Food and Peace  
Foundation  
Aid to Artisans  
Alliance for Communities  
in Action  
American Refugee Committee  
Andean Rural Health  
AT International  
Catholic Relief Services  
Center for Int'l Development  
and Environment  
Christian Children's Fund  
Development GAP  
Equity for Africa  
FINCA  
Food for the Hungry  
Gateway Pacific Foundation  
GrainPro  
Heifer Project Int'l  
Hermandad  
Institute for Development  
Research  
Katalysis  
Lutheran World Relief  
National Cooperative  
Business Association  
National Wildlife Fed.  
Near East Foundation  
Opportunity International  
OXFAM America  
PATH  
Resource Foundation  
World Neighbors  
World Rehabilitation Fund  
World Vision  
YMCA of the USA

## IDG Grantees

(Top Ten Recipients Largest Dollar Amounts)

OEF International	\$57,711
World Education	\$51,277
Technoserve	\$49,472
Save the Children	\$46,951
Accion International	\$33,800
The Resource Foundation	\$30,900
Katalysis	\$27,820
Foundation for the Peoples of the South Pacific	\$27,725
CARE	\$27,479
VITA	\$25,467

# TechnoServe

A working solution to world hunger.

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**The Rev. Theodore M. Hesburgh**  
**The Honorable Robert S. McNamara**

October 25, 1990

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**PACT, INC.**  
 777 United Nations Plaza  
 New York, NY 10017

Re: Institutional Development Grant #81

Dear Rita:

I am pleased to enclose a copy of our pre-feasibility study of Southeastern Poland, specifically the District of Tarnobrzeg. This study recommended that TechnoServe send a multidisciplinary team to Poland as a follow up. It recommended that the team look more in depth at three areas: 1) assistance in the establishment of rural-based credit institutions whose sole objective is to be responsive to farmer credit needs; 2) help in designing enterprises which ensure prompt and reliable processing, preservation, packaging, and marketing of commodities which can readily be produced in excess of subsistence and local market needs; and 3) liaison work between farmers and the existing agricultural extension and research institutions to ensure that growers will be able to meet the increasing demand for food by processors once viable marketing opportunities are identified.

We are happy to report that we were able to obtain funding for the follow-up team and that the team made its trip to Poland in late September. The team's report will be ready by early December. We will be happy to share this report when it is completed.

I was a member of the multidisciplinary team and I found that what Poland is going through in its transition from a centrally controlled marketing system to a free market system is at once both exciting and very complicated. We have made some recommendations to Senator Romaszewski which you will see in our completed report.



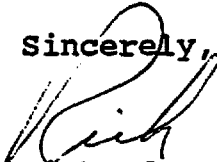
Page Two

October 25, 1990

The enclosed pre-feasibility and financial report complete phase one of this project. The second phase is funded from other sources but we consider these funds as a match to PACT's contribution.

Many thanks for your support.

Sincerely,



Richard A. Redder  
Vice President  
Development and Administration

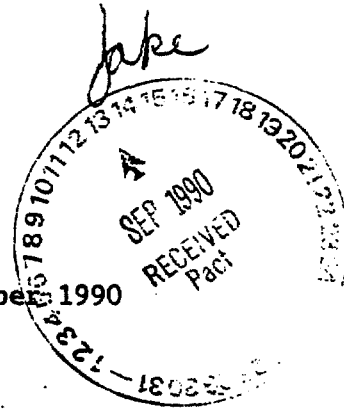
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enclosures

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World Education



7 September 1990

Jacob E. Pfohl  
Private Agencies Collaborating Together  
777 United Nations Plaza  
New York NY 10017

Dear Jake,

Enclosed please find our report on PACT Grant #16, an Institutional Development Grant awarded to World Education last year for project development and needs assessment work in Indonesia.

As you probably know, the seed money in this IDG has resulted in project funding for us from the Co-Financing II account in the USAID mission in Jakarta. Obviously, this is good news indeed, and we are grateful to you for PACT support which has helped to make this possible.

As mentioned in the report, World Education's representative, Paul Musante, will arrive incountry at the end of this month to formally get things underway. Needless to say, we are looking forward to working in Indonesia again, and expect to cross paths often with the Learning and Linkage Project and Vic Botini.

With our regards,

*Davis*

Davis Baltz, M.S.  
Research Associate

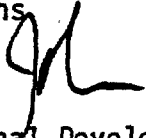
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## NEW TRANSCENTURY FOUNDATION

1724 Kalorama Road, N.W.  
Washington, D.C. 20009-2624

JOHN T. RIGBY  
PRESIDENT

March 17, 1990

To: Rita Gibbons  
From: John Rigby   
Re: Institutional Development Grant No. 59  
New TransCentury/Rural Solidarity (Poland)

### REPORT

This is a narrative report on the IDG-funded collaboration between New TransCentury Foundation and Rural Solidarity, as described in my Memorandum to you January 24 and approved with your IDG letter agreement of February 1, 1990.

1. The visit to the U.S. took place February 25 - March 10.

2. The visitors were:

Ireneusz Adamski, Executive Director, Economic Council ("Izba"),  
Rural Solidarity (Western Poland)

Bohdan Gruchman, Vice-Rector, Academy of Economics, Poznan  
(Advisory to Rural Solidarity (Western Poland))

3. February 26-28 Washington, D.C.

March 1 - 2 Pittsburgh, Pennsylvania

March 3 - 7 Arkansas (Little Rock, Morrilton, Arkadelphia)

March 8 - 10 Washington, D.C.

4. Principal contacts:

(a) In Washington, D.C.:

- o Georgetown University
- o World Council of Credit Unions
- o VOCA
- o Agency for International Development
- o World Bank
- o Community Enterprise Corporation
- o PACT
- o International Executive Service Corps
- o Greenpeace
- o Individual consultants, technicians
- o New TransCentury Foundation

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## (b) In Pittsburgh, Pennsylvania

Officials and institutional clients of the Southwest Pennsylvania Economic Development District (a regional economic development/support institution)

## (c) In Arkansas:

- o Heifer Project International
- o Winrock International
- o SouthBank Corporation (development Bank subsidiary of SouthShore Bank, Chicago)
- o Elk Horn Bank, Arkadelphia
- o Good Faith Fund, Pine Bluffs (replication in rural Arkansas of Grameen Bank, Bangladesh)
- o Winthrop Rockefeller Foundation

5. The principal objective of the trip was to assist the Rural Solidarity-related NGO in Western Poland to develop an overview plan/strategy for its work with private farmers during this transition period in Poland. We believe that this objective was fully achieved, although the formal documentation embodying the conclusions reached will not be available until later this month. (Rural Solidarity (Western Poland) is having a plenary meeting in Poznan March 17-18 to review the activities, information, and conclusions of the U.S. visit.)

The trip was also intended to forge a number of linkages between Rural Solidarity (Western Poland) and U.S. institutions with capacities and resources potentially relevant to the Rural Solidarity effort. Perhaps the best way to illustrate the accomplishments of the visit in this regard would be through the following two enclosures\_

-- Attachment "A" is the list of "follow-up" actions which we reviewed with our visitors in the wrap-up session in Washington on March 10. As indicated here, a number of agreements in principle were reached during the visit, requiring further actions in Poland and/or the U.S., including the following:

- (a) SouthShore Bank (Chicago) is taking the lead to assemble funds for a rural credit program for Rural Solidarity starting this spring.
- (b) Heifer Project International has agreed in principle to collaborate in a farmer-to-farmer exchange (Western Poland and Arkansas); we will work together on the project design, and a funding proposal to the Winthrop Rockefeller Foundation.
- (c) Winrock International has agreed in principle to field a multi-discipline team to go to Poland and assist Rural Solidarity (Western Poland) design a technical support program for private sector farmers in that area. (Funding

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for this would be sought from Winrock's foundation constituency.)

- (d) V.O.C.A. has agreed to provide at least one of its small-scale agri-business volunteers to Western Poland for this year and to consider a larger complement for 1991.
- (e) Georgetown University has agreed in principle to at least one short-term training scholarship (from its AID-funded Eastern Europe program) for this year; a Georgetown representative will visit Poznan later this spring for expanded discussions.
- (f) Greenpeace will visit Poznan in May/June to consider possible assistance to Rural Solidarity in promoting reduced dependence on high chemical inputs to farming.
- (g) A.I.D. (Asia/Near East/East Europe office) has encouraged the group from Poznan to include their program aspirations in a project proposal, ASAP, to the newly forming Polish American Enterprise Fund

-- Attachment "B" is a memorandum (which I ask that you not share outside of PACT from me to the senior officers of SouthShore Bank, Chicago. SouthShore is taking the lead role, in association with TransCentury, in trying to raise immediately some "starter" funds for a rural credit fund for farmers, to be managed by the newly formed "MARKET" Bank in Poznan (with which TransCentury is also collaborating). The Bank would operate the fund in association with the Rural Solidarity (Western Poland). This memorandum advises of the status of the follow-up this past week -- after the return of our visitors to Poland.

\* \* \* \* \*

We will provide the financial report when all of the expense items are assembled. We will also provide you with a further narrative update when we see what comes from the various follow-up items which are currently on our plates (at TransCentury and in Poznan).

Rita, thank you very much for your prompt work on this matter. I'd like to note, for the record, the following sequence:

- We sent you our request on January 24, and I met with you that day
- In response to your feedback January 25, we sent the budget January 31
- Your grant letter was issued February 1 (with check dated February 6)
- Our visitors arrived in Washington February 24, exactly one month from the date you first heard of our intentions and request.

Thanks.

cc: Lou Mitchell