Office of Private and Voluntary Cooperation

The Challenge

USAID and its U.S. private voluntary organization (PVO) and cooperative partners have long provided a wide array of effective humanitarian and development services in a number of sectors through local non-governmental organizations (NGOs) in developing countries worldwide. However, without adequate and systematic attention to the organizational health of these local NGOs the humanitarian and development services they deliver may not be sustainable when donor assistance ends. While there continues to be a significant effort to strengthen NGO technical capacities to deliver services in a number of USAID programs, there needs to be a more consistent effort to identify and articulate how NGOs as organizations can be strengthened efficiently and effectively as a part of enhancing service delivery standards. The PVC Office tests, demonstrates, documents, and disseminates the essential components of organizational development in different country contexts.

Objectives, Sectors and Workforce

Office Director: Judith Gilmore

Program Budget (Appropriations by Objective)	FY 2004 ($000)	FY 2005 ($000)	FY 2006 ($000)	FY 2007 ($000)	Percent Change FY 04-07	2005 SO Performance Score		Direct SO Admin. Cost Ratio
963-002 Local NGO Capacity Enhanced	22,965	21,688	16,495	13,197	-42.5%	2.00	Exceeded	0.07
963-003 Increased Mobilization of Resources	0	500	495	500	N/A	1.20	Exceeded	0.00
Country Total	**22,965**	**22,188**	**16,990**	**13,697**	**-40.4%**			

Program Budget (Appropriations by Account)	FY 2004 ($000)	FY 2005 ($000)	FY 2006 ($000)	FY 2007 ($000)	Percent Change FY 04-07
Development Assistance	22,965	22,188	16,990	13,697	-40.4%
Total	**22,965**	**22,188**	**16,990**	**13,697**	**-40.4%**

Program Budget by Sector and Account		FY 2004 ($000)	FY 2005 ($000)	FY 2006 ($000)	FY 2007 ($000)	Percent Change FY 04-07
Agriculture and Environment	DA	3,698	6,787	5,902	5,000	35.2%
Economic Growth	DA	18,287	13,601	10,197	8,697	-52.4%
Democracy and Governance	DA	980	1,800	891	0	N/A
Total		**22,965**	**22,188**	**16,990**	**13,697**	**-40.4%**

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	14	14	14	14	0.0%
US Non Direct Hires	4	0	0	0	N/A
Foreign Nationals	0	0	0	0	N/A
Total	**18**	**14**	**14**	**14**	**-22.2%**

Operating Unit Summary	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire ($000)	1,640	1,585	1,214	978
Program per All US ($000)	1,276	1,585	1,214	978
Program per Position ($000)	1,276	1,585	1,214	978

Other Major Donors:

Bilateral: Department for International Development (DFID), the Swedish International Development Cooperation Agency (SIDA), the Japan International Cooperation Agency (JICA), the Canadian International Development Agency (CIDA) and the Australian Agency for International Development (AUSAID).

Multilateral: World Bank, the United Nations Development Program (UNDP), the International Labor Organization (ILO), the Food and Agriculture Organization (FAO), the Asian Development Bank and the African Development Bank.

Office of Private and Voluntary Cooperation
PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Development Assistance	22,965	22,188	16,990	13,697
Total Program Funds	**22,965**	**22,188**	**16,990**	**13,697**

STRATEGIC OBJECTIVE SUMMARY				
963-002 Local NGO Capacity Enhanced				
DA	22,965	21,688	16,495	13,197
963-003 Increased Mobilization of Resources				
DA	0	500	495	500

Data Sheet

USAID Mission:	Office of Private and Voluntary Cooperation
Program Title:	Local NGO Capacity Enhanced
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	963-002
Status:	Continuing
Planned FY 2006 Obligation:	$16,495,000 DA
Prior Year Unobligated:	$0
Proposed FY 2007 Obligation:	$13,197,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2008

Summary: The objective of the program is to enhance local non-governmental organizations' (NGO) and local cooperatives' organizational capacities to deliver development services in selected countries. The Office of Private and Voluntary Cooperation (PVC) funding serves to identify best practices in organizational development that are then disseminated to USAID field missions and other offices that implement technical service delivery programs through local NGOs. By focusing on the organizational development aspects of service delivery in the field, the PVC office supports the efforts of much of the rest of the Agency by focusing on how best to ensure the sustainability, effectiveness and accountability of the local organizations providing services beyond the period of USAID investment. This program thus provides an essential complement to other more technically oriented "capacity building" activities throughout the Agency.

Inputs, Outputs, Activities:
FY 2006 Program: Strengthen Civil Society ($16,495,000 DA): The private voluntary organizations (PVOs) and cooperatives help strengthen the organizational capabilities of hundreds of local NGOs in a range of countries around the world. The purpose of USAID commitments under the Matching Grant, NGO Sector Strengthening, Cooperative Development, Capable Partners and Ocean Freight Programs is to strengthen local NGOs, cooperatives, and networks. These programs contribute to the identification of key organizational components (e.g., leadership, strategic planning, administration, customer responsiveness, financial management) of NGOs, cooperatives and networks of NGOs that require strengthening. The activities also identify relative priorities and emphases among these organizational components and relative resource amounts necessary to ensure the greatest possible level of sustainability at the least cost and the highest possible standard of service delivery. Linkages between cooperatives, NGOs and NGO networks are also made, wherever feasible, with local governments, private sector enterprises, and local media to ensure further sustainability. In FY 2006, the Capable Partners Program will provide workshops, technical assistance and "innovation grants" that focus on expanding public-private alliances.   The program continues to provide broader organizational development assistance directly to NGOs and networks upon request from missions and other USAID operating units and will develop and disseminate information on organizational sustainability that will be available electronically to NGOs worldwide.

The Ocean Freight Reimbursement program provides small competitive grants to nearly 60 U.S. PVOs annually. Funds are used to reimburse the PVOs' costs to transport donated commodities, such as medical supplies, agricultural equipment, and building equipment, to support their programs overseas. The Denton program allows PVOs and private citizens to use space available on U.S. military cargo airplanes to transport humanitarian goods and equipment to countries in need. Approximately 50 PVOs implement this program. USAID manages the small grant program with Peace Corps for grass-roots community development activities. Funding for these small grants comes from mission contributions.

Primary cooperative agreement for technical assistance: A small competitive action research program is funding 18 activities by PVOs, cooperatives and Universities that will draw on experiences and lessons learned on a broad range of organizational development topics, such as the effectiveness of NGO networks in conflict-affected areas.   Approximately 50 U.S. PVOs, universities and cooperatives implement these grant programs in cooperation with hundreds of local organizations.

FY 2007 Program: Strengthen Civil Society ($13,197,000 DA): In FY 2007, grant funding will continue to be provided to PVOs and cooperatives to strengthen the organizational capabilities of local NGOs, NGO networks and cooperatives and to identify best practices in organizational development that can be disseminated throughout the Agency. Approximately 50 PVOs and cooperatives in cooperation with hundreds of local organizations will implement the grant programs.

Funding also will allow the continuation of workshops, technical assistance, and "innovation grants" to selected NGO networks worldwide through a technical assistance cooperative agreement. The skills focus will expand to public-private alliances. The Ocean Freight Reimbursement and Denton programs will continue to provide transportation for humanitarian and development commodities to approximately 50 U.S. PVOs annually. USAID expects the joint USAID and Peace Corps small grant program for grass-root community development activities to continue with mission contributions in FY 2007.

Principal contractors and grantees, major subs: To be determined

Performance and Results: FY 2005 was the second full year of implementation for the new grants and technical assistance programs funded under this objective. PVOs and cooperatives are working in over 30 countries worldwide with hundreds of local NGOs and Cooperatives. The PVOs are reporting a number of significant positive results:

Based on survey responses by 13 PVOs and nearly 300 of their NGO partners, the following has occurred:

- Fifty-one percent made at least one organizational development (OD) change as a result of an OD assessment.
- Forty-one percent showed improvement in at least one of three OD categories tracked by the PVC constructed index (internal relations, external relations, financial resources).
- Sixty-nine percent conducted at least two linkage activities, with other NGOs, NGO network, public or private organizations.
- Thirty percent showed improved delivery of services as a result of their OD strengthening.

Based upon 56 responses from the baseline target group of 65 NGOs for FY 2005 (against the 2004 baseline)

- Fifty improved OD based on one or more variables addressed in the annual survey.
- Twenty-three showed 40% or greater improvement over responses in 2004 across 20 OD variables.
- The average improvement in OD across 56 NGOs was 29%.
- The aggregated NGO responses indicated a 28% improvement over responses in 2004 in use of strategic planning in the decision making process, and a 44% improvement in the establishment of a clear division of responsibilities between Board and staff.
- Aggregate responses indicated a 43% improvement in use of public and/or constituent feedback to improve performance, a 52% improvement in forming partnerships with other NGOs to achieve program goals and a 39% improvement in use of advocacy to build support for programs with the community and government.

This data indicates the program is achieving its objective of enhancing the technical service delivery of local NGOs by strengthening their organizational development capacity.

US Financing in Thousands of Dollars

Office of Private and Voluntary Cooperation

963-002 Local NGO Capacity Enhanced	DA
Through September 30, 2004	
Obligations	29,724
Expenditures	0
Unliquidated	29,724
Fiscal Year 2005	
Obligations	21,688
Expenditures	0
Through September 30, 2005	
Obligations	51,412
Expenditures	0
Unliquidated	51,412
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2006 NOA	
Obligations	16,495
Total Planned Fiscal Year 2006	
Obligations	16,495
Proposed Fiscal Year 2007 NOA	
Obligations	13,197
Future Obligations	0
Est. Total Cost	81,104

USAID Mission:	Office of Private and Voluntary Cooperation
Program Title:	Increased Mobilization of Resources
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	963-003
Status:	Continuing
Planned FY 2006 Obligation:	$495,000 DA
Prior Year Unobligated:	$0
Proposed FY 2007 Obligation:	$500,000 DA
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2007

Summary: The objective of this program is to enhance the ability of non-governmental organizations (NGOs), both U.S. private voluntary organizations (PVOs) and indigenous non-profit organizations, to attract development investment funding from USAID, other donors, the private sector, local governments, and other sources, for development activities. By diversifying their funding sources, NGOs lessen their dependence on any one funding entity and thereby potentially increase their chances of financial sustainability. While USAID encourages the formation of new partnerships with, between and among American and local organizations, these organizations often need help in understanding and navigating opportunities to find the most appropriate match of their skills and interests to those of funding entities. In addition, many organizations may be well intentioned but in need of internal organizational improvement so that they can ensure their funding sources that they are high quality, effective and accountable partners. USAID has provided very modest training and information services only and has not directly funded and organizational strengthening grants under this objective.

Inputs, Outputs, Activities:
FY 2006 Program: Strengthen Civil Society ($495,000 DA): USAID will offer training courses (half to full day only) to PVOs and other U.S. NGOs on topics such as strategic and funding priorities and procurement procedures so that potential PVO/NGO partners can better understand how to present their interests in ways that donors can perceive the match of U.S. NGO skills and abilities with investment priorities and available funding. In addition, USAID will work with other offices and missions throughout the Agency to make available Web-based information that is more user-friendly and accessible to potential partners. In addition, there is a growing number of U.S. and overseas organizations addressing the issue of organizational standards (i.e., established and recognized principles and practices which can be measured and documented) and offering accreditation or certification that NGOs meet specific standards to a sufficient degree to merit some recognition of achievement. USAID will provide information, in terms of Web links, handouts and responses to questions, on these standards to organizations and encourage potential NGO partners to participate in one of these external standards programs as part of ongoing organizational self-improvement efforts. USAID will not fund organizational self-improvement of potential new NGO partners. The intent of this activity is to encourage potential NGO partners to address programmatic and management improvements independently as a way of enhancing their attractiveness as high quality funding recipients to donors in general.

FY 2007 Program: Strengthen Civil Society ($500,000 DA): Depending upon demand, USAID will continue to offer training courses on topics of particular interest to potential NGO partners. The focus will continue to be on helping potential partners to better understand how USAID and other donors work and what they expect of grant partners so that NGOs can better prepare proposals based on needs and expectations. USAID will also continue to improve and expand Web-based information that is user-friendly and accessible to potential partners. Information will continue to include organizations addressing NGO standards and certification. Partners are to be determined.

Performance and Results: By the end of this objective, the Office of Private and Voluntary Cooperation (PVC) expects to have in place a program by which NGOs, both U.S. and indigenous, can better attract development investment funding, from USAID, other donors, the private sector, and other sources, for

development activities. This program will include information on where NGOs can seek training and other assistance to improve their internal management operations as well as on how they can better coordinate their skills and interests with those of donors such as USAID.

US Financing in Thousands of Dollars

Office of Private and Voluntary Cooperation

963-003 Increased Mobilization of Resources	DA
Through September 30, 2004	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2005	
Obligations	500
Expenditures	0
Through September 30, 2005	
Obligations	500
Expenditures	0
Unliquidated	500
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2006 NOA	
Obligations	495
Total Planned Fiscal Year 2006	
Obligations	495
Proposed Fiscal Year 2007 NOA	
Obligations	500
Future Obligations	0
Est. Total Cost	1,495