

Summary of the Evaluation Survey
NGO-JICA Collaboration Programs (Indonesia)

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1. Outline of Evaluation Study

1-1 Prehistory and Objectives of Evaluation Study

JICA has been active in collaboration with non-governmental organizations (NGOs) in recent years. For example, in 1997, JICA started "Community Empowerment Programs (CEP)", in which JICA entrusts local NGOs with implementation of Projects, and in 1998 "NGO-JICA Partnership Programs" by which JICA carries out projects with Japanese NGOs as partners.

JICA has not yet established, however, evaluation methods for those projects which directly target local people, including NGO-JICA Collaboration Programs. In order to discuss and examine evaluation methods for these projects, an NGO-JICA Evaluation Sub-Committee was formed in June 2001, under the NGO-JICA Council¹.

The Sub-Committee selected "Empowerment of the Poor in South Sulawesi to Support Poverty Alleviation Program", one of the Community Empowerment Programs, as a case for joint evaluation of JICA and NGOs.

1-2 Evaluation Team

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Evaluation of development strategy	Nobuaki Wada	Chief Executive Officer, Society for Operation Minimum Needs Sangham (SOMNEED Sangham)
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1-3 Period of Survey

Early October 2001 - Late December 2001

Preparation in Japan

Early October 2001 - Late October 2001

Field Study in Indonesia

23 October 2001 - 2 November 2001

Report writing in Japan

Early November 2001- Late December 2001

¹ It was established in 1998 as a venue for sharing information and views for mutual understanding and collaboration between JICA and NGOs. It consists of representatives of NGOs and JICA, and has regular meetings once in a quarter.

2. Evaluation Method

2-1 Project for Evaluation

(1) Project for Evaluation

Official Name of the Project				
	County	Field	Assistance Form	Period
Empowerment of the Poor in South Sulawesi to Support Poverty Alleviation Program				
	Indonesia	Development/ Welfare	Community Empowerment Program	February 1999 - November 2001

(2) Background of the Project

The 1997 economic crisis in Indonesia triggered a substantial increase in the number of the poor, a rapid rise in prices and a surge in unemployment, seriously impacting on the people's lives. Combined with the negative effect of dry weather due to El Nino in 2000, these conditions caused the socially disadvantaged including the poor, to lack the basic commodities necessary for their daily lives, such as food.

In order to address this situation, the Indonesian government had designated stabilization of the macro economy and reinforcement of the social safety net as urgent issues with a high priority placed on ensuring food supply and basic health services. To avoid incurring the dependency of the poor on the government and aid organizations by just providing services and material aid, it was decided that the support for empowerment of the poor should be implemented simultaneously, so that the recipients could learn to help themselves.

Against this background of conditions, LML (Lembaga Mitra Lingkungan: Environmental Partner Association), a local NGO, was entrusted by JICA to implement the Project to empower the people at the grassroots level.

(3) Implementing Organization

LML, the implementing organization, was established in 1990 and legally registered in 1997. It is a relatively new NGO performing activities in South Sulawesi. It was founded as a student activists' group conducting conservation activities with an emphasis on harmony between environmental conservation and improvement of the living conditions of the local people. LML consists of 14 full-time staff members, 20 part-time members and two volunteers. 70 percent of its operating revenues are from overseas (15 percent out of which is from ODA) and 30 percent from inside Indonesia (20 percent of which is assistance and trust funds from central and local governments).

(4) Project Overview

Aiming at raising the income of the poor in South Sulawesi, the Project targeted 33 KSMs (Kelompok Swadaya Masyarakat: the people's self-help groups) scattered in 22 villages of five districts. The Project provided training and guidance in forming groups, improvement of

economic activities, and networking with related organizations. In the first year, however, the main component of the Project was to distribute essential food packages, such as rice, sugar, cooking oil, etc, at about the half the market price, since the Project was started in the emergency situation of a food shortage brought on by the economic crisis.

From the second year onward, the Project returned to the original track and supported KSM's economic activities (stock raising, vegetable farming, bamboo work, handicrafts, management of grocery stores, etc.), which were selected based on the needs of the KSM members. It also provided the necessary materials, technical and management guidance through monitoring by the LML staff. Guidance to KSMs in organizational and managerial aspects and problem-solving skills was also provided.

The overview of the project plan is as shown below.

1) Project Purpose

The income of members of thirty-three (33) KSMs is increased.

2) Outputs

- KSMs are organized.
- Capacity of LML field staff for project management is enhanced.
- Organization of KSMs is strengthened.
- The income of members is increased.

3) Inputs

Japanese side : 2,023,536 thousand Rupees (Approximately 24,300 thousand Yen)
Indonesian side : NGO staff member: 9 persons

2-2 Evaluation Framework

(1) Evaluation Method

This survey is aimed at considering the evaluation method for NGO-JICA Collaboration Programs through a case study on the Project shown above. This evaluation is basically in line with DAC's Five Evaluation Criteria, but it also examined qualitative items such as capacity building and participation, which cannot be sufficiently measured by the Five Evaluation Criteria. Throughout the process and the compiling of the results of this evaluation, lessons and recommendations on planning and implementation of NGO-JICA Collaboration Programs were extracted as feedback for future projects.

(2) Collection of Data and Information

The data and information for the analysis were obtained through interviews with staff in charge of the Project in the JICA Indonesia Office, representatives of LML and Indonesian government bodies. The evaluation team also used questionnaires and group discussions with village leaders, members of KSMs, as well as LML staff.

3. Results of Survey

3-1 DAC's Five Evaluation Criteria

(1) Relevance

The project purpose, "to raise KSM members' (the poverty group) income," is in line with the needs of the communities and KSMs. The Indonesian government also prioritizes "improvement of the living standard of the poor" among development issues. Therefore, it can be said that the project is highly consistent with the needs of the target group and the recipient government. However, there were some problems in the implementation process, such as identification of the people's needs and selection of the target areas/beneficiaries, which are detailed below.

- 1) In LML original plan, the activity was to be carried out in two districts. But the targeted areas were expanded to five districts, since JICA intended to widen coverage areas for which food would be provided as urgently needed support. As a result, the LML staff was unable to frequently visit KSMs, conduct widespread services to the beneficiaries and fully monitor the activities.
- 2) In the selection of the beneficiaries, the original selection method was to choose the 20 poorest households from each village. However, as a result of advice from the people in the area, some of the beneficiaries selected were not from the poorest group.
- 3) Although the KSM members were supposed to select their own activities based on their needs, they tended to passively choose among several options proposed by LML field officers. In some cases, the decisions were not entirely based on beneficiary decision-making. Since the problems and their priorities vary by area and group, there should have been a more thorough process of analyzing and identifying the needs and problems before the start of activities.

(2) Effectiveness

Though there are differences in the degree of achievement for each self-help group (KSM), all in all, the project purpose, "to raise KSM members' income," has been achieved to a certain degree.

- 1) Influenced by the project, people formed a self-help group and conducted group economic activities. As a result, objectives have been achieved for the most part. The economic activities are as diverse as stock raising, fishing, farming and handicrafts, and most of them are profitable.
- 2) By organizing themselves as a group, beneficiaries could gain access to small-scale financing (micro credits). As a result, they became able to make initial investments in economic activities, enlarge the business, and improve productivity and profitability. Although there are some repayment delays, there are hardly any defaults and financial gains are progressing. The scheme is one of the biggest incentives for individuals to belong to

KSMs.

- 3) The KSMs' regular meetings have become an opportunity to discuss social and domestic issues, as well as problems the groups were facing. As a result, power relations among the people were improved and the decision-making process has been becoming more democratic.

(3) Efficiency

As a whole, the inputs were appropriate, but there were some problems as pointed out below.

- 1) The inputs, such as materials for economic activities, were provided late, due to (a) the delay in KSMs' submission of project plans to LML, (b) the delay in LML's submission of an application for a budget to JICA, and (c) the difficulty in finding a materials supplier.
- 2) Although most of the economic activities contributed to increasing the income of KSMs and individuals, this was not the case for some KSMs. In the case of some KSMs who had started to raise livestock, for instance, many of the provided livestock fell ill or died because they could not adapt to the climate.
- 3) As part of this project, two cows, one of which was pregnant, were provided to each KSM. This provision was aimed at increasing KSM capital, the amount of micro credit loans and number of debtors, through selling newborn calves. However, this did not always meet the local situation or need, in cases such as when KSMs were located on a remote island, which was unsuitable environment for raising cattle.
- 4) In principle, KSM members were required to pay about 30 percent of the material costs for economic activities, in order to promote self-help efforts. But this was not always observed at the site level, and in some cases the Project covered all costs.

(4) Impact

The following impacts were observed.

- 1) Through group activities, the people in the project sites became to help each other and exchange information apart from the project activities.
- 2) The women, who seldom made remarks in public prior to this project, became more involved in society through attending activities and meetings of KSMs.
- 3) In some regions, the KSMs' activities stimulated other people in the neighboring area to form similar organizations and/or perform economic activities such as stock breeding on their own.

(5) Sustainability

In each KSM, representatives were elected, such as a leader and a secretary, and rules and penal regulations were established. The regularly-held meetings are not only to exchange

opinions and make decisions for the economic activities, but are also an occasion to share the profits, repay micro credit debt and start a rotating saving credit association called Alisan². These activities are incentives for KSM participants to continue group activities. Hence, hardly any problem is observed in terms of organizational sustainability.

There are few problems in technical aspects, , because most of the activities of KSMs have been indigenous. These activities were based on conventional techniques and the scale was enlarged through the Project to achieve economic gains.

Regarding financial sustainability, however, it is necessary to pay attention to the following points:

- 1) At present, an increase of KSMs' capital depends only on (a) interest on micro credit, (b) membership fees of Alisan, (c) reserves of gains from economic activities. Although some KSMs reinvest the gain from one activity (duck breeding) to start another (grocery store), this is rather an exception. In most cases, profits are used only to expand the micro credit fund and the number of fund debtors.
- 2) KSM activities have been guided mainly by outsiders, including LML field workers. Therefore, it is likely that their incentives to continue activities may decline and KSM members may discontinue activities, once the economic merits are lost.
- 3) Although KSMs are being managed stably, there are some pending issues: The way of bookkeeping is too detailed and complicated and it is limited only to treasurers who understand fund management. However, in most cases, the representatives of KSMs including treasurers receive no compensation for their work.

3-2 Administrative System

This Project yielded certain results in fostering beneficiary organizations and improving their abilities to administer group economic activities, although there are variations in the completion of each activity. It seems that LML has improved its management ability through this project. In the rapidly decentralizing society, NGOs are expected to play the role of providing regional administrative services instead of functioning as a government body. LML is also expected to shoulder part of the community development in South Sulawesi in the future. In order to improve the quality of LML's project management, the following issues should be clarified.

(1) Problems at the Planning Stage

- 1) Although LML specified the Project Overall Goal, the Project Purpose, results and activities, and mutual relevance were not clear and not exactly in agreement with JICA's general

² It is a system in which members pay certain premiums and the collected money is lent to members one by one by lottery.

definition of terms. LML had neither a plan for the whole cooperation period (for three years), nor indicators for judging the degree of project achievement. This was partly because LML was uncertain whether or not it would be financially supported by JICA, due to JICA's single-year budget system. For these reasons, this survey experienced difficulties in ascertaining the specific goals this project had originally aimed at and evaluating its achievement.

- 2) The coverage of the Project was expanded to five districts, reflecting the intention of JICA. The geographical spread had an adverse effect on the frequency of LML staff visiting KSMs and networking and information exchange among KSMs.

(2) Problems at the Implementation Stage

- 1) Due to insufficient communication between LML field staff and management staff, executive officers' visions and policies were not fully reflected in operations at the field level. The management side was not flexible enough to cope with the changing circumstances.
- 2) This project used a rotation system, in which the field staff in charge of a KSM changed every six months. This system is useful to prevent beneficiaries from establishing too cozy a relationship with staff, and, thereby, broadening the experience of the staff. On the other hand, it causes problems in building rapport (mutual trust) with local people and maintaining consistency in action policies.

4. Recommendations

- (1) The management staff in LML should manage the Project flexibly, considering the local and social characteristics of each KSM. To cope with the specific problems each KSM is facing, the field staff should establish a close relationship with the community. It is important that they frequently visit each KSM, help members identify their own problems and needs, and provide management skills. Sustainability of the Project at the village level is much affected by how field officers promoted the people's sense of ownership as well as the officers' capacity of problem solving. It is also essential for field officers to collect information through regular monitoring and report results to the management side. The management staff, on the other hand, ought to incorporate the field staff's opinions in administrating the project and respond flexibly to the changing situation.
- (2) In guiding KSMs, the LML staff should not impose their opinions but rather place emphasis on the process of KSM member discussions and their own decisions. Also, in the technical aspects of KSM activities, the LML staff should provide more detailed guidance to ensure KSM sustainability. It is important to keep these two requirements in good balance.
- (3) In order for lead KSM activities to succeed, the following points are essential:
 - 1) The LML field staff should not be a leader but rather an advisor/consultant for the people.
 - 2) Prior to starting a project, LML should arrange an opportunity for beneficiaries to analyze their own problems and understand the project as a whole so that they can participate actively.
 - 3) KSM members should be selected in a fair and transparent way, taking the local people's opinions into account. If a local group already exists, it may be better to reinforce the group in order to enhance project activation. However, it must be noted that the original power relations among members is likely to be maintained and this will cause no change in their attitude; e.g., reliance on government/ODA support.
 - 4) KSM members should share ideas about their needs and the project purpose.
 - 5) The members of a KSM should be limited to the inhabitants of a reasonably small sphere so that they can continue daily activities without difficulty.

5. Lessons Learned

- (1) NGO-JICA Collaboration Programs should be planned via the same method as other JICA projects in order to clarify their content and direction. It is important for a project that the causal linkage among overall goal, project purpose, outputs and activities are clear and shared by the persons concerned.
- (2) Community Empowerment Programs are to be commissioned to local NGOs that supposedly have sufficient knowledge and experience in the field. Hence, guidance and technology transfer to NGOs are regarded as unnecessary. In reality, however, partner NGOs may not be sufficiently capable or experienced, so sometimes projects should include activities aiming at improvement of local NGO capacity. For the purpose of empowering local people, it is also important to improve the competence of local NGOs as facilitators/catalysts.
- (3) Community development projects need activities that address a variety of activities, because the people in each area have varied needs. Therefore, the projects should emphasize nurturing people's organizations at every phase; i.e., identifying their needs, analyzing problems, deciding the contents of activities, implementation, monitoring and evaluating the project. A community development project should emphasize the growing beneficiary abilities to grasp and solve their own problems, in other words, abilities to form, conduct and participate in a project on their own. NGOs are required not to find and solve problems as a leader, but to "help" beneficiaries grasp and solve their own problems. JICA should have a specific idea about what role the partner NGOs are expected to play, and in case the partner NGOs are sufficiently experienced or capable, their capacity development should also be considered when planning the scope of the Project.
- (4) Although an "increase in beneficiary income" was interpreted as "economical empowerment" in this Project, they are not exactly the same. The latter should have been understood as "the beneficiaries obtaining the ability to recognize and clarify economic issues and find the way to solve them by themselves." The Project interpreted "empowerment" as "economic empowerment", but this usually includes three aspects; economic, social, and political empowerment. Although it is difficult to tackle all of them during the limited period of a project, exclusive focus on the economic aspect may result in problems, such as missing and excluding the real needs of the community and issues to be solved.
- (5) In many NGO-JICA Collaboration Programs, it is difficult for JICA to carry out detailed monitoring because of the time and distance restriction, and so JICA tends to depend on NGO reports for managerial information. Even so, the projects are often badly managed, because the reports are inadequate. When a local consultant to administrate a project is available, in the Project, it is desirable to assign him/her to monitoring and reporting to some extent.
- (6) In the evaluation of NGO-JICA Collaboration Programs, JICA should make the following efforts:

- 1) To fulfill the accountability responsibility to taxpayers, JICA should conduct a simple evaluation survey focusing mainly on relevance, effectiveness and efficiency of DAC's Five Evaluation Criteria in the terminal evaluation.
- 2) This should be followed by a detailed survey focusing mainly on sustainability and impact one to two years later, which would be useful in project planning and reviewing projects in the future.