

The ForeignAID Ratings NGO Rating Model

Presented by Pranav Gupta, President
ForeignAID Ratings LLC

at

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"What Makes A Good NGO?"
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ForeignAID Ratings Grading Scale

ForeignAID Certified

- **AAA+** 10 – 9.25
- **AAA** 9.24 – 8.75
- **AAA-** 8.74 – 8.5
- **AA+** 8.49 – 8.25
- **AA** 8.24 – 7.75
- **AA-** 7.74 – 7.5
- **A+** 7.49 – 7.25
- **A** 7.24 – 6.75
- **A-** 6.74 – 6.5
- **BBB+** 6.49 – 6.25
- **BBB** 6.24 – 5.75
- **BBB-** 5.74 – 5.5
- **BB+** 5.49 – 5.2
- **BB** 5.24 – 4.75

Not Certified

- **BB-** 4.74 – 4.5
- **B+** 4.49 – 4.25
- **B** 4.24 – 3.75
- **B-** 3.74 – 3.5
- **CCC+** 3.49 – 3.25
- **CCC** 3.24 – 2.75
- **CCC-** 2.74 – 2.5
- **CC+** 2.49 – 2.25
- **CC** 2.24 – 1.75
- **CC-** 1.74 – 1.5
- **C+** 1.49 – 1.25
- **C** 1.24 – 0.75
- **C-** 0.75 – 0.0

Rating Process

- Interviews with Beneficiaries and Staff
- Review of financial records and organizational procedures and documents
- Tours of organization's events and facilities
- Organizational Self-Assessment
- Evaluator's Personal Observations

REDCAMIF – Central America

- Regional microfinance network made up of smaller national networks
- Mission: The consolidation and promotion of the microfinance industry in Central America, through unified representation, the institutional strengthening of national networks and the generation of strategic alliances.
- Medium Sized Organization

Overall Rating: AA (7.9)

Okutiuka Huambo - Angola

- Children's Shelter and Children's Rights Advocacy Organization
- Mission: The rehabilitation and social reinsertion of street children in Huambo, as well as advocacy for education and civic participation.
- Medium Sized Organization

Overall Rating: BB (4.95)

SOCIAL IMPACT

- **Beneficiary Participation**
 - Community contributions
 - Institutional Participation
- **Relevance, Outputs and Outcomes**
 - Relevance to Primary Needs
 - # of Beneficiaries Served Annually
 - Outputs within Primary Needs
 - Program Sustainability and Follow-Up
 - Focus (Activities and Target Groups)
 - Gender Sensitivity
 - Innovation



SOCIAL IMPACT

REDCAMIF – Central America

Strengths: REDCAMIF operates through large-scale institutionalized **beneficiary participation**. Forms of member support include fees for services and voluntary work in the organization's Working Commissions.

Overall Score: AA (8.2)

Okutiuka Huambo - Angola

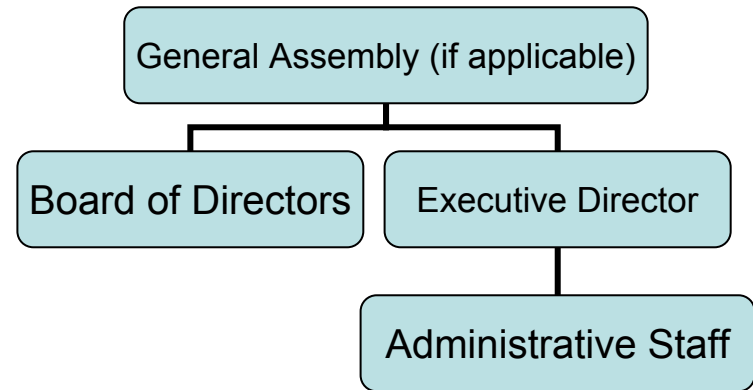
Strengths: Okutiuka's services are particularly **relevant** to the community due to the large number of street children and internally displaced persons in Angola as a result of the civil war. Okutiuka also addresses the **primary needs** of its beneficiaries: shelter, nutrition and education.

Weaknesses: However, the variety of Okutiuka's activities (a shelter for street children, a farm for IDPs and an advocacy agenda) **lacks focus** and may limit the organization's effectiveness by attempting too much at once.

Overall Score: BBB (6.1)

INSTITUTIONAL DEVELOPMENT

- Legality and Institutionalization
 - Legal Status
 - Institutional Cooperation
 - Personnel
 - Annual Budget
- Institutional Leadership
 - General Assembly
 - Board of Directors
- Operative Management System
 - Dissemination and Understanding of the Organization's Mission
 - Organizational Chart
 - Management Procedures
 - Integration of Personnel
- Human Resources Management
 - Clearly Defined Position Responsibilities
 - Institutional Policy toward Personnel
 - Supervision of Personnel
 - Personnel Qualifications



INSTITUTIONAL DEVELOPMENT

REDCAMIF – Central America

Strengths: REDCAMIF enjoys an extensive membership base, consisting of five of the seven national networks in Central America. REDCAMIF also has strong institutional leadership, in the form of the General Assembly and Board of Directors.

Weaknesses: REDCAMIF is not yet legally registered with the government of Guatemala, where its headquarters is located.

Overall Score: AA (7.8)

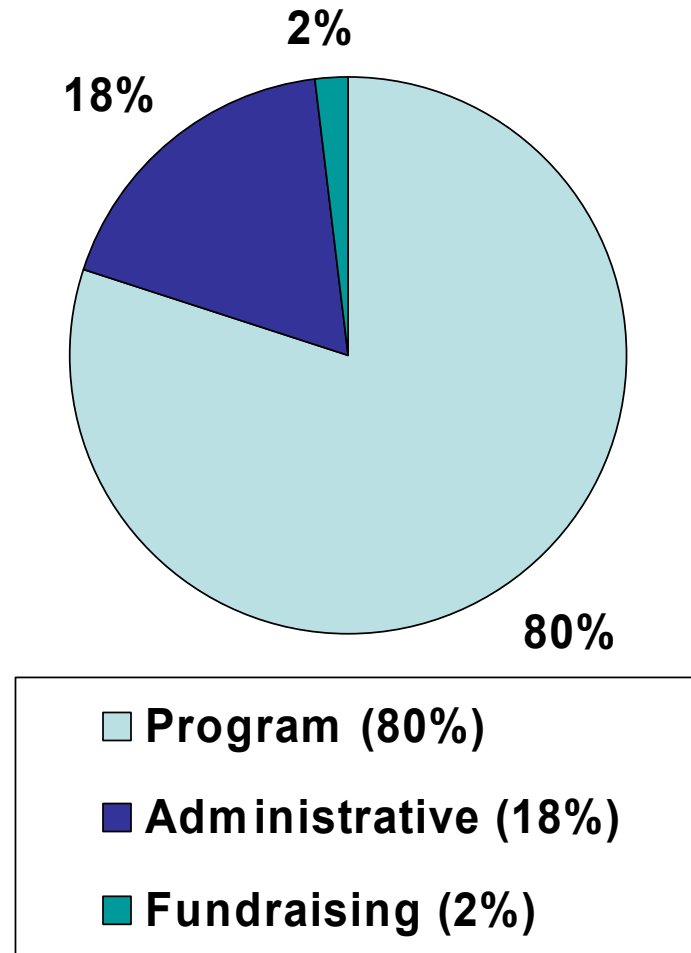
Okutiuka Huambo - Angola

Weaknesses: Employees lack understanding and dedication to Okutiuka's mission. The management structure is unclear and informal. Okutiuka does not participate in NGO networks. Okutiuka's founders insist that there is nothing to be learned from these partnerships.

Overall Score: B (4.2)

FINANCIAL EFFICIENCY & HEALTH

- Financial Efficiency
 - Expense Breakdown
- Financial Growth
 - Primary Revenue Growth
 - Past Budget Growth
 - Expected Future Budget Growth
- Financial Sustainability
 - Self-generated Income
 - Diversified Funding
 - Administrative Costs
 - Financial Planning



FINANCIAL EFFICIENCY & HEALTH

REDCAMIF – Central America

Strengths: REDCAMIF maintains **low administrative costs (14%)** and has had an extremely high Primary Revenue Growth Rate (over 100% during the last two years).

Weaknesses: REDCAMIF has a **low level of self-generated income**, which may threaten the organization's sustainability if funding is lost.

Overall Score: AAA (8.8)

Okutiuka Huambo - Angola

Strengths:

- (i) Revenues increased 50% from 2003 to 2004;
- (ii) Only 20% of the grants are spent on administrative costs and personnel.

Weaknesses:

- (i) No external audits have been conducted!

Overall Score: AA- (7.7)

ACCOUNTABILITY

- Financial Management and Accounting
 - Accounting Systems
 - Financial Analysis
 - Financial Controls
- Transparency and Communication
 - Internet Savviness
 - Personnel's Level of Education
 - Website Quality
 - Newsletter
 - Availability of Financial Reports
 - Quality of Financial Reports
 - External Audit
 - Disclosure

ACCOUNTABILITY

REDCAMIF – Central America

Strengths: REDCAMIF maintains a formal accounting system and financial reports are reviewed by the Executive Director. External audits are required by REDCAMIF's protocol.

Weaknesses: REDCAMIF has difficulty disseminating information to its members and the general public. Newsletters are infrequent and delivery of hard copies is unreliable. REDCAMIF must make all newsletter information available on the internet and ensure that members are able to access it.

Overall Score: A+ (7.3)

Okutiuka Huambo - Angola

Strengths: Okutiuka maintains a basic accounting system.

Weaknesses: Okutiuka was unable to provide any of the documentation required by ForeignAID Ratings. The computer system has been down for some time and paper files are incomplete and disorganized.

Overall Score: CC (2.2)

DESIGN, MONITORING & EVALUATION

- M&E Information System
- M&E Department/Full-Time Staff
- M&E Use in Program Design
- Quality of M&E Reports

*Design, Monitoring and Evaluation
has proved to be a weakness
across the board.*

DESIGN, MONITORING & EVALUATION

REDCAMIF – Central America

Strengths: qualitative and quantitative information, which disseminated in the newsletters

Weaknesses: No M&E department or fulltime personnel. This is particularly problematic given the wide geographic dispersal of REDCAMIF members and projects.

Overall Score: BBB (6.3)

Okutiuka Huambo - Angola

Strengths: N/A

Weaknesses: Okutiuka shows no interest in M&E or any other capacity-building exercise. The organization has no interest in self-evaluation.

Overall Score: CC (2.0)

Thank You

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