AN ASSESSMENT OF THE STATE OF THE USAID/PVO PARTNERSHIP

ADVISORY COMMITTEE ON
VOLUNTARY FOREIGN AID

JUNE 1997

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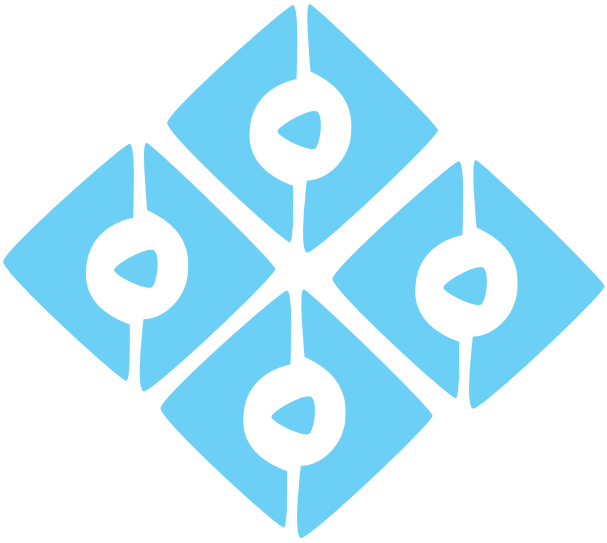

JUNE 1997

The Assessment of the State of the USAID/PVO Partnership was produced by a study team that included three independent consultants: Steve Mintz (chief investigator), Lou Stamberg, and Noreen O'Meara; and three USAID direct hire staff from the Bureau for Humanitarian Response: John Grant, Director of the Office of Private and Voluntary Cooperation; Michael Korin, Deputy Director of the Office of Program, Planning and Evaluation; and Elise Storck, Director of the Advisory Committee on Voluntary Foreign Aid in the Office of Private and Voluntary Cooperation. Lynne Cripe, an American Association for the Advancement of Science Fellow in PVC, wrote the Annotated Bibliography. The Assessment was edited by Elise Storck and designed by Pat Bartlett, Bartlett Communications.

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TABLE OF CONTENTS

FOREWORD v

EXECUTIVE SUMMARY vi

INTRODUCTION 1

PART I: THE CONTEXT FOR THE USAID/PVO PARTNERSHIP 3

Complementary Objectives 3
Programmatic Collaboration 4
PVO Changes 5
The Rise of Indigenous NGOs 6
USAID Budget Reductions 7
USAID Reengineering 7

PART II: USAID ACTIONS TO ADVANCE THE PARTNERSHIP 9

PART III: STUDY FINDINGS 13

A. Overall Assessment 13
B. Awareness of Reforms and Changes Affecting the Partnership 14
C. Impact of USAID Reforms and Changes on the Partnership 15
1. Programming Priorities 16
2. Dialogue and Consultation 18
3. Development Education Efforts 21
4. USAID Reengineering 21
5. Procurement Reform 25
6. PVO Changes 27
7. NGO Strengthening 28
D. Other Challenges 32
1. Data Consistency 32
2. USAID Relations with Smaller PVOs 33
3. Sustainability 35

TABLE OF CONTENTS (CONTINUED)

PART IV: AGENDA FOR THE FUTURE 36

APPENDICES

A. ACVFA Membership List 41
B. Terms of Reference 43
C. Annotated Bibliography 45
D. Methodology 57
E. PVO Survey 59
F. USAID Survey 63
G. PVO/NGO Questionnaire 67
H. USAID Questionnaire 75
I. Status Report on ACVFA Recommendations 83

FOREWORD

This assessment, commissioned by the Advisory Committee on Voluntary Foreign Aid, is the culminating output of the current Committee, whose term expires in June 1997. It is our hope that the assessment will serve the Administrator of the U.S. Agency for International Development and his staff, as well as the private and voluntary organization (PVO) community, for years to come.

The mandate of the Advisory Committee on Voluntary Foreign Aid is to provide well informed and constructive advice to USAID's Administrator on the range of issues and challenges that affect the relationship between the official foreign assistance program and the work of the private voluntary community. It is a long-standing partnership relationship filled with numerous success stories and, as this assessment documents, inevitable tensions given the generic differences between the two entities. We are proud to conclude, however, that the partnership is closer than ever before, a tribute to this Administrator of USAID, J. Brian Atwood, and his fine staff.

This assessment, and indeed the three-year tenure of this Advisory Committee, is the work of many; but particular tribute must be paid to the Director of the Advisory Committee's Secretariat, Elise Storck, whose unusual combination of management skills, high standards, and total commitment to both USAID and to the Agency's relationship with PVOs have been extraordinary assets to this Committee. We owe her every debt of gratitude. Also, essential to the success of this assessment and to the Committee's work have been Noreen O Meara, Lisa J. Douglas, Susan Saragi, and the director of USAID's Office of Private and Voluntary Cooperation, John Grant. Others in USAID who played a key role in this Advisory Committee's work, in addition to Administrator Brian Atwood, have been USAID officials Jill Buckley, Kelly Kammerer, Len Rogers, Gary Kinney, Adele Liskov, Diana Esposito, Margaret Lycette, Diane LaVoy, Cathryn Thorup, and Gary Hansen. We are grateful to all.

More specific to the assessment itself, consultants Steve Mintz and Lou Stamberg performed their research and writing responsibilities with great distinction. The steering committee for the assessment included USAID officials Kelly Kammerer, Walter Bollinger, Marcus Stevenson, John Grant, Jill Buckley, and Patricia Jordan. We owe our thanks to each of them.

Finally, the twenty-three people who have served on this Advisory Committee on Voluntary Foreign Aid have been deeply privileged to work with the Agency for International Development in our mutual effort to promote sustainable development and to simultaneously express American generosity and values in our collaborative efforts. We will be proud if this assessment and our entire three-year term provide further momentum to strengthening the USAID-PVO partnership and its contribution to sustainable development around the world.

Thomas H. Fox
ACVFA Chair

EXECUTIVE SUMMARY

This Assessment was commissioned by the Advisory Committee on Voluntary Foreign Aid (ACVFA), a federal advisory committee established by Presidential Directive after World War II to serve as a link between the U.S. government and private voluntary organizations (PVOs[1]). J. Brian Atwood, Administrator of the U.S. Agency for International Development (USAID), appointed the current Advisory Committee in February 1994 and reappointed the Committee through June 1997 early in 1996.

A team of consultants and USAID staff undertook the Assessment at the end of the current Advisory Committee members' term with the oversight of a joint ACVFA/USAID Steering Committee, in order **to record achievements in the USAID/PVO partnership over the past several years and to highlight issues that warrant attention in the future**. The study is intended to serve as a guidepost for officials and staff of USAID, for the next ACVFA, for the private voluntary community, and for others concerned with public-private collaboration in U.S. overseas development and humanitarian assistance programs.

In addition to a review of the extensive printed record on this subject and relevant procurement data, the Assessment drew upon survey responses from approximately one-third of all USAID-registered PVOs and from more than 60% of USAID Missions, as well as in-depth interviews with 136 USAID, PVO and NGO staff in the United States and in seven countries where USAID, PVOs, and NGOs collaborate.

The USAID/PVO partnership has deep roots, extending back many decades when PVOs first emerged as leaders in disaster relief. Over the years, the nature of the partnership has changed significantly, as PVOs have broadened their efforts from relief and emergency food distribution to development programs designed to address the root causes of poverty and vulnerability to disasters. The transition from short-term relief to longer-term development programs, coupled with substantially increased PVO organizational capabilities, has greatly strengthened USAID/PVO cooperation over the past two decades.

This Assessment has found that the USAID/PVO partnership is significantly stronger today than it was four years ago.

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

[1] Throughout this report, PVO will refer to U.S. private voluntary organizations and cooperative development organizations. NGO will refer to indigenous non-governmental organizations in countries receiving foreign assistance.

Other changes in the context for the USAID/PVO partnership have included: the reengineering of Agency systems and procedures, guided by four core values of customer focus, teamwork, results orientation, and empowerment and accountability; the proliferation of indigenous NGOs; and the growing technical and operational capacity of PVOs, many of which are undergoing profound organizational change from service delivery to capacity building of indigenous NGOs.

Concurrent with these changes, a number of significant actions have been undertaken by USAID and PVOs with a view toward strengthening the USAID/PVO partnership. Among the most important of these were: 1) increased and more productive consultations; 2) in consultation with PVOs, revision for the first time since 1982 of the USAID Policy Guidance on the USAID-U.S. PVO Partnership, including revision of the guidance on PVO cost-sharing to require greater flexibility; 3) as recommended by the Advisory Committee, USAID issuance of new policies for the award of assistance instruments,[2] including new guidance on USAID substantial involvement in cooperative agreements; 4) instituting other procurement reforms, e.g., simplified approval of international travel and personnel policies; 5) streamlining the PVO and local NGO registration process; 6) Agency-wide staff involvement in the design and implementation of the new Gender Plan of Action, developed in consultation with ACVFA and 6) conceptualization and piloting of the New Partnerships Initiative, again with significant PVO and ACVFA involvement.

Neither the broad PVO community nor all USAID staff are fully aware of these actions, nor have PVOs yet benefited from them as fully as intended. One of the most important findings of the Assessment is that **reforms affecting the USAID/PVO partnership are not yet being implemented consistently**. Thus, ACVFA recommends that the Agency, PVO community and next Advisory Committee focus greater attention on improved communication and implementation of these and other USAID reforms. Additional findings include the need for: a greater degree of understanding between USAID and PVOs of country priorities, including those to be embodied in Strategic Partnerships in non-presence countries; improved consultation between USAID and PVOs; new policy guidance on how consultation affects procurement integrity; and stronger institutional commitment to, and support for, development education and public outreach on the part of both USAID and PVOs.

Other challenges identified by the Assessment include: the need for more transparent USAID data on PVO funding lev-

…a number of significant actions have been undertaken by USAID and PVOs with a view toward strengthening the USAID/PVO partnership.

[2] Assistance instruments are grants and cooperative agreements made to PVOs, NGOs, universities and other not-for-profit entities (who may also compete for contracts). USAID makes assistance awards to recipients for the implementation of their programs. In contrast, contracts are used for the acquisition of property or services for the direct benefit or use of USAID.

Most important is to build on the impressive achievements of the past few years, while shifting attention to consistent Agency-wide implementation of intended practices.

els and trends; improving USAID's relationship with smaller PVOs; and the need for more purposeful attention by all actors to PVO and NGO program sustainability and financial independence.

The Assessment concludes with ACVFA suggestions on future priorities for USAID leadership, PVOs and the next Advisory Committee. Most important is to **build on the impressive achievements of the past few years and stay the course on reforms, while shifting attention to communication of the substance of these reforms and to consistent Agency-wide implementation of intended practices.**

Second, USAID should develop and disseminate models and train staff on performance-based assistance instruments. Third, USAID should focus more intentionally on the need for local NGO strengthening, and on its impact on the USAID/PVO partnership. USAID and PVOs should capitalize on their past collaboration in building civil society across development sectors, and ACVFA should continue to engage the Agency on this topic. Fourth, USAID should document and disseminate USAID/PVO partnership "best practices," including examples of USAID/PVO collaboration to strengthen local NGOs. All three communities should participate in developing appropriate capacity building indicators.

Fifth, USAID and its PVO partners should establish key indicators for progress in the USAID/PVO partnership based upon procurement trends and other measures agreed to by USAID and PVOs. Sixth, USAID should finalize policies and practices for Strategic Partnerships in non-presence countries. Seventh, education and outreach to the U.S. public on international development and foreign assistance should assume greater preeminence in the USAID/PVO partnership, and USAID and PVOs should collaborate more purposefully in this area of mutual interest and responsibility. Eighth, ACVFA should engage more broadly with USAID staff and PVOs in the United States and in the field.

Finally, ACVFA has a note of caution to express about the future course of the USAID/PVO partnership. As this Assessment has documented, although the overall picture and trends are positive, there are external and internal pressures that work against "partnership," particularly pressures that unwittingly encourage USAID to give preference to contract mechanisms and relationships. The pressure for short-term results in a long-term business; for USAID-initiated activities, rather than joint or PVO-initiated activities; the substantial reductions in both financial resources and in USAID direct-hire staff all could—but need not—work against partnership relationships. USAID and PVOs, and ACVFA, should monitor this issue closely in the coming months and years.

INTRODUCTION

This Assessment was commissioned by the Advisory Committee on Voluntary Foreign Aid (ACVFA), a federal advisory committee established by Presidential Directive after World War II to serve as a link between the U.S. government and private voluntary organizations (PVOs) active in humanitarian assistance and development overseas. The Committee works to strengthen and advance the partnership between the U.S. Agency for International Development (USAID) and the private voluntary community. As stated in its Charter, ACVFA's duties are:

- To consult with, provide information to, and advise USAID and other U.S. Government agencies on development issues relating to foreign assistance in which the U.S. Government and PVOs interact;
- To provide information and counsel to the PVO community on issues of concern regarding their relations with USAID and other U.S. Government agencies; and
- To foster public interest in the field of voluntary foreign aid and the activities of PVOs.

ACVFA members are appointed by the USAID Administrator and serve as private citizens, rather than as representatives of organizations. J. Brian Atwood appointed the Advisory Committee in February 1994 and extended their term through June 1997 early in 1966. (Appendix A lists ACVFA members.)

A team of consultants and USAID staff undertook the Assessment at the end of the current ACVFA members' term, in order to record achievements in the USAID/PVO partnership over the past several years and to highlight issues that warrant attention in the future. The study is intended to serve as a guidepost for officials and staff of USAID, for the private voluntary community, for the next ACVFA, and for others concerned with public-private collaboration in U.S. overseas development and humanitarian assistance programs.

After the Administrator agreed to ACVFA's undertaking this Assessment, a joint ACVFA/USAID steering committee approved the study Terms of Reference (Appendix B) and reviewed the Assessment in draft. ACVFA discussed the draft Assessment at its March 12, 1997 quarterly meeting where an audience comprised of representatives of PVOs, universities, for-profit contractors and other Agency partners, as well as USAID staff, discussed the preliminary findings and issues warranting future attention. The ACVFA Secretariat in USAID's Office of Private and Voluntary Cooperation (PVC) in the Bureau for Humanitarian Response finalized the study for publication and dissemination.

This Assessment is organized in four sections. **Part I** describes the context in which the USAID/PVO partnership has evolved over the past few years. **Part II** highlights important Agency achievements affecting PVOs. Some of these achievements and other source material

The study is intended to serve as a guidepost for those concerned with public-private collaboration in U.S. overseas development and humanitarian assistance programs.

are summarized in the Annotated Bibliography in Appendix C.

Part III presents findings from Assessment surveys sent to all USAID Missions and USAID-registered PVOs and from in-depth interviews conducted at USAID/Washington, U.S. headquarters of PVOs, and in seven countries where USAID, PVOs and NGOs collaborate. Not surprisingly in such a complicated relationship, there was rarely unanimity among respondents.

The survey data provide a broad-based view of the state of the USAID/PVO partnership. The in-depth interview data elicit the often diverse individual perspectives to be found in USAID and within the PVO and NGO communities. Conducted with 136 USAID, PVO and NGO staff, these extensive interviews provide qualitative data and are particularly useful for understanding inconsistencies in the application of USAID policies and procedures, as well as instances where USAID reforms have taken hold or are not yet imbedded in practice. Appendix D describes the Assessment Methodology; Appendices E-H contain the surveys and questionnaires.

In **Part IV**, the Advisory Committee draws a set of conclusions from the study findings. These conclusions, and others derived from ACVFA's work over the past three years, form the basis for a set of key partnership issues that ACVFA commends to USAID, PVOs and its successor Committee for future attention.

PART I: THE CONTEXT FOR THE USAID/PVO PARTNERSHIP

The USAID/PVO partnership has deep roots, extending back many decades when PVOs first emerged as leaders in disaster relief. Over the years, the nature of that partnership has changed significantly, as PVOs have broadened their efforts from relief and emergency food distribution to development programs designed to address the root causes of poverty and vulnerability to disasters. The transition from short-term relief to longer-term development programs, coupled with substantially increased PVO organizational capabilities, has greatly strengthened cooperation between USAID and the PVO community over the past 20 years.

Consonant with strengthened cooperation has been an openness on the part of both USAID and PVOs to acknowledge the challenges inherent in a partnership between a U.S. Government agency and a large community of extremely diverse organizations, particularly given the complexity of the development issues to be addressed. In its December 1993 Synthesis Report to the USAID Administrator entitled, "The U.S. Agency for International Development and the Private Voluntary Community: Policies for a More Effective Partnership," a joint USAID/PVO Task Force noted that "the relationship between USAID and the PVO community is based on fundamentally similar values. At the same time, PVOs are private entities with their own skills and uniquely individual perspectives and goals, while USAID is a government agency whose development objectives are shaped by the pursuit of long term foreign policy concerns."

The 1995 USAID Policy Guidance for the USAID-U.S.PVO Partnership defines partnership as "striving to achieve mutual goals by sharing resources, risks, benefits and accountability. Partnership is characterized by cooperation, collaboration and complementarily, and is based on the principles of mutual respect, shared objectives, consultation and participation." The Policy also states that, "While acknowledging those areas where USAID and PVO interests overlap, it must be recognized that their motivations, interests and responsibilities are not and should not be identical. It is to be expected that USAID and PVOs each will pursue goals related to their particular concerns and objectives and, at the same time, will work together on common priorities."

COMPLEMENTARY OBJECTIVES

The collaborative relationship between USAID and U.S. PVOs emanates from those complementary views and objectives. As noted in the USAID-PVO Partnership Policy Guidance, the partnership draws on considerable areas of consensus, such as:

- a commitment to people-centered economic, social, and political development;

- an appreciation of the importance of community-based solutions to social, economic, and environmental problems;
- agreement that humanitarian assistance, when appropriate, should be integral to an overall approach to achieve sustainable development;
- agreement on the importance of broad-based economic growth and the need to address the root causes of poverty;
- agreement that participatory development strengthens the fabric of civil society and provides opportunities for broad-based equitable growth; and
- a commitment to the principle of self-help and a belief that people in developing countries and emerging democracies are able to improve their lives.

PROGRAMMATIC COLLABORATION

USAID/PVO cooperation has been extensive in pursuit of these shared concerns. PVOs have long been essential partners in USAID humanitarian assistance programs; and USAID's Office of Foreign Disaster Assistance responds to the great majority of disasters largely through PVOs. The role of PVOs has become more extensive as the post-Cold War period has seen a proliferation of complex emergencies in countries in transition and so-called "failed states," such as Somalia, Rwanda, Sudan, Liberia, Haiti, and Bosnia. PVOs are the Agency's critical partners in these areas, and receive a major portion of USAID's resources for the activities carried out in these countries. PVOs are also major programmers of food aid in partnership with USAID. In FY 1996, for example, the value of food aid, including commodities and freight, distributed by PVOs totaled over $426 million.

PVOs have also become vital partners with USAID in sustainable development programs and this role is still evolving. PVOs have continued to build their capabilities in public health, child survival, and family planning. In the heavily earmarked area of child survival, PVOs have been central players in providing immunization, oral rehydration therapy, food and nutrition, and other preventive services to millions of mothers and children around the world. PVOs have also been responsible for developing new approaches to helping local communities meet their health care needs.

In the environmental area as well, PVOs have played a central role in USAID programs, particularly with respect to the protection of biological diversity and to sustainable natural resource management. As in other program areas, U.S. PVOs have also developed special skills in building the capacity of local NGOs in the environmental sector.

Collaboration in support of broad-based economic growth presents a more complex picture. Microenterprise initiatives and human resource development, which

have places of prominence under USAID's economic growth strategy, are recognized as areas where PVO have great strengths and have pioneered new methodologies. Examples of fruitful collaboration are manifold. However, as USAID's direct support in agriculture has diminished in recent years, PVOs and cooperative development organizations that traditionally focused on programs in this sector have found their collaborative relationships with USAID increasingly difficult.

Perhaps the most difficult fit for PVO collaboration has been in the areas of economic policy reform and restructuring at the macro level. While some PVOs can point to successful policy-related collaboration with USAID resulting in significant impact on the enabling environment for sustainable development, e.g., in the areas of microenterprise, health, family planning, and the environment, there are longstanding disagreements within the development community on the costs and benefits of economic stabilization and restructuring, particularly with respect to their impact on the poor.

In the democracy sector, PVOs have contributed critical expertise in areas ranging from election preparation and monitoring, to human rights monitoring and reporting, as well as contributing more broadly to the growth of democratic institutions through their work in developing local institutions that represent and respond to grassroots needs. PVOs play a major role in addressing one of USAID's key aims in this regard: the development of a strong and durable civil society as a prerequisite to stable democracy and sustainable development.

In listing the comparative advantages of PVOs, the 1993 Joint USAID/PVO Task Force Report noted PVOs' "unique ability as private organizations to understand, relate to and work with non-governmental organizations so that they can play a larger, more effective role in addressing their country's development needs." Transcending the democracy sector, USAID-PVO collaboration in the civil society arena has increasingly focused on building the capacities of local organizations.

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PVO CHANGES

PVOs have increasingly worked in coalitions focused on particular sectoral, country or region-specific issues and special interests. Over this period, for example, one of the strongest sectoral "interest groups" with the PVO community focused on Women in Development issues and organized around the United Nations Population and Social Summits and the Beijing Conference on Women.

PVOs have also worked together to improve their professionalism and their communication and consultation with USAID. The American Council for Voluntary International Action (InterAction), an increasingly prestigious and effective coalition of 150 U.S. nongovernmental organizations, has placed a high priority on both technical and administrative capacity building and has also developed a set

The growing number and importance of local NGOs has significant implications for the role of PVOs and for the USAID/PVO partnership.

of ethical standards for its membership. Completed in 1992, the InterAction PVO Standards are now being applied by the membership through self-certification, and InterAction has convened a number of workshops and fora on this topic. In addition, InterAction has played a lead role in convening policy and programmatic meetings involving PVOs, Agency leadership and staff, and in some cases, indigenous NGO representatives, on issues ranging from the new PVO policy guidance and procurement reform to the New Partnerships Initiative, PVO/NGO programs in Africa, and Strategic Partnerships in close-out countries.

THE RISE OF INDIGENOUS NGOS

The post-Cold War decade of the 1990s has seen major changes in the context for the USAID/PVO partnership. Broadly speaking, PVOs and NGOs have been increasingly recognized as indispensable to creating and sustaining the civil society framework fundamental to long-term sustainable development in the newly independent nations of the former Soviet bloc, as well as traditional developing countries.

Closely related has been a worldwide expansion in voluntary activity and in the number and variety of indigenous NGOs. The ascendance of local NGOs has been a striking phenomenon in the post-Cold War era, fueled by the shift toward democratic forms of government, the opening of previously closed societies, the increase in complex emergencies, a heightened awareness of the importance of community solutions to social problems, and a growing understanding of the link between local and global issues.

The growing number and importance of local NGOs has significant implications for the role of PVOs and for the USAID/PVO partnership. The focus on direct service delivery is shifting from U.S. PVOs to indigenous NGOs, and the role of U.S. PVOs is now increasingly seen as that of partners and facilitators of NGO-implemented activities.

According to one PVO observer, "There is probably no single issue which more dominates discussions within the U.S. PVO community today than its changing relationship with indigenous or Southern NGOs. At the conceptual or theoretical level there is virtual agreement that the days of active and operational PVOs undertaking service delivery at the grassroots level in southern countries is over.... The reality, however, is far less convincing as to whether these new values and concepts have been adequately internalized and put into practice by the PVO community."

[3] *U.S. PVO/NGO Support Programs* by Leslie Fox for InterAction at the December 1995 Tokyo Conference on "Creating Together a New Partnership: NGO Support Schemes Contributing to People's Self-Reliance."

USAID BUDGET REDUCTIONS

The decline in U.S. funding for international economic assistance has dramatically changed the context for the USAID/PVO partnership. U.S. foreign assistance programs are at their lowest levels, in real dollar terms, in over 50 years. The United States, having led the world in dollar volume of aid contributions through 1990, has now fallen behind Japan, France and Germany, according to the Organization for Economic Cooperation and Development. Development assistance programs have borne a disproportionate share of reductions in the international affairs budget.

USAID has downsized its overseas presence in response to these budget cuts. Since 1994, twenty-six missions have been closed for reasons of "graduation," because the national government was not considered a good development partner, or because USAID determined that regional implementation was more cost-effective than bilateral programs. Two additional closings are planned by the end of FY 1997, and further closings due to "country graduation" are planned in the coming five years. USAID management resources have been similarly reduced. USAID staff levels in USAID/Washington and the field have sustained a 22% cut during the same time period.

In the face of these funding and management constraints, USAID has maintained —indeed increased—its commitment to the USAID/PVO partnership, and the PVO community has offered vigorous support in conveying to key decisionmakers and the U.S. public the importance of a strong international development and humanitarian assistance program. While these constraints have posed serious challenges to USAID's ability to support its stated commitment to the partnership, they have also opened the possibility of new forms of USAID/PVO collaboration.

USAID REENGINEERING

Over the past four years, USAID has initiated a thorough revamping of its systems and procedures, as well as its organizational culture, through a process of "reengineering." Through these changes, USAID has attempted to improve development performance by emphasizing core values and by simplifying administrative procedures. USAID's reengineering process is linked to a comprehensive effort to improve all federal government services, and the Agency has served as a "reinvention laboratory" in the National Performance Review. As such, USAID has introduced an ambitious number of changes in a relatively short time period.

USAID reengineering's core values have substantive implications for the USAID/PVO partnership. These core values are:

- **customer focus**, which calls for USAID to involve its partners (e.g., PVOs, universities, contractors) and customers (i.e., those receiving assistance overseas) more frequently and systematically in the planning, implementation, and evaluation of foreign assistance;

In the face of funding and management constraints, USAID has maintained—indeed increased—its commitment to the USAID/PVO partnership.

- **teamwork**, which enables PVOs to serve on task forces, Strategic Objective teams in Missions and with USAID/Washington operating units, and in other groups that help set directions and processes for USAID;

- **empowerment and accountability**, giving those who carry out programs the authority to make and implement decisions as close as possible to where the actions take place, providing them with the resources needed to carry out those decisions, and providing the flexibility to respond to changing conditions; and

- **results orientation**, designed to ensure that processes meet stated development objectives, and refocusing attention from inputs to outcomes and impact. In practice, this means setting clear objectives and targets, collecting adequate information to assess progress based on appropriate indicators, and adjusting strategies and tactics as needed.

PART II: USAID ACTIONS TO ADVANCE THE PARTNERSHIP

Consistent with reengineering, USAID has undertaken an unprecedented series of actions over the past four years to improve collaboration with the PVO community. These actions have included policy revision, administrative and operational reforms, simplification of existing regulations, and establishment of a wide array of fora for consultation and dialogue with PVOs on most aspects of the USAID/PVO partnership.

The USAID senior management's commitment to the USAID/PVO partnership, and the Administrator's clear signal to Agency leadership and operating units to effect these changes has yielded impressive results. In addition, ACVFA's mandate from the Administrator has enabled the Advisory Committee and its Subcommittees to provide an intermediary forum for discussion of issues, to serve as a catalyst for their resolution through formal recommendations to USAID, and to engage with the Administrator and USAID staff on implementation and monitoring of ACVFA recommendations.

USAID actions in support of the partnership include:

1. Establishment, in cooperation with InterAction, of a Joint PVO/USAID Task Force that met through the summer of 1993 to review major aspects of the partnership. The Task Force Report, "The U.S. Agency for International Development and the Private Voluntary Community: Policies for a More Effective Partnership," made recommendations in six areas: the policy framework, building institutional capacity, working with indigenous organizations, cost-sharing, streamlining procurement and reducing administrative requirements, and new funding relationships.

2. The work of the Task Force provided the framework for the first revision of USAID's policy guidelines on collaboration with PVOs since 1982. Issued in April 1995, the "Policy Guidance for the USAID-U.S.PVO Partnership" was prepared in close consultation with a working group of PVO representatives and was presented to the broader public through ACVFA. The guidance sets out basic policy principles on consultation, participation, program integration and managing for results, PVO independence, support for PVO/NGO relationships, cost-sharing and simplification. It also incorporates specific operational guidelines for USAID/PVO consultation and for PVO cost-sharing.

The 1995 Policy states: "USAID policy is that the principle of cost-sharing is an important element of the USAID-PVO relationship, but that its application should be flexible and case-specific."

The new guidelines on PVO cost-sharing incorporate a more flexible and decentralized approach in determining appropriate cost-sharing requirements for specific programs.

The new guidelines on PVO cost-sharing incorporate a more flexible and decentralized approach in determining appropriate cost-sharing requirements for specific programs. (ACVFA has raised concerns about experience to date with the revised cost-share guidelines, and will likely make recommendations to USAID for further modifications in the policy.)

3. In late 1993, the Administrator issued a "Statement of Principles on Participatory Development" that established participation as a fundamental principle governing how USAID is to carry out its work with all its development partners, and emphasizing participation as a key determinant of sustainable development.

4. In the spring of 1995, USAID issued a statement of "Policy Principles for the Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance." This new policy was recommended by ACVFA in close collaboration with USAID's Office of Private and Voluntary Cooperation (PVC). The Principles cover such issues as the use of cooperative agreements, including guidelines for USAID "substantial involvement"[4]; the role of USAID staff in managing assistance instruments; advance planning of assistance actions; simplification of administrative approvals; the use of automation to increase efficiency and access; and reporting requirements.

5. PVC significantly simplified Registration requirements for U.S. PVOs in 1995. In 1996, following a survey and Mission consultations, PVC issued new, streamlined Local PVO (LPVO) registration procedures in English, French, Spanish and Arabic.

6. USAID undertook a series of procurement reforms in 1995 to streamline the procurement process involving PVOs. Policy and administrative practices were changed or eliminated in areas such as salary approvals, key personnel approvals, individual consultants, trip reports, and audit requirements involving NGO recipients or subrecipients of grants and cooperative agreements.

7. The Office of Procurement, working with ACVFA, reached agreement on simplified requirements for USAID approval of PVO international travel

[4] The policy states: "the 'substantial involvment' clause of cooperative agreements should be used as a mechanism for USAID involvement in the recipient's program only to the degree necessary for reasonable management oversight. Substantial involvement is not to be used as a device to provide undue oversight and control. Provisions for substantial involvement by USAID should be limited to those few which are essential to meet program requirements and assure achievement of mutual program objectives. The following provisions are considered essential: a.) approval of annual workplans; b.) approval of a limited number of key personnel; and c.) USAID approval of monitoring and evaluation plans, and USAID involvement in monitoring progress toward the achievement of program objectives during the course of the cooperative agreement."

under grants and cooperative agreements. USAID has issued revised guidance to all Missions on the new travel policy.

8. ACVFA has served as a forum for PVO consultation on the Agency's new strategies for sustainable development and draft Strategic Plan. PVO comments and suggestions were considered in preparation of USAID's Strategic Framework and are expected to be included in the forthcoming USAID Strategic Plan.

9. USAID instituted a variety of new fora for information sharing and dialogue with the PVO community and other partners. These have included use of the Internet, including required postings of Agency Requests for Applications (RFAs) and Requests for Proposals (RFPs); a series of Town Meetings to discuss procurement policies and reforms; the annual RFA Workshop hosted by the Office of Private and Voluntary Cooperation; and meetings convened by the Bureaus for Management and for Legislative and Public Affairs to discuss reengineering and other issues of concern to the PVO community.

10. USAID's Center for Development Information and Evaluation (CDIE) undertook and published a major review of USAID's management of PVO and NGO projects entitled, "Strengthening the Public-Private Partnership: An Assessment of USAID's Management of PVO and NGO Activities." It contains findings and recommendations directly relevant to this study and offers a road map of suggested actions for both USAID senior managers and project officers regarding implementation of USAID's stated policies and objectives in collaborating with PVOs and NGOs.

In its June 1995 summary of *Strengthening the Public-Private Partnership: An Assessment of USAID's Management of PVO and NGO Activities*, the Agency's Center for Development Information and Evaluation stated that "The study finds the biggest problems with the Agency's partnership with PVOs and NGOs to be inconsistent management of grants and cooperative agreements. The inconsistency is due primarily to the failure of USAID staff to apply partnership principles... USAID staff appear knowledgeable about the technical differences between grants, contracts, and cooperative agreements. In practice, though, the distinctions are blurred and/or ignored, often leading to imposition of unnecessary or excessive management controls."

11. USAID's Gender Plan of Action, announced at ACVFA's March 1996 meeting, was developed in close consultation with PVOs and other

USAID's New Partnerships Initiative (NPI)… recognizes the centrality of NGO empowerment… to building the civil society framework essential to sustainable development.

Agency partners. ACVFA and its Subcommittee on Women and Sustainable Development played an active role in helping to conceptualize elements of the Plan, which will ensure that Agency programs, policies, and systems reflect the centrality of women's empowerment to achieving sustainable development. The Plan has far-reaching implications for increased attention to women and gender issues in the USAID Strategic Framework and Strategic Plan (with which Mission and operating unit plans must be consistent), use of gender-disaggregated data in developing indicators of program impact, staff training and personnel evaluation, and procurement practices.

12. USAID's New Partnerships Initiative (NPI), announced by Vice President Gore at the United Nations Social Summit in Copenhagen in March 1995, recognizes the centrality of NGO empowerment, along with small business development and democratic local governance, to building the civil society framework essential to sustainable development. A frequent subject at Advisory Committee meetings because of its importance to the USAID/PVO partnership, NPI focuses on local capacity building. Members of the PVO community and other Agency partners participated actively in several task forces established to conceptualize NPI, in the design and implementation of the NPI pilot process with selected Missions, in assessment of this experience, and in information sharing.

13. At the same time that he announced the New Partnerships Initiative, Vice President Gore pledged that, within five years, USAID "will be channeling 40% of its development assistance through non-governmental organizations, both U.S.-based and indigenous." USAID has indicated that it intends to honor the commitment to the best of the Agency's ability given severe budget constraints. In correspondence to ACVFA, the USAID Administrator stated that, "in order both to communicate the importance of this commitment to all operating units and to ensure accountability," USAID will monitor progress through the annual Results Review and Resource Request (R4) and Bureau-Based Budget Review processes.

14. In response to the need identified by ACVFA for clarification of USAID's policy on competition under assistance instruments, and following extensive consultation with InterAction and the Advisory Committee, USAID finalized guidance on Competitive Procedures for Grants and Cooperative Agreements in May 1997.

15. In light of the current and prospective reduction of USAID's overseas presence due to staffing and budget cuts, USAID initiated discussions with the PVO community through ACVFA, and has held broader meetings with PVOs and other partners, on Strategic Partnerships for implementation of USAID programs in countries from which USAID will be withdrawing.

PART III: STUDY FINDINGS

The principal findings of the Assessment are presented below, followed by explanations and quotes from the surveys and in-depth interviews. Appendix D on methodology provides a break-down of survey and interview respondents by USAID, PVOs and NGOs. In total, the study drew upon 177 USAID and PVO survey responses, and 136 in-depth interviews with USAID, PVO and NGO staff.

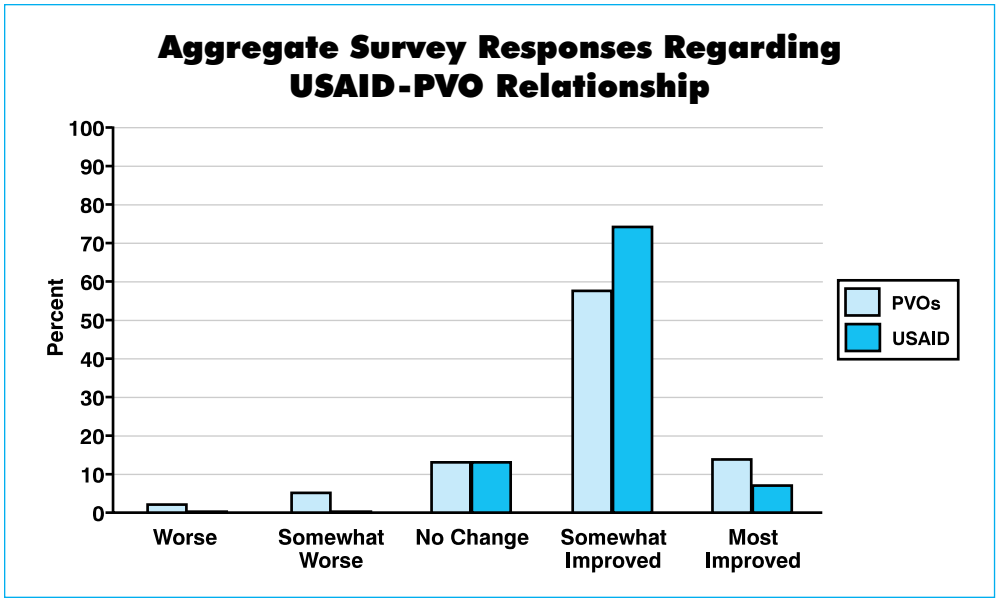
As noted in the Introduction, the survey data provide a broad view of the partnership derived from a short list of questions. The more detailed in-depth interviews, which averaged one and one-half hours in length, elicited diverse individual perspectives and provide more qualitative data on implementation of USAID policies and procedures and suggestions for improving the partnership.

A. OVERALL ASSESSMENT

Key Findings: **The overwhelming majority of USAID and PVO survey respondents and participants in in-depth interviews affirmed that the USAID/PVO Partnership is stronger today than it was only a few years ago.**

Survey Responses

The surveys sent to all USAID Missions and registered PVOs asked, "Overall, how would you characterize the state of the USAID/PVO relationship today, as compared with four years ago?" The chart below indicates that the majority of both PVO and USAID respondents see a stronger relationship: 78% of PVO respondents and 86% of USAID.



The findings reflect the fact that it is easier to communicate within one agency than across more than 400 PVOs.

In-Depth Interviews

During the in-depth interviews, the great majority of respondents also described the USAID/PVO relationship as stronger today. PVO and USAID staff often assigned this improvement to the same causes, citing most frequently: Brian Atwood's leadership, increased USAID/PVO interaction and consultation leading to shared development goals and approaches, and the need to collaborate more effectively in a constrained resource environment.

B. AWARENESS OF REFORMS AND CHANGES AFFECTING THE PARTNERSHIP

Key Findings: **USAID staff are generally knowledgeable about the many recent USAID reforms and changes affecting the Agency's relationship with PVOs. The PVO community, particularly in the field, is less aware of these reforms.**

Part II of this Assessment and the Annotated Bibliography in Appendix C summarize many of USAID's impressive efforts to improve the USAID/PVO partnership. USAID and PVO awareness of these policy and procedural changes is a prerequisite for uniform implementation, for collegial interaction based on mutual understanding, for determining training needs vis-à-vis new policies and practices, and for directing future efforts to strengthen the partnership.

Survey Responses

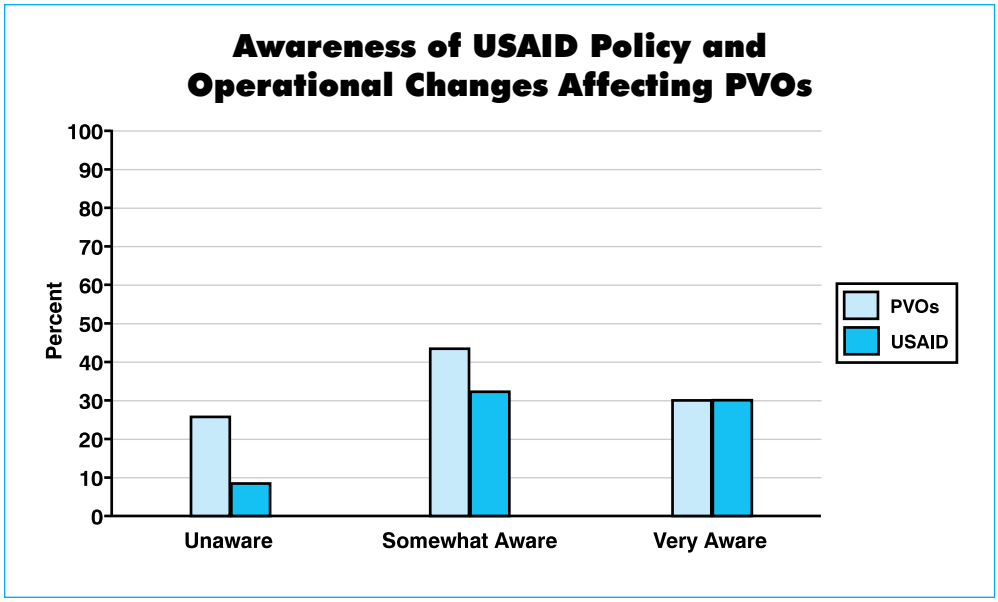
The survey asked respondents about their awareness of ten significant policy and operational changes: increased consultation, more flexible cost-sharing policy, guidance on "substantial involvement" for cooperative agreements, simplified approvals for international travel, streamlined registration requirements, audit needs, access to program and procurement information (e.g., through postings on the Internet), procurement reforms, special fora for consultations, and the New Partnerships Initiative.

The summary results are displayed in the following graph and reflect the fact that it is easier to communicate within one agency than across more than 400 PVOs. USAID staff are more aware of the changes than the PVO community, notwithstanding substantial efforts to disseminate USAID's policy and operational changes to the PVO community at large.[5]

In-Depth Interviews

Although the interview questionnaire did not query respondents directly on their awareness of USAID's policy and operational changes, the in-depth interviews also generated information on this topic. In general, the study team found that: a) USAID staff, both in Washington and

[5] These have included mailings by the Office of Private and Voluntary Cooperation to all registered PVOs, USAID procurement bulletins on the Internet, and announcements and briefings at various meetings, such as those convened by ACVFA, PVC, the Bureaus for Legislative and Public Affairs and for Management, and InterAction.



overseas, are very aware of the general changes in USAID's relationship with PVOs, although Mission staff are not always knowledgeable about specifics; b) PVO staff interviewed in the United States were very aware of the changes, referred to them frequently, and on occasion, described how they had informed Mission staff in cases of failure to follow new policies; c) PVO representatives interviewed overseas were somewhat aware of the reforms; and among PVO staff who were less aware, some indicated that their own headquarters, as well as USAID, should do a better job of providing such information to the field; and d) local NGO staff had little knowledge about such changes.

C. IMPACT OF USAID REFORMS AND CHANGES ON THE PARTNERSHIP

Key Findings: **USAID staff have generally perceived the impact of reforms to be more positive than has the PVO community. More time and training in implementation practices will be necessary before both communities experience more positive impact from these changes.**

Survey Responses

The survey asked Missions and PVOs how their organizations had experienced USAID changes in terms of redefined program priorities, geographical/regional priorities, recent emphasis on consultation, streamlined PVO registration, administrative regulation reform (e.g., approval of international travel), reform of procurement processes, and more efficient implementation.

Mission responses indicated that USAID staff experienced positive changes in all reform areas except for U.S. PVO registration. (This was to be expected, since most Mission staff do not deal with U.S. PVO registration.) In contrast, PVOs responded that they experienced less impact from USAID policy or operational changes, except for the simplified registration process, which they considered positive.[6]

In-Depth Interviews

The in-depth interviews also elicited information on the impact of USAID changes. The study team found that a) USAID programmatic changes have resulted in a stronger USAID/PVO relationship; b) changes in USAID regional priorities and country closings have had a mixed impact on the partnership; c) USAID openness and consultation with partners has increased and improved; d) administrative reforms are uneven in application; e) procurement changes have had some positive results, but there are still problems with procurement that undermine the partnership; and f) USAID implementation practices, from consultation to grant management, were mixed. These findings are described in greater detail below:

1. Programming Priorities

Key Findings: **There is strong congruence between USAID and PVOs with regard to development practice. USAID and PVOs now share a more common development agenda, more similar development approaches, and more shared program priorities. However, stronger differences exist between USAID and PVOs with respect to country priorities.**

Survey Responses

The surveys asked USAID Missions and registered PVOs: "Generally speaking, has there been an increase in the past four years in the degree to which USAID and PVOs share a common development agenda?" The following chart demonstrates that both communities answered in the affirmative.

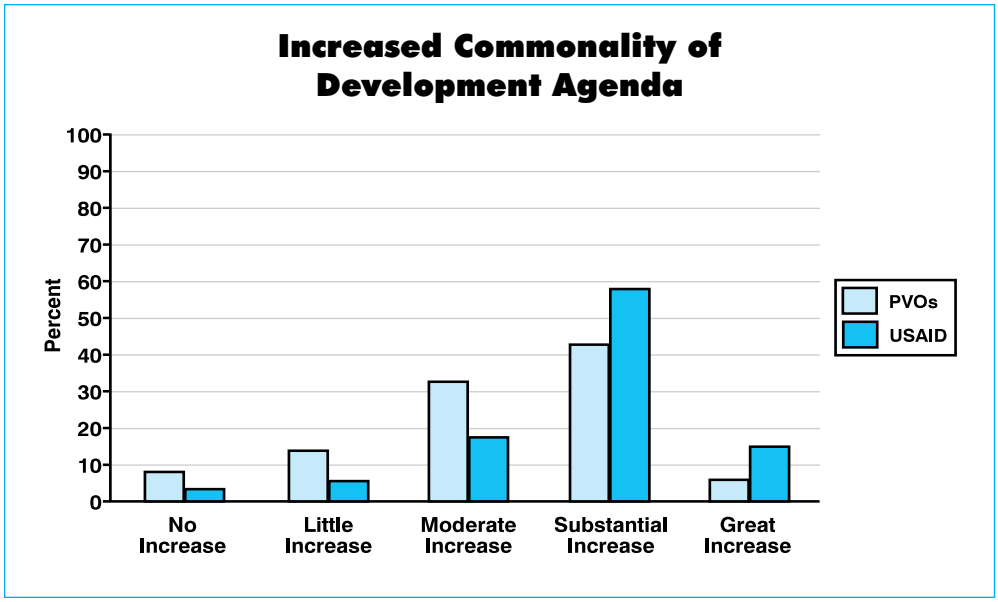
In-Depth Interviews

The great preponderance of USAID, PVO and NGO interviewees also affirmed that they now share a more common development agenda. Interviewees assigned this common agenda to a variety of factors. Among PVO staff interviewed, several cited a joint focus with USAID on NGO strengthening. Others said a more common agenda resulted from more frequent and substantive consultation, including participation on Strategic Objective (SO) teams, as described in the section on consultation below.

The great preponderance of USAID, PVO and NGO interviewees also affirmed that they now share a more common development agenda.

Several USAID respondents said collaboration on SO teams contributed to a more

[6] These findings might be interpreted in the following ways: a.) PVO awareness of the reforms is still limited, contributing to a sense of little or no impact; and b.) many of these recent reforms (which were promulgated virtually simultaneously) will require more time, and staff will require more training, before they are fully implemented to positive effect.



common development agenda, as well. In the words of one Agency interviewee, "USAID considers customer focus to be very important and, as a result, involved grantees in the development of its strategy and to serve on expanded SO teams. This helped to increase a common understanding of issues and to develop solutions."

Another Mission respondent pointed out that, as a result of funding cutbacks, "we are now working with fewer grantees, [those] who really share the Mission's objectives." A few PVOs, while praising the commonality achieved over the past several years, pointed out that "maybe there is even too much of a common agenda." They saw their PVOs as now being "structured to operate with a USAID orientation, which makes it difficult to open new program areas."

The interviews inquired how both groups viewed programming priorities expressed in population, health and nutrition, environment, economic growth, democracy, and humanitarian relief efforts, as well as USAID geographical and regional priorities. PVO and USAID interviewees described general agreement on program priorities at the sectoral level, but several PVO representatives interviewed in the United States and in the field expressed frustration over new Mission strategic plans and results packages that prevent cross-sectoral programming.

At the December 1996 ACVFA quarterly meeting, a PVO panelist described her work with USAID Missions overseas, where she observed a "hardening of the SOs," preventing Mission support of PVO programs that address multisectoral development problems.

The majority of USAID, PVO and NGO survey respondents and interviewees noted significant improvements in consultation and dialogue.

Several members of the PVO community drew attention to the dangers of what has been termed "stovepiping" of Strategic Objectives. While the New Partnerships Initiative is expected to help provide the context for more program integration, a number of U.S.-based PVO representatives questioned NPI's prospects for impact. In the words of one PVO representative who had participated in the NPI working group process, "NPI has all the right rhetoric, but no resources to back it up." Some USAID and other PVO respondents said that they are unclear about the Initiative's current status and future directions.

USAID and PVO interviewees expressed more divergent views on regional and country priorities. This is not surprising, and relates to USAID decisions on country closeouts. While USAID and PVO interviewees tended to accept these decisions as faits accomplis, there was some dissatisfaction on the part of both PVO and USAID headquarters staff with the criteria and methods by which decisions on Mission closings were reached, as well as the way in which they are being implemented.

Some PVO staff felt that Mission closings and country graduation decisions were being carried out with insufficient regard for the sustainability of existing, but as yet incomplete, programs, including those aimed at strengthening civil society and working with nascent NGOs. For example, a PVO manager of democracy programs pointed out that USAID decisions on close-outs "really affect our relationships with local organizations that need sustained support. Many of our shared programs are politically risky for our NGO partners." And at the country level, the interviews uncovered other cases where USAID's decision to more sharply focus activities resulted in disagreement between USAID and PVOs on how best to allocate scarce resources within a single country.

2. Dialogue and Consultation

Key Findings: **There has been a fundamental, positive change in dialogue and consultation between USAID and PVOs. However, the consultative process is uneven, and USAID sees itself as more open than do its PVO partners. The individuals involved, their openness to substantive exchange, and the time they are able to invest, all determine whether the consultation will be successful.**

The majority of USAID, PVO and NGO survey respondents and interviewees noted significant improvements in consultation and dialogue. Many PVO interviewees in the United States praised USAID for increased opportunities to meet and consult with Agency headquarters staff. These U.S.-based PVO respondents cited many of the consultative meetings in USAID/Washington referenced in Parts I and II above. The in-depth interviews also elicited diverse accounts of consultation in the field, where there are an even greater number and variety of formal and informal fora for information-sharing and consultation between USAID, PVOs, and local NGOs. Many

of these Mission-level consultations are still evolving in form and substance as reengineering takes hold, accounting in part for the variance in interview responses. Some Missions, for example in Asia and Latin America, have a long tradition of consulting with voluntary organizations. Other newer Missions, e.g., in Eastern Europe and the former Soviet Union, are newer and are beginning to establish their own consultative processes.

Lengthy addenda to Mission survey responses, as well as field interviews, underscored how the establishment of USAID Strategic Objective (SO) teams that may include outside partners has created new opportunities for consultation and improved partnerships. Some Missions have made impressive efforts to engage PVO and NGO partners in the lengthy process of setting strategic directions and are forming expanded SO teams to carry out these strategies. Many PVOs cited their participation on SO teams as a major factor in the strengthened partnership, because it provided opportunities to meet regularly with the Mission on the development and implementation of activities. Other Missions have been less collaborative in setting their strategic directions, but now have SO teams that include PVO and NGO partners, allowing these groups to have input into the direction, implementation and evaluation of USAID programs.

Survey Responses

Survey results showed that USAID Missions considered consultation among the highest of priorities for attention over the coming year, a clear indication that the message from Agency leadership has gotten through to the field. PVO respondents also place relatively high priority on consultation, but somewhat less than the priority they assign to programmatic and operational issues.

In-Depth Interviews

Interviewees described how USAID/PVO consultation and dialogue has greatly improved in both qualitative and quantitative terms, but many PVO representatives said these improvements have been uneven, both within USAID/Washington and in the field. PVO headquarters staff suggested that meetings with USAID leadership and "small task-oriented fora are best," and they praised a number of specific consultations. One PVO interviewee praised the Joint PVO/USAID Task Force process of 1993 and noted that "many PVO suggestions were adopted as a result." Others praised consultations on the New Partnerships Initiative, work with the Office of Private and Voluntary Cooperation and the Office of Procurement Policy, and meetings with USAID representatives convened by InterAction.

In the field, both USAID and PVO interviewees voiced a high level of satisfaction with USAID/PVO dialogue, although in a number of instances, respondents expressed differing perceptions of what constitutes consultation. In several Missions, for example, USAID staff described periodic PVO fora, such as annual partners meetings or monthly roundtables with the Ambassador and Mission staff, as consultations with PVOs.

Survey results showed that USAID Missions considered consultation among the highest of priorities for attention over the coming year…

The same PVO partners, however, stated that while they found such fora informative and useful for networking or meeting Government ministry representatives and other donors, they did not consider these events to be opportunities for true consultation with the USAID Mission. Rather, they preferred smaller, less formal meetings than those identified by Mission staff as "consultations."

USAID staff in the field tended to believe that they had developed their strategic plans with greater input from partners than those partners believed they had had in the process. Some PVO and NGO interviewees described instances where they were invited to comment on or contribute to draft documents, but where they believed most issues under discussion were non-negotiable. Other PVOs felt that they were equal partners in the strategic planning process. In one Mission visited, PVO consultations on the Missions strategic plan directly led to the inclusion of capacity building as a prominent component in one of the Mission's SOs. Still other PVOs and NGOs interviewed in the field explained that, while they had limited impact on Strategic Objectives, they are now increasingly engaged in consultation on results indicators.

Interviews with USAID staff uncovered concerns that partner consultation could skew an anticipated procurement action.

Suggesting a need for clearer policy guidance related to reengineering, interviews with USAID staff uncovered concerns that partner consultation could skew an anticipated procurement action. In one Mission where interviews occurred, senior management of an operating unit have counselled staff not to include PVO partners on core Strategic Objective teams because of procurement integrity concerns. In another Mission, an interviewee lamented that "the situation has deteriorated. Rules and regulations regarding competition restrict the interaction and involvement of both PVOs and NGOs in project design, strategy discussions, etc. These are important roles for partners." Some PVO interviewees explained that they avoid certain consultations for fear that they would be characterized as having an unfair advantage in an upcoming competition.

Not surprisingly, time is one of the most significant constraints on USAID staff willingness to consult with PVOs and NGOs. Several USAID interviewees, particularly in Missions with regional responsibilities, explained that staff cutbacks, heavy workloads, and tight deadlines (e.g., for strategy development, an area where USAID has raised partner expectations about participation) preclude more consultation. Several Agency staff predicted that, regardless of reengineering, the situation will likely worsen if downsizing continues.

One USAID respondent suggested that PVOs themselves "could take the initiative and organize events. But they never seem to do so." Interviewees in another Mission proposed specific steps PVOs could take to improve consultation: "Be more proactive in making USAID a partner... Encourage USAID staff to attend their [PVOs'] own strategy meetings... More strongly encourage USAID staff to visit project sites."

Some PVO representatives acknowledged that, in a partnership, consultation is a shared responsibility. For example, one PVO representative stated, "We have never been denied a meeting, so consultation is also our responsibility." In response to the final interview question asking what PVOs could do to improve the partnership, several responded "we should reach out more to USAID" and "be more assertive."

3. Development Education

Key findings: **All USAID and PVO respondents agree that educating the U.S. public about sustainable development and foreign assistance is of critical importance. Most respondents assign primary responsibility for development education to others.**

The USAID and PVO surveys did not broach this topic. While the in-depth interviews did include questions about development education and outreach, interview respondents were not inclined to discuss it at length. While not surprising, this is a notable gap, given the public debate on the need to continue foreign assistance in the aftermath of the Cold War, and the importance of public support for both the PVO community and USAID.

Those interviewees who discussed education and outreach to the U.S. public all agreed with the need for such efforts, but the study team noted a tendency on the part of most respondents to assign primary responsibility for development education to others, i.e., USAID staff frequently said that PVOs should do more in this regard, and PVO interviewees often leveled criticism at the President for his "silence" on international development cooperation.

Some PVOs were aware of the USAID Biden-Pell Development Education Grants Program in PVC, which has been capped by Congress at a $750,000 annual level, and of the "Lessons Without Borders" initiative of the Bureau for Legislative and Public Affairs. PVO comments about ongoing education and outreach included reference to InterAction's Alliance for a Global Community (funded under the Biden-Pell program), organizational practices regarding media placement of staff and volunteers, and newsletters and fundraising materials. Several other PVOs said that they should, or were planning to, do more outreach and education.

4. USAID Reengineering

Key findings: **USAID reengineering is not well understood by many PVOs. Three of USAID reengineering's four core values, i.e., customer focus, teamwork, and empowerment and accountability, strengthen the USAID/PVO partnership. However, reengineering's results orientation, despite its many benefits, has also caused irritants in the partnership, particularly with regard to selection and management of procurement instruments. Some PVOs believe USAID's new results orientation risks sacrificing longer-term institutional goals for short term "success stories."**

All USAID and PVO respondents agree that educating the U.S. public about sustainable development and foreign assistance is of critical importance.

Not surprisingly, PVOs have been less involved and informed than USAID staff as the Agency has gone through an intense and introspective look at its administrative systems. PVO understanding of reengineering terms, objectives and procedural changes is lower than among USAID staff. In the survey, 62% of PVO respondents felt that USAID changes aimed at "more efficient implementation" had no impact on their organization.

In-Depth Interviews

In the in-depth interviews, it became clear that within and across both communities, individuals understand reengineering in different ways and have varying levels of confidence in its impact on both USAID and the USAID/PVO partnership. In response to the question, "What does USAID reengineering mean to your organization?" PVO responses ranged from "nothing" and "tinkering around the edges," to "re-organizing, right-sizing, and being more efficient," "making USAID more user-friendly" and "attaining sustainability; getting results." Few PVOs appeared to understand the connection between reengineering and the increased USAID/PVO consultation that they cited so favorably, nor reengineering's connection with increased opportunities for participation and teamwork with USAID, for example on SO teams.

Some PVOs believe USAID's new results orientation risks sacrificing longer-term institutional goals for short term "success stories."

Because reengineering is a complex process, rather than a set of discrete activities, USAID staff also described reengineering in diverse ways and expressed different perceptions and misperceptions. Even within one small Mission, responses to the question "What does reengineering mean to you?" varied. Some staff characterized it as "more customer service, which works especially well here because it is essential for conforming to the sensitivity of local organizations vis-à-vis dominance by the United States," and noted that "there have been benefits, slim though they might be when you consider the problems of the NMS, [the Agency's automated New Management System] in the area of reaching out to customers—not just PVO partners, but actual recipients." Another respondent in the same Mission said they "shouldn't be burdened with the whole reengineering process that full Missions are going through." Staff in a Mission that had been a USAID reengineering Country Experimental Laboratory were uniformly positive, and defined reengineering as "using your brain; a way of thinking about issues for results; it verifies that we can think in terms of solutions" and "a more efficient way of doing business with scarce resources."

Neither USAID nor PVO or NGO interviewees questioned the value of a results orientation. Many cited benefits to the partnership, such as helping to clarify intentions and provide the basis for collaborative programs. One PVO respondent, for example, characterized reengineering as a "deliberate articulation of what USAID is and is trying to do and then putting concrete indicators in place to measure concrete results." And in contrast to the survey data referenced above, some PVOs said that USAID

reengineering helped improve their own effectiveness.

Yet many PVO interviewees in the United States and the field criticized USAID staff interpretation and application of the results orientation. While acknowledging Congressional scrutiny and significant budget cuts, these PVO representatives pointed to negative consequences of the results orientation for the partnership in two key areas a) appropriate selection of program strategies and indicators within the context of long-term development; and b) the belief held by many USAID staff that grants and cooperative agreements do not lend themselves to the achievement of results, (or at least as staff perceive such results to be determined by USAID in the annual Results Review and Resource Request [R4] process).

Several PVO interviewees questioned the adoption of unrealistic or inappropriate USAID indicators, an "overenthusiasm for easily measurable results," and short time frames for achieving results that were contradictory to longer-term goals of building civil society and strengthening local institutions. Many PVO comments echoed the sense of one respondent that "the pendulum has swung too far to quantitative impact, inappropriate time frames, and inappropriate indicators. There's a need for more capacity building." Some PVOs also felt that the results orientation forces Missions to put programs into tidy boxes, which mitigates against more creative, cross-sectoral programs. As one PVO put it, "There are no resources to fit all the pieces together. It's all fragments; too little glue." The emphasis on fitting activities into sectoral "boxes" also adversely affects PVOs that implement regional programs.

USAID staff, on the other hand, believe they are being judged and evaluated on the extent to which they achieve results in the short-term. Many USAID interviewees believe there is a tension between achievement of such results, and being expected to work with PVO and NGO partners in the hands-off relationship implied in assistance instruments. As one Mission added to their survey response, "The challenge for the future is to see how USAID/PVO relationships can be fostered while, at the same time, meeting the needs of management contracts and Strategic Objectives, for which the Missions are held accountable."

Many USAID interviewees believe there is a tension between achievement of such results, and being expected to work with PVO and NGO partners in the hands-off relationship implied in assistance instruments.

The Assessment has determined that many USAID staff assume that, in order to achieve results, they must use contracts or adopt contract-like program management behaviors. USAID/Washington interviewees in two different geographical bureaus summed up the comments made in several Missions, stating, "With USAID reengineering, you can't manage cooperative agreements the same way. You have to meet short-term benchmarks," and "[reengineering] means to Missions that they have to focus undivided attention on results, and in the midst of budget/staff cutbacks, it's harder to achieve results. In this context, it's more difficult to give money to PVOs to do their own thing. Everything must feed directly into the R4 management contract."

Several Missions appended written comments about the results orientation and procurement instruments to their survey responses. For example: "Many of the burdensome grant requirements of the past have been lifted, and Missions have been clearly directed to treat grants as grants and not contracts. At the same time, the need to show results makes it more difficult in some cases to work within the grant mechanisms most commonly used to support PVOs. In the push for annually quantifiable impact, a Mission can be discouraged from employing a grant or cooperative agreement mechanism for Strategic Objective program implementation." As a result, many USAID interviewees voiced a preference for contracts over cooperative agreements, and for cooperative agreements over grants.

To ascertain whether apparent USAID staff preferences have led to greater use of contracts overall, the study team examined USAID procurement records from FY 1992 through FY 1996. The data provided by the Office of Procurement in the following table show that such a trend does not exist. However, given the preponderance of USAID staff comments about a need to use contracts to achieve results, trends in the use of procurement instruments should be closely monitored.

Trends in USAID Use of Funding Instruments[7]

Instrument	FY 92	FY93	FY94	FY95	FY96
$ Assistance	$1,638,891,821	$1,988,153,999	$2,188,795,771	$2,044,094,942	$1,461,725,185
% Assistance	53.9%	49.1%	53.0%	55.5%	55.9%
$ Contracts	$1,291,799,933	$1,975,666,284	$1,852,527,095	$1,579,980,085	$1,110,548,102
% Contracts	42.5%	48.8%	44.9%	42.9%	42.5%
$ Other	$ 108,414,852	$ 82,803,373	$ 88,878,528	$ 61,588,822	$ 42,433,852
% Other	3.6%	2.0%	2.2%	1.7%	1.6%

[7] The numbers presented are aggregate "Total Estimated Cost" (TEC) amounts of all USAID procurement awards issued in each fiscal year. Assistance Instruments are grants and cooperative agreements; "Other" represents USAID procurement agreements with other Federal agencies. The TEC of a procurement instrument (grant, cooperative agreement, or contract) is the face amount of the award and represents the legal commitment of USAID to a recipient. For example, in FY 1994, USAID awards a five-year cooperative agreement to a PVO in the amount of $1 million. The $1 million is the Total Estimated Cost of the cooperative agreement and the legal commitment by USAID to the PVO. Based on that legal commitment (cooperative agreement), funds are provided (obligated) each year (in this case, $200,000 per year) to carry out the program.

5. Procurement Reform

Key Findings: **Despite the laudable procurement reforms initiated by USAID in Washington, the positive impact of many of these reforms has yet to be fully institutionalized. Implementation of these reforms throughout USAID is uneven. USAID staff request more training in new procurement practices and policies.**

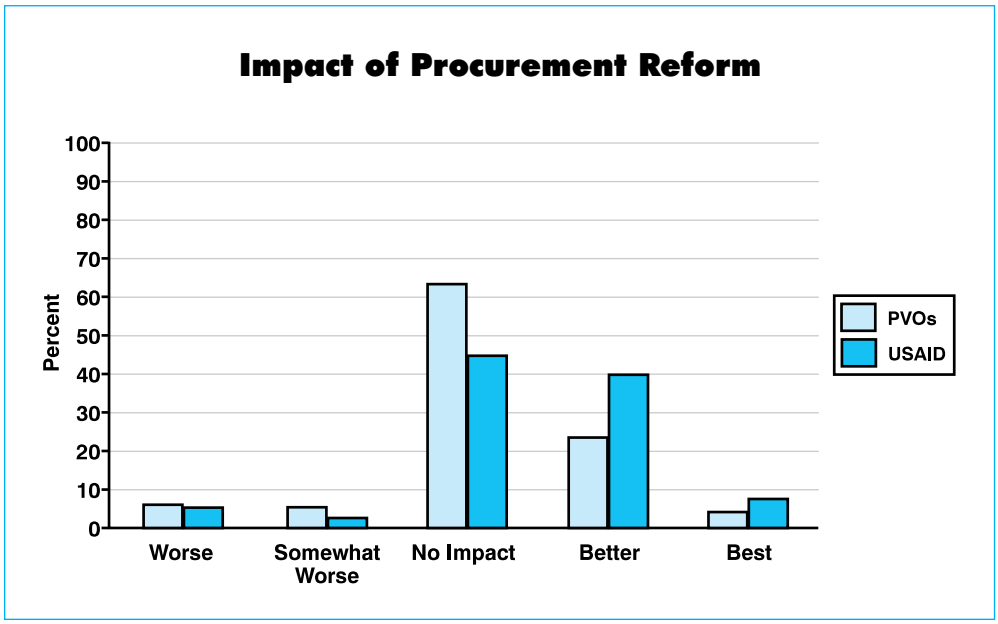
Survey Responses

The chart below profiles the views of USAID and PVO survey respondents regarding the impact of procurement reform. Clearly, the majority of PVO respondents do not see an impact of procurement reform on their own organizations. USAID respondents have a somewhat more positive view, although a plurality still believe that procurement reform has had no impact.

For example, one Mission wrote in an appended statement to the USAID survey that the reduction in the Mission Director's authority to sign grants from $5 million formerly to a current level of $100,000 has created more work for already overburdened contract officers, "and doubled the average grant negotiation time. It is our experience that, since the delegation of authority was reduced, the process of awarding grants is slow and involves demands by contract officers for extremely detailed cost and other information from the PVOs that contributes little to the quality of the grant and amounts to second-guessing USAID technical staff who reviewed the PVO proposals." Other Mission staff interviewed in the field repeated this concern.

In-Depth Interviews

PVO interviewees acknowledged USAID's attempts to deal with procure-



PVO interviewees acknowledged USAID's attempts to deal with procurement simplification, efficiency of process and practice, and consistency…

ment simplification, efficiency of process and practice, and consistency, although many questioned the extent to which procurement reforms have been successfully implemented. Comments from several PVOs echoed the statement by one PVO representative that, notwithstanding problems, "the regulations themselves have been somewhat simplified and there has been a genuine USAID effort to simplify the process." PVO interviewees welcomed the 1995 policy guidelines for award of assistance instruments, and appreciate the establishment of the Office of the Procurement Ombudsman. Some PVOs interviewed in the field cited instances where it is now easier to hire consultants, procure equipment, follow their own personnel policies, and undertake travel.

Acknowledging mutual benefits from procurement reform, one Mission staffer said that "elimination of travel clearances, salary histories, trip reports, etc. have lightened the workload for USAID and the PVOs." Other USAID Mission interviewees took a dim view of progress on these recent reforms, saying little in the way of true procurement reform had occurred. Rather, "the whole procurement process has become more stringent, complicated and demanding for both grants and cooperative agreements." And pointing to the reluctance of some PVOs to abandon past practices, some USAID staff cited instances where PVOs specifically requested unnecessary written approvals and other types of micromanagement, fearing problems if they were audited.

Several PVO respondents remarked that there remains divergence between rhetoric and practice, USAID/Washington and the field, and USAID program and contract staff. With regard to the latter, PVOs spoke of variation by and within Missions on how to award and implement grants and cooperative agreements. One U.S.-based PVO representative explained, "USAID's development approach has evolved faster than procurement practices. RFAs read like they come from separate institutions. In one example, an RFA talks in the first part about participatory development processes, but all attachments speak of top-down control." Several PVOs and NGOs interviewed in the field stated that they have received different answers to the same question posed to different mission staff. When asked about this inconsistency, procurement staff in both USAID/Washington and the field acknowledged the problem and stressed the imperative of more training and of improved systems to inculcate and support implementation of the many reforms that have been promulgated.

In addition to knowledge and systems, however, PVOs and Agency staff alike indicated that the "personality" factor has considerable impact on the success of procurement reform. PVO and USAID interviewees suggested that the amount of control exercised in grant management is as much a factor of individual personalities as it is of interpretation of substantial involvement or the results orientation. One Mission interviewee stated, for example, "On paper, the procurement changes made are very good, like the Of-

fice of Procurement's Customer Service Plan, the PVO Policy Paper, the Principles for Assistance Instruments, etc. But all are entirely dependent upon the personnel working on them. Policies can be great, but if people implementing them are not competent or are too conservative, they don't work." In describing one Mission as the "worst example of preoccupation with control, to the extent of insisting on approval of a luncheon menu," a PVO respondent explained this was "a reflection of the individual" and added that cooperative agreements are now simpler across the board, "provided they're carried out as cooperative agreements."

The great majority of USAID interviewees said they understand the distinctions among grants, cooperative agreements, and contracts; and they are relatively well versed in the new guidelines regarding appropriate USAID "substantial involvement" under cooperative agreements. Some USAID and PVO staff were aware of management behavior inconsistent with substantial involvement, and cited examples of grants and cooperative agreements being managed in the same way as contracts. As referenced above, some USAID staff described the conflicts they perceive between the Agency's results orientation and their inability adequately to "manage" grants and cooperative agreements.[8]

USAID program staff also provided examples of procurement delays and what they considered to be inconsistent applications of the rules by USAID procurement officers. One Mission program officer observed that "USAID's administrative requirements are very bureaucratic, minimizing USAID's flexibility. Most administrative problems are a subset of USAID's contracting process, which is out of the Mission's control." USAID procurement officers, for their part, also acknowledged that a number of problems persist in making assistance awards to PVOs, which some staff said were due to rules imposed by the Office of Management and Budget. Several procurement officers underscored the need for more training. They explained, "it is very hard to keep up with the large volume of information about all the reengineering changes... Washington puts out lots of information... but with a heavy day-to-day workload, it is tough to keep up with everything."

Several procurement officers underscored the need for more training.

6. PVO Changes

Key findings: **Both USAID and PVOs believe that private voluntary organizations have grown stronger in the recent past, and both acknowledge USAID's contributions to these changes. Among the three areas queried in the study, there is consensus between PVOs and USAID that the former have improved in terms of operational and technical capabilities,**

[8] To address this problem, the Office of Procurement has indicated that it has accorded a high priority to developing models of performance-based assistance instruments.

but that improvements in financial independence have not been as pronounced.

Survey Responses

Ninety-two percent of PVO survey respondents replied that their organization had grown stronger over the past four years. When asked about improvements in specific areas, 51% cited more financial independence (e.g., more diverse funding sources and less reliance on USAID support); 78% noted increased operational capabilities; and 80% of all PVO respondents noted improved technical capacity. When asked about the PVOs with which they work, 82% of USAID Mission respondents said these organizations had grown stronger, but there was some divergence between Missions and PVOs on specifics, particularly in the area of financial independence. Only 27% of Missions responding to the survey saw improvements in PVO financial independence, 73% in operational capacities, and 68% in technical know-how.

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In-Depth Interviews

During the interviews, USAID and PVO staff affirmed PVO organizational improvements in the recent past. Some PVOs made a point of noting that they have undergone a **fundamental change in mission** from being direct service providers to facilitators of local NGO activities. One PVO respondent in the field summarized these changes, for example, "in our focus on technical assistance rather than service delivery, our ability in strategic planning, monitoring and evaluation, and our capability in adolescent services. This is a result of the strategy developed four years ago."

Many PVOs described their own strategic planning and reengineering processes, as well as investments in organizational development. A number of PVO headquarters respondents cited the importance of funding from the Office of Private and Voluntary Cooperation to increase their technical and operational capabilities, in addition to strategic planning and "developing programs for funding by other donors." Other respondents cited Mission support for PVO capacity building, particularly in the areas of staff training and monitoring and evaluation.

All USAID interviewees agreed that PVOs had become stronger over the past few years. One quote is illustrative: "They are becoming more professional, they have more effective policies, procedures, and personnel policies — and more competitive salaries. They are moving towards more strategic thinking and becoming learning organizations. They are using monitoring as an effective tool for results management (rather than as a chore). The whole field of organizational management and development has improved greatly this decade and has translated into more effective PVOs and NGOs. Participatory approaches have led to more effective development programming."

7. NGO Strengthening

Key Findings: **There was unanimity on the importance of strengthening local NGOs. While both USAID and PVOs share this view, however, institutional**

weaknesses on both sides constrain progress.

The USAID and PVO surveys did not explicitly address the issue of NGO strengthening. In the in-depth interviews, the issue generated extensive discussion. The most consistent response in all interviews with USAID and PVO staff both in the United States and abroad was the essential importance of strengthening local NGOs, which some characterized as a "strategic issue" in the USAID/PVO partnership. NGOs were seen as crucial to the sustainability of health and family planning, environment, and economic growth programs, and to ensuring a vibrant civil society.

Both USAID and PVOs respondents felt that their local NGO partners had grown stronger operationally and technically during the past four years, recognizing a high degree of variability and the low institutional base across regions and countries. Although hard evidence was not available, USAID and PVO interviewees also perceive that these organizations are vulnerable financially. This was particularly the case in comments about NGOs in newly transitioning societies with little history of an independent third sector and that still suffer from economic stagnation as these countries struggle to transform from state-run to market-led economies.

Respondents' views differed on the role of U.S. PVOs in strengthening local NGOs and suggested a continuum of practice and experience. Within the USAID and PVO communities, there was consensus that PVOs had an important role to play in this process, but some respondents pointed out that PVOs that have worked more traditionally in relief than in sustainable development are not as advanced in partnering with local NGOs.

Suggesting PVO comparative advantages in working with NGOs, USAID Mission staff characterized PVOs as having "access to resources NGOs don't have. They bring a myriad of experience which NGOs can take and adapt," and "PVOs have a long history of valuable experience. They know the structure and organization of USAID. They know best practices to date, financial accountability, management, etc." In addition to PVOs having relevant experience on how to organize, implement programs, and raise funds, some USAID staff noted the practical limitations of Agency staff reductions and bureaucratic requirements, which prevented Missions from reaching out and making assistance awards to large numbers of small and inexperienced local organizations.

Several USAID staff interviewed in geographic Bureaus in Washington spoke favorably of the extent to which PVOs are partnering with and strengthening local NGOs, saying that these practices have become more common, that "PVOs have overcome their initial hesitancy to support local NGOs," and that this have been "a mutual effort with USAID: push and pull." In the field, Mission staff cited USAID support for successful collaboration between PVOs and NGO coalitions

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"The Mission continues to look for mechanisms to strengthen NGOs, making them more viable and to sustain their development impact."

One Mission appended this description of its work with local NGOs to their survey response: "As the Mission stated in its Strategic Plan for 1997-2002, nongovernmental organizations play an integral role in the mission's program. There are currently over 200 NGO partners implementing activities in support of the Mission's strategic objectives. Furthermore, they have participated actively in the development of the Mission's new strategy.

The important role that NGOs play in the delivery of services is exemplified in the health sector. A USAID-financed network of 40 health NGOs provides basic health services, especially for maternal health and child survival, to almost half a million people living in extreme poverty. A recent study determined that, where this network is operating, the rate of infant deaths and the deaths of women due to pregnancy and child birth complications is significantly lower than the national average. The success of this network is a consequence of the NGOs' ability to focus efforts in small geographic areas, establish a local presence, and provide more efficient and higher quality level of services.

The Mission continues to look for mechanisms to strengthen NGOs, making them more viable and to sustain their development impact. One mechanism is the use of "umbrella" organizations to broaden NGO participation. These organizations tie smaller, organizationally weak and relatively new NGOs together, creating a more potent and sustainable organization. An example of this mechanism is a newly constituted organization of 18 environmental NGOs who will lobby for stronger environmental legislation....

Other mechanisms include increasing the amount of funding for NGOs from local currency funds managed by the [Government]. Another mechanism that the Mission is now experimenting with in the health sector, is to provide funding to NGOs based on agreed upon fee schedules for specific services...."

and support organizations, identified in Mission strategies as "pivot groups" and "intermediary organizations."

Other Mission interviewees commented, for example, that "PVOs should coordinate more closely with NGOs. They should have a twinning strategy." And some Mission staff questioned whether building local capacity represented a zero-sum game for PVOs, pointing out competition between the two communities. "They [PVOs] are key in transferring knowledge and upgrading the capacity of NGOs. However, PVOs may not want to work themselves out of a job." Others questioned whether U.S. PVOs were the best instrument to strengthen local NGOs, and described Mission programs directly supporting local NGOs, thereby "cutting out the expensive middlemen."

USAID reengineering also affects efforts to strengthen local NGOs. Commenting on the impact of increased consultation and teamwork on capacity building, a USAID interviewee in a regional Bureau stated that a local NGO, "after working on a Mission SO team, now sees the basis for approving or disapproving grants. They never understood it earlier." However, one Mission respondent pointed out that developing NGOs is generally a long-term process wherein measuring short-term results can be a challenge. Consequently, that Mission was led to curtail some aspects of its NGO strengthening program, in favor of activities with a shorter-term payoff. PVO comments on the long-term nature of NGO-strengthening are provided below.

In the in-depth interviews with 54 PVOs in the United States and in seven developing and transitioning countries, a majority of respondents described their work in strengthening local NGOs, with frequent references to USAID support for these capacity building activities. Pointing to different attitudes and practices within the U.S. private voluntary community, however, some PVOs said that they "had trouble finding appropriate NGOs to partner with and were not partnering at present."

Among those with an institutional focus on NGO strengthening, one PVO explained that now, its strongest local offices are "being turned into local NGOs, which facilitates the flow of other donor funds. These are umbrella NGOs, which in turn act as managers, rather than implementers, and identify and support the appropriate local organizations. This is a new strategy of the past one and one-half years, and is premised on an in-country USAID presence to help with identification and design. The plan is for [the PVO] to carry out its activities with the local organization, and to monitor and support the local organization. Other donors can then give money to these NGOs with confidence." Several PVOs referenced their "indigenization" strategies, with one stating that they "will not leave without a local affiliate to carry on. [We] urge USAID not to phase out programs that strengthen local NGOs."

When asked what further steps USAID and PVOs should take to strengthen local NGOs, one PVO interviewee summa-

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Accurate, consistent and transparent data on key features of the USAID/PVO partnership are needed, particularly regarding funding levels and trends.

rized others' responses: "Better training in human resource development, not only by providing funding, but through USAID staff technical assistance to help local NGOs. Continue the emphasis on monitoring and evaluation, because the feedback from project monitoring is so critical. In order to improve this, indicators should be jointly defined with PVOs that are going to collect and report the data. Provide communications tools for exchange of information and networking among NGOs." Another PVO suggested more experimentation with umbrella grants, and encouraged USAID to "simplify the umbrella mechanism to deal with the realities of small local NGOs."

While many PVO representatives characterized USAID as "very supportive" of their work with local NGO partners[9], some PVO interviewees urged USAID to "pay more attention to the strategic priority of NGOs." Out of concern that there is little cross-fertilization among regions, one PVO representative encouraged USAID to "foster organizational learning... do cross-country comparisons, and support systematic documentation of what does and doesn't work."

D. Other Challenges

Key Findings:

- **Accurate, consistent and transparent data on key features of the USAID/PVO partnership are needed, particularly regarding funding levels and trends.**
- **There is a perception among many PVOs that increasingly, only larger PVOs are successful in working with USAID.**
- **Greater attention and technical assistance is needed to ensure PVO and NGO program sustainability.**

1. Data Consistency

While it would be inappropriate to view the magnitude of USAID funding for PVOs as the defining measure of the status of the partnership, levels and trends of USAID support for PVOs are clearly relevant indicators of the evolution of the USAID/PVO relationship. At the same time, the capacity to generate reliable, current data is fully consistent with, and fundamental to, reengineering's emphasis on managing for results, with its concomitant requirement for appropriate indicators both to define desired results and to monitor performance in achieving them.

The need for such data on the USAID/PVO partnership is not new and has always presented a systemic challenge: it extends back to explicit Congressional leg-

[9] Among USAID operating units that have elevated the importance of PVO-NGO collaboration, the Office of Private and Voluntary Cooperation, which is primarily responsible for relations with PVOs, has included an intermediate objective of strengthening PVO-NGO partnerships in its strategic plan. Thus, RFA criteria in PVC's major grants programs now require PVOs to partner with NGOs, and the Office is working with the World Bank on an assessment of NGO capacity building needs and donor mechanisms for capacity building.

islation formerly mandating specific percentage floors and targets for USAID support of PVOs. At present, in addition to being integral to USAID's ability to manage for results, these data have become essential for tracking progress against USAID's intention to comply with the spirit of Vice President Gore's commitment of increasing the proportion of USAID support for PVOs and NGOs.

Since the days of the Congressional mandate concerning support of PVOs, USAID's Budget Office has taken the lead in generating the data used in discussions with the PVO community and with Congress, drawing on actual and projected data from the annual programming and budget review process. The most recent budget data presented to ACVFA and the PVO community dates to August 1996, despite requests for updated figures.

A second USAID data system, the Contract Information Management System (CIMS) also has collected data on PVO and NGO funding in recent years. Although it contains detailed information on an actual basis by organizational component, funding source, and type of funding instrument, USAID has not utilized the CIMS for purposes of reporting on PVO/NGO funding magnitudes. CIMS data are considerably more detailed than that made available to ACVFA by the Budget Office and have been utilized on pp. 24 and 34 of this Assessment. The CIMS is now being consolidated into USAID's New Management System.

These findings on availability and transparency of data underscore the importance of reaching agreement, without further delay, on a single systematic approach to the collection of data regarding USAID's collaboration with PVOs and NGOs. It is hoped that the New Management System, when fully operational, will offer the unified, timely, and reliable approach that has been lacking.

2. USAID Relations with Smaller PVOs

The PVO survey and interview responses pointed to a perception that, increasingly, only larger PVOs are successful in working with USAID and that the hurdles of gaining entry are high. One PVO survey respondent stated, for example, "USAID needs to reassess its relationship to the PVO community. It is our experience and observation that many PVOs operate exclusively off of USAID funds, have enormous overhead... and have effectively become lobbyists for the status quo." Another respondent said, "We would like to see greater opportunities for smaller organizations without the requirements ... that tend to limit applications to certain organizations that qualify as a result of long-term experience. This is rather prejudicial.... This places an undue burden on smaller organizations. There is a need to assist the small organizations attempting new work in areas not covered by the 'mega' organizations."

There is also a perception within the PVO community that USAID is moving towards larger procurements with a small

The PVO survey and interview responses pointed to a perception that, increasingly, only larger PVOs are successful in working with USAID.

group of PVOs, in reaction to a downsized staff and the need to reduce the number of contracts, cooperative agreements, and grants for which it is responsible. The Assessment did not monitor the size of individual awards. However, in order to ascertain whether some PVOs' perceptions were accurate with regard to awards going to a small group of recipients, the Assessment examined data in USAID's Contract Information Management System between FY 1992-1996.

The study team found that, while a high percentage of USAID funding to PVOs is concentrated in a relatively small number of organizations, the group of "top 20" PVO recipients changes from year to year, and the share of overall USAID funding received by the top 20 PVOs is shrinking over time. Data on the Total Estimated Cost amounts of USAID awards to all registered PVOs, and the proportions awarded to the top 20, top 10 and top five PVO recipients are listed in the table below. Within the five year period, 42 different PVOs ranked at least once in the top 20 recipients of USAID funding to PVOs. Only three of these PVOs ranked in the top 20 for all five years. Five PVOs remained among the top 20 recipients for four years; ten PVOs repeated for three years in this group; 11 for two years; and 13 PVOs were in the top 20 only once during the five year period.

It remains to be seen whether procurement reform and reengineering will continue to provide greater access to USAID

Share of USAID Funding to All PVOs by Top Recipients

	FY 92	FY93	FY94	FY95	FY96
TEC to all PVOs	$786,787,518	$778,868,957	$1,086,772,209	$767,619,925	$685,527,425
$ to top 20	$665,063,350	$645,967,558	$813,116,196	$626,651,509	$476,886,179
% to top 20	85%	83%	75%	82%	70%
$ to top 10	$519,850,886	$491,759,473	$637,680,398	$461,540,625	$350,707,169
% to top 10	66%	63%	59%	60%	51%
$ to top 5	$379,023,745	$347,081,514	$479,516,721	$307,556,731	$228,884,248
% to top 5	48%	45%	44%	40%	33%

and to Agency funds, and how PVOs themselves will contribute to this process. For example, during an in-depth interview, a USAID staffer noted the impact of increased consultation and teamwork on inter-PVO relations, pointing out that some of the Mission's traditional PVO partners were visibly uncomfortable with broader PVO/NGO participation and consultation with the Mission, fearing this would erode the former's "insider" status and access. On the other hand, five large, experienced PVOs collaborated with smaller PVOs in submitting applications for the Office of Private and Voluntary Cooperation's new FY 1997 "Mentoring Partnership Grants" in Child Survival, where PVC has also instituted new, two-year "Entry Grants."

3. Sustainability

Recognizing the Agency's budget constraints and the likelihood that USAID funding levels will not significantly increase, representatives of USAID, PVOs and NGOs spoke of the need for more attention to PVO and NGO financial sustainability and increased organizational capacity to diversify and generate funding sources. Some USAID, PVO and NGO staff advocated that planning for sustainability be built into all activities "from the design stage." A number of interview respondents also suggested that sustainability be included prominently in USAID's definition of capacity building and, therefore, in the technical assistance provided for strengthening PVOs and NGOs. In citing their specific needs in this regard, several local NGOs stated that they "need training in program design, cost recovery and proposal writing."

With regard to capacity building and partnering with indigenous organizations, one PVO pointed out the need for "ways in which USAID can build in financial incentives for NGOs to broaden their resources. At present, there is too much emphasis on start/stop activities. A component for transitional activities should be an integral part of projects. For example, in [this PVO's microenterprise project with a local NGO], USAID is providing a consultant to help develop alternative funding sources to help the organization move to sustainability, rather than simply focusing on project technical implementation." In another country, where capacity building of local NGOs has been a major component of the Mission's strategy for some 15 years, a local NGO interviewee stated, "We must remove the sense of mendicancy from development. It takes time to change this mindset and to build self-confidence. Years of charity are hard to overcome, and donors must demand that NGOs show their desire to be financially independent."

"We must remove the sense of mendicancy from development. Donors must demand that NGOs show their desire to be financially independent."

PART IV: AGENDA FOR THE FUTURE

USAID should develop and disseminate models and train USAID, PVO and NGO staff on the use of performance-based assistance instruments.

The primary finding of this Assessment is that the USAID/PVO partnership has grown stronger over the past four years. USAID and PVO staff, in their respective headquarters and in the field, were in consensus on this improved relationship. Through joint efforts to improve consultation and program collaboration, and notwithstanding unprecedented budget cuts and fundamental changes in the context for relief and development activities, the Agency and private voluntary community have built a strong foundation for continued improvements in the partnership.

In concluding their term of service, members of the Advisory Committee on Voluntary Foreign Aid, despite some concerns, are optimistic that USAID and PVOs will continue to strengthen the partnership. Committee members recommend that such efforts be informed by this Assessment. Drawing on the study findings, ACVFA encourages USAID to address the following issues as preeminent in advancing the USAID/PVO partnership in the near term, and suggests that its successor Advisory Committee provide fora for public discussion and recommendations on resolving these issues.

A. USAID should stay the course with reforms and efforts to strengthen its relationship with PVOs, should better communicate the nature and substance of these reforms, and should focus on consistent Agency-wide implementation.

Reform is a long-term process. Attempts to institutionalize fundamental change in the relationship between an embattled government agency stretched across the globe, and more than four hundred PVOs of significantly different sizes, interests, and capabilities, will take longer than four years. The unevenness of change within USAID and the lack of full awareness and impact of Agency reforms within the PVO community suggest that USAID should continue to communicate the reforms that have been instituted and focus on removing barriers to their effective implementation. In this regard, for example, USAID should provide guidance and training to Agency and PVO staff on how to engage in consultation (particularly on Strategic Objective teams) without affecting procurement integrity.

B. USAID should develop and disseminate models and train USAID, PVO and NGO staff on the use of performance-based assistance instruments.

USAID reengineering and procurement reform intersect dramatically in the need for more widespread design and use of performance-based grants and cooperative agreements. In response to the findings of both the CDIE management assessment and this study regarding inconsistent USAID application of funding instruments, USAID should improve procurement and reengineering training programs for both USAID and PVO staff. ACVFA can play a useful role in review-

ing the findings of this Assessment with the Office of Procurement and in encouraging greater USAID development of, and training in, performance-based assistance instruments.

C. USAID should focus more intentionally on the need for local NGO strengthening and on its implications for the USAID/PVO partnership. USAID and PVOs should capitalize on their past collaboration in building civil society across development sectors. ACVFA should continue to engage the Agency on the question of innovative approaches to strengthening civil society as a vital component of broad-based sustainable development.

The most consistent response from USAID and PVOs in this Assessment was the importance of strengthening local NGOs, and respondents spoke positively of collaborative efforts to strengthen civil society. Local NGO empowerment is one of the New Partnerships Initiative's three foci and the Office of Private and Voluntary Cooperation has made strengthening partnerships between PVOs and local NGOs an important part of its strategy. Nevertheless, there is no specific locus of attention to indigenous NGOs in USAID/Washington, nor a USAID Policy paper on NGOs. USAID should examine ways in which the tripartite relationship among USAID, PVOs and NGOs is evolving and could improve. Given the role PVOs play in strengthening local NGOs and civil society across sectors, and because of the importance of this issue to the USAID/PVO partnership, ACVFA should help serve as a catalyst for continued attention to innovative approaches to strengthening civil society, such as those developed under the New Partnerships Initiative.

D. USAID should document and disseminate USAID/PVO partnership "best practices," including examples of USAID/PVO collaboration to strengthen local NGOs. All three communities should participate in developing appropriate capacity building indicators.

The assessment elicited examples of USAID/PVO collaboration that embody the best aspects of a working partnership. As USAID and PVOs continue to work together in the context of scarce financial and staff resources, and as USAID reengineering continues to require new behaviors, wide dissemination of best practices will be increasingly important. USAID and ACVFA should ensure that partnership best practices are documented, communicated broadly, and replicated to the fullest extent possible. These best practices should also be incorporated in USAID and PVO reengineering training.

Consistent with the strategic importance of local NGOs, with the core values of reengineering and with the New Partnerships Initiative, USAID and its PVO and NGO partners should work together to develop appropriate indicators for mea-

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suring long-term capacity building of civil society institutions. USAID should aggressively promote broad Agency-wide dissemination of, and training on, successful methodologies for developing such indicators and should ensure that the results orientation does not preclude long-term institution building activities.

E. Consistent with reengineering, USAID and its PVO partners should establish key indicators for the state of the USAID/PVO partnership based upon data categories and other measures agreed to by USAID and PVOs.

The issue of utilizing USAID procurement and/or budget data as indicators of the USAID/PVO partnership should be resolved as soon as possible. Accurate, accessible data is fundamental to sound decisionmaking and is important to USAID's credibility with the PVO community, particularly in the context of Vice President Gore's "40% commitment" and USAID's support of this promise.

USAID, the PVO community and the next ACVFA should also monitor trends regarding the size of USAID procurements and a relatively small number of PVOs receiving a large share of PVO awards. In particular, the Agency and PVOs should explore ways in which smaller PVOs can partner more effectively with USAID. Diversifying the Agency's portfolio with the private voluntary community would also help increase the constituency for foreign assistance across a broader spectrum of Americans who support or are members of these PVOs.

Because of the Advisory Committee's mandate to advise the Agency on USAID/PVO partnership issues, Agency responsiveness to ACVFA recommendations provides another potential source of indicators on the state of the partnership. The quarterly status report on ACVFA recommendations (attached as Appendix I), part of which PVC has selected as an indicator of the USAID/PVO partnership in its strategic plan, should be examined for its usefulness in developing Agency indicators of the USAID/PVO partnership.

F. USAID should finalize policies and practices for Strategic Partnerships in non-presence countries.

USAID should finalize policies and practices for Strategic Partnerships in non-presence countries.

The PVO community, and some Agency staff interviewed in this study, believe that USAID has not been sufficiently forthcoming with information on country closings and USAID-PVO collaboration in non-presence countries. USAID is expected to continue reducing its overseas presence and it is clearly in the U.S. national interest that American PVOs representing people-to-people development programs remain engaged in countries where a more formal government-to-government development relationship ends. USAID should ensure that Strategic Partnership policies and practices allow for a smooth transition and for ongoing PVO involvement following country close-outs.

G. Education and outreach to the U.S. public on international development and foreign assistance should assume greater preeminence in the USAID/PVO partnership. USAID and PVOs should collaborate more purposefully in this area of mutual interest and responsibility.

It is in USAID's and PVOs' mutual interest to increase public understanding and support of foreign assistance. PVOs are directly linked to the U.S. public and require direct public commitment and support in order to maintain their "privateness" and to continue implementing programs; USAID's continued existence and ability to fund PVOs is also dependent on the public's commitment to international engagement. This complementarily of interests—and the low levels of public understanding and support for foreign assistance—suggests that development education and outreach should be a central issue in the USAID/PVO partnership. In elevating this critical partnership issue, USAID and PVOs should explore how the private voluntary community's comparative advantage in implementing "people-to-people" programs can be maximized in public outreach initiatives in order to put a human face on development; PVOs should examine the extent to which they have incorporated education and outreach in their organizational missions and strategic planning; and joint USAID/PVO approaches to PVO capacity building should include development education and outreach, particularly in sectors such as environment, women's empowerment, microenterprise, and child welfare that have strong domestic counterparts.

H. ACVFA should reach out more broadly to USAID staff and to PVOs and NGOs.

The Advisory Committee is an effective tool for stimulating dialogue between USAID and the PVO community, a tool that might be employed to address the Assessment findings that USAID/PVO consultation is uneven in Washington and within and among Missions. The next Advisory Committee should consider new ways of reaching out more broadly to USAID/Washington bureaus and Missions, in order to increase USAID sensitivity to the capabilities, interests, and concerns of PVOs. While Washington-based, ACVFA might engage selected Missions in dialogue, in an effort both to learn how the USAID/PVO consultative process works best overseas, and as a stimulus for Missions to pay greater attention to PVO consultation and collaboration. Visiting Mission staff should be invited to make presentations at quarterly ACVFA meetings to help ensure greater Agency-wide implementation of policies and practices affecting the USAID/PVO partnership. ACVFA also should make a concerted effort to reach out to indigenous NGOs and NGO coalitions, both by seeking NGO participation in future meetings and by including NGO/PVO partnership issues more prominently in its agenda.

It is in USAID's and PVOs' mutual interest to increase public understanding and support of foreign assistance.

I. USAID and PVOs should continue to ensure that partnership continues to be the goal of their relationship.

As this Assessment has documented, although the overall picture and trends are positive, there are external and internal pressures that work against "partnership," particularly pressures that unwittingly encourage USAID to give preference to contract mechanisms and relationships. The pressure for short-term results in a long-term business; for USAID-initiated activities, rather than joint or PVO-initiated activities; the substantial reductions in both financial resources and in USAID direct-hire staff all could—but need not—work against partnership relationships. USAID and PVOs, and ACVFA, should monitor this issue closely in the coming months and years.

APPENDIX A: ADVISORY COMMITTEE MEMBERS

Thomas H. Fox – Chair
World Resources Institute

Vivian Lowery Derryck – Vice-Chair
Academy for Educational Development

Robert Chase
World Learning

Susan Cox
Holt International Children's Services

Peggy Curlin
The Centre for Development and Population Activities (CEDPA)

Randall Curtis
The Nature Conservancy

John Donnelly
Catholic Relief Services

Antonio Gonzales
Southwest Voter Research Institute

Deborah A. Harding
Soros Foundations/ Open Society Institute

Joseph C. Kennedy
Africare

Robert Lawrence
The Johns Hopkins University

C.L. Mannings
Opportunities Industrialization Centers International

Charles MacCormack
Save The Children

Louis L. Mitchell
Pact

Maria Otero
ACCION International

William Reese
Partners of the Americas

Elise Fiber Smith
Winrock International

Julia Taft
InterAction

Ted Weihe
U.S. Overseas Cooperative Development Council

The following members resigned after completion of first term in January 1996.

Mayra Buvinic
International Center for Research on Women

William Novelli
CARE

Hernan Sanhueza
International Planned Parenthood Federation

Byron Swift
Environmental Law Institute

(Members serve as private citizens; affiliation is included for identification purposes only.)

APPENDIX B: TERMS OF REFERENCE

(November 6, 1996 Steering Committee Meeting)

STUDY ON THE STATE OF THE USAID/PVO PARTNERSHIP

Purpose: To provide an assessment of the current state of the USAID/PVO relationship, as a way of celebrating past achievement and progress, and of highlighting for those who will follow us (at USAID and on the ACVFA) areas where there remain unresolved issues or problems. An overriding assumption behind this assessment is that, hopefully, there will soon be renewed discussion and support for development assistance as an essential but now under-appreciated component of our overall foreign policy. The current USAID/PVO partnership, while stronger than ever, is an essential component of that discussion and evolution. The ACVFA—appointed by the Administrator to advise him—is the obvious vehicle to sponsor and undertake this assessment.

Process: Once this terms of reference is agreed by USAID and the proposed ACVFA members to serve on the project's steering committee (Tom Fox, Vivian Derryck, Bill Reese, and Lou Mitchell), ACVFA (the Secretariat, with advice from the ACVFA chair) will engage a consultant to work with the ACVFA Secretariat, advised by a joint USAID/ACVFA steering committee. He/she must be respected by both USAID and the PVO community, and with no special "axe to grind" on the issues. His/her and the Secretariat's charge will include:

1. Review key documents, like the current USAID policy paper on PVOs, the ACVFA final report from the previous Administration's committee, the CDIE study, the current ACVFA Status Report on ACVFA Recommendations, and other current relevant documents and data (like grants/contracts awarded, etc.). These documents, and others, will form an important and useful bibliography to the final paper.

2. Prepare an outline of key points/concerns, to assist in structuring the rest of the exercise and to use as an interview tool. (See below for some possible groupings.)

3. Interview a minimum of 15 to 20 USAID and 15 to 20 PVO officials, people who can represent perspectives from the field as well as from Washington. This will entail field visits to meet with USAID and PVO staff, as well as FSNs and local NGOs.

4. Draft a 25 to 35 page paper for ACVFA review at its March quarterly meeting.

5. Finalize as an ACVFA paper, with guidance and approval by the Steering Committee, by the end of March, 1997. Our current thinking is that the final paper would briefly describe the changed context within which the USAID/PVO relationship now operates, note the problems this study addressed, describe the lessons we have

learned within our partnership and conclude with a section on future challenges. It will be prudent mixture of broad principles and practices and specific, even technical examples.

Issues: We would expect the review to address at least the following and, as noted above, these topics could also form the basis for the initial outline to guide the original interviewing process:

- the philosophical complementarity of USAID and PVO programming priorities (cf. the April 1995 USAID Policy on PVOs, which examines the mutuality of interests, and the Leslie Fox article in the December 1995 JANIC proceedings).

- the exemplary level of effort expended by USAID on the dialogue and consultation process with PVOs (including but certainly not limited to the role of ACVFA—the USAID-ACVFA dialogue about gender roles in sustainable development provides a nice example). Other areas of consultation have included: the USAID/PVO Task Force, PVO participation on the working group that drafted the PVO Policy, Town Meetings involving PVOs and other Agency partners, USAID's biweekly Partnership Meetings, the Office of Private and Voluntary Cooperation's annual Request for Applications (RFA) Workshop and strategic planning meetings, and other public USAID fora on such topics as Strategic Partnerships in Non-Presence Countries.

- the programmatic and substantive collaboration between USAID and PVOs, and the fact that some program areas lend themselves to a more symbiotic relationship than others (e.g., the New Partnerships Initiative); discrete programming within the four elements of sustainable development; humanitarian assistance, disaster relief, and transitions; and women in sustainable development.

- collaboration on informing/engaging the American public about developing countries' needs and importance, including but not limited to the Development Education Program, Lessons Without Borders, and other possible joint USAID/PVO public outreach efforts necessary to ensure long-term sustainable development programs rather then emergency relief.

- PVOs and re-engineering and, specifically, opportunities, challenges or problems that re-engineering poses for the USAID/PVO partnership, e.g., culture change related to consultation, participation, partnership, accountability; theAgency's results orientation and related perceptions of a bias towards contracts, etc.

- procurement questions; reforms promulgated to date and experience with implementation; the need for more system in place e.g., clearer guidance, to ensure implementation.

- increased USAID and PVO emphasis on local capacity-building.

APPENDIX C: ANNOTATED BIBLIOGRAPHY

The documents contained in this annotated bibliography chart the recent progress of the USAID/PVO[1] partnership and, in some cases, codify specific changes in USAID policy toward PVOs. Documents are grouped into four sections: background documents, recent assessments of the partnership, USAID policy and program documents, and promoting USAID culture change. Within each section, documents are presented chronologically (from earlier to most recent) so that the reader may track changes in the relationship between USAID and the PVO community.

BACKGROUND

Advisory Committee on Voluntary Foreign Aid. (1993). "**International Development and Private Voluntarism: A Maturing Partnership.**" U.S. Agency for International Development, Washington, D.C.

> This report, published by the Advisory Committee on Voluntary Foreign Aid (ACVFA) which served the USAID Administrator from February 1991 through June 1993, "examines the activities of U.S. PVOs in the context of America's international development assistance program." The report is "the result of efforts from five meetings over an 18-month period." Its goal is to provide assistance to J. Brian Atwood, USAID's new Administrator, in the reformulation of the U.S. foreign assistance program.

The report contains four primary conclusions:

- There is growing convergence between the objectives of the U.S. foreign assistance program and the "capacities and values" of PVOs;
- PVOs should play an expanded role in the U.S. foreign assistance program;
- U.S. foreign assistance should emphasize the development of a strong independent sector in recipient countries;
- A healthy foreign assistance program depends on a strong partnership between PVOs and the U.S. foreign assistance agency.

[1] The term Private Voluntary Organization (PVO) refers to U.S.-based charitable organizations that operate programs overseas in developing and/or transitional societies. The term Non-governmental Organization (NGO) refers to non-profit groups in developing countries. Often NGOs work in partnership with PVOs.

To assume the recommended larger role in U.S. foreign assistance, PVOs must:

– Develop additional analytical competence;

– Form strategic relationships with a variety of institutions;

– Be willing to shift institutional focus as warranted by changing developing realities.

To forge strong partnerships with PVOs, the U.S. foreign assistance program should:

– Establish a legislative basis for PVOs' involvement in foreign assistance;

– Establish a program to support PVO/NGO activities that strengthen the independent sector in emerging democracies;

– Make institutional changes that are responsive to PVOs' changing role in delivering foreign assistance.

Fox, L. (1995). "**U.S. PVO/NGO Support Programs.**" A Report in Creating Together a New Partnership: NGO Support Schemes Contributing to People's Self-Reliance (Tokyo, Japan). Japanese NGO Center for International Cooperation (JANIC), Tokyo.

Commissioned by InterAction as the U. S. PVO community's contribution to JANIC's international forum on governmental-nongovernmental development cooperation, this paper describes the policy and regulatory environment in which U.S. PVOs operate, trends in the PVO community, the state of the USAID/PVO relationship, and the manner in which foreign assistance funds are channeled through PVOs.

USAID's policy recognizes PVOs and indigenous NGOs as natural development partners. To receive funds from USAID, PVOs and NGOs must be registered with the Agency. The registration process is time consuming for PVOs, but, for most, is not prohibitive. The complexity of the process is most keenly felt among indigenous NGOs who often cannot meet the requirements.

Historically, the USAID-PVO relationship has experienced tension because of differing views over official development assistance policy and the role of PVOs in the delivery of assistance. The USAID-PVO relationship has improved in recent years due to four factors:

– As foreign assistance and USAID were threatened by budget cuts and public opinion, the Agency and PVO community found common ground for action;

– Differences between USAID and PVOs have decreased as PVOs have become more professional and USAID has instituted reform;

– ACVFA has facilitated discussion between the PVO community and USAID and has made recommendations for change within USAID (many of which the Agency has heeded);
– Both USAID and PVO community leaders have emphasized partnership.

The PVO-NGO relationship is also undergoing change and dominates discussion among PVOs. It is now "accepted" that PVOs should function primarily to support indigenous NGOs, assisting in the development of a strong voluntary sector. Some PVOs, however, have had a difficulty making this adjustment. Local partnering relationships may be mandated by USAID, resulting in only superficial North-South partnerships. Other organizations that attempt indigenization strategies—"nationalizing" field offices—may hire foreign national staff, but retain organizational and financial control at headquarters.

PVOs find centrally-funded programs to be generally more responsive to their needs than Mission-funded programs, in part because most Mission staff appear not to distinguish between assistance instruments and contracts, treating all procurement instruments as contracts. Consequently, they attempt to exert inappropriate control over recipients of grants and cooperative agreements.

Agency for International Development. (1996). **Voluntary Foreign Aid Programs**. U.S. Agency for International Development, Washington, D.C.

This annual document, sometimes called the "Volag" report, is produced by the Office of Private and Voluntary Cooperation (PVC)/Bureau of Humanitarian Response (BHR). It lists the private and voluntary organizations and cooperative development organizations registered with USAID as of October 1, 1995. It provides contact information, a brief program description and documents financial information of each organization, including: amount of USAID support, amount of private support, expenses and "privateness percentage."

At the date of publication, 434 PVOs are registered with USAID, compared with 419 the previous year. In response to PVOs' concerns about the registration process, PVC reduced the number of documents required for registration by two-thirds.

RECENT ASSESSMENTS OF THE USAID/PVO PARTNERSHIP

Joint Task Force. (1993). "**The U.S. Agency for International Development and the Private Voluntary Community: Policies for a More Effective Partnership.**" U.S. Agency for International Development, Washington, D.C.

Comprised of USAID and PVO staff, the Joint Task Force met through the summer of 1993 to review USAID's relationship with the PVO community. The Report made recommendations to improve the USAID-PVO relationship in six areas described below: policy framework for the USAID/PVO partnership, building institutional capacity, working with indigenous organizations, cost-sharing, streamlining procurement and reducing administrative requirements, and new funding relationships.

The comparative advantage of the PVO community is its independence. There are, however, shared values and goals among USAID and PVOs that establish the basis for development cooperation. USAID must effectively use the knowledge and expertise of the PVO/NGO community. As such, the Joint Task Force recommends that:

- Guidelines for establishing a dialogue with PVOs/NGOs should be issued by the Administrator;
- Principles that incorporate PVO/NGO consultation into the USAID planning process should be established;
- The Advisory Committee on Voluntary Foreign Assistance (ACVFA) should play a more important advisory and substantive role.

Building institutional capacity is central to the achievement of sustainable development:

- Support for capacity building should be given to both PVOs and indigenous NGOs;
- Support for capacity building should be granted for the entire range of institutional activities (i.e., information systems, staff development, strategic planning, project monitoring and evaluation);
- High priority should be given to support PVOs that are moving from a service delivery to a facilitative role;
- Capacity building funding should recognize flexibility and long-term objectives.

As USAID seeks to work with indigenous organizations:

– USAID should increase funding to support the formation of alliances between PVOs and NGOs;

– USAID Missions should develop strategies to directly fund indigenous NGOs;

– USAID should give increased weight to "factors that will ensure sustainable impact," including working through local organizations;

– USAID should develop benchmark criteria to evaluate NGO capacity.

USAID cost sharing requirements should be modified in the following ways:

– Institute decentralized decision making about cost sharing requirements;

– Issue a new Policy Determination on cost-sharing;

– Identify factors upon which cost sharing decisions should be based.

The current system of registration, procurement, and reporting is burdensome, complex, and time consuming for PVOs, creating a climate of "antagonism and mistrust" between USAID and PVOs. Therefore:

– The registration, negotiation, project implementation, and audit process should be overhauled to simplify and eliminate redundancies;

– USAID should review externally-imposed requirements to seek opportunities for simplification.

There are many opportunities for USAID to create new funding mechanisms, support innovative funding strategies, and improve existing programs, thus leveraging development resources. Therefore:

– USAID should "recognize the validity of working with and through" a PVO in close-out countries;

– USAID should test the efficacy of utilizing a PVO as an intermediary in a close-out scenario;

– USAID should provide guidance to Missions regarding the use of umbrella awards, rolling project design, and the project buy-in mechanism;

– The responsibility for evaluating alternative funding mechanisms should be housed within a central unit in the Agency.

General Accounting Office. (1995). "**Foreign Assistance: Private Voluntary Organizations' Contributions and Limitations**" (Report to the Ranking Minority Member, Committee on International Relations, House of Representatives). U.S. General Accounting Office, Washington, D.C.

A GAO report requested by the former Chair of the House Foreign Affairs Committee, the study examined several issues related to the channeling of foreign assistance funds through PVOs.

Key findings:

- PVOs excel at carrying out community-based development projects;
- Most PVOs are inexperienced at or choose not to engage in policy reform debate;
- Of the projects studied, most are achieving their objectives. The factors necessary for successful project implementation include: good design and clear objectives, experience in the country and sector, qualified management and staff, and local participation;
- PVOs are becoming less reliant on federal funds, a result of an increase in the number of PVOs receiving federal funds and a "relatively smaller increase in federal funding for PVOs."

Jordan, P. L. (1996). **Strengthening the Public-Private Partnership: An Assessment of USAID's Management of PVO and NGO Activities** (USAID Program and Operations Assessment Report No. 13). U.S. Agency for International Development, Washington, D.C.

The Center for Development Information and Evaluation (CDIE) assessed USAID's management of its relationships with PVOs and indigenous NGOs. Interviews were conducted with USAID, PVO, and NGO staff in Washington and eight countries in which USAID funds projects. The study's primary findings indicated that:

- USAID staff (primarily contracts and project officers) are inconsistent in their choice and administration of funding instruments;
- In centrally funded projects, the respective roles of Washington and Mission staff are not clear;
- The registration process for NGOs is onerous, often precluding successful completion of the process;
- Pre-award reviews are helpful in determining organizations' capacity to manage USAID funds;

- Award negotiations are more successful when the process is well coordinated—if multiple USAID staff are involved, one staff member should be the designated point of contact for PVOs and NGOs;
- During project implementation, PVOs and NGOs prefer to deal with one USAID contact person;
- Small, new NGOs are often overwhelmed by USAID administrative requirements;
- Reporting requirements (financial and otherwise) often seem excessive;
- NGOs see audits as a positive management tool;
- PVOs and NGOs would like USAID to include funding for evaluations in grants and cooperative agreements;
- PVOs and NGOs would like to be regularly consulted in the development of Agency strategy;
- Umbrella awards can be useful tools to establish partnerships with NGOs and reduce the USAID management burden.

In response to these findings, the study made the following recommendations:

- Address the inconsistent administration of funding instruments by providing training and reinforcing collaborative relationships with development partners;
- Make necessary policy changes, including reviewing NGO registration process and reviewing financial requirements for indigenous NGOs;
- Senior managers should establish a PVO/NGO consultation strategy, provide "longer-term funding for capacity building," and identify a single contact person for PVOs/NGOs;
- Project officers can encourage collaboration between mature and nascent PVOs/NGOs, set up funding mechanisms for new organizations and support activities, fund capacity building activities, include evaluation funds in budgets, use umbrella awards more "strategically," and better educate PVOs/NGOs about USAID requirements.

Advisory Committee on Voluntary Foreign Aid. (May 29, 1997). "**ACVFA Recommendations – Status Report.**" U.S. Agency for International Development, Washington, D.C.

The status report, updated before each Advisory Committee on Voluntary Foreign Aid (ACVFA) quarterly meeting, documents the status of USAID's response to ACVFA's recommendations. The recommendations are grouped into the following categories: USAID/PVO partnership, women and sustainable development, civil society and NGOs, public outreach, multilateral donors and NGOs, USAID budget cuts and the New Partnerships Initiative.

USAID POLICY AND PROGRAM DOCUMENTS

Agency for International Development. (1995). "**USAID - U.S. PVO Partnership**" (Policy Guidance). U.S. Agency for International Development, Washington, D.C.

This represents the first re-write of USAID policy guidelines regarding PVOs since 1982. The guidelines were written after consultation with a joint USAID-PVO working group and were reviewed in draft by ACVFA. The relationship between USAID and its PVO partners is characterized by areas of agreement and independence. Recognizing both, the USAID - PVO partnership will incorporate the following principles:

- Consultation—USAID will draw upon the knowledge and experience of PVOs at the policy and operational level;
- Participation—USAID will seek PVO partners that have a commitment to and experience with implementing participatory strategies;
- Program Integration/Managing for Results—Funds channeled through PVOs will reflect USAID's relief and development priorities;
- Independence—A USAID/PVO partnership shall not compromise the independence of a PVO; in particular, a PVO should not have "undue dependence" on USAID as a funding source;
- Support for the PVO-NGO Relationship—USAID will support the formation of partnerships between PVOs and NGOs; Capacity Building—USAID will assist in strengthening the institutional capacity of PVOs and PVOs' ability to assist NGOs;
- Cost-Sharing—Cost-sharing will be applied in a "flexible and case-specific" manner, with a 25% PVO cost-share as the "suggested point of reference" for assistance instruments;

– Simplification—Requirements will be simplified, changes will be widely disseminated among USAID staff and the PVO community, modifications will be monitored.

Agency for International Development. (1995). "**Policy Principles for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance.**" U.S. Agency for International Development, Washington, D.C.

This policy statement was developed by ACVFA in collaboration with the Office of Procurement and the Office of Private and Voluntary Cooperation. It reflects the belief that USAID's partnerships with PVOs and NGOs should be governed by a unique set of administrative procedures. Policies should be standardized and user-friendly; the system through which assistance instruments are administered will be "efficient, transparent, and open."

The following policies related to assistance instruments are established:

– Trust between USAID and PVOs/NGOs should characterize the application of assistance instruments;
– The procurement process should "support rather than impede" program implementation;
– Procurement and grant management should reflect a concern with meeting project goals;
– USAID is to provide "reasonable oversight" of grants and agreements, not micromanage projects;
– Cooperative agreements should be used only when substantial involvement by USAID staff furthers project objectives;
– "Substantial involvement" is not a strategy for USAID micromanagement of projects;
– Guidelines are needed to govern the use of competition in awarding assistance instruments;
– Reporting requirements should be standardized and narrowed to the minimum level.

Agency for International Development. (1995). "**Core Report of the New Partnerships Initiative**" (Draft). U.S. Agency for International Development, Washington, D.C.

The goal of the New Partnerships Initiative (NPI) is to "stimulate lasting economic, social and political development by building local institutional capacity." The initiative was developed through extensive discussion among USAID staff and initial consultation with external groups. NPI focuses on three sets of local institutions that can enhance development efforts: NGOs, small businesses, and local governments. These institutions are strengthened through capacity building and an enabling environment.

The NPI reflects the values expressed in the 1995 Policy Guidance on the USAID-PVO partnership. It seeks to improve the partnership between the Agency and PVOs in a way that will enhance dialogue and leverage the impact of development efforts.

One pillar of the NPI, NGO empowerment, is most salient to the interests of the ACVFA USAID/PVO Partnership Study. Among the Report's conclusions regarding NGO empowerment:

- Sustainable development depends on a vibrant civil society, of which NGOs are central players;
- NGOs require a legal environment that allows freedom of association, expression, and press; an economic climate that allows them to thrive; and a tax and regulatory environment that may grant special protection and/or exemptions.

To achieve the goal of NGO empowerment, USAID field offices and USAID/Washington will need to engage in specific activities. The Missions will:

- Regularly assess the local environment in which NGOs operate and assist communities in working toward needed reforms;
- Look for opportunities to support local NGOs, including institutional capacity development;
- Involve NGOs in the strategic and program planning process;
- Undertake training of local NGO leaders.

USAID/Washington will:

- Become a center of research on and analysis of the role of NGOs in development;
- Develop working models of partnerships between governments and NGOs;
- Work toward a set of simple, inexpensive, time-efficient international standards for NGO registration;

– Support and/or create non-traditional NGOs in the United States interested in forming partnerships with Southern NGOs;
– Expand donor coordination of activities supporting NGO empowerment;
– Review central grants portfolio to determine funding mechanisms for PVO support of NGO capacity building.

PROMOTING USAID CULTURE CHANGE

Agency for International Development. (1993). "**Participatory Development**" (General Notice from the Administrator). U.S. Agency for International Development, Washington, D.C.

The statement by the Administrator establishes principles of participation that reflect an Agency commitment to development through participation. In the publication of the Notice, Administrator Atwood stated that it should be widely disseminated among USAID Missions, contractors, PVOs, NGOs, and other development partners. The principles include:

– Listening to "ordinary people" as USAID discerns priorities;
– Country strategies and global objectives will incorporate the actions of indigenous peoples and organizations;
– Expert or technical analysis will include local experts and indigenous knowledge;
– USAID projects will be "accountable to the end user";
– USAID-supported projects will enhance the ability of the poor to fully engage in the development process;
– During project planning, USAID will use gender analysis and participatory research strategies;
– The project approval and modification process will be streamlined;
– Project monitoring will emphasize results;
– USAID's alliances with development partners will be a "respectful partnership";
– USAID will take the steps necessary to fully practice these principles.

Agency for International Development. (n.d.). "**Phase II - USAID's Customer Service Plan: Quality Service Standards for Working with USAID's Customers and Partners.**" U.S. Agency for International Development, Washington, D.C.

This document "presents standards for serving our [USAID's] ultimate customers in the countries we work in overseas." The standards were developed in response to the National Performance Review (NPR) which recommend reforms in the way government does business.

USAID's ultimate customers are the participants in the Agency's sustainable development projects. USAID's development partners are the "individuals or organizations that work closely with the agency to provide our products and services to our ultimate customers." Partners may also be customers when they are the direct recipients of USAID products and services while serving ultimate customers.

The standards for customers and partners emphasize:

- Quality—USAID will communicate with customers and partners to improve the quality of its services;
- Timeliness—USAID will improve the turnaround time for service;
- Access to information—USAID will offer greater access and transparency.

USAID has also improved several procedures related to its work with PVOs:

- The number of registration documents required for new registrants has been reduced from 18 to 6;
- The number of documents required for annual renewal of registration has been cut in half, from 6 to 3;
- The form used to compute a PVO's "privateness percentage" has been simplified.

APPENDIX D: ASSESSMENT METHODOLOGY

This Assessment was conducted between November, 1996 and March 1997 by a study team composed of three independent consultants and three USAID direct hire staff. The team included representatives of, and support from, USAID's Office of Private and Voluntary Cooperation (PVC) where the Advisory Committee Secretariat is based within USAID's Bureau for Humanitarian Response. The study Terms of Reference (Appendix B) were approved by a joint ACVFA/USAID Steering Committee, which also reviewed the Assessment in draft.

The Assessment methodology involved:

1. **Literature and Procurement Data Review.** The study team benefited from an extensive printed record of policy papers, reports, evaluations, procurement data, and records of ACVFA meetings, recommendations and follow-up actions. An annotated bibliography is provided in Appendix C.

2. **Survey of all USAID-registered PVOs.** A two page survey was mailed to all 434 USAID-registered PVOs. The team received 130 responses, representing 30% of those targeted, including some longer narrative remarks. Appendix E presents the PVO survey and a summary of the responses.

3. **Survey of all USAID Missions.** A parallel survey was sent to all 75 USAID field offices; 47 Missions responded, representing 63% of all USAID Missions. Some Missions also provided accompanying narratives. Appendix F presents the USAID survey and a summary of the responses.

4. **In-depth interviews with U.S.-based PVO representatives.** These interviews occurred in PVO headquarters in the United States, with staff from a representative sample of PVOs of varying sizes and sectoral foci. The typical interview lasted about one and one-half hours. Appendix G presents the interview questionnaire, which was also used with PVOs and NGOs in the field.

5. **In-depth interviews with USAID/Washington staff.** A similar questionnaire was administered to 25 USAID representatives from all bureaus in Washington. Appendix H presents the interview questionnaire, which was also used with USAID staff in the field.

6. **Field visits.** The assessment team visited seven countries: the Philippines, Mozambique, Kenya, Peru, Mexico, Kazakstan and Kyrgystan. Nairobi afforded an opportunity to look at both a bilateral Mission and a regional support office. Almaty provided another chance to look at a regional office, in this case one with direct

program management responsibilities for five Central Asian Republics. Manila also has regional responsibilities, providing program and/or administrative support for Vietnam, Laos, Mongolia, Cambodia and Thailand.

The seven countries visited by members of the study team were selected for their geographic representation, their characteristics as large and small Missions with robust PVO and NGO programs, and for representation of USAID reengineering "country experimental laboratories" and NPI "leading edge missions." During the field visits, five members of the study team conducted interviews with 26 USAID direct hire staff, 1 USAID U.S. personal services contractor, 13 USAID foreign service nationals, 32 PVO representatives, and 17 local NGO leaders.

The box on methodology below presents the overall number of in-depth interviews conducted in the United States and abroad. The purpose of these interviews was to complement the less detailed surveys of PVOs and USAID staff and to obtain more qualitative information, including information from indigenous NGOs.

ACVFA presented the general findings of the draft study at its public, quarterly meeting in Washington on March 12, 1996, and organized breakout groups to encourage discussion. Following revision and a final vetting of the Assessment through the joint ACVFA/USAID Steering Committee and full Advisory Committee, the ACVFA Secretariat finalized the Assessment for publication and wide dissemination.

Methodology

- Review of literature and procurement data
- Survey of all 434 U.S. PVOs (30% response)
- Survey of all 75 Missions (63% response)
- In-depth interviews of:

	U.S.	Overseas	Total
PVOs	22	32	54
NGOs	0	17	17
USAID	25	40	65
Totals	**47**	**89**	**136**

APPENDIX E: SURVEY OF ALL USAID REGISTERED PVOS (130 RESPONDENTS)

Please check the appropriate boxes and circle the appropriate numbers.
Narrative observations are strongly encouraged on all questions!

1. To what extent is your organization aware of USAID's policy and operational changes in the following areas over the past four years? Check the appropriate boxes.

	Not at all	Somewhat	Very aware
a. Increased emphasis on USAID consultations with PVOs *Operational Guidance – April, 1995)*	22(17%)	60(46%)	49(37%)
b. More flexible USAID-PVO cost sharing policy (*Operational Guidance – April, 1995*	42(32%)	69(53%)	19(15%)
c. Guidance on "substantial involvement" in Cooperative Agreements (*Policy Principles for Award of Assistance Instruments to PVOs and NGOs – May, 1995)*	42(32%)	62(47%)	27(21%)
d. Simplified approvals for international travel by PVO staff	41(32%)	36(28%)	53(40%)
e. Streamlined registration requirements for USPVOs	24(18%)	50(38%)	56(44%)
f. Audit requirements	29(22%)	38(29%)	62(49%)
g. Access to information on USAID programs and procurement (e.g., Internet)	24(18%)	68(53%)	38(29%)
h. Procurement reforms	41(32%)	58(45%)	30(23%)
i. New/special fora for USAID/PVO consultations	53(41%)	55(42%)	22(17%)
j. New Partnerships Initiative	31(24%)	63(48%)	36(28%)

2. How has your organization been affected by USAID changes in the following areas?

Circle all that apply. ["1" indicating "least positively," "3" being "no impact," and "5" indicating "most positively"]

	1	2	3	4	5
A. Redefined program priorities	10(8%)	24(19%)	53(42%)	33(25%)	7(6%)
B. Geographic/regional priorities	24(19%)	26(21%)	48(38%)	24(19%)	4(3%)
C. Recent emphasis on consultation	11(9%)	4(3%)	73(58%)	32(26%)	5(4%)
D. Streamlined US PVO registration process	4(3%)	7(6%)	51(41%)	43(35%)	19(15%)
E. Administrative regulation reforms (e.g., travel approvals)	7(6%)	3(3%)	60(49%)	37(30%)	15(12%)
F. Reforms in procurement processes	7(6%)	6(5%)	78(63%)	28(23%)	4(3%)
G. More efficient implementation	8(7%)	6(5%)	75(62%)	26(21%)	6(5%)
H. *Other (please specify)_____	6(30%)	1(5%)	9(45%)	1(5%)	3(15%)

**"Other" categories, as specified in Question H; Improved Liaison,(1T, 5 of 5) Result Framework(2E, 4 of 5), GEM Initiative Training(2Q, 5 of 5), Family Support Levels (3J, 1 of 5), Early and realistic notification of RFPs (4H, 1 of 5), Mission funding main USAID support(4X, 5 of 5), Takeover of MPRI(5T, 2 of 5)*

3. Broadly speaking, has there been an increase in the past four years in the degree to which USAID and PVOs share a common development agenda?. Circle one.

No increase	1	2	3	4	5	*Great increase*
	9(8%)	14(12%)	38(32%)	50(43%)	6(5%)	

4. Has your own organization grown stronger over the past four years?

120(92%) **YES** 9(8%) **NO**

If yes, check all that apply.

67(51%) **Financial Independence** 102(78%) **Operational capabilities**

105(80%) **Technical know-how** 12(9%) **Other***

**"Other" categories cited in question 4; (1B) Increased membership, (1L) Globalization, (1O) Impact, (1T) Partnershipping, (1U) P.R and program diversity, (3U) Increased collaboration with other PVOs and Governments, (4A) Program Development, (4H) Expertise and Accomplishments, (4O) Clearer Mission, (4X) Recognition by AID and other donors, (5G) Scientific Knowledge, (5Z) Influence/Visibility.*

5. Overall, how would you characterize the state of the USAID-PVO relationship today, as compared with four years ago? Circle one.

(worsened)		*(no change)*		*(most positive change)*	*N/A*
2(2%)	6(5%)	17(13%)	75(58%)	14(11%)	16(12%)

6. What areas or issues do you consider of greatest priority for attention over the coming year? Check all that apply.

91(77%) **USAID programming priorities**
8(7%) **Administrative requirements**
58(48%) **USAID geography priorities**
48(39%) **Procurement rules and practices**
41(34%) **Consultative process**
53(43%) **Implementation practices**
8(7%) **Registration**
14(11%) **Other***
7(6%) **No response**

**"Other" categories cited in question 6;(1T) Value of Evaluations; mid-term and final, (2I) Interest and help, (2V) How PVOs can help USAID stay alive, (2X) Need to inform AID missions of Simplification Policies, (3A) Moral, vision, unity, (3L) Match requirements will negatively affect "the little guy" (3U) timely grant and contract payments, (3V) Help struggling PVOs, (4H) Early notification of RFPs, (4Y) Contracting process more efficient, (5K) USAID internal reform: reduction in bureaucracy, improved communication between AID/Field and AID/W, (5T) Helping smaller PVOs get w/ "big guys" in programs like child sponsorship through smaller grants w/ simpler applications, (5V) Funding, (6C) Strategic Direction in light of Funding Constraints.*

7. How long has your organization been registered with USAID?

17(13%) **2 years or less** 22(17%) **3-4 years** 92(70%) **5 or more years**

8. Has your organization ever received funding support from USAID?

23(18%) **NO** 108(82%) **YES**

If so, please check those forms of support you have received:

80(61%) **Grants** 68(52%) **Cooperative Agreements**
29(22%) **Contracts** 36(27%) **Subgrants**
27(21%) **Subcontracts**

9. Does your organization currently receive USAID funding?

45(35%) **NO** 85(65%) **YES**

10. How would you characterize the principle focus of your relationship with USAID?

73(56%) **Longer term development programs**

24(18%) **Humanitarian relief/ emergency activities**

13(10%) **Full spectrum of activities**

19 (15%) **Little relationship beyond annual PVO registration**

APPENDIX F: SURVEY OF ALL USAID MISSION DIRECTORS AND REPS

(47 RESPONDENTS)

Please check the appropriate boxes and circle the appropriate numbers.
Narrative observations are strongly encouraged on all questions!

1. To what extent is your organization aware of USAID's policy and operational changes in the following areas over the past four years? Check the appropriate boxes.

	Not at all	Somewhat	Very aware
a. Increased emphasis on USAID consultations with PVOs *Operational Guidance - April, 1995)*	2(5%)	9(21%)	33(74%)
b. More flexible USAID-PVO cost sharing policy (*Operational Guidance - April, 1995*	5(12%)	19(42%)	20(46%)
c. Guidance on "substantial involvement" in Cooperative Agreements (*Policy Principles for Award of Assistance Instruments to PVOs and NGOs - May, 1995)*	3(7%)	9(21%)	32(72%)
d. Simplified approvals for international travel by PVO staff	3(7%)	6(14%)	35(79%)
e. Streamlined registration requirements for USPVOs	4(9%)	17(39%)	23(52%)
f. Audit requirements	5(10%)	13(30%)	27(60%)
g. Access to information on USAID programs and procurement (e.g., Internet)	4(8%)	17(38%)	24(54%)
h. Procurement reforms	6(13%)	17(38%)	21(49%)
i. New/special fora for USAID/PVO consultations	11(24%)	22(49%)	12(27%)
j. New Partnerships Initiative	0(0%)	13(29%)	31(71%)

2. How has your organization been affected by USAID changes in the following areas?

Circle all that apply. ["1" indicating "least positively," "3" being "no impact," and "5" indicating "most positively"]

	1	2	3	4	5
A. Redefined program priorities	0(0%)	0(0%)	14(30%)	28(63%)	3(7%)
B. Geographic/regional priorities	1(2%)	3(7%)	25(57%)	12(27%)	3(7%)
C. Recent emphasis on consultation	0(0%)	0(0%)	15(35%)	15(35%)	13(30%)
D. Streamlined US PVO registration process	3(7%)	2(5%)	23(52%)	15(34%)	1(2%)
E. Administrative regulation reforms (e.g., travel approvals)	0(0%)	5(12%)	15(33%)	18(41%)	6(14%)
F. Reforms in procurement processes	2(5%)	1(2%)	19(45%)	17(40%)	3(8%)
G. More efficient implementation	0(0%)	1(3%)	15(37%)	14(36%)	9(24%)
H. *Other (please specify)_____	0(0%)	0(0%)	1(14%)	2(29%)	4(57%)

**"Other" categories, as specified in Question H; Improved Liaison,(1T, 5 of 5) Result Framework(2E, 4 of 5), GEM Initiative Training(2Q, 5 of 5), Family Support Levels (3J, 1 of 5), Early and realistic notification of RFPs (4H, 1 of 5), Mission funding main USAID support(4X, 5 of 5), Takeover of MPRI(5T, 2 of 5)*

3. Broadly speaking, has there been an increase in the past four years in the degree to which USAID and PVOs share a common development agenda? Circle one.

No increase	1	2	3	4	5	*Great increase*
	1(3%)	2(6%)	7(18%)	23(58%)	6(15%)	

4. Has your own organization grown stronger over the past four years?

36(86%) **YES** 5(14%) **NO**

If yes, check all that apply.

12(27%) **Financial Independence** 32(73%) **Operational capabilities**

30(68%) **Technical know-how** 4(9%) **Other***

**"Other" categories cited in question 4; (1B) Increased membership, (1L) Globalization, (1O) Impact, (1T) Partnershipping, (1U) P.R and program diversity, (3U) Increased collaboration with other PVOs and Governments, (4A) Program Development, (4H) Expertise and Accomplishments, (4O) Clearer Mission, (4X) Recognition by AID and other donors, (5G) Scientific Knowledge, (5Z) Influence/Visibility.*

5. Overall, how would you characterize the state of the USAID-PVO relationship today, as compared with four years ago? Circle one.

(worsened)		*(no change)*		*(most positive)*	*N/A*
0(0%)	0(0%)	6(13%)	34(74%)	3(7%)	2(6%)

6. What areas or issues do you consider of greatest priority for attention over the coming year? Check all that apply.

25(19%)	**USAID programming priorities**
9(7%)	**Administrative requirements**
8(6%)	**USAID geography priorities**
25(19%)	**Procurement rules and practices**
25(19%)	**Consultative process**
28(22%)	**Implementation practices**
3(2%)	**Registration**
6(5%)	**Other***
1(1%)	**No response**

**"Other" categories cited in question 6;(1C) Clarification of USAID's policies vis-a-vis PVOs (see statement), (1K) Marrying USAID and NGOs strategic planning, (1N) BHR does not follow Agency PVO policy and continues to micromange food aid problems, (2A) Budget Reduction.*

7. Comments? We would also appreciate a less structured assessment of your views on USAID-PVO Partnership. Specific examples and anecdotes of accomplishments and remaining challenges would be particularly helpful. Please use the reverse of this form or a separate paper.

8. How large is your PVO/NGO portfolio at this time? (as a percentage of overall program funding)

<10%	*10-25%*	*25-50%*	*>50%*
6(14%)	9(19%)	13(28%)	16(36%)

9. How would you characterize the size of your Mission at this time?

6(14%)	**AID Representative post**
15(34%)	**Small Mission < 10 USDH Staff**
16(36%)	**Medium Mission 10–20 USDH Staff**
7 (16%	**Large, full-sized Mission**

10. In which geographic region are you located?

Asia/Near East	Africa	Latin America	Europe/NIS
12(27%)	16(36%)	10(22%)	7(16%)

APPENDIX G: IN-DEPTH INTERVIEW GUIDE WITH PVO/NGO REPRESENTATIVES

Date:
Interviewer:
Interviewee: Title:
Location: Name of PVO or NGO:

General Statement: The Advisory Committee of Voluntary Foreign Aid is conducting an assessment of the current state of the USAID-PVO relationship, as a way of recording progress, and highlighting areas requiring further attention. This Assessment is timed as the current ACFVA completes its term, and as a planning resource for the next Committee. *We strongly encourage you to elaborate on your answers.*

Before we begin, could you please characterize your experiences working with USAID, PVOs and NGOS, both over the long-term, and more particularly over the past four years?

A. Management and Program Responsibility

1. Over the past four years, have you personally been engaged, or otherwise become familiar, with USAID-supported activities?

with USAID field Missions? Yes ☐ No ☐

with USAID/Washington? Yes ☐ No ☐

2. Which of the following activities best describe your working relationship with USAID over the past four years?

- ☐ global strategy formulation
- ☐ country-level strategy formulation
- ☐ design and development of particular PVO-USAID program
- ☐ negotiation of particular PVO-USAID program
- ☐ implementation of particular PVO-USAID program

3. Which program priorities best describe these efforts?

- ☐ improving health and family planning
- ☐ protecting the environment
- ☐ promoting economic growth (includes training and microenterprise)
- ☐ supporting democracy
- ☐ humanitarian relief efforts

4. On a percentage basis, which procurement instruments has USAID utilized with your PVO?

____% Grant + ____% Cooperative Agreement + ____% Contract = 100%

5. Which statement best describes the extent of USAID funding for your PVO?

☐ Very little ☐ Moderate source of funds ☐ Major source

B. Overall Assessment

1. On a scale of 1 to 5, have you found the USAID-PVO relationship strengthened over the past four years?

Weaker		**No change**		**Stronger**
1	2	3	4	5

Please elaborate on the major changes contributing to your assessment:

C. Program Priorities

1. To what extent do your PVO and USAID **presently** share a common development agenda?

☐ Very little ☐ Substantial common ground

☐ Some common ground ☐ Great common agenda

Please explain:

2. How has this common agenda changed **over the past four years**?

☐ No change

☐ Moderate gains in common agenda

☐ Major gains in common agenda

Please explain:

3. In the program areas where you work, do you have greater or less commonality of interests today, compared with four years ago?

	Not Applicable	**Less**	**Greater**
improving health and family planning	☐	☐	☐
protecting the environment	☐	☐	☐
promoting economic growth (includes training and microenterprise)	☐	☐	☐
supporting democracy	☐	☐	☐
humanitarian relief efforts	☐	☐	☐

Please explain:

4. Do your PVO and USAID share greater geographic/regional interests today as compared with four years ago?

☐ Yes ☐ No

5. Which common regional interests have been strengthened/weakened?

	Not Applicable	Weakened	Strengthened
Africa	☐	☐	☐
Eastern Europe/ Former Soviet Union	☐	☐	☐
Asia	☐	☐	☐
Middle East	☐	☐	☐
Latin America and Caribbean	☐	☐	☐

Please explain:

6. Does your PVO share more common views with USAID on development approaches (e.g., participatory development and gender analysis) today as compared with four years ago?

☐ Little common view ☐ moderate ☐ great commonality

Please explain:

D. Consultation and Dialogue.

1. Is USAID more receptive to your PVO's views on development?

☐ Less receptive ☐ No change

☐ Somewhat more receptive ☐ Very receptive

Please explain:

2. To what degree has USAID consulted with your PVO regarding USAID's strategic directions?

☐ Not at all ☐ Not much

☐ Moderate consultations ☐ Major consultative process

Please explain the circumstances:

3. Has USAID considered your views concerning program priorities and geographic interests?

Program:

☐ Not at all ☐ A little ☐ Moderate amount ☐ Listened attentively

Geography:

☐ Not at all ☐ A little ☐ Moderate amount ☐ Listened attentively

Please explain:

4. On a scale of 1 to 5, how much has USAID considered your concerns regarding the administration of PVO programs?

Not at all 1 2 3 4 5 Most attentive

Please explain:

5. When and in what fora have these discussions taken place?

6. What are the most effective fora for an exchange of views with USAID?

7. Please provide a concrete example of how USAID has been more open to your concerns as a PVO.

8. Please provide a concrete example of how USAID could be more open to such concerns.

E. Substantive Collaboration.

1. Please cite specific examples of discrete program collaboration between your organization and USAID in the following areas. Explain what worked well and what less so, and why.

A. The four elements of sustainable development (health and population, environment, economic growth and democracy/governance)

B. Humanitarian assistance

C. Disaster relief

D. Transitions from relief to development

E. Women in sustainable development

F. The New Partnerships Initiative

G. Local NGO strengthening

F. Public Outreach.

1. Does your PVO undertake activities to inform the American public abóut the importance of development, developing counties, and foreign aid?

☐ Yes ☐ No

Please elaborate on these activities:

2. Has your PVO joined with USAID in any of the following programs?

☐ Development Education Program (Biden-Pell)

☐ Lessons Without Borders

☐ Other

How effective have these programs been?

3. What other specific steps could you suggest to improve the understanding of the American public about these issues?

G. Reengineering and PVOs.

1. What does USAID reengineering mean to you?

2. How has USAID's reengineering effort affected your organization?

3. Has USAID's reengineering effort improved your PVO's ability to carry out development?

   ☐ Don t know ☐ Moderate improvements
   ☐ None ☐ Major improvements

   Please explain:

4. Have you found USAID a more reliable and efficient partner?

   ☐ No ☐ Moderately more reliable/efficient
   ☐ Much more reliable/efficient

   Please explain:

5. Are USAID budgeting and financial management processes and practices clearer and more efficient?

   ☐ No ☐ Moderately clearer/more efficient
   ☐ Much clearer/more efficient

   Please explain:

6. Are lines of authority and decision-making clearer and more decentralized?

   ☐ No ☐ Moderately ☐ Much clearer/decentralized

7. Do you have any other observations regarding USAID's reengineering efforts?

   ☐ Yes ☐ No

   Please explain what they are:

H. Procurement Reform.

1. Have you found it easier to register or maintain your registration with USAID?

   ☐ No ☐ Moderately easier ☐ Substantially improved

2. Are the distinctions between the three procurement tools (grants, cooperative agreements, and contracts) clear to you?

   ☐ No ☐ Somewhat clear ☐ Very clear

3. Do you find it simpler and faster to design and develop new PVO programs from:

Grants?	☐ No	☐ Somewhat	☐ Yes
Cooperative Agreements?	☐ No	☐ Somewhat	☐ Yes
Contracts?	☐ No	☐ Somewhat	☐ Yes

Please explain and provide concrete examples. Quantify any time savings if possible.

4. Do you find it simpler and faster to negotiate new PVO programs from:

Grants?	☐ No	☐ Somewhat	☐ Yes
Cooperative Agreements?	☐ No	☐ Somewhat	☐ Yes
Contracts?	☐ No	☐ Somewhat	☐ Yes

Please explain and provide concrete examples. Quantify any time savings if possible.

5. Do you find it simpler and faster to effectively implement new PVO programs from:

Grants?	☐ No	☐ Somewhat	☐ Yes
Cooperative Agreements?	☐ No	☐ Somewhat	☐ Yes
Contracts?	☐ No	☐ Somewhat	☐ Yes

Please explain and provide concrete examples. Quantify any time savings if possible.

6. Do you find USAID procurement policies and practices improved and consistently applied?

☐ No ☐ Moderately improved and consistent

☐ Very much improved and consistent

Please explain:

7. What remaining observations and suggestions do you have regarding USAID procurement policies and practices?

I. PVO Changes

1. In what ways has your PVO strengthened itself over the past four years?

2. How would you characterize your organization today, when compared with four years ago?

	No changes	Moderate	Major improvements
Financial independence	☐	☐	☐
Operational capabilities	☐	☐	☐
Technical capabilities	☐	☐	☐
Other: _____	☐	☐	☐

Please explain:

3. Has USAID affected any of these changes?

4. How do you plan to further strengthen your organization, and does USAID support these plans?

J. NGO Strengthening.

1. Does your PVO place a high priority on strengthening and partnering with local NGOs?

☐ No ☐ Some importance ☐ Extremely important

Please explain why and how:

2. Has USAID been supportive of strengthening local NGOs?

☐ No ☐ Some support ☐ Very supportive

Please explain:

3. How have NGOs that you work with strengthened their capabilities over the past four years?

	No changes	Moderate	Major improvements
Financial independence	☐	☐	☐
Operational capabilities	☐	☐	☐
Technical capabilities	☐	☐	☐
Other: _____	☐	☐	☐

Please explain:

4. What further steps would you recommend USAID and PVOs take to strengthen local NGOs?

K. Other

1. What other improvements have you found in the USAID-PVO relationship?

2. What are the most important actions that USAID needs to take over the next few years to improve its part of the Partnership?

3. What are the most important actions that PVOs need to take over the next few years to improve its part of the Partnership?

APPENDIX H: IN-DEPTH INTERVIEW GUIDE WITH USAID REPRESENTATIVES

Date:
Interviewer:
Interviewee: Title:
Location: Name of Office/Mission:

General Statement: The Advisory Committee of Voluntary Foreign Aid is conducting an assessment of the current state of the USAID-PVO relationship, as a way of recording progress, and highlighting areas requiring further attention. This Assessment is timed as the current ACFVA completes its term, and as a planning resource for the next Committee. *We strongly encourage you to elaborate on your answers.*

Before we begin, could you please characterize your experiences working with USAID, PVOs and NGOS, particularly over the past few years?

A. Management and Program Responsibility

1. Over the past four years, have you personally been engaged, or otherwise become familiar, with PVO and/or NGO-supported activities?

with USAID field Missions? Yes ☐ No ☐

with USAID/Washington? Yes ☐ No ☐

2. Which of the following activities best describe your working relationship with PVOs/NGOs over the past four years?

- ☐ global strategy formulation
- ☐ country-level strategy formulation
- ☐ design and development of particular PVO-USAID program
- ☐ negotiation of particular PVO-USAID program
- ☐ implementation of particular PVO-USAID program

3. Which program priorities best describe these efforts?

- ☐ improving health and family planning
- ☐ protecting the environment
- ☐ promoting economic growth (includes training and microenterprise)
- ☐ supporting democracy
- ☐ humanitarian relief efforts

4. On a percentage basis, which PVO/NGO procurement instruments were utilized by your USAID management unit?

____% Grant + ____% Cooperative Agreement + ____% Contract = 100%

B. Overall Assessment

1. On a scale of 1 to 5, have you found the USAID-PVO relationship strengthened over the past four years?

Weaker		**No change**		**Stronger**
1	2	3	4	5

Please elaborate on the major changes contributing to your assessment:

C. Program Priorities

1. To what extent do your PVO partners and USAID presently share a common development agenda?

- ☐ Very little
- ☐ Substantial common ground
- ☐ Some common ground
- ☐ Great common agenda

Please explain:

2. How has this common agenda changed over the past four years?

- ☐ No change
- ☐ Moderate gains in common agenda
- ☐ Major gains in common agenda

Please explain:

3. In the program areas where you work, do you have greater or less commonality of interests today, compared with four years ago?

	Not Applicable	**Less**	**Greater**
improving health and family planning	☐	☐	☐
protecting the environment	☐	☐	☐
promoting economic growth (includes training and microenterprise)	☐	☐	☐
supporting democracy	☐	☐	☐
humanitarian relief efforts	☐	☐	☐

Please explain:

4. Do PVOs and USAID share greater geographic/regional interests today as compared with four years ago?

☐ Yes ☐ No

5. Which common regional interests have been strengthened/weakened?

	Not Applicable	Weakened	Strengthened
Africa	☐	☐	☐
Eastern Europe/ Former Soviet Union	☐	☐	☐
Asia	☐	☐	☐
Middle East	☐	☐	☐
Latin America and Caribbean	☐	☐	☐

Please explain:

6. Do PVOs share more common views with USAID on development approaches (e.g. participatory development and gender analysis) today as compared with four years ago?

☐ Little common view ☐ moderate ☐ great commonality

Please explain:

D. Consultation and Dialogue.

1. Has there been a change in your PVO partners' willingness to express their views on development?

☐ Less willing ☐ No change

☐ Somewhat more willing ☐ Very willing

Please explain:

2. To what degree have you consulted with your PVO partners regarding your strategic directions?

☐ Not at all ☐ Not much

☐ Moderate consultations ☐ Major consultative process

Please explain twhether and how it has influenced your strategic directions:

3. Ha you considered your PVO partners' views concerning program priorities and geographic interests?

Program:

☐ Not at all ☐ A little ☐ Moderate amount ☐ Listened attentively

Geography:

☐ Not at all ☐ A little ☐ Moderate amount ☐ Listened attentively

Please explain how this has affected your programs:

4. On a scale of 1 to 5, how much have you considered your PVO partners' concerns regarding USAID's administrative processes and requirements PVO programs?

Not at all 1 2 3 4 5 **Most attentive**

Please explain

5. When and in what fora have these discussions taken place?

6. What are the most effective fora for an exchange of views with your PVO partners?

7. Please provide a concrete example of how you have been more responsive to PVO concerns.

8. What constraints exist which inhibit a greater degree of consultation with your PVO partners?

E. Substantive Collaboration.

1. Please cite specific examples of discrete program collaboration with your PVO partners in the following areas. Explain what worked well and what less so, and why.

A. The four elements of sustainable development (health and population, environment, economic growth and democracy/governance)

B. Humanitarian assistance

C. Disaster relief

D. Transitions from relief to development

E. Women in sustainable development

F. The New Partnerships Initiative

G. Local NGO strengthening

F. Public Outreach.

1. Do your PVO partners undertake activities to inform the American public about the importance of development, developing counties, and foreign aid?

☐ Yes ☐ No

Please elaborate on these activities:

2. Have your PVO partners joined with USAID in any of the following programs?

- ☐ Development Education Program (Biden-Pell)
- ☐ Lessons Without Borders
- ☐ Other

How effective have these programs been?

3. What other roles have, and should, PVOs play in better educating the American public?

G. Reengineering and PVOs.

1. What does USAID reengineering mean to you?

2. Has USAID reengineering helped the USAID-PVO Partnership?

Please explain:

3. Has USAID's reengineering effort improved your PVO partners' ability to carry out development?

- ☐ Don t know
- ☐ Moderate improvements
- ☐ None
- ☐ Major improvements

Please explain:

4. Are PVOs now more reliable and efficient development partners, as a result of reengineering?

- ☐ No
- ☐ Moderately more reliable/efficient
- ☐ Much more reliable/efficient

Please explain:

5. Are USAID budgeting and financial management processes and practices clearer and more efficient for your PVO partners?

- ☐ No
- ☐ Moderately clearer/more efficient
- ☐ Much clearer/more efficient

Please explain:

6. Are lines of authority and decision-making clearer and more decentralized as they relate to PVO programs?

- ☐ No
- ☐ Moderately
- ☐ Much clearer/decentralized

7. Do you have any other observations regarding how USAID's reengineering efforts affect your PVO partners?

- ☐ Yes
- ☐ No

If yes, please explain:

H. Procurement Reform.

1. Have you found it easier to register or maintain registration for PVOs, as a result of procurement reform?

☐ No ☐ Moderately easier ☐ Substantially improved

2. Are the distinctions between the three procurement tools (grants, cooperative agreements, and contracts) clear to you?

☐ No ☐ Somewhat clear ☐ Very clear

3. Do you find it simpler and faster to **design and develop** new PVO programs from:

Grants?	☐ No	☐ Somewhat	☐ Yes
Cooperative Agreements?	☐ No	☐ Somewhat	☐ Yes
Contracts?	☐ No	☐ Somewhat	☐ Yes

Please explain and provide concrete examples. Quantify any time savings if possible.

4. Do you find it simpler and faster to **negotiate** new PVO programs from:

Grants?	☐ No	☐ Somewhat	☐ Yes
Cooperative Agreements?	☐ No	☐ Somewhat	☐ Yes
Contracts?	☐ No	☐ Somewhat	☐ Yes

Please explain and provide concrete examples. Quantify any time savings if possible.

5. Do you find it simpler and faster to **effectively implement** new PVO programs from:

Grants?	☐ No	☐ Somewhat	☐ Yes
Cooperative Agreements?	☐ No	☐ Somewhat	☐ Yes
Contracts?	☐ No	☐ Somewhat	☐ Yes

Please explain and provide concrete examples. Quantify any time savings if possible.

6. Do you find USAID procurement policies and practices improved and consistently applied?

☐ No ☐ Moderately improved and consistent

☐ Very much improved and consistent

Please explain:

7. What remaining observations and suggestions do you have regarding USAID procurement policies and practices?

I. PVO Changes

1. In what ways have your PVO Partners strengthened themselves over the past four years?

2. How would you characterize these organizations today, when compared with four years ago?

	No changes	Moderate	Major improvements
Financial independence	☐	☐	☐
Operational capabilities	☐	☐	☐
Technical capabilities	☐	☐	☐
Other: _____	☐	☐	☐

Please explain:

3. Has USAID affected any of these changes?

4. What plans do your PVO partners have for further strengthening, and how does USAID intend to be supportive?

J. NGO Strengthening.

1. Do you place a high priority on strengthening and partnering with local NGOs?

☐ No ☐ Some importance ☐ Extremely important

Please explain why:

2. Have you provided direct support to strengthening local NGOs?

☐ No ☐ Some support ☐ A lot

Please explain what you have done to strengthen local NGOs:

3. Have your PVO partners given priority and support to local NGOs?

☐ No ☐ Some ☐ Very important and supportive

Please explain:

4. Do you think US PVOs have an important role to play in strengthening local NGOs?
Please explain:

5. How have NGOs that you work with strengthened their capabilities over the past four years?

	No changes	Moderate	Major improvements
Financial independence	☐	☐	☐
Operational capabilities	☐	☐	☐
Technical capabilities	☐	☐	☐
Other: _____	☐	☐	☐

Please explain:

6. What further steps would you recommend USAID and PVOs take to strengthen local NGOs?

K. Other

1. What other improvements have you found in the USAID-PVO relationship?

2. What are the most important actions that USAID needs to take over the next few years to improve its part of the Partnership?

3. What are the most important actions that PVOs need to take over the next few years to improve their part of the Partnership?

APPENDIX I: RECOMMENDATIONS STATUS REPORT

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

INTRODUCTION

The Advisory Committee on Voluntary Foreign Aid (ACVFA) is a federal advisory committee appointed by the USAID Administrator to provide guidance on the Agency's partnership with the private voluntary community. As required by the Federal Advisory Committee Act, the Committee holds public meetings to develop recommendations on advancing the partnership. From January 1994 through June 1997, ACVFA held a total of 14 public, quarterly meetings and dozens of Subcommittee meetings.

After each public meeting, the ACVFA Chair formally transmitted the Advisory Committee's recommendations to Administrator J. Brian Atwood by letter and in Quarterly Reports available through the Advisory Committee Secretariat. The ACVFA Secretariat, located in USAID's Office of Private and Voluntary Cooperation, developed this status report as a tool for tracking the impact of the Committee's work and for engaging Agency staff on pending issues.

Committee recommendations pertaining to USAID policy and operations affecting private voluntary organizations, and the dates of the quarterly meetings to which they correspond, are listed by topic area. Notations in the adjacent column indicate status on the recommendations, derived from the Administrator's response letters to ACVFA and from ongoing communication between the Committee and USAID. The recommendations of the final (fourteenth) quarterly meeting of the term on June 11, 1997 are not included in this report.

At the completion of its term, the Advisory Committee is impressed and gratified by the high degree of USAID responsiveness to its recommendations.

ACVFA RECOMMENDATIONS

I. USAID/PVO PARTNERSHIP ISSUES	STATUS
A. PVO Policy	
1. Review the draft guidance quickly within USAID and issue as policy guidance. [1/95]	**done**
2. USAID and ACVFA should undertake joint study and data collection regarding implementation of the cost-share policy. [12/96]	**Administrator agreed to study**
3. In the interim, Administrator should issue an Executive Message emphasizing flexibility and case-specific application. [12/96]	**done**
B. Principles for Assistance Instruments	
1. The Administrator should sign them and transmit them quickly to USAID staff with his strong endorsement. [1/95]	**done**
2. Assign a lead office to coordinate USAID's review of the principles and to ensure that Handbooks and regulations are changed, where appropriate, so that the principles may be fully implemented. [1/95]	**done**
3. Incorporate instruction on the principles in training for Office of Procurement (OP) personnel, Mission staff, and central bureau personnel with responsibility for assistance instruments. [1/95]	**done in part; OP staff have received training in grant management**
4. Assign an office (perhaps Ombudsman's office) with task of establishing benchmarks for successful implementation of the reforms, monitoring progress, and facilitating action. [1/95]	**done**
C. Procurement Reform and Travel Regulations	
1. The Administrator should sign off on a Policy determination establishing procurement principles. [10/94]	**done**

STATUS	
done	**2.** Commit to a procurement reform timetable. [10/94]
done	**3.** Establish internal communications mechanisms on procurement reform, which should be shared with external constituents. [10/94]
done in part	**4.** Establish mechanisms to track field implementation of procurement reforms. [10/94]
done	**5.** The Administrator should ensure that the new policy on approval of international travel under grants and cooperative agreements is reviewed quickly and, when finalized, is communicated clearly and implemented consistently. [6/95 and 10/95]
done	**6.** The draft guidelines on competition in the award of grants and cooperative agreements should be reviewed quickly in consultation with the PVO community, and steps taken to ensure implementation of the final guidelines. [6/95, 10/95, 6/96 and 9/96]
in progress in USAID/W and Missions; no formal, Agency-wide training package	**7.** Include PVO staff in training sessions on the new procurement systems and procedures [6/95]; and develop a training package for PVO staff and USAID Project and Technical Officers on new administrative procedures for grants and cooperative agreements, particularly as stated in 22 CFR 226. [10/95]

D. Vice President Gore's "40% Commitment"

done	**1.** Provide an open accounting of the 27.7% base figure for USAID funding to PVOs. [6/95]
not done	**2.** Articulate USAID's strategy for reaching the goal of programming 40% of Agency development assistance through nongovernmental groups in five years [6/95 and 6/96] and establish accountability mechanisms for increasing the percentage of development assistance through these organizations. [12/96]
no Bureau targets, but will be included in R4* and Bureau Based Budget Reviews; no award criteria	**3.** Set up a transparent process for establishing annual targets by Bureau for programming USAID resources through PVOs/NGOs and tracking the agreed percentage within USAID's current coding and accounting system [10/95 and 12/96] and perhaps institute Bureau "Innovation Awards." [12/96]

*Annual USAID operating units' Results Review and Resource Request process

	STATUS
E. New Partnerships Initiative (NPI)	
1. Utilizing NPI as a central organizing principle, all USAID programs should be scrutinized to eliminate programming and administrative redundancy. The Administrator should issue strong guidance to all operating units on the imperative to build greater program efficiencies, economies, and synergies. [12/95]	**done in part; NPI not fully mainstreamed**
2. In the event that a regionalization of USAID's field presence is inevitable, planning for such a transition should actively involve the Agency's partners. [12/95]	**N.A./no regionalization**
3. Involving partners and stakeholders, an examination of potential economies in the field should be accompanied by a similarly rigorous review of USAID/Washington. [12/95]	**not done**
4. USAID should give far greater prominence to NPI and embrace the basic framework developed for NPI as a major organizing principle and basis for resource allocations. [12/95]	**done in part; ongoing**
5. USAID should mainstream the programming of NPI into the Agency's policy and operational structures. Senior representatives from the geographic Bureaus should serve on an NPI steering committee as a precursor to actively engaging Missions in implementing NPI. [12/95]	**done in part; ongoing**
6. Accelerate the process of selecting leading edge missions (LEMs) for NPI. [12/95]	**done**
7. Criteria for selection of LEMs should be linked closely with protocols designed to speed Agency-wide replication of NPI activities. These protocols should stress implementation and integration of NPI across sectors, and should provide program guidance on broadening NPI beyond its current emphasis on economic growth and democracy and governance. [12/95]	**done**
8. Exploit NPI's political appeal in USAID's Congressional strategy. [6/95 and 12/95]	**done in part**
9. NPI's relationship with USAID reengineering should be clarified and maximized. [6/95]	**in progress**
10. Clarify how USAID intends to finance and promote NPI in specific program circumstances, including in this period of shrinking resources. [6/95]	**done; no NPI program fund**

STATUS

done; ongoing

11. Continue to engage the PVO community during NPI's implementation phase. [10/95]

not done

12. Explore opportunities to reallocate resources to NPI, perhaps through savings achieved by reducing large projects and government-to-government transfers. [10/95 and 12/96]

in progress

13. Leverage hard financial resources for NPI from other donors. [10/95, 12/95, and 12/96]

F. Franchising/Strategic Partnerships

in progress

1. The Administrator should personally ensure that the concept of franchising is fully defined, and then pursued as far as possible within USAID's legislative and regulatory context. [6/95]

USAID Working Group appointed; changed term; no specific focus on PVOs/NGOs

2. The Administrator should designate an office to take the lead on further development of the concept of "franchising" (preferably changing the term), in the context of regionalization of USAID programs and the appropriate role for PVOs/NGOs. [10/95]

USAID Working Group appointed; consulted with external partners

3. The Administrator should convene a high level, multi-bureau task force of USAID and PVO staff to proceed quickly with elaboration of the concept of franchising. [12/95 and 3/96]

USAID Working Group does not include partners, but does include Bureau reps.; process now focusing on internal consultation

4. Task Force should be comprised of representatives from all Bureaus, ACVFA, and other partner groups; should begin with a visioning process not limited to specific mechanisms; and should benefit from regional Bureau and PVO case studies of successful relationships in the field. [3/96 and 6/96]

done

5. Drop the term "franchising" because it limits applicability of certain models and potential involvement of some groups. [10/95 and 6/96]

done

6. The USAID Task Force should initiate its external consultations by clarifying what USAID wants to achieve in limited or non-presence countries. [6/96]

not done

7. Examine modalities (not limited to the single, "franchising" emphasis on the representational function) on a country-by-country basis. [6/96]

	STATUS
8. PVOs should not be considered "substitutes" for USAID, given their own distinct history, resources and comparative advantages. [6/96]	**done in part; no analysis to date on partners' comparative advantages**
9. USAID should consult with partners, both in the field and in Washington, on programming in close-out countries. [6/96 and 9/96]	**guidance on close-out consultation not yet issued; response letters say Missions to consult with partners**
G. Re-engineering and PVOs	
1. PVOs should receive training, ideally with USAID staff, on the new policies and procedures arising from re-engineering. [6/95]	**in progress**
2. Issue and disseminate a short briefing paper highlighting the critical junctures for PVOs in the re-engineering process. [6/95]	**not done**
H. Center for Development Information and Evaluation (CDIE) Study on USAID Management of PVO and NGO Programs	
1. CDIE should share the draft study with ACVFA and other stakeholders. [6/94]	**done**
2. ACVFA should discuss CDIE study at October 1995 meeting and make comments and recommendations. [6/94]	**done**
3. CDIE should consider parallel studies on contractors and universities. [6/94]	**done**
4. The Administrator should assign a senior policy group to: follow up on the study's recommendations, review which are to be accepted or rejected, establish action offices and timetables for those accepted, communicate its decisions to the PVO/NGO community, and ensure the recommendations are implemented. [10/94]	**not done**
5. Disseminate the study widely within USAID and send a copy of the executive summary and recommendations to each Mission. [10/94]	**done**
6. CDIE should disaggregate its study data according to gender. [6/94]	**not done**

STATUS

I. USAID/PVO Task Force

done — **1.** Proceed on 1993 USAID/PVO Task Force recommendations without more ACVFA input. [6/94]

done — **2.** Include Task Force recommendations on Action Agenda. [6/94]

done in part — **3.** ACVFA should receive periodic Action Agenda updates. [6/94]

done — **4.** Approve Task Force cost-sharing recommendation. [6/94]

not done — **5.** Develop consultation mechanisms re: close-outs. [6/94 and 6/96]

J. A Study on the State of the USAID/PVO Partnership

done — **1.** Join with ACVFA to commission a study on the State of the USAID/PVO Partnership. [6/96]

done — **2.** Set clear, appropriate terms of reference for this new study, perhaps using the CDIE study, "Strengthening the Public-Private Partnership: An Assessment of USAID's Management of PVO and NGO Activities," and the 1993 ACVFA Report on "International Development and Private Voluntarism: A Maturing Partnership" as points of departure. [6/96]

II. WOMEN AND SUSTAINABLE DEVELOPMENT

A. USAID Structure, Resources, Policies and Incentives; Gender Plan of Action (GPA)

done in part; Framework to be revised after Strategic Plan final — **1.** Examine the extent to which the Agency's Strategic Framework fails to reflect the centrality of women's empowerment to sustainable development, and thus provides inadequate models and guidance to operating units on adopting their own strategic objectives on women's empowerment. [10/95, 6/96 and 9/96]

practices addressed during development of GPA; guidance not issued; GPA addressing tech. capacity through WID fellows program — **2.** Review successful practices in the Regional Bureaus, e.g., having full-time gender advisors in ANE and LAC; issue guidance to replicate these; and develop or contract technical staff capacity on women in development in each bureau. [10/95]

	STATUS
3. Review the extent to which USAID is collecting data disaggregated by gender, at both the budgetary and operating unit level [10/95]	**done**
4. Review use of incentives and rewards as means of helping to mainstream attention to women's empowerment. [10/95]	**done**
5. Women in development should be a high priority of the Administrator as a cross-cutting issue, requiring constant leadership, particularly in the Global Bureau, to assure that women's empowerment underlies all Agency programs. [6/94]	**addressed by GPA and ongoing**
6. USAID should disseminate the Gender Plan of Action within and outside USAID, describing the consultative process that led to its formulation. [3/96]	**done**
7. USAID should use the Plan to reach out to U.S. women's groups that are predisposed to learn more about and actively support development. [3/96]	**requires additional focus**
8. Further define WID program award fund and augment it with funds from other Bureaus. [3/96]	**not done**
9. The Counselor should review feasibility of individual awards to improve performance on gender. USAID should earmark Senior Executive Service and Senior Foreign Service bonuses for outstanding work on gender, and all USAID award criteria should reflect the Agency's commitment to empowering women. [3/96]	**reviewed in devel. of GPA but decided awards not feasible**
10. USAID should make special efforts to increase male participation in implementing the Plan. [3/96]	**ongoing**
11. USAID should ensure that the importance of women in development as a sustainable development issue, rather than as an equity issue alone, is fully recognized at all staff levels, utilizing a combination of USAID's personnel evaluation system and its procurement system. [3/96]	**ongoing**
12. Sufficient human and financial resources should be made available for full implementation of the Gender Plan of Action, as well as for accountability on its discrete elements. [6/96]	**not done**
13. USAID should continue to engage the Subcommittee and other external groups during implementation of the Plan. [9/96]	**done; ongoing**

STATUS

not done; no draft Policy

14. The draft USAID policy paper on Women and Development should be widely vetted with ACVFA and external partners. [9/96]

criteria being developed

15. ACVFA looks forward to seeing the Agency's new procurement criteria for assessing organizations' gender expertise. [9/96]

B. New Partnerships Initiative

done

1. Documents used in promoting NPI and criteria used in selecting NPI leading edge missions should emphasize the empowerment of women. [10/95]

C. Missions and Post-Beijing Follow-up

not done

1. Missions should review the outcomes of the appropriate regional PrepComs for the UN Fourth World Conference on Women, in order to ascertain the concerns of host governments and NGOs; and should host post-Beijing consultations with partners. [10/95]

III. CIVIL SOCIETY AND NGOS

Done in part and ongoing

1. Senior attention needs to be paid to the issue of program integration across the Centers' and all of USAID's activities; ACVFA encourages creation of new mechanisms to encourage greater program integration via the grassroots participation of PVOs and NGOs. [10/94 and 6/96]

Done in part and ongoing

2. Recognizing that civil society cuts across all sectors, USAID's operational definition of civil society should be broadened, in theory and practice, beyond the current emphasis on its contribution to national democracy and governance. [12/95 and 6/96]

Done in part and ongoing

3. USAID policy and programs should acknowledge that democracy begins with grassroots empowerment, regardless of the sector. USAID and PVO efforts to strengthen civil society should reflect the fact that civil society is both a means to achieving broader reform of democratic institutions and an end in itself. [12/95 and 6/96]

	STATUS
4. Democracy Center and PPC staff should meet with ACVFA to discuss a) the Democracy Center's operational definition of "civil society" and its impact on DG programs, b) the draft guidelines on civil society and c) the role of the New Partnerships Initiative in helping to achieve cross-sectoral integration across the sustainable development sectors of environment, human capacity building, and population, health and nutrition. [6/96]	**done**

IV. GENERAL AND MISCELLANEOUS

A. Public Outreach

1. Work with other internationally focused agencies in the Executive branch. [1/95]	**done**
2. Press for and publicize Administration support for foreign assistance. [1/95]	**done**
3. Emphasize traditional bi-partisan support for foreign assistance. [1/95]	**done**
4. Continue support for development education. [1/95]	**done**
5. Sustain Lessons Without Borders linkages, and "franchise" Lessons Without Borders to local organizations with ongoing programs and community presence. [1/95]	**in progress**
6. USAID should provide better access to the outreach resources it has available, to assist PVOs in being more proactive in their outreach and education efforts. [3/96]	**done; PVC and LPA resource lists mailed to all PVOs**
7. USAID should encourage the Administration to increase its funding request for the Biden-Pell grants program. [3/96]	**not done**
8. USAID and the Department of Commerce should examine opportunities for collaborative outreach to the U.S. business community. [3/96]	**unclear**
9. USAID and PVOs should encourage their colleagues from developing countries (e.g., Washington embassy staff) to communicate to the media and other key sectors of the U.S. public on the mutual benefits of foreign assistance. [3/96]	**not done**

STATUS

asked, but GC ruled it cannot advise PVOs

10. USAID should ask the General Counsel to review the impact of the new Lobbying Disclosure Law on grassroots activity, and should advise PVOs on permissible outreach activities as well as communication with Congress by PVO staff and supporters or members. [3/96]

B. Appointment of the Next Advisory Committee

response letter agrees

1. There should be no hiatus between the current and successor ACVFAs. The next Committee should be in place for a public, quarterly meeting in early autumn 1997. [3/97]

response letter agrees

2. To ensure continuity, the Administrator should follow precedent of reappointing some current members, if only for the near term. [3/97]

response letter agrees

3. ACVFA membership would benefit from greater diversity, i.e., from individuals affiliated with smaller PVOs and PVOs located well "outside the beltway," from individuals affiliated with universities and private foundations, and from members drawn from the business sector. [3/97]

C. USAID Draft Strategic Plan

revised Plan due in July '97

1. The USAID mission statement should parallel the authorizing legislation and focus more explicitly on poverty alleviation and people-centered development. [3/97]

revised Plan due in July '97

2. The USAID mission statement should include reference to USAID's comparative advantages and relationships in the field. [3/97]

revised Plan due in July '97

3. Cross-cutting goals emphasizing the importance of women's empowerment and of civil society would strengthen the Plan and provide needed coherence and integration among activities. [3/97]

revised Plan due in July '97

4. The revised Plan should include more emphasis on mainstreaming NPI. [3/97]

revised Plan due in July '97

5. The Plan's footnoted definition of "NGO" should not include for-profit entities; where necessary, the Plan should use the term "Agency partners," which includes for-profits. [3/97]

STATUS

D. Multilateral Donors and NGOs

1. Encourage the formation of donor consortia, particularly for capacity building efforts and endowments, in order to help provide PVOs with more diverse funding sources. Utilize such consortia to encourage other donors, particularly multilateral donors that receive U.S. foreign assistance monies, to support and facilitate PVO/NGO development activities. [4/95]

   PVC working with World Bank to explore NGO capacity building needs

2. Actively engage partners in the multilateral and bilateral donor community to replicate the NGO empowerment features of NPI, and draw upon lessons learned in this regard by other bilateral, multilateral, and foundation donors. [6/95]

   in progress

E. Global Bureau Issues

1. The Global Bureau should designate a liaison to ACVFA's Partnership Subcommittee, and pending issues should be discussed as necessary at a subsequent Committee meeting. [10/95]

   liaison designated

2. ACVFA wishes to be kept informed of the Global Bureau's strategic planning process, especially as it affects PVOs, and recommends that the Bureau consult with ACVFA. [10/94]

   done in part

COMMITTEE BACKGROUND

The Advisory Committee on Voluntary Foreign Aid has long served as a link between the U.S. Government and U.S. private voluntary organizations active in relief, rehabilitation and development overseas. First operational as the President's Commission on War Relief Agencies in 1941 and renewed the following year as the War Relief Board, the Advisory Committee was established by Presidential Directive on May 14, 1946.

Advisory Committee members are private American citizens with a wealth of experience and deep personal interest in international development. They are appointed by and provide advice to the Administrator of the U.S. Agency for International Development (USAID), whom they serve without compensation. Committee members bring with them differing perspectives and expertise that serve to broaden the context within which they raise questions and provide recommendations to the Administrator.

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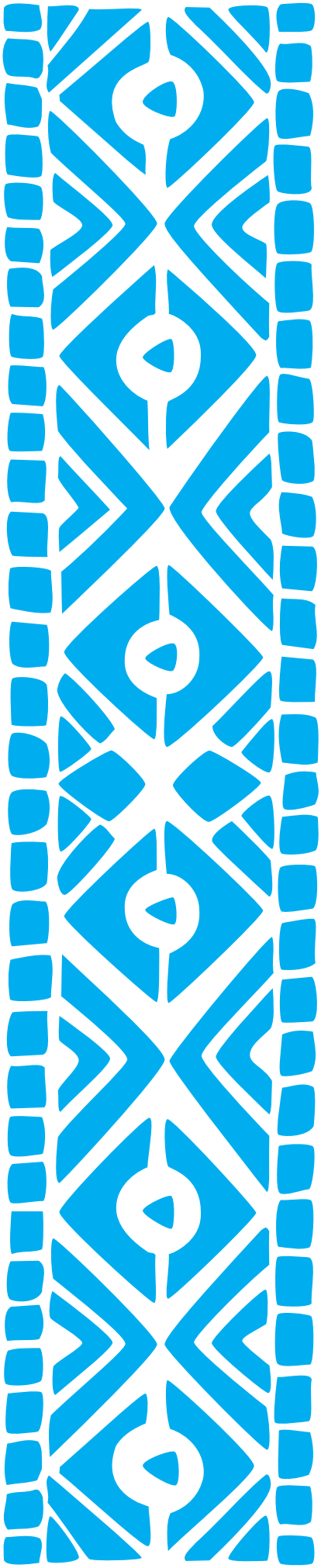

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID