

**Summary of**  
**MECHANISMS FOR PVO-NGO COLLABORATION:**  
**The Development Community's Experience**

Prepared for

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by

Shirley Buzzard, Ph.D.  
Anna Kathryn Webb, Ph.D.

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## Introduction

While it is not usually spelled out in the Agency for International Development (USAID) documents, the Agency has not implemented projects directly for many years. All USAID programs are carried out either by consulting firms or private voluntary organizations (PVOs), and in some cases by businesses other than consulting firms. CARE/USA, for example, manages over 600 USAID funded projects in 73 countries. Since a substantial portion of the Agencies programs are carried out by PVOs and since the Agency gives funds almost exclusively to PVOs that work through NGO partners, a look at how PVOs work with NGOs is a useful exercise.

This report is an abstract of a longer paper<sup>1</sup> that reviews recent experience that private voluntary organizations (PVOs) have had in collaborating with non-governmental organizations (NGOs), and assesses the factors that influence their joint efforts to improve the lives of poor people overseas. This report reviews the experience of collaborative efforts and highlights two mechanisms, personnel exchange programs and learning networks, that are reported to be both effective, and cost efficient.

Because of their grass-roots connections and their ability to leverage other funds, the Agency makes great use of PVOs in carrying out programs. PVOs report mobilizing approximately \$4.0 billion in development assistance from non-U.S. Government sources in 2000; PVO grants abroad make up five percent of the \$70.5 billion in U.S. resource flows to the developing world. Globally, NGOs distribute more aid than all of the United Nations (UN) organizations together. USAID rarely works directly with NGOs though most other bilateral donors and U.N. agencies do.

The literature on collaboration focuses heavily on how PVOs can build the capacity of NGOs. While there is no generally agreed definition of capacity building, the term is used widely in the literature. In this paper we use the term to mean any support that strengthens an institution's ability to effectively and efficiently design, implement, and evaluate development activities in accordance with its mission. Generally speaking, capacity building has three elements: building the internal management systems of the NGO, building the NGOs technical expertise in a sector such as health or business development, and building the NGOs capacity to work with the community and make their programs more participatory.

## Types of collaboration and factors that influence them

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<sup>1</sup> The full paper, *Mechanisms for PVO-Collaboration: The Development Community's Experience*, is about 60 pages long and is available from USAID/BHR/PVC-ASHA on request. The longer paper contains a bibliography of sources.

There are several taxonomies of PVO-NGO collaborations in the literature. No one model is identified as being more successful, largely because they have not been studied systematically. The primary, and consistent, finding is that collaborations take time to develop and are often troubled by the dominance of the PVO in the relationship. The advantages and disadvantages of collaboration are well documented. While there is much talk of partnerships, the term has not been defined and there are no measurable indicators that enabled us to identify specific factors that influence success. Nor are there data on the longevity of partnerships. The literature suggests that few collaborations or partnerships last beyond the project that funds their joint-efforts.

The PVO has at least three roles to play in international development.

- First, PVOs build the effectiveness of individual local NGOs in their management, programs, and community involvement.
- Second, as the NGO community becomes established, PVOs play a greater role in the legal and regulatory environment that enables civil society to flourish. This means working with NGOs and the government to make registration easier, government oversight constructive, and to advocate for laws and regulations that give people and businesses incentives to make charitable donations, do volunteer work, and support NGO efforts.
- Third, in the more developed countries, PVOs play a coordinating role by undertaking research, documentation, and fostering learning networks that individual NGOs lack the resources to undertake. PVOs have the international connections to organize regional and international workshops and seminars, carry out cross-NGO research, and document best practices in a way that NGOs cannot.

Globally, six trends influence PVO-NGO collaboration. Additional research on any of the trends would be very useful.

- First, globally the private sector is expanding. Businesses now provide services that government used to provide and it provides increasing funding for PVO-NGO activities. Remittances from foreign workers in the U.S. now provide an important part of the U.S. foreign assistance program. There is a trend towards workplace based programs in addition to community programs
- The second trend that influences PVO-NGO collaboration is a reduction in the size of governments with a corresponding increase in the number and role of NGOs.
- Third, the development environment itself has changed post-September 11, 2001, and the Agency is now much more focused on minimizing terrorism and building sustainable democracies in fragile states.

- A fourth influence involves the advent of the internet and the increased ability of NGOs to access information and funds directly. The internet changes the way PVOs and NGOs communicate with each other.
- The fifth factor to influence PVO-NGO relationships is the global epidemic of HIV/AIDS that has devastated so much of Africa and is now moving on to China, India, Russia and other countries. The disease has decimated the managerial class and in the push to deliver services, NGOs in the countries with the highest prevalence rates may be approaching their capacity to absorb money.
- Finally, USAID has a major initiative to bring faith-based organizations into the USAID strategy. These groups combine religious activities with development work and the effectiveness of their strategies have not been studied outside of a few HIV/AIDS programs in Africa.

NGOs may be categorized in three stages.

- Stage One NGOs are very rudimentary. They may not be formally registered with the government, their staff may be part time, and they generally do not have a governing board or a formal personnel structure. It is difficult for Stage One NGOs to be true partners with PVOs as they are so small and unstable, they have difficulty holding their own in a relationship of unequal power.
- Stage Two NGOs are more stable. They are usually registered with the government, have offices, and a management structure. Stage Two NGOs benefit from learning networks, participation in conferences, and particularly from assistance in how to attract more funding for their work. Stage Two NGOs are most often selected by PVOs as partners and an element of the project is to strengthen the NGO's service quality. USAID Missions often fund umbrella projects that give sub-grants and training to Stage Two NGOs.
- Stage Three NGOs are fully developed and may be highly sophisticated in their management as well as their programs. They often manage programs that build the capacity of Stage One NGOs such as small grants, workshops, and training programs. Stage Three NGOs make good partners for PVOs where capacity building is not a specific part of the strategy as is the case with most child survival programs.

### **PVO Role in Failed and Fragile States**

In failed states, PVOs have the challenge of attempting to create an honest NGO community where there have been no civil society groups or, where those that do exist are heavily influenced by local political groups, and where there is a climate of violence. There is a pressing need for PVOs to learn to adapt their traditional programming strategies to communities with conflict. In developing countries and transitional states, there remains a need for assistance to Stage One NGOs but more of this is taken over by Stage Two and

Three NGOs in country. The role of the PVO is to help move groups up through the stages with programs of training, grants, and other services that will build their management, fund-raising, and program skills. In countries with a flourishing NGO community, which is now the case in most countries in Asia, Latin America, and some countries in Africa, the role of PVOs is largely to bring the international perspective to the country through organizing regional and international events.

The literature shows that PVOs will need a new approach to programs and different staff skills for working in fragile states. In conflict affected areas, individual skills and knowledge are central to achieving positive impact and social skills and will be as important as technical ability, if not more so. Building the necessary capacity remains a problem that is exacerbated by high staff turnover and emphasis on implementation over analysis and planning. Few PVOs or NGOs consistently offer conflict-related training to either staff or partners.

There is very little information on cost effectiveness of programs and many questions beg answers such as comparing the cost effectiveness and results of faith based organizations with non-faith based organizations, whether the sector development strategies that have worked in Eastern Europe and Eurasia can work in other countries, and the impact of various training activities.

### **Successful Models of Collaboration**

This review of the literature on PVO-NGO collaboration covers only those activities that are best documented. One of the major conclusions of the research is that there is very little substantive data on capacity building strategies. While the development community places great emphasis on lessons learned and best practices, the information is not easily accessible. There is a pressing need for more summaries and consolidations of evaluation reports, workshop findings, and particularly for more substantive results information.

Two PVO-NGO collaboration models have been identified a highly effective and economical. These include personnel exchange programs and learning networks. Personnel exchange programs have been carried out in Russia and other Eastern European and Eurasian countries. These include not just PVOs and NGOs but also other institutions such as hospitals, municipal governments, private sector firms, and professional associations. The impact of these programs is reported to be substantial and sustainable. The model offers two other major advantages: including Americans who would not otherwise be involved in development work, and operating at low cost as most of the expertise on both sides is voluntary. The primary cost of the programs is for travel. It is not clear whether the model would work in other regions of the world.

The other successful model is learning networks, which are focused around a specific issue such as health, small-business development, or financial management. They

offer an opportunity for practitioners to meet periodically with others and share ideas, ask questions, and work with people much like themselves. They also create a more diffuse partnership of several PVOs with several NGOs which appears to make the relationship more effective. As with personnel exchange programs, learning networks are reported to be sustainable, effective, and low-cost.

### **The Development Environment**

The literature reviewed in this report shows that several factors influence the changes in the role of both PVOs and NGOs in development. These include:

- the global trend of reducing the size of government,
- the privatization of foreign aid,
- decreased government foreign assistance spending,
- work toward overcoming the North-South divide, and
- the changed development environment.

The sector-specific development models (such as child survival, micro-credit, or cooperatives) that PVOs have used in the past are no longer appropriate to the fragile countries where USAID will be working. To the credit of the PVOs and the Agency, most developing countries, at least in Asia and Latin America, where the agency has worked in the past decade, now have sustainable nonprofit communities that can meet their own technical and managerial needs.

In the future, USAID will be focusing on fragile states; specifically those countries that help achieve U.S. foreign policy goals of the war on terrorism. There will be more emphasis on humanitarian response and what is called developmental relief, which combines humanitarian assistance with development programs. There will be a greater demand for programs that focus on more than one sector.

USAID has a well documented experience of building a civil society in Eastern Europe, but the context there is unique, and the lessons learned have only limited implications for work in countries such as Sudan, Iraq, and Afghanistan. Through OTI and D&G experiences, the Agency does have an emerging model for working to build the capacity of local NGOs in areas of conflict. Based on the experience of E&E, and the experience of OTI and D&G, it is possible to identify a preliminary strategy for building NGOs in fragile states and taking advantage of the PVO's expertise in developmental relief.

The role of PVOs in NGO sector development in fragile states would be to assist with the legal and regulatory environment that will allow NGOs to register and carry out their work with limited government intervention. It would also include the preparation of needs assessments that may cross sectors or be focused on personal security or projects that will strengthen the credibility of local governments. The hallmark of both NGO

capacity building and sector development would be extensive consultation and participation on the part of PVOs, NGOs, other relevant civil society actors, government, and USAID Missions and other donors. The process needs to be much more bottom-up and open to innovation than it currently is.

### **Further Research Needed**

A review of the literature indicates areas for further research, which are recommended in order to develop more effective and efficient programs whose implementation depends on collaboration between PVOs and NGOs:

- NGO capacity development needs and the most effective mechanisms for building capacity from the point of view of NGOs;
- the cost and cost-effectiveness of the different models of PVO/NGO collaboration;
- the cost and cost-effectiveness of NGO capacity building;
- the extent to which traditional sector-specific projects can be adapted to areas of conflict needs; and
- the development community's experience in direct funding of NGOs.

This report reviews the literature that describes the experience of PVOs in working with NGO partners. It identifies a number of important variables that impact the relationship. As USAID extends its reach into fragile states, what is known about the relationship between PVOs and NGOs and their capacity building will warrant further study to learn if the PVO's extensive experience in developing and transitional countries can be transferred to fragile states. Through reports of the effectiveness of the various methods of collaboration and their costs in various settings, the literature suggests that personnel exchange programs and learning networks warrant further attention as examples of successful, low-cost, and sustainable collaborations.