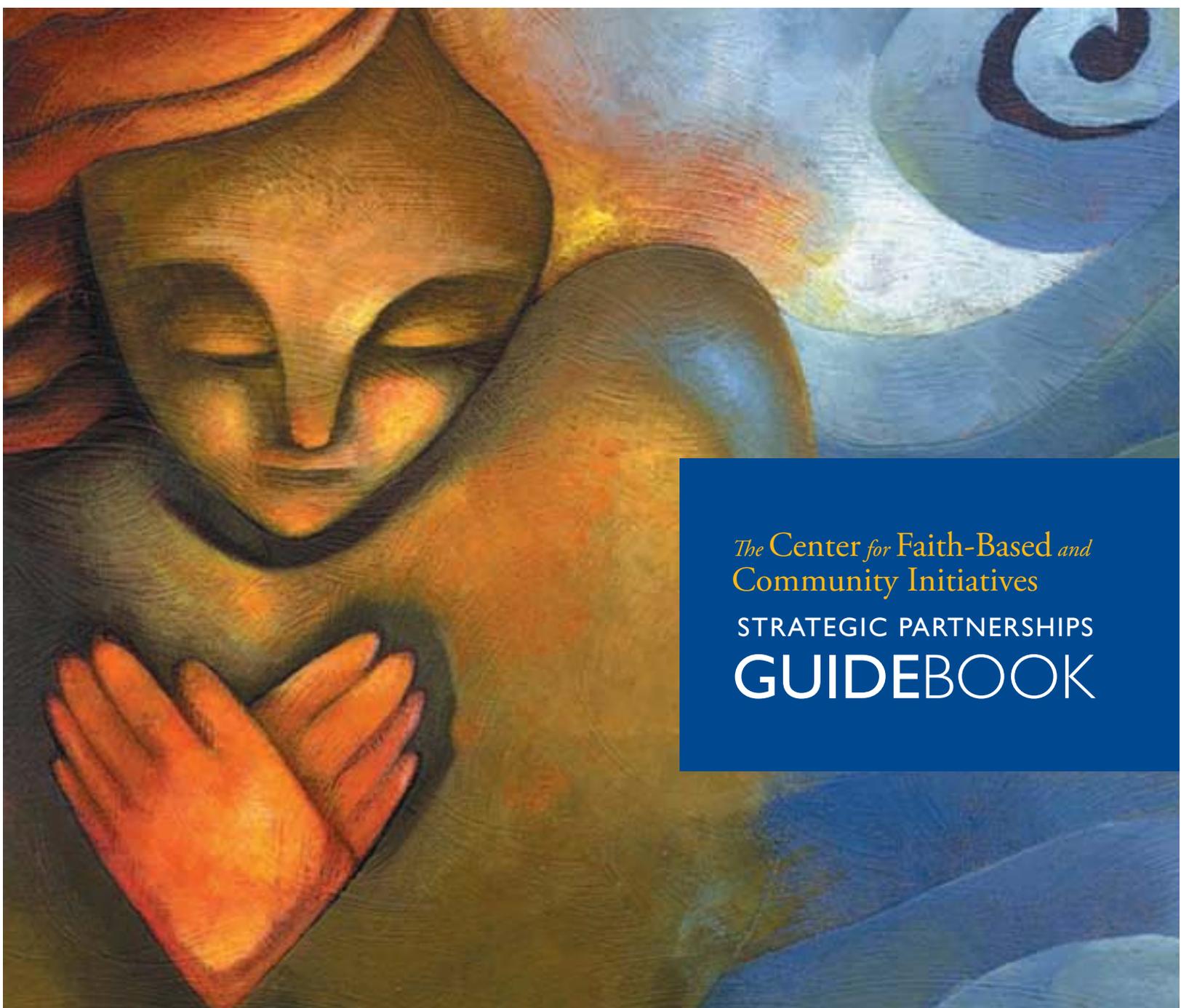




**USAID**  
FROM THE AMERICAN PEOPLE



*The Center for Faith-Based and  
Community Initiatives*

STRATEGIC PARTNERSHIPS  
**GUIDEBOOK**



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## A Letter from the USAID Administrator

Since its inception, the U.S. Agency for International Development (USAID) has worked with faith-based and community organizations (FBCOs) to multiply the impact of foreign aid by leveraging existing resources in communities abroad.

I believe that FBCOs play a unique role in development and that they are a tremendous resource to USAID.

The Center for Faith-Based & Community Initiatives at USAID has prepared this guidebook to help you better address human need in the vital work that you do each day. I strongly encourage you to use it as a tool to become more engaged with non-governmental organizations (NGOs) that are critical to civil society. The Center has a wide variety of resources to help you expand effective collaboration with these potential partners and is also available, along with the Office of General Counsel, to advise you on the rules and regulations governing U.S. partnerships with faith and community-based organizations.

I urge every Embassy and Mission to use the Center to learn more about partnering with FBCOs more effectively and to think through innovative ways to expand and strengthen existing partnerships with grassroots organizations. In addition, the Center is launching a new USAID Intranet website that will house a continuously updated library of best practices and replicable models for you to use as a resource. This new website can be found on the Intranet at <http://inside.usaid.gov/FBCI>.

Through the Faith-Based and Community Initiative, USAID is forging a new path in development—the path of revolutionary partnerships, effective collaboration, and sustainable compassion. Thank you for your continued commitment to our shared effort.

Sincerely,

Henrietta Fore

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**The United States Agency for International Development  
Center for Faith-Based and Community Initiatives**

A/AID Room 3.9.30  
Ronald Reagan Building  
1300 Pennsylvania Ave., N.W.  
Washington DC 20523

Main Line: 202-712-4080  
Fax: 202-216-3351  
USAID General Switchboard: 202-712-0000

***Director***

Terri Hasdorff  
thasdorff@usaid.gov

***Deputy Director***

Campbell Vogel  
cvogel@usaid.gov

***Senior Advisor***

Heather MacLean  
hmaclean@usaid.gov

***Outreach Coordinator***

Lauren Seely  
lseely@usaid.gov

***Special Assistant***

Hannah Marsh  
hmarsh@usaid.gov

# Contents

<i>A Letter from the USAID Administrator</i>	1
<i>Foreword</i>	5
<b>I An Introduction to the Faith-Based &amp; Community Initiative</b>	7
A Brief History of the Initiative	
Common Myths Regarding the Faith-Based and Community Initiative	
The Rule Regarding Participation by Religious Organizations in USAID Funding	
<b>II The USAID Center for Faith-Based &amp; Community Initiatives</b>	11
<b>III Implementing the FBCI—Challenges &amp; Opportunities for USAID Missions</b>	13
Creating an Effective Communication Strategy	
Making Connections	
Identifying Alternate Partnership Opportunities	
<i>Intermediary Relationships and Partnerships</i>	
<i>Small Grants Opportunities for Small and Medium-Sized NGOs</i>	
<i>Encouraging Non-USG Partnerships</i>	
Outreach and Implementation Steps to Consider	
<b>IV Innovative Partnerships &amp; Best Practice Examples</b>	21
Planning a Capacity-Building Workshop	
Building Sustainability	
Working with Local Partners	
Working with New Partners	
Engaging Community and Faith Leaders	
<b>V The Public-Private Partnership Model &amp; FBCOs</b>	29
The Public-Private Partnership Model	
Points to Consider in These Partnerships	
Steps to Leverage FBCOs in Public-Private Partnerships	
<b>VI Leveraging the Power of Volunteers</b>	35
Trends in Volunteerism—Best Practices from the Field	
<b>VII Legal Guidance and Commonly Asked Questions</b>	39
<b>Resources</b>	43
Definitions	
Online Resources	
Acronyms	



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## Foreword

*Welcome!*

The Center for Faith-Based & Community Initiatives is here to serve you as you work with NGOs, many of which are faith or community-based, doing vital work around the world.

We encourage partnerships with faith-based and community organizations because they represent a unique force in international economic development. These organizations have extensive social networks and infrastructure, tremendous resources, and vital trust in communities around the globe, allowing the USG to maximize its resources by partnering with them. These assets are evident when it comes to local, indigenous organizations that are clearly a trusted part of their village or neighborhood.

The ability and willingness of FBCOs to deliver services, especially in remote areas that lack public services altogether, often exceeds the capacity of local and national governments. Well-designed partnerships with community networks and FBCOs can mobilize private sector partners and volunteers, and thus multiply available resources.

We also want to emphasize that in addition to the opportunities that exist to extend your impact in partnership with FBCOs, there are constraints and special obligations related to religious content or activity that accompany the receipt of Federal grants by religiously-oriented organizations. This guidebook is intended to provide clarity in those areas and serve as a reference guide and informational tool for you.

We will continue to provide you with best practice examples, helpful tools and innovative approaches. Please be sure to let us know if you have any questions, comments or if there is any way that we can provide information that will be more helpful. It is my great honor to work with you.

Warmest regards,

Terri Hasdorff



# An Introduction to the Faith-Based & Community Initiative

**Question:** What is the International Faith-Based & Community Initiative?

**Answer:** A determined attack on need in developing countries through partnerships with FBCOs

The central objective of the Faith-Based & Community Initiative (FBCI) is to address human need more effectively by strengthening the work of frontline nonprofit organizations and expanding collaboration with them. This work includes removing unnecessary barriers to partnership with grassroots, faith-based and other new partners. It also seeks to champion policies, programs and other models that expand the services these organizations provide to their communities—both with and beyond partnership with government.

The Initiative is not meant to give faith-based or other community organizations an unfair competitive advantage but rather is about partnering government with organizations that can provide the best services for the job. If that happens to be a small or faith-based NGO, then Agency funding mechanisms should not discriminate against them in the competition for funds.

## A BRIEF HISTORY OF THE INITIATIVE

In January, 2001, President George W. Bush launched the Faith-Based and Community Initiative to expand the positive impact of Federal efforts to help individuals in need. The Executive Order launching the Initiative stated the following:

*Faith-based and other community organizations are indispensable in meeting the needs of poor Americans and distressed neighborhoods. Government*

*cannot be replaced by such organizations, but it can and should welcome them as partners. The paramount goal is compassionate results, and private and charitable community groups, including religious ones, should have the fullest opportunity permitted by law to compete on a level playing field, so long as they achieve valid public purposes, such as curbing crime, conquering addiction, strengthening families and neighborhoods, and overcoming poverty. This delivery of social services must be results oriented and should value the bedrock principles of pluralism, nondiscrimination, evenhandedness, and neutrality.*

Building upon this vision, the Executive Order called for a “comprehensive effort to enlist, equip, enable, empower, and expand the work of faith-based and other community organizations.”

This effort has worked to remove unnecessary barriers to partnership between government and both faith-based and other small nonprofit organizations. Toward this goal, it has applied “Charitable Choice” principles to most programs in the Federal government. These principles—first applied to certain programs in law in 1996—mandate that faith-based and small community-based social service providers be allowed to compete for Federal funding on the same basis as any other non-governmental organization. The Initiative has also sought to remove barriers to the participation of small, community-based organizations.

Building upon the “level playing field” established for faith-based and other grassroots partners, the Initiative continues to champion policies, programs and models that enable government

to draw more fully upon the distinctive strengths of frontline nonprofit partners. It also seeks to expand and enhance the services these organizations provide to individuals in need, both in and apart from formal government partnerships.

Today, this vision is advanced by the White House Office of Faith-Based and Community Initiatives as well as the Centers for Faith-Based and Community Initiatives in eleven Federal agencies. These Centers work to enable their respective agencies to draw more fully upon and strengthen the social service of both community and faith-based nonprofits. The ultimate beneficiaries of these efforts are the needy, both at home and around the globe.

While often active in providing services with private funds, small NGOs are frequently at a disadvantage in learning about available Federal opportunities and lack the experience and resources to write competitive proposals. Enhancing the ability of these organizations to compete is one of the goals associated with this Initiative.

In addition, Executive Order 13279 established equal protection of the laws for FBCOs. To expand these principles to all Federal social service programs, Equal Treatment Regulations were established by seven Federal agencies (Labor, Justice, Health and Human Services, Housing and Urban Development, Education, Agriculture, and USAID) with the intent to:

- Ensure equal treatment of and religious liberty for organizations seeking to participate in Federal social service programs

- Protect the religious liberty of beneficiaries of Federal programs
- Clarify the proper, constitutional uses of Federal assistance

## COMMON MYTHS REGARDING THE FAITH-BASED & COMMUNITY INITIATIVE

### MYTH #1—IT IS ENTIRELY ABOUT FAITH-BASED ORGANIZATIONS.

While ensuring a “level playing field” for faith-based organizations in competitions for Federal grants is an important goal of the Initiative, the overarching vision is much broader. The ultimate objective of the

#### Agency Centers for the Faith-Based & Community Initiative

U.S. Agency for International Development

Corporation for National and Community Service

Department of Agriculture

Department of Commerce

Department of Education

Department of Health and Human Services

Department of Homeland Security

Department of Housing and Urban Development

Department of Justice

Department of Labor

Small Business Administration

Department of Veterans Affairs

Initiative is to enable government to address human need more effectively through expanded partnership with frontline service organizations—faith-based and secular, large and small.

### MYTH #2—IT’S A NEW POT OF MONEY.

There is no “faith-based money.” Many organizations believe this Initiative is a new “pot” of money available to faith-based organizations (FBO). This is not the case. There are no funds reserved especially for FBOs. The Initiative is designed to give these organizations equal access and a level playing field to compete for Federal government grants that are open to all NGOs seeking to provide social services and humanitarian assistance.

### MYTH #3—IT SEEKS TO FAVOR CHURCHES AND RELIGIOUS GROUPS, ESPECIALLY “CHRISTIAN” GROUPS.

The FBCI encourages expanded government partnership with frontline organizations and people of ALL faiths, as well as community-based organizations that may be completely secular and not aligned with any particular faith. FBOs who receive Federal funding must be willing to serve people of all faiths in any government-funded programs or services they provide. Organizations that receive federal funds may not discriminate against who they serve.

**MYTH #4—FBOS GET SPECIAL TREATMENT OR DIRECT FUNDING AND DON’T HAVE TO COMPETE WITH EVERYONE ELSE.** FBOs must follow the same rules and regulations in competing for grants as any other applicant for funding.

### MYTH #5—THIS IS EASY MONEY. THE NGO JUST NEEDS TO ASK.

FBCOs must understand that government grants are sometimes difficult to administer and FBCOs must have the capacity to handle this type of funding and meet programmatic or reporting requirements. In most cases, to obtain USAID funding an FBCO must register as a Private Voluntary Organization (PVO) first to demonstrate a basic capacity to handle government funds properly.

## THE RULE REGARDING PARTICIPATION BY RELIGIOUS ORGANIZATIONS IN USAID FUNDING

The following is a summary of the Federal Register / Vol. 69, No. 202 / Wednesday, October 20, 2004 / Rules and Regulations.

### PARTICIPATION BY RELIGIOUS ORGANIZATIONS IN USAID PROGRAMS

On October 20, 2004, USAID issued its final rule (the “Rule”) on participation by religious organizations in USAID programs (69 FR 61716). The Rule amends several USAID regulations in furtherance of Executive Order 13279 (67 FR 77141), which directs executive agencies to ensure equal protection of laws for faith-based and community organizations (“FBCOs”) that apply for federal funds. The Rule generally ensures that FBCOs are able to compete fairly for USAID funding, and that USAID programming decisions are based on the program eligibility criteria, without regard to the religious character or affiliation of applicants. Moreover, although faith-based organizations (FBCOs) may not use

## History of the Faith-Based & Community Initiative

- 1990 Federally Funded Child Care (vouchers)
- 1996 Charitable Choice in Welfare Reform Law
- 1997 Charitable Choice in Welfare to Work program
- 1998 Charitable Choice in Community Services Block Grant program
- 2000 Charitable Choice in SAMHSA drug treatment
- 2001 White House OFBCI & establishment of Agency Centers
- 2002 Executive Order on Equal Protection of the Laws
- 2003 Charitable Choice Regulations
- 2004 Equal Treatment Regulations

**Uzbek boy gets fresh water from a well in Kyrgyzstan. USAID's Peaceful Communities Initiative has rebuilt water and gas distribution systems, as well as improving schools and creating multi-ethnic sports teams and children's festivals.**



direct USAID funds for inherently religious activities, FBCOs may continue to engage in religious activities as long as they are privately-funded, separate in either time or location from USAID activities, and voluntary for beneficiaries of the USAID-funded activity.

The Rule's principal provisions include:

1. FBCOs are eligible to participate in USAID programs on the same basis as any other organization without regard to their religious character or affiliation and may not be excluded from competition for USAID funding. USAID may not discriminate for or against a program applicant on the basis of religious character or affiliation.
2. FBCOs may not use direct financial assistance from USAID (or any other Federal agency) to support inherently religious activities, but are otherwise free to engage in such activities. Inherently religious activities would include worship, prayer meetings, religious instruction and proselytization. These activities must be separated either in time or location from USAID-funded programs, and participation by actual or potential program beneficiaries must be voluntary. Assistance furnished with USAID funding may not be conditioned on participation in any inherently religious activities. The separation requirement may be different for certain programs in correctional facilities, in recognition of the unique environment and needs of inmates.
3. FBCOs will retain their independence and may continue to carry out their religious mission. For example, they may continue to engage in inherently religious activities, provided they are separated in time or location from their USAID-funded activities. FBCOs may use their own space to provide USAID-funded services, without removing religious art, icons or symbols. Additionally, FBCOs may continue to govern themselves on a religious basis, select their board members on a religious basis, and include religious references in their organizations' mission statements.



**USAID has funded extensive educational programs for young girls and women in Afghanistan.**

4. USAID funds may be used for the acquisition or construction of structures, only to the extent they are used for eligible activities under the specific USAID program. For “dual use” structures, USAID funding may not exceed the proportion of the cost attributable to eligible

activities. USAID funds may not be used for sanctuaries, chapels, or other rooms that a USAID-funded religious congregation uses as a principal place of worship.

5. FBCOs may not, in providing USAID-funded program assistance,

discriminate for or against any actual or potential beneficiary on the basis of religion or religious belief.

For the complete Rule, visit [www.usaid.gov](http://www.usaid.gov), keyword “faith.”

## The USAID Center for Faith-Based & Community Initiatives

USAID has a long standing history of working with FBCOs. However, because of their size and location, many local religious charities or small community nonprofits report substantial obstacles to securing funding from USAID and other donors. FBCOs lack familiarity with Federal agencies, access to professional grant-writing capacity. In some cases, they have reported experiencing indifference or even outright hostility.

To strengthen and expand the role of these organizations in addressing need, President Bush established USAID's Center for Faith-Based and Community Initiatives (CFBCI) in 2002 by Executive Order 13280. The Center serves both USAID and the U.S. Department of State and works to:

1. Advance policies that incorporate effective frontline service organizations in agency programs and initiatives to the fullest extent possible;
2. Serve as a bridge between faith-based and other community non-governmental organizations and government;

“Government cannot be replaced by charities, but it can and should *welcome* them as *partners*. We must heed the growing consensus across America that successful government social programs work in *fruitful partnership* with community-serving and faith-based organizations.”

*President George W. Bush*

**USAID has provided agricultural and microloan programs to improve crop production and income growth for small farmers in Sudan.**



USAID

3. Increase the capacity of faith-based and community non-governmental organizations to engage need effectively and have access to relevant partnership opportunities;
4. Eliminate barriers within the Agency that would hinder faith-based and community organizations from competing for funds on a level playing field, enabling them to further carry out their missions to alleviate human suffering;
5. Educate FBCOs about the rules and regulations they must be willing to comply with in order to partner with government; and
6. Increase collaboration among people and organizations addressing some of the greatest social service needs in our world today.

ACDIVOCA



Embassies and Missions should know that the CFBCI is a resource for them. Organizations who approach the USG in need of assistance can obtain direction from the CFBCI's website ([www.usaid.gov](http://www.usaid.gov), keyword "faith") on where to go for help. The website identifies funding sources, links to video workshops on grant writing offered by FBCI offices in other Federal agencies (such as the Department of Labor CFBCI at [www.dol.gov/cfbc](http://www.dol.gov/cfbc)), and allows NGOs and others to sign up for information on funding and capacity-building resources through the CFBCI newsletters. In addition, the CFBCI has recently partnered with Grantstation ([www.Grantstation.com](http://www.Grantstation.com)) to provide one of the most comprehensive internationally focused newsletters on grants and funding opportunities available worldwide. The Grantstation newsletter is free to anyone who signs up through the CFBCI website.

Embassy and Mission staff are encouraged to contact the CFBCI for guidance and assistance on a range of services and activities including:

- Guidance to faith-based and community organizations on opportunities for partnering;
- Country-by-country and sector-specific information on model programs, partnerships and best practices;
- Resources to share with FBCOs including capacity-building information;

**A USAID scholarship recipient volunteers at a school near Carmen Pampa, in Bolivia's Yungas region, through a program that aims to reduce poverty and develop sustainable alternatives to growing coca.**

- Guidance on working with faith and community-based public/private partnerships; and
- Co-sponsorship of in-country Faith and Community-Based Development Conferences.

The White House Office of Faith-Based and Community Initiatives regularly hosts capacity-building conferences across the country in cooperation with state and local government officials and offices across the country, attracting thousands of attendees representing both domestic and international service providers. Outreach workshops conducted at these events focus on topics such as writing quality grant proposals; leveraging volunteers; developing business plans; compliance with equal treatment regulations and Constitutional requirements; and partnering with diverse communities. The conferences build capacity while also allowing organizations to network and partner with others doing similar work. For more information on White House Conferences on Faith-Based and Community Initiatives visit: [www.fbc.gov](http://www.fbc.gov).

## Implementing the FBCI—Challenges and Opportunities for USAID Missions

In today's environment, it is not possible to achieve many of USAID's programming goals without the engagement of civil society organizations, including faith-based and community development organizations and indigenous civil society groups. Therefore, it is important that Mission Directors and their staff establish methods of introducing these organizations to Agency grant-making and management processes.

Finding and equipping new partners who may have much to contribute but who have weak capacity or little to no prior experience partnering with the government is difficult but can have a tremendous payoff in the long run. As USAID Bureaus, Missions and even large NGOs can attest, reaching and properly equipping smaller, less experienced partners can consume

valuable staff time and other resources. However, by harnessing creative communications mechanisms, using intermediary organizations, and other innovative approaches, Missions can establish efficient collaboration with these often-untapped allies. Ultimately, the initial outlay of time and resources often proves to be one of the most effective and resource-multiplying investments available. This section offers practical advice and replicable models for this challenging work.

### CREATING AN EFFECTIVE COMMUNICATION STRATEGY

While USAID staff do not have the time or resources to partner with or build the capacity of each FBCO, direct contact with these organizations is very valuable in building relationships and better understanding. By taking the time for a short meeting with these organizations, you can help FBCOs assess their readiness to partner with USAID and give them some basic direction on available resources both from the USG and elsewhere. In particular, directing them to potential intermediary organizations is a valuable and helpful service to a small organization in need of technical assistance.

Demystifying the USAID grant process can be of great help to a small NGO. This could include explaining the general grant application process, providing information about when certain grant programs receive applications during the year and how to track the availability of grants through [www.grants.gov](http://www.grants.gov), [www.Grantstation.com](http://www.Grantstation.com) or other resources. In addition, your Mission may want to consider placing a page on your website or sending

out an email newsletter available to all NGOs in-country publicizing grant availabilities in that country.

Another useful step in assisting FBCOs is to clearly communicate expectations about requirements in a pre-award audit or to provide guidelines on how local FBCOs can demonstrate their fiscal capacity to receive government funds. Having printed materials on programs operating in the FBCO's region of interest and possible entry points for participating in these projects is practical guidance that helps FBCOs partner with USAID or with other donors.

**You may wish to ask the FBCO to fill out a questionnaire prior to meeting with them so that your Mission can get a better sense of the FBCO's background and needs before the meeting. An example of a questionnaire is downloadable at <http://inside.usaid.gov/FBCI>.**

If USAID resources are not a viable option, your Mission may direct the FBCO to other funding streams. Information on foundation grants, grants from corporate and philanthropic entities, and other international development donors such as the United Kingdom's Department for International Development (DFID), the Canadian International Development Agency (CIDA) and others are invaluable to many small NGOs who often struggle with how to access this information.

### MAKING CONNECTIONS

USAID Missions are in the position to help make connections between partner organizations and the FBCOs that will remain in the area after the partner organization's funding has expired.

#### Common Perceptions of USAID by Small and Medium-Sized NGOs:

- USAID funds the same large NGOs each year and small and medium-sized NGOs can rarely receive funding.
- It is very difficult to schedule meetings with USAID officials.
- USAID views small NGOs as less valuable to development efforts.
- USAID grant processes take too long.
- USAID grant processes are not geared towards small NGO applicants.
- USAID is too bureaucratic.

Missions can use that initial meeting to explain possible partnerships with other NGOs, USAID grantees or another donor. Connecting development partners may be done at little cost to the Mission, but this service will be of tremendous value to a small NGO.

In addition, USAID can work to address FBCO institutional capacity-building needs through conferences and trainings that are open to all NGOs such as the one recently sponsored by the Mission in Moldova.

(See the story in the box below.) Such conferences provide an opportunity to encourage networking and collaboration among organizations working in-country. One of the most helpful things an Embassy or Mission can do is build collaboration among NGOs working on similar issues. This costs very little to the Embassy or Mission but is often invaluable to NGOs.

Several of the larger USAID partners have begun to build the institutional strength of their smaller, local partners, preparing them to be USAID direct

grantees. If capacity-building organizations are operating in your country, connect these FBCOs with them. If not, compile a list of capacity-building organizations to use as referrals. A few examples of these types of organizations providing a variety of levels of assistance are listed in the box below. These partnerships are a vital and integral part of USAID's approach to delivering development services, and the list is constantly expanding.

Engaging a wider array of smaller partners might initially produce more

## Collaboration and Partnership in Moldova

On December 10, 2007, USAID launched the first of a series of International Faith and Community Based Development Conferences. The event was jointly hosted by the U.S. Ambassador to Moldova, the USAID Moldova Mission and the USAID Center for Faith Based and Community Initiatives. The Conference served to equip all NGOs working in-country, including faith and community-based organizations, with free capacity-building training as well as information on how to obtain funding from USAID through partnerships with other NGOs and government entities.

The event was free of charge to participants and held at the Organization for Security and Co-operation in Europe (OSCE) building in Chisinau. A capacity-building trainer was provided by World ORT, a Jewish NGO with a long history of community-based work in Moldova. Both main branches of the Orthodox Church participated and worked well together, despite longstanding differences. Baptist, Lutheran, and Catholic groups also participated actively.

At virtually no cost, the Mission was able to make contacts with grassroots activists and community leaders, and train groups that have wide access to low-income communities. USAID/Moldova hopes that as the result

of the workshop, the Mission will be able to leverage additional resources, especially for efforts to prevent human trafficking.

*"Faith and community-based organizations are vital partners in USAID's development efforts. The Moldova conference is a good example of the innovative strategies we are pursuing to strengthen these organizations' effectiveness, not only as USAID partners but, more important, as collaborative groups. Moldova's civil society will now be better equipped to address some of its most critical needs."*

— USAID Administrator Henrietta Fore

The Moldova conference was the first of a series of conferences that will engage and support faith and community-based organizations around the world. The meetings will help build the capacity of NGOs, including FBCOs, and enable them to partner better with each other, the U.S. Government and other large donors, and ultimately to be more effective in their development work. If your Mission is interested in co-hosting a similar event, please note the specific steps for replicating this event on page 18 or contact the USAID Center for Faith-Based and Community Initiatives for more information.

of an administrative burden. However, actors within local civil society can confront problems more holistically, and strengthen the capacity of the local community to eventually become self-sustaining in addressing its problems.

## IDENTIFYING ALTERNATE PARTNERSHIP OPPORTUNITIES

Many FBCOs who are interested in working with USAID will not be ready to apply for a direct grant or cooperative agreement. By encouraging collaboration and partnerships with larger, more experienced NGOs, USAID can introduce and include FBCOs as indirect government partners. As USAID Bureaus and Missions consider ways to deliver more capacity-building resources to the field, a variety of options emerge. If USAID funds are to reach small, local FBCOs, the likelihood is that they will most likely do so by means of larger well-established NGOs including them in their projects.

## INTERMEDIARY RELATIONSHIPS AND PARTNERSHIPS

One issue that has been raised repeatedly by small NGOs and members of Congress has been the need for better access to USAID Missions. It is important that Missions bear in mind that direct access to Program staff for at least an initial meeting is critical. (Given the expansive responsibilities of Mission staff, it may be most efficient to do this in a group forum, via a one-day conference or monthly meeting.) Once the initial interaction has occurred, Missions can assist FBCOs by helping them identify larger NGOs that could potentially serve as an intermediary.

A substantial number of USAID's larger partners already sub-grant to smaller organizations. However, these sub-grants can better prepare FBCOs to become direct USAID grantees if the "prime" partner is required or encouraged to provide broader institutional strengthening to "sub" partners. This capacity-building can be encouraged by adding specific requirements or incentives into Request for Application (RFA) and other solicitation mechanisms. Even if graduation to "prime" status is not an objective, investment in the organizational strength of grassroots sub-grantees can contribute greatly to the short-term effectiveness and long-term sustainability of USAID programs.

Under a sub-grantee arrangement, intermediaries take on the day-to-day oversight and management of grants, removing much of the burden from USAID staff. Small FBCOs can provide services in their communities, while

receiving much needed technical assistance and capacity-building training. The more small FBCOs are strengthened, the less hands-on oversight and management will be required. The small partners also become more qualified to seek grants from other donors. Should the large partner need to pull out of a country or geographic area, it will leave behind sustainable organizations that are much more likely to be able to continue the work.

Another approach is to provide grants to intermediary organizations for the primary purpose of identifying, training, and working with new partners in program implementation as well as organizational capacity-building and technical assistance. This helps to minimize the time required for training and capacity-building borne by USAID staff. Such grants can be used by intermediaries to train front-line development workers and indigenous NGOs in areas of management,

### Capacity-Building Organizations

The Asia Foundation,  
[www.asiafoundation.org](http://www.asiafoundation.org)

[Capacity.org](http://Capacity.org)

InWEnt—Capacity Building  
International, Germany,  
[www.inwent.org](http://www.inwent.org)

Global Relief Development Partners,  
[www.gdrpartners.org](http://www.gdrpartners.org)

Geneva Global, [www.genevaglobal.com](http://www.genevaglobal.com)

Aga Khan, [www.akdn.org](http://www.akdn.org)

World Ort, [www.ort.org](http://www.ort.org)

Tear Fund, [www.tearfund.org](http://www.tearfund.org)

GrantStation, [www.Grantstation.com](http://www.Grantstation.com)

National Council of  
NonProfit Associations,  
[www.ncna.org](http://www.ncna.org)

BoardSource, [www.boardsource.org](http://www.boardsource.org)

International Relief & Development,  
[www.ird.org](http://www.ird.org)

US Department of HHS, ACF  
Compassion Capital Fund, [www.acf.hhs.gov/programs/ccf](http://www.acf.hhs.gov/programs/ccf)

Urban Strategies,  
[www.urbanstrategies.us](http://www.urbanstrategies.us)

World Vision, [www.worldvision.org](http://www.worldvision.org)

Food for the Hungry, [www.fh.org](http://www.fh.org)



Students at the Unyama Primary School in the Unyama Internally Displaced Persons Camp, which is located a few kilometers from Gulu, Uganda.



budgeting, fundraising, information systems, strategic planning, donor or volunteer recruitment, and measurement and reporting of results. Intermediaries can be engaged to provide grassroots organizations with regular updates on information about policies, programs and new funding initiatives at USAID.

### **SMALL GRANTS OPPORTUNITIES FOR SMALL AND MEDIUM-SIZED NGOS**

The creation of small grants programs is an effective way Missions and Embassies can expand partnerships with FBCOs. Guidelines and criteria can be built into the program to ensure that the grants serve specific longer-term development goals. For example, several countries have set up small grants programs as part of their HIV/AIDS activities.

Small grants programs are flexible, depending on the needs of the Mission. Your Mission may wish to contract with an intermediary organization to oversee your Mission's small grants program. Missions also can implement small grants through larger agreements, where a portion of project money is designated for small, local partners in the form of small grants. If possible, Missions should stretch the support for smaller grantees over a longer period of time to support their steady accumulation of capacity.

### **ENCOURAGING NON-USG PARTNERSHIPS**

USAID is not the only source of solutions for FBCOs hoping to be included in an expanding field of non-governmental partners. As a leading development agency, USAID has the

ability to encourage and assist in facilitating relationships with a variety of other organizations and entities such as:

- **Host governments**—Because of the unique power government has to convene, host governments, ambassadors, and Mission directors can convene meetings with community leaders, including faith leaders, to discuss how to address specific social service needs and foster collaborative relationships. Helping to promote host government partnerships with NGOs, including FBCOs, is an important element of development efforts.
- **Trade or professional associations and foundations**—Professional associations may have members in-country who are willing to use their expertise as in-kind donations to development projects. In addition, private foundations with a specific focus matching those of particular NGOs can provide small grants to FBCOs for projects that may not fall within USAID Mission priorities.
- **Multilateral institutions**—Partnership opportunities exist across numerous multi-lateral institutions. USAID can encourage multi-lateral partners to experiment with new ways to make information and training available to local partners. The World Bank, for example, has recently developed an HIV/AIDS initiative to support local civil society organizations, including FBCOs, called MAP (Multi-country AIDS Program). In some countries, hundreds of FBCOs have benefited from the program. MAP recognizes that small FBCOs with modest operating capacity can reach large populations with services and

## Encouraging Intermediaries through Funding Mechanisms

Incentives to encourage intermediary relationships and the provision of technical assistance and capacity-building for smaller NGOs, including FBCOs, could be included in RFAs or RFP solicitations. However, it is crucial that the larger NGO provide broader institutional capacity-building assistance rather than just narrow, technically oriented training focused on individuals. True capacity-building for organizations involves strengthening their ability to implement programs efficiently with less reliance, over time, on external technical assistance. This includes activities to improve the financial management, human resource management, management information systems (MIS), quality assurance, measurement and evaluation, strategic planning, and leadership and coordination of partner organizations. In any USAID mechanism where this is encouraged or required, the solicitation document (RFA/RFP/APS) should at least include clear benchmarks for measuring increased institutional capacity among sub-grantees, as well as a tentative schedule for when the sub-grantee might achieve sufficient capacity to become a direct recipient of USAID funding.

BEN BARBER/USAID

USAID-supported health programs reconstructed hospitals and upgraded health care services for the Afghan community.



positive messages to encourage prevention. Similarly, the International Finance Corporation, a World Bank subsidiary, has recently created a new division to pursue public-private partnership opportunities. The Global Fund to Fight AIDS, TB and Malaria also allows for financing of FBCO grassroots projects. Although much of its current programming involves direct support for governments, it appears increasingly open to non-governmental grassroots partners as an effective complement to its HIV/AIDS programming strategy. The Global Fund recently published a manual on how FBCOs can best seek awards from the Global Fund. For more information on MAP, go to [www.worldbank.org](http://www.worldbank.org), search “MAP.” For information on the Global Fund’s resources for FBCOs, go to the CFBCI’s website, [www.usaid.gov](http://www.usaid.gov), keyword “faith.”

## OUTREACH AND IMPLEMENTATION STEPS TO CONSIDER

- Hold a yearly one-day conference for NGOs, including FBCOs, operating in-country. Mission directors can co-host annual conferences with ambassadors or hold trainings for NGOs, including FBCOs, to learn more about USAID, its programs, opportunities for partnerships, and guidance on what USAID looks for in partners.
- Consider designating an NGO liaison within the Mission or Embassy who NGOs, including FBCOs, can contact for guidance and direction to appropriate programs and staff members. This liaison could also serve as a public-private partnership expert, providing training to USG staff as

well as community practitioners on the practical aspects of partnerships.

- **Consider ways to increase site visits** to NGOs, including FBCOs, when conducting other site visits, so you can see the work being done by these organizations.
- **Prepare a list of basic suggestions** for NGOs, including FBCOs, about working with USAID and its partners that you can give out to organizations interested in partnerships. Let groups know what to expect from USAID and be responsive when they contact you. This list could also be posted on your website.
- **Create a special capacity-building fund** to provide funding through intermediary mechanisms and build

the capacity of local charities and civic organizations.

- **Help facilitate Intermediary partnerships between large and small NGOs.** Your Mission or Embassy might host a meeting for small NGOs to hear from large NGOs about upcoming sub-grant opportunities.
- **Consider establishing twinning programs** in your country that match up U.S. cities, schools, hospitals and churches with their in-country counterparts. Sister Cities International helps facilitate these relationships. Visit their website at [www.sister-cities.org](http://www.sister-cities.org).
- **Provide more small grants** for local NGOs, including FBCOs, through funding mechanisms. Consider stipulating that some major grants

contain a requirement that a portion of the project money be designated for small local partners in the form of mini-grants.

- **Include evaluation criteria in RFAs that require larger NGOs to partner with small or indigenous NGOs in-country and build their internal capacity.**
- **In order to identify and partner with local or indigenous organizations, consider including exceptions to full competition** (in line with ADS 303.3.6.5) in an RFA through the mechanisms listed on page 25.

## Web-Based Resources for NGOs Provided by the CFBCI

### USAID CFBCI Newsletter

[www.usaid.gov/our\\_work/global\\_partnerships/fbc](http://www.usaid.gov/our_work/global_partnerships/fbc)

The Center's newsletter provides notices on USG international funding opportunities, Agency news that is relevant to small and medium sized NGOs, descriptions of USAID regional and policy bureaus as well as their key programs and their objectives, and best practices examples from various partner organizations. The newsletter also seeks to inform readers of relevant news and resources that are not provided by USAID.

### USAID CFBCI GrantStation International Insider

[www.grantstationinsider.com/?p=subscribe&id=30](http://www.grantstationinsider.com/?p=subscribe&id=30)

This comprehensive monthly newsletter provides readers with the latest information on new funding programs and

upcoming grant deadlines, as well as general information that can benefit all grant seekers.

### Information on other agency centers for FBCI

[www.whitehouse.gov/government/fbc](http://www.whitehouse.gov/government/fbc)

[www.fbc.gov](http://www.fbc.gov)

Though USAID is the prime implementer for USG international development assistance, FBCI staff in every agency maintain information on international programs administered by their respective agencies. For example, the Department of Agriculture houses the Foreign Agriculture Service and the Department of Education administers numerous programs related to international education. The home page of the White House FBCI Web site contains a list of links to other agency FBCI centers.



Schoolgirls who survived the October 2005 earthquake in Pakistan attend a tent school in Mehra Relief Camp. USAID helped open 50 temporary schools in villages in the Allai Valley to be used until permanent schools were rebuilt.

## Innovative Partnerships & Best Practice Examples

USAID Missions and representative offices have taken a variety of steps to include small and medium-sized NGOs, including local and indigenous organizations, in their programming. This section is made up of examples and replicable models of ways USAID offices are successfully utilizing the core strengths of FBCOs in program implementation as well as building up the institutional strength of these NGOs through technical assistance and capacity-building.

### PLANNING A CAPACITY-BUILDING WORKSHOP

The USAID Mission in Moldova recently hosted a two-day workshop for faith and community-based organizations. The workshop helped these groups link with possible donors such as civic organizations, partner churches, synagogues, or mosques in the U.S. and instructed them on how they could apply for USG or foundation funding. In addition, the training helped the NGOs make specific plans for projects they could do in their communities in partnership with one another. (This was particularly notable for Moldova, where many religious groups do not have a long history of cooperating on projects.) By bringing together disparate groups, the workshop helped facilitate community-level decision making and led participants to forge many new alliances, thus increasing their effectiveness at the community level.

Specific steps your Mission can take to facilitate a workshop for FBCOs:

1. Cost share as much as possible. This is important for two reasons: USAID cost will be minimal, and participants will be more invested

in the workshop and more active in their participation. NGOs who contribute space, pay for their own lunches, etc, will be more invested in the workshop and will get more out of it.

2. Have the US Ambassador open the workshop if possible.
3. Factor in “brainstorming” or “collaborating” time, not just “teaching” time. This allows groups to come together and share ideas, many of whom would not do this under normal circumstances.
4. Invite groups of all faiths as well as secular community groups. The more diverse the group, the more successful the workshop will be.
5. Given that many NGOs operate within a hierarchical structure, sit down with in-country religious

leaders prior to contacting local faith-based NGOs. For example, your Mission might first meet with the Bishop of the Catholic church and explain the workshop to him. After he sees the potential benefits of the workshop, he can assist with drawing different Catholic NGOs together and ensuring their participation.

6. Surrounding the workshop, plan one to two site visits to see successful FBCO projects. These visits will lead to linkages between established FBCOs and newer ones.
7. If it's not feasible for Mission staff to plan the workshop, hire a local Personal Services Contractor or Foreign Service Spouse to plan the conference for minimal cost to the Mission.

FREE WHEELCHAIR MISSION



A child in Vietnam enjoys her first moments in a free wheelchair designed by Donald Schoendorfer of the Free Wheelchair Mission, a new partner with USAID in 2007

## BUILDING SUSTAINABILITY

In order to maintain the long-term benefits of many assistance programs, USAID's implementing partners and subpartners, especially local NGOs, must become sustainable. A lack of organizational capacity is the main barrier to expansion of services facing most small and medium-sized NGOs. Below are replicable methods for building sustainability:

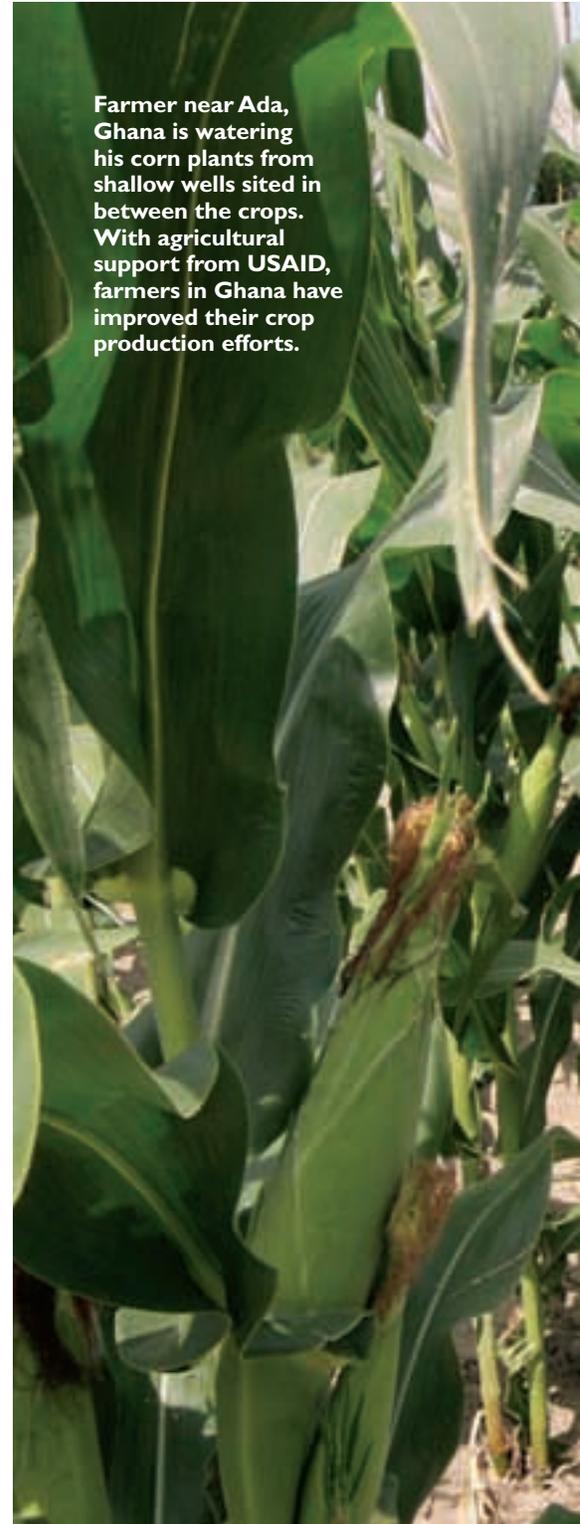
**1. Build incentives or requirements for local NGO capacity-building** into RFAs or other solicitation documents. USAID Mozambique has placed the following text into RFAs or clarification questions. While this text was used for health programs, these excerpts are generally applicable to other sectors of assistance.

*"...Application must include approaches for providing technical assistance and limited commodity support to small grass-roots organizations or local NGOs (such as community, faith-based, youth or women's organizations) with experience in and networks for community-based services. Such mentoring is necessary to enhance Mozambican capacity to expand and sustain effective prevention efforts as part of the country's MCH/RH response."*

*"The capacity-building component of the application must contain a better description of how [name of organization] plans to build the capacity of the local partners, containing benchmarks/ indicators that will allow measure of success along the project. Also, please provide a table that reflects all the events planned for the transferring of skills. There*

*needs to be an exit plan in place that describes how [name of organization] will hand-over the program to its local partners."*

**2. Hold an NGO Sustainability Workshop.** In March 2007, USAID Nicaragua ran a three-day NGO sustainability workshop for a small number of NGOs working in the democracy sector. The purpose of the workshop was to build more sustainable NGOs and help them establish a work plan for becoming a group that USAID or other donors would support. This program, developed by the LAC Bureau's Office of Regional Sustainable Development's Broad-Based Economic Growth Team for young, small NGOs, provided assistance on the steps needed to reach sustainability with improved organization and diversification of funding. First held in several LAC countries in the 1990s, the workshops focused on rural NGOs working on economic growth programs. The technical assistance and training was provided by USAID staff and USAID contractors (Chemonics) using pre-existing contracts or ongoing task orders. The Mission also worked with the Ambassador to secure his support for directing NGOs to this training. The training focused on finance and administrative systems development; communications capability development; new business development; and human resource development. This training could be replicated by other Missions and for NGOs working in other sectors. One of the key concepts emphasized in the training was the development of NGOs' capacity to track direct



**Farmer near Ada, Ghana is watering his corn plants from shallow wells sited in between the crops. With agricultural support from USAID, farmers in Ghana have improved their crop production efforts.**





**Promoting strategic alliances between small community businesses such as Nueva Esperanza and exporters is a key part of USAID’s strategy to support exports and job creation in urban areas of Bolivia.**

and indirect costs, to calculate the organizations’ overhead, and to understand ways in which NGOs can reduce and/or recover indirect costs so as to maintain a competitive overhead rate.

Steps to replicate this training include:

- a. Identify USAID staff or contractors who could provide such training under current funding mechanisms. Select a sector on which to focus and invite NGOs working in that sector that would most benefit from this training.
- b. Collaborate with a lead NGO partner to host the workshop or to identify a venue and smaller NGOs for training.
- c. Invite up to 15 NGOs, each of which must send a board member or executive director, the organization’s accountant, and a staff member with technical expertise (e.g., economic growth, democracy, etc.)

d. Have program officers attend to observe and to provide follow-up for NGOs.

e. If possible, provide attending NGOs with homework ahead of time and follow-up assistance to make the workshop as useful as possible in developing a work plan for the sustainability of the organization.

3. **Encourage larger NGOs to mentor smaller organizations to build program sustainability.** PMI’s Malaria Communities Program (MCP) supports the efforts of communities and NGOs to combat malaria in Africa. MCP specifically aims to identify organizations that are new to partnering with the U.S. Government—indigenous or U.S.-based—and encourage the strengthening of indigenous organizations. The RFA text below specifically encourages larger NGOs to mentor smaller organizations to build program sustainability.

*“Strong Linkages and Partnerships with Local Organizations: Successful applicants should ensure that all activities are clearly linked and part of a comprehensive national response to malaria and complementary to national strategies and priorities and PMI goals and objectives. Programs should encourage linkages with local governments, the private sector and civil society groups and communities. Programs should have strong demonstrable relationships with local organizations, partners, networks and/or communities in-country active in malaria control. In addition, mentoring from organizations with skills to*

*share is strongly encouraged to build in-country capabilities and program sustainability.”*

## **WORKING WITH LOCAL PARTNERS**

Led and staffed by dedicated individuals, local and indigenous organizations reach deep into the community, serving the needs of many. By linking these organizations with USAID’s larger implementing partners, USAID can expand both the breadth and sustainability of its work. Below are examples of language used in solicitations by various USAID Missions as well as language from the ADS (Automated Directives System) detailing opportunities for partnering directly with local or indigenous organizations.

### **1. USAID Rwanda RFA (Request for Application) text encourages grassroots organization partnerships in applications.**

*“...Applicants are encouraged to undertake joint proposals or other group arrangements to accommodate participation of new partners, improve geographic coverage, and improve potential for success. USAID encourages the participation of women-owned businesses and minority serving institutions. In order to maximize the potential for program sustainability, USAID has included provision for substantial sub-Agreements to local partners, and strongly encourages Applicants to incorporate significant participation of Rwandan NGOs (R-NGOs), Rwandan civil society organizations (CSOs), including community-based organizations (CBOs) and faith-based organizations (FBOs), in their plan to achieve the results. Applicants are advised that key factors in evaluation of Applications will be*

the extent to which: i) new partners are part of the lead group/consortium, and ii) the participation of R-NGOs, CBOs, and FBOs is incorporated in program plans.

Efforts discussed under this Request will address the challenges Rwandan communities face in confronting HIV and AIDS. The strategy envisioned is three-pronged: 1) to provide community-based preventive, care, and non-clinical treatment services to at-risk populations, orphans and other vulnerable children affected by HIV and AIDS (OVC), and persons living with AIDS (PLWHA); 2) to increase the linkages between such community-based services and public and private clinical and other services that support community efforts; and 3) while so doing, to increase the capacity of the Government of Rwanda (GOR) and its decentralized local government structures, and Rwandan NGOs, CSOs, CBOs, FBOs and public and private clinics to provide such prevention, care, and treatment services over time.”

**2. USAID Nigeria has used the following text in PEPFAR solicitation documents** to encourage large USAID implementing partners to work with local NGOs.

“...PEPFAR is committed in its desire to identify new local indigenous institutions and organizations to extend the number of partners with which the U.S.G. collaborates. Therefore, local indigenous organizations proposing solid and innovative concepts will be given preference over those received from international organizations. Where recipients consist of U.S./ international and indigenous organizations together, the most competitive

applications will propose the indigenous partner as the prime recipient.”

**3. In order to identify and partner with local or indigenous organizations, consider including exceptions to full competition in an RFA through the following mechanisms (ADS 303.3.6.5 d, e, g).**

d. *Small Grant awards.* Small awards are awards with an estimated total amount of \$100,000 or less and with a term of no more than one year. These awards may not be amended to either add funds beyond \$100,000 or extend the date beyond one year from the original date of the award. A justification must explain how the proposed award fits the exception.

e. *Local Competition.* Competition may be limited to local or regional (indigenous) organizations. If a competition is limited to local or regional organizations, U.S. organizations may not compete for award unless the program is re-advertised to provide all U.S. organizations with a fair opportunity to compete for award.

g. *New Entrants.* When the anticipated total estimate of the grant is less than \$5,000,000, the Agreement Officer (AO) may limit competition to organizations that have received USAID direct assistance of less than \$500,000 during the past five years to foster a larger assistance base and expand the number and sustainability of development partners. The AO will consult with the Activity Manager on limiting competition and document the rationale for

limiting the competition. The announcement will specify the eligibility restrictions.

**4. The Malaria Communities Program supports the efforts of communities and NGOs to combat malaria in Africa by specifically developing the capacity of local and indigenous organizations. The RFA text below focuses on developing organizations that are truly local, as defined by origination, support and staffing.**

*Developing Local and Indigenous Capacity:* Support to develop local and indigenous capacity to undertake community-based malaria prevention and treatment activities should be a focus of program strategies and interventions. The MCP aims to encourage the growth and development of organizations which have been locally conceived, supported and staffed, whose inception was initiated by nationals from the



**A young girl takes USAID-funded commodities home in Tajikistan.**

country of application and whose headquarters originated and currently resides in the country of application. Local/indigenous organizations who meet eligibility requirements are encouraged to apply directly or as a key partner within another eligible organization's application.

### WORKING WITH NEW PARTNERS

USAID continues to work with organizations new to partnering with the USG. Though numerous difficulties can arise when these mostly small organizations begin to respond to Federal rules and regulations, these organizations are still a valuable resource for USAID and its implementing partners in building self-sustaining programs in-country.

For the purposes of the New Partners Initiative (NPI), Malaria Communities Program and the Child Survival and Health Grants Program New Partners Initiative, eligible entities are NGOs with little or no experience working with the U.S. Government—defined as no more than \$5 million in U.S. Government funding during the preceding five years, excluding disaster or emergency assistance or funding as a subcontractor. The \$5 million eligibility limitation applies not only to the principal applicant but to any organization with which the principal applicant may choose to enter into a subcontract or grant.

Programs like NPI and MCP build sustainable organizations at the local level that can stand with or without USG funds. To do this, grants and subgrants need to be used to build up the local organization's capacity.

**1. Small grants** (as small as \$5,000 to \$10,000) can be given to very small organizations implementing programs. These one-time grants to nascent organizations with potential will not require as much oversight, but could be enough to allow a small organization to be more effective or jumpstart a program. Round One NPI partners who had previously received small grants were better able to adapt to USG's regulations and requirements than NGOs who had not previously handled USG funds.

**2. Larger grants** and cooperative agreements accompanied by formal or informal technical assistance can go to organizations to ensure that those organizations will be strengthened in their ability to provide services and, in turn, to build up other local organizations. All of the NPI grantees receive technical assistance and capacity-building training to better equip them in their ability to partner with the USG, to provide services and to train their local partner organizations. For NPI, this provision of technical assistance (TA) is provided through a contractor funded through NPI. The TA provider is responsible for working with the New Partners as they implement their programs to meet USAID requirements and regulations on financial accounting and measurement and evaluation as well as to equip them to be sustainable on their own without outside TA. The capacity-building component of NPI prepares organizations to become prime grantees under other PEPFAR grants after they have made their debut as New

Partners. NPI spends roughly 14 percent of its budget on the capacity-building component.

**3. Sub-partners and graduation rates.** Nearly half of all NPI partners were previously PEPFAR sub-grantees. Whether or not they received capacity-building training as subs, they have been better able to adjust to being prime NPI partners because they were better prepared for dealing with the USG regulations and requirements. The less-experienced grantees struggled much more. USAID sub-partners, especially local organizations, should be encouraged and equipped to apply for funds directly from USAID and other donors if long-term program sustainability is to be maintained.

### ENGAGING COMMUNITY AND FAITH LEADERS

Local faith and community leaders play a crucial development role in the lives of their communities. Using their established credibility and acceptance in their community, they can assist USAID in the delivery of services, resolving conflicts and providing an educational role in dispelling stigma and misunderstandings about disease and social issues. USAID has often partnered with these leaders in its programming. While such partnerships with religious leaders can be a complex matter requiring great sensitivity, the impact is far beyond what other approaches could deliver. In the cases below, USAID Missions strengthened the credibility and long-term impact of their work by taking time to identify and work in partnership with local and religious leaders.

**1. USAID Ethiopia**—In many parts of the world, men and women often go to religious leaders for advice on health issues because of the trust and respect they have earned in their communities. USAID Ethiopia has worked with religious leaders and teachers to discourage early marriage and to encourage the use of antiretrovirals (ARVs) and family planning. Using community and legal interventions, a USAID program engaged religious leaders and teachers and hosted public forums for discussion and sensitization on the harmful effects of early marriage. The country's two main religious bodies, the Ethiopian Orthodox Church

and the Ethiopian Islamic Affairs Supreme Council, signed statements of action condemning early marriage. Religious leaders from the Ethiopian Orthodox Church also partnered with USAID to dispel misunderstandings among their congregants about the use of ARVs.

International Orthodox Christian Charities and the Ethiopian Orthodox Church address HIV prevention and stigma reduction in 20 dioceses, including integrating HIV/AIDS training modules into the core pre-service training curriculum of eight clergy training institutes and three theological

colleges. Mainstreaming HIV in the curriculum prepares priests to deliver HIV prevention messages and creates a sustainable model within the Ethiopian Orthodox Church and the communities it reaches. USAID is also engaged with the Ethiopian Orthodox Church, Ethiopian Muslim Development Agency and other faith-based organizations to work with men to address harmful social norms and practices that increase the vulnerability of women and girls to HIV infection.

## **2. Europe & Eurasia (E&E)**

**Bureau**—E&E has done much to reach out to religious communities

IST LT. ERIKA YEPESEN/ U.S. AIR FORCE



**A U.S. Army CH-47 Chinook delivers USAID-donated relief supplies with the assistance of Nicaraguan citizens here in the aftermath of Hurricane Felix.**



**Through the USAID-funded Columbia Forestry Program, the residents of Bajo Mira and Frontera (Columbia) established a plan to maximize economic gain from natural forests and protect the habitat for the future.**

to involve them more in USAID's development work. USAID has funded innovative work with groups such as the Romanian Orthodox Church to assist in HIV/AIDS prevention and has worked with the SF Bay Area Council, a Jewish group, on promoting tolerance among law enforcement and communities in Russia. In Serbia, USAID has worked with all Muslim communities on numerous projects which have served to support the ability of Serbia's Muslims to take a more active role in the economic and democratic life of Serbia.

USAID assistance in E&E has engaged Muslim communities resulting in building responsible civil society, promoting local economic growth, rebuilding infrastructure, providing clean water, health and sanitation facilities; supporting greater tolerance towards other ethnic groups, promoting greater knowledge and appreciation of transparency, character, and culture heritage considered essential to underscore moderation as opposed to extremism. Other projects include local income generation projects for farmers to have a Halal beef and dairy farm meeting ISO 14000 standards.

**3. Food for Peace (FFP)**—The Office of Food for Peace has incorporated language into program guidelines and solicitation mechanisms encouraging applicants to consider the role of community and faith leaders and encouraging work with FBCOs. Including such text in solicitation mechanisms ensures that applicants consider the value of working with these leaders and groups and planning such involvement to strengthen their application.

Office of Food for Peace FY 2008 P.L. 480 Title II Program Policies and Proposal Guidelines Excerpt:

*Cooperating Sponsors are encouraged to reach out to local faith leaders and FBCOs when forming strategic objectives and implementing strategies for FFP programs. Working directly with FBCOs or local faith leaders will not be possible in every instance, but CSs are encouraged to include them in planning and implementa-*

*tion. FBCOs are oftentimes the only ones who can reach and do reach the most vulnerable in society, even when these communities are transient. It is, therefore, necessary to utilize this great resource in alleviating human suffering, especially hunger. Furthermore, when local FBCOs are rooted and not transient, building their capacity and strengthening their outreach efforts may go a long way towards enhancing and stabilizing the community itself and guaranteeing sustainability long after USAID financial assistance has been completed.*

**4. Asia and the Middle East**—These Bureaus have recognized the influential role of religious leaders through the Extending Service Delivery (ESD) project working with local Islamic leaders to deliver culture-sensitive training in family health. In Yemen, ESD is providing information on sexually transmitted diseases, breast-feeding, gender-related violence and a host of other health and family concerns. Leaders in the initiative provide training to volunteers in how to offer health advice to families in ways that are consistent with the teachings from the Quran. The initiative has enabled spiritual leaders to be a conduit for information on health and development concerns. Plans are underway to replicate this approach in other countries, including Bangladesh, Pakistan and the Philippines.

## The Public-Private Partnership Model & FBCOs

### THE PUBLIC-PRIVATE PARTNERSHIP MODEL

Forty years ago, approximately 70 percent of US capital flows to the developing world came in the form of US official development assistance compared to 30 percent private funds. Today, the ratio is reversed: 80 percent of America's support to developing nations was from private sources and less than 20 percent was official support from the government. (See chart.)

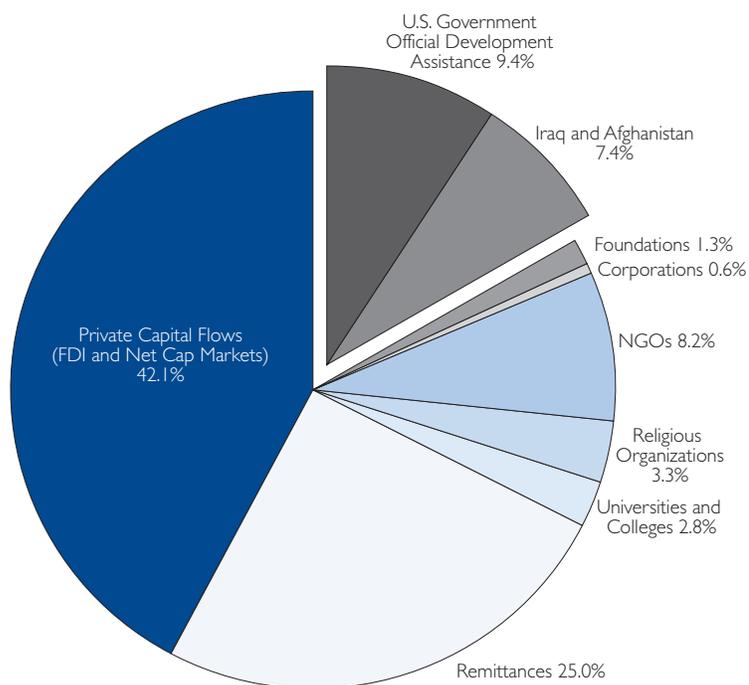
A steadily-growing practice of the Federal government is to replace the direct delivery of programs and services with partnerships involving non-governmental organizations and private sector firms. Within USAID the majority of resources and staff time are directed to developing, managing, and monitoring a growing range of programs that are delivered in partnership with non-governmental entities. Despite record levels of USG foreign assistance, the scope of development challenges far exceeds available public sector resources, demanding a new approach to development that Missions will play a critical role in implementing: leveraging public-private partnerships (PPPs).

Within USAID there is a growing interest in our ability to leverage private sector resources and talent through an increasing number of PPPs, that take development activities beyond the confines of contracted social services into the domain of voluntary associations, nonprofits and faith-based organizations, and even private sector corporations.

Development assistance must deliver more than American dollars and technical expertise; it must leave

“Through the Global Development Alliance, USAID’s business model for the twenty-first century, we seek to join our financial resources and technical expertise with the resources of a wide range of businesses as well as *nonprofits, churches, universities, foundations, and non-governmental organizations* (NGOs).”

USAID Administrator Henrietta Fore



communities with both a greater willingness to take ownership of problems and the capacity to confront their own conditions. PPPs forge a sense of shared local responsibility and engage community associations with direct ties to local populations.

### **POINTS TO CONSIDER FOR PUBLIC-PRIVATE PARTNERSHIPS**

Missions have the power to convene and should consider exploring ways to bring NGOs working in-country

together to build relationships with one another as well as to form funding partnerships of all kinds.

- PPPs pull together NGOs, community groups, corporations, government agencies, foundations, religious organizations, educational institutions, and other entities committed to pursuing common development objectives.
- PPPs foster a multi-faceted response to a community's needs. They provide for basic needs alongside

employment, public services, etc., and can lead to sustainable change.

- PPPs can leverage each partner's resources more effectively than traditional aid partnerships.

USAID's Global Development Alliance (GDA) as well as regional alliance officers, Africa Trade Hubs, and others in the field are constantly seeking to facilitate new partnerships. Missions can encourage FBCOs to read the GDA's Annual Program Statement which allows organizations to submit

### **PPPs Connect U.S. Church Members to Vulnerable Women in Eastern Europe**

The Republic of Moldova has a high incidence of human trafficking, especially in rural areas. Girls who have little education and no employment opportunities may be lured by advertisements for high-paying work abroad, only to become trafficking victims. The country's high level of corruption and troubled economy make it hard to change this situation. Despite these tough conditions, public-private partnerships facilitated by Catholic Relief Services (CRS) have been remarkably successful, bringing local businesses and community stakeholders together with funding from the U.S. government, other public and private sector international donors, and individual Catholics in America to address collectively the compelling issues of human trafficking, poverty and massive out-migration facing Moldova.

Through a grant from the Bureau of International Labor Affairs (ILAB) at the U.S. Department of Labor, women were trained for jobs that were in demand by private sector companies.

In two years, CRS launched 11 rural job creation projects and nearly 100 community action programs, training over 4000 young Moldovan women and providing guaranteed employment to many others. CRS has worked directly with these young women (most between the ages 18 and 30) in over 100 towns and villages throughout Moldova, as well as with a growing number of businesses to create marketable skills training, personal development and job opportunities. Young girls have gone on to work in varied occupations in the banking, retail marketing and garment manufacturing industries. One partner employer, Fourchette-M Company, noted, "We are very glad to be part of this partnership because it allows us to meet our needs for qualified personnel, while providing a way to address the issues of the community we serve."

In Moldova, these public/private/faith-based partnerships have created employment and empowerment programs that are more durable than those dependent on purely external funding. Because of CRS's faith-based commitment to stewardship of resources and its approach to working with community partners, the initiatives have leveraged the highest possible private sector and community contribution, averaging three dollars contributed for every one dollar of donor funding. CRS's outreach to the U.S. Catholic Community also provides an important bridge for individuals in the United States wishing to help vulnerable and disadvantaged people overseas—connecting the grassroots to the grassroots.

For more information, go to ILAB's Office of Child Labor, Forced Labor, and Human Trafficking website ([www.dol.gov/ilab/programs/ocft](http://www.dol.gov/ilab/programs/ocft)) and [grant/contract opportunities \(www.dol.gov/ILAB/grants/main.htm\)](http://www.dol.gov/ILAB/grants/main.htm).

ideas to USAID about new partnership opportunities as well as to check with the regional trade hubs and speak with USAID alliance officers. Visit [www.usaid.gov/our\\_work/global\\_partnerships/gda](http://www.usaid.gov/our_work/global_partnerships/gda) for more information.

### STEPS TO LEVERAGE FBCOS IN PUBLIC-PRIVATE PARTNERSHIPS

The USG and other organizations have been relying increasingly on public-private partnerships throughout the past twenty years because of the comparative advantage and efficiency that the private and nonprofit sector bring. The GDA initiative seeks partnerships leveraging at least a one-to-one ratio of public to private funds comprised of cash, services, property and supplies. The GDA is the way USAID plans to do business in the 21<sup>st</sup> century and faith and community-based organizations can play a tremendous role in these partnerships. USAID

“We agree on the need for partnerships across borders and among both the public and private sectors. We must call upon the compassion, energy, and *generosity of people everywhere*. This means that not only governments can help, but also private corporations, foundations, faith-based groups, and non-governmental organizations as well.”

*President George W. Bush endorsing USAID's Global Development Alliance*



**USAID Bangladesh helped to make small scale aquaculture a viable means of income for women and very poor farmers.**

Administrator Henrietta Fore has challenged the Agency to triple the value of resources leveraged through public-private partnerships. As a result, USAID Missions and bureaus are looking for opportunities to maximize their development projects with the input of interested private and nonprofit sector partners.

NGOs—faith-based or otherwise—bring much to public-private partnerships, including existing networks of relationships, knowledge of customs, and local buy-in from the communities they serve. All are valuable resources in the forming of public-private partnerships. GDAs that actively involve local leadership and local beneficiaries in design and

implementation are the ones most likely to be successful and sustainable.

GDAs that offer the most potential for poverty reduction involve careful, collaborative strategic planning at the country level that enables partners to offer more than cash. Here are some practical tips you can follow when looking at potential GDAs.

**1. Identify overlapping interests of all potential partners.** Companies recognize that USAID projects can help them find solutions to business challenges such as how to solve supply chain gaps and improve the quality of their labor force. While companies may have different reasons for their interest in development

projects, where the interests match up with USAID there is great potential for teamwork. For example, in 1997, Cisco Systems, Inc., USAID, and a number of other organizations (NGOs among others) began an alliance to develop skills in information and communication technologies in developing countries. Cisco recognized the lack of certified computer network operators as a key factor limiting its growth. Other partners saw this training as an opportunity to provide men and women with vital job skills to increase community development and lift families out of poverty. As of 2006, Cisco Academies had enrolled over 10,000 students in 41 countries around the world.

## The Global Development Alliance and Foods Resource Bank

The Global Development Alliance utilizes FBCOs as resource partners to enable programs like the Foods Resource Bank Alliance (FRBA), a program that fosters food security in poor communities worldwide through community growing projects in the United States. U.S. farms produce crops such as corn, soybeans, and wheat that are sold domestically to fund food security programs around the world through faith-based organizations such as Church World Service, Lutheran World Relief, and Catholic Relief Services. USAID matches the proceeds dollar for dollar.

The FRBA aids people around the world who experience extreme poverty and hunger. In sub-Saharan Africa, the FRBA has helped families produce or earn enough to feed the entire household. Families often have enough left over to barter or sell in order to buy basic medicines or send children to school. In the process, the FRBA encourages philanthropy and builds positive relationships between U.S. communities and communities in need overseas.

To learn more about the FRBA, go to: [www.usaid.gov/press/releases/2002/pr021127\\_2.html](http://www.usaid.gov/press/releases/2002/pr021127_2.html)



**Catholic Relief Services distributes emergency relief supplies in Purri, Pakistan.**

USAID

**2. Look for community organizations (including faith-based organizations) who can play a role in a development goal that government and private sector organizations could not easily achieve on their own.** (See the example of the Moldova program on page 14.)

**3. Ensure that the company or other potential partners engaged and the project in consideration is in line with the aims of US foreign assistance policy.** The GDA Washington Office is available to provide assistance in this due diligence function.

**4. Establish clear and transparent objectives that lead to an opera-**

**tional plan.** GDA alliances seek to maintain the highest level of ethical standards and practice. Before entering into alliance arrangements, examine the practices, histories, objectives, and reputations of all alliance partners to ensure quality.

**5. Refer to the GDA Users' Guide to target the appropriate relationship agreement between entities:**  
[http://inside.usaid.gov/GDA/resources/Users\\_Guide.pdf](http://inside.usaid.gov/GDA/resources/Users_Guide.pdf)

**Refer to the GDA Guidelines for more in-depth guidance on forming alliance, due diligence procedures, and more:** <http://inside.usaid.gov/GDA/guidelines.htm>

**6. Contact the GDA contact in your Mission or the GDA Washington Office in order to “broker” and coordinate relationships with potential GDA entities.** (GDA Staff contacts are listed in the box below.)

## GDA/WASHINGTON CONTACTS

Name, Email, Phone	Region	Primary Responsibilities by Sector
<b>Thomás Debass</b> tdebass@usaid.gov 202.712.5967	Remittances, Diaspora Communities	Economic Growth, Agriculture
<b>Ben Kauffeld</b> bkauffeld@usaid.gov 202.712.4105	Latin America	Humanitarian Assistance Disaster Relief
<b>Jerry O'Brien</b> jo'brien@usaid.gov 202.712.4455	Asia, Near East	Democracy, Governance
<b>Avery Ouelette</b> aouette@usaid.gov 202.712.1702	Europe, Eurasia	Environment, Education
<b>Robert Schneider</b> roschneider@usaid.gov 202.712.1763	Africa	Financing, Banking, IT
<b>Lorin Kavanaugh-Ulku</b> lkavanaugh-ulku@usaid.gov 202.712.5568		Communications, Outreach
<b>Katie Carroll</b> kcarroll@usaid.gov 202.712.1376		Global Framework, GDA Data, Due Diligence, Alliance Opportunity Mapping, Global Health
<b>Jennifer List</b> jlist@usaid.gov 202.712.4504		Program Coordinator

USAID



**The Maoist insurgency that threatens security in much of Nepal and cut some basic services to Nepal's poor is leading U.S. and other aid groups to increasingly rely on local Nepali groups to deliver development aid. Building up local NGOs—long an aim of the USAID Office of Private and Voluntary Cooperation (PVC)—became more vital as Maoists stepped up their offensive and adopted an unfriendly stance toward foreign NGOs.**

## Leveraging the Power of Volunteers

Implicit in a strategy centered on civil society is the recognition that citizens and local non-governmental organizations play a vital role in improving social and economic conditions. Thus the formula for sustainable development as well as for the expansion of democratic participation is the wider inclusion of citizen volunteers in identifying and solving problems.

### TRENDS IN VOLUNTEERISM —BEST PRACTICES FROM THE FIELD

- **Guatemala’s Youth Alliance Program.** In response to an alarmingly high rate of gang-related violence in “high risk” areas of Guatemala, USAID’s Youth Alliance Program, in partnership with Creative Associates International, Inc., was formed to develop a crime prevention response for vulnerable youth living in those urban areas, providing opportunities to develop new skills, offering free time alternatives that reduce the vulnerability to gang recruitment.

A USAID-funded Central America and Mexico Gang Assessment discovered that young people fleeing gang life generally find refuge in institutions including churches or non-profits, so the Youth Alliance Program works with faith-based partners to bring services to these troubled youth acknowledging that they are key actors in reducing youth violence particularly because active gang members accept that some of their members do leave the gang when become actively involved in a church.

The Program has an unprecedented level of community-based volunteerism. As USAID and its faith-based

“They (volunteers) represent one of the best avenues Americans can pursue to *improve relations* with the rest of the world. The potential for dividends from scaling up international volunteer programs are impressive relative to other ‘soft power’ programs of the U.S. government.”

*The Brookings Institution*

partners have come together, more than 250 volunteers have given more than 36,600 hours of their time to train more than 2,600 youth and 56 of them have been successfully placed in full-time work. For more information, visit <http://www.caii.com>.

- **Zambia’s RAPIDS Program.** In Zambia, a consortium of six organizations was formed called RAPIDS (Reaching HIV-Affected People with Integrated Development and Support) in order to bring integrated community-based approaches to HIV/AIDS prevention and to care for orphans and people living with HIV/AIDS across nine provinces. The consortium includes some of the largest faith-based humanitarian organizations, including World Vision, Africare, Care, Catholic Relief Services, the Salvation Army-Zambia, and the Expanded Church Response. RAPIDS has reached over 154,000 Zambian households through a network of 12,000 volunteer Zambian caregivers. Learn more about RAPIDS at [www.rapids.org.zm](http://www.rapids.org.zm)

- **Volunteerism is growing.** Volunteering is at a 30-year high. Much of the growth is being supplied by adults in mid-life (45-64) and older adults (65 and over). While volunteering through civic groups is declining, volunteering through educational groups has increased by 63 percent since 1989. The U.S. Peace Corps is at a 37-year high with more than 8,000 volunteers serving around the world and in partnership with faith-based and community organizations. Perhaps most important to note is that more Americans (35.5 percent) are volunteering through religious organizations than through any other type of organization.<sup>1</sup> Given the ease and reduced cost of travel due to globalization, international volunteerism has become a more accessible option to those wanting to contribute to relief and aid work.

<sup>1</sup> Issue Brief: Volunteer Growth in America: a Review of Trends since 1974, Corporation for National and Community Service.



**A member of a Community Emergency Response Team takes a call in the Scarborough response center in Tobago.**

- **Local volunteers** are yet another category of significant potential. Volunteers sent into communities

from abroad can present development managers with significant coordination challenges especially if the volunteers lack the requisite skills. However, these are not problems that typically surface when engaging local volunteers. Because they are a part of the indigenous culture, they possess a natural facility for appreciating and working with existing customs and beliefs as they carry out programs. AidMatrix ([www.Aidmatrix.org](http://www.Aidmatrix.org)) is a non-profit organization that works with host country governments and faith-based organizations to establish local volunteer networks that can be utilized for disaster response and other needs. This type of partnership was recently established in Honduras by their First Lady, and many other countries are following suit.

- **Disaster response and beyond.** In the United States, the Department of Homeland Security has developed several initiatives that provide training and volunteer opportunities for average citizens. Individuals are taught how to prevent, prepare and respond to any natural disaster, terrorist act or emergency. The Community Emergency Response Team (CERT) Program educates people about disaster preparedness for hazards that may impact their area and trains them in basic disaster response skills, such as fire safety, light search and rescue, team organization, and disaster medical operations. Volunteers and faith and community-based groups are often the first to respond and the last to leave in disaster response situations,

## Community Emergency Response Teams (CERT) Are Improving Disaster Response in Tobago

Residents of the tiny island of Tobago in the southern Caribbean are well acquainted with intense weather. Meteorological events such as hurricanes and severe storms affect almost everyone each year. In 2004, Hurricane Ivan brought natural disaster to Tobago in the form of landslides that destroyed homes, farms, and livelihoods. Entire communities were left isolated.

With assistance from USAID, Tobago is working to improve the ability of remote communities to respond to natural disasters themselves. Through this initiative, local Community Emergency Response Teams (CERT) are helping isolated communities address a range of emergency situations like tornados, hurricanes, and heavy storms as well as local emergencies like fires or medical issues. The CERT training process is so rigorous that even someone with no emergency response background can acquire the skills to serve effectively on the team. State-of-the-art training teaches responders how to deal with any type of disaster.

The CERT's work together with the island's other response groups to make sure that every Tobagonian can be reached in an emergency. This is such an innovative and successful program that regional disaster response officials are discussing the possibility of replicating the USAID-sponsored CERT program in other Caribbean countries.

Based locally, the teams can respond in half the time of traditional response services, which are located far from the island's most remote towns. Also, if an area becomes isolated during an emergency situation, the local teams can help if the main fire and medical teams are unable to. Though locals may have no control over future disasters, they no longer have to worry that help is too far away.

To read more, visit [www.usaid.gov/stories/caribbean/ss\\_regional\\_prepared.html](http://www.usaid.gov/stories/caribbean/ss_regional_prepared.html)

and many congregations and faith-based NGOs have embraced this training and are utilizing it to train their members.

Internationally CERT has been utilized by USAID as a means to help citizens abroad be better prepared for disasters they may face. Embassies and Missions should consider working with faith and community-based NGOs to provide Train the Trainer courses in CERT.

- **The role of faith leaders in volunteerism.** It should be noted that faith leaders can play an enormous role in fostering volunteerism. This influence has been evidenced by the recent call by Pastor Rick Warren—a well known author and Pastor of Saddleback Church in Lake Forest, California—for 100,000 U.S. citizens to volunteer to help with the malaria epidemic in Africa. Thousands of volunteers have already responded and traveled to Africa to be hosted in church family homes while they assist with malaria eradication efforts. USAID Missions can provide invaluable information to assist in the planning for such efforts. More faith leaders and NGOs are looking to Missions for direction and guidance about how their volunteer teams can best be put to use in developing countries. Collaboration between faith leaders, NGOs, and USAID Missions can help to ensure that the activities generated on these short-term trips fit with national country strategies for fighting a disease or other priorities.



Youth learn how to install solar panels to power a computer center in the rural community of Sao Joao, Brazil.



USAID-sponsored wheat shipment for Iraq is being transported on Free Atlas Cargo Ship.



Participants wait outside a church for a USAID-supported adult literacy program in Luanda, Angola.

**Right: USAID dispatched a Disaster Assistance Response Team soon after Cyclone Sidr struck Bangladesh and provided more than \$19 million for relief and early recovery activities.**

## Legal Guidance and Commonly Asked Questions

### What are faith-based organizations that receive federal funds allowed to do?

Faith-based organizations who have received funding are allowed to:

- Use facilities without removing religious art, icons, scriptures or other religious symbols
- Retain religious terms in organization's name
- Select board members on a religious basis
- Include religious references in their mission statements and other governing documents
- Retain their right under Title VII of the Civil Rights Act to consider religion in employment decisions, except in cases where the federal program statute forbids it
- Retain their authority over internal governance

### Can a faith-based organization still have religious elements?

Faith-based organizations may offer religious activities to those being served by the directly funded program, but three requirements must be followed. All religious activities must be:

1. Separate in time or location from federally-supported activities
2. Voluntary for clients of the federally-supported activities
3. Privately funded by the organization providing the religious activity

### Are USAID missions responsible for evaluating their current practices to ensure FBOs are given equal treatment?

Yes, all USAID Operating Units must ensure that current practices reflect USAID regulations and policy. That means they must ensure that no bias exists in procedures and policies that would exclude or disadvantage a faith-based service-providing organization for the simple reason that it is religious (even “pervasively” so). Likewise, they must ensure that FBOs are not the subject of favoritism.

### Our Mission is only beginning to reach out to FBCOs. What are the core guidelines and principles involved in partnering with religiously affiliated organizations?

Mission and Embassy staff should keep in mind that the Faith-Based and Community Initiative is NOT a preference for FBCOs. Rather, it is the principle that all organizations, small or large, religious or secular, first-time applicants or long-standing contractors, should be allowed to compete for government grants on a level playing field to determine the best partner for the job. USAID policy emphasizes the principles of neutrality, non-discrimination and equal access. The Mission should have a broad outreach and education strategy when it comes to identifying and informing service delivery partners about USAID

grant and contract opportunities. The intrinsic value of local organizations and networks for service delivery should be taken into account along with overall results and qualifications to serve, not whether they are religious or secular, nor on the basis of specific beliefs. In cases where FBOs are engaged, USAID policy also requires ensuring that impermissible religious activity does not occur as a part of federal programs. The government may not fund inherently religious activities.

### What activities are clearly forbidden when government aid is involved?

Federal funds may not be used for any type of inherently religious activities or for the printing and publication of overtly religious materials, such as sacred texts and other faith-filled materials. For example, government money may not be used for worship, religious instruction or proselytization. Groups that receive public money for public purposes must not divert funds to pay for inherently religious activities such as religious worship.

It would be difficult, if not impossible, to establish a complete list of all inherently religious activities. Inevitably, a regulatory definition would exclude some inherently religious activities while including activities that arguably may not be inherently religious. Some circumstances will always be open to interpretation. This should not prevent efforts to partner with FBCOs. When questions arise, USAID field staff should always consult their Regional Legal Advisor or with the Office of General Counsel at USAID headquarters in Washington to ensure that Agency practice is consistent with applicable law.

J. NEVES



**Many countries do not have laws similar to the First Amendment to the U.S. Constitution, which guarantees freedom of religious belief and expression as well as the non-establishment of religion. Does the First Amendment apply to grants and contracts outside the United States?**

Some Federal Courts have held that the Establishment Clause of the First Amendment does apply to certain USAID programs overseas. Accordingly, USAID designs all of its overseas activities as if the Establishment Clause were applicable.

**Are Missions responsible for monitoring an FBO grantee?**

Yes, it is the responsibility of the government to ensure that all grantees first agree to comply with restrictions and then are faithful in operating within those restrictions. An FBO should be monitored in the same way that any other NGO would be monitored. USAID staff just need to keep in mind the specific guidance related to faith-based organizations. Your monitoring of FBOs need not and should not be any more or less intensive than of secular or traditional grantees; there is equal risk that either type of organization could misappropriate or misuse public funds. By engaging in appropriate monitoring, you are doing more than safeguarding constitutional and regulatory standards; you are helping grantees to avoid costly legal, political or media exposure. For example, FBO grantees that violate policy could be asked or sued to return their funds, could forfeit future funds, or could be targeted for legal action by a private person or organization.

To make sure that grants are used properly, organizations that seek and secure USAID grants must also be made

fully aware of all filing and reporting requirements. In other words, creating an environment friendly to FBO providers requires familiarity by all parties with all relevant legal policies and procedures.

**Can a government funded FBO use a church property for delivering services?**

Yes. An FBO can use space in a church, temple, mosque or other place of worship, but cannot engage in inherently religious activities while delivering services, or require beneficiaries to attend or participate in such activities, even if they are held separate from the federally funded program. Any religious activity must occur either at a different time or a different part of the building from the social service that the government is funding, and be voluntary for all beneficiaries of the government services.

**Can a mosque or congregation itself be the grantee organization?**

Yes, a grant should be awarded without regard to the applicant's religious or secular characteristics. Rather, the issue should be which organization can best deliver a secular social service with public funds without including inherently religious activity. Houses of worship are not required to form a separate nonprofit organization or apply for federal 501(c)(3) status.

**Explain the requirement that there be "time or place" separation of inherently religious activity and USAID-funded nonreligious activity.**

When an organization receives direct government assistance, its inherently religious activities must be offered separately—in time or place—from the USAID-funded activity. USAID does not require separation of *both* time and location, as that would impose a difficulty for small

religious organizations that may have access to only one location.

For example, government-aided social services can be carried out in one wing of the building while instruction in the Quran or Bible is taking place in another. Or, to stick with that example, religious and non-religious activity can be offered in the same room, but not at the same time. Inherently religious programming cannot be carried out with the help of government aid.

An organization receiving government funds must be careful to communicate that while beneficiaries of their government funded services are welcome to attend its inherently religious programming, such attendance should be completely voluntary. Declining to participate will not result in the beneficiary losing the government funded service.

**Can USAID funds be used to assist in the construction of a place of worship?**

Funds cannot be used to construct chapels or sanctuaries that are used by that organization as its principal place of worship. The Final Rule on Participation by Religious Organizations in USAID Programs (22 CFR Parts 202, 205, 211, and 226) provides that USAID funds can be used to assist an FBCO grant recipient in the acquisition, construction or rehabilitation of a facility, but only to the extent that those structures are used to deliver eligible services.

**Can an FBO maintain its current board members and system of governance and still qualify?**

Yes. Religious charities need not change the way in which they select staff or board members in order to be eligible for government grants or contracts.

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**Must FBOs be subjected to the same performance standards and accountability measures as other organizations?**

Yes. According to the Final Rule, “All organizations, including religious ones, must carry out eligible activities in accordance with all program requirements and other applicable requirements governing the conduct of USAID-funded activities...”

The Rule continues: “USAID will apply the same cost-accounting principles to all organizations. Because inherently religious activities are non-USAID activities, USAID need not distinguish between program participants’ religious and nonreligious non-USAID activities; the same mechanism by which USAID polices the line between eligible and ineligible activities will serve to exclude inherently religious activities from funding. The amount of oversight of religious organizations necessary to accomplish these purposes is no greater than that involved in other publicly funded programs that the Supreme Court has sustained.” Missions and Embassies should evaluate the efficacy of all service providers, secular or religious, and use neutral, secular standards.

**Do all FBCOs, including sub-grantees, subcontractors and local NGOs need to register with USAID’s Office of Private & Voluntary Cooperation - American Schools and Hospitals Abroad (PVC-ASHA) before being considered for funding?**

Different registration and record keeping standards apply to local PVOs that operate only in their own country. A local, indigenous nonprofit organization is not required to register with USAID/Washington. Nor are sub-grantees or subcontractors required to register. However, organizations

that meet the definition of a PVO are required to register. For more information, please see the PVC-ASHA website at [www.usaid.gov](http://www.usaid.gov), keyword “PVO Registration.”

Missions do have other eligibility requirements, which include an organization’s financial viability. Missions are expected to ensure that any local organization receiving funding from USAID is able to manage the funds and has sufficient control systems in place.

**Can my USAID mission set aside funds for FBO partnering?**

No. While the ADS allows for exceptions to competition when partnering through small grants or with new entrants (ADS 303.3.6.5), favoritism specifically to faith-based organizations would violate the neutrality principle under-girding the Faith-Based and Community Initiative and USAID regulations. USAID programs should not discriminate against qualified secular groups.

**To what extent can I show an interest in the nature or scope of an organization’s religion?**

What matters is whether the group is qualified to fulfill its obligations under an agreement with USAID. What is not of interest is the organization’s religious beliefs, practices or denominational affiliation. No religion or denominational sub-category should be favored or disfavored, and no organization should be disqualified because it is “too religious” or non-religious.

**What about the environment in which services are rendered?**

A religious organization need not purge, conceal or compromise its religious character. For example, faith-based

organizations may use space in their churches, synagogues, mosques, or other places of worship to provide Federally funded services.

In addition, there is no need to remove religious symbols from these rooms. For example, a faith-based organization may operate a Federally funded food assistance program in a church basement, or provide computer training in a classroom adjacent to a synagogue. Faith-based organizations do not have to remove religious symbols or artwork in their building in order to deliver a Federally funded service there. They may also keep their organization’s name even if it includes religious words, and include religious references in their organization’s mission statements.

However, organizations are prohibited from using government funds to pay for inherently religious activities such as worship, religious instruction, proselytizing or requiring beneficiaries to participate in inherently religious activities in order to receive the government-funded service. These activities must be offered separately, in time or place, from the USAID program.

**If an FBO involved in a feeding program wishes to offer a prayer before a meal, is that allowed?**

No. Prayer may not accompany (or immediately precede) a Federally funded feeding program, even if attendance or participation is voluntary. Any prayer session or prayer meeting must be privately funded and must “be held either in a separate location or at a separate time from the food distribution.” It should be made clear to feeding program beneficiaries that whether they join in prayer is up to

them, and that their decision will have no bearing on whether they receive services.

**Does acceptance of government money by an FBO affect that organization's freedom to hire persons of like faith?**

Agencies of the U.S. government are barred from engaging in faith-selective hiring. However, a religious organization does not become an arm of the state merely by contracting with the Federal government or accepting Federal funds. Foreign assistance legislation applicable to USAID is silent on the subject of grantees' hiring practices. Where a statute authorizing Federal funds contains no additional civil rights language, Title VII of the Civil Rights Act of 1964—including the religious hiring exemption for religious employers—applies. Thus, an organization that receives funds from this type of program may continue to take its faith into account in making employment decisions. Should future foreign assistance legislation expressly prohibit grantees from considering religion in employment, an FBO grantee could still accept the grant and prefer co-religionists for its staff if the organization qualifies for an exemption under the Religious Freedom Restoration Act.

For more information on Title VII, Federal assistance programs and faith-based organizations, see "Protecting the Civil Rights and Religious Liberty of Faith-Based Organizations: Why Religious Hiring Rights Must Be Preserved," a publication of the White House Office of Faith-Based and Community Initiatives available at [www.whitehouse.gov/government/fbci/religious-hiring-booklet-2005.pdf](http://www.whitehouse.gov/government/fbci/religious-hiring-booklet-2005.pdf).

**Can recipients of services be encouraged to participate in religious activities?**

Invited? Yes. Pressured to participate? No. It must be made clear that participation is entirely voluntary and that access to services is unrelated to whether the individual chooses to participate. Information on spiritual content and programming can be placed on display, but recipients of aid funded by the government cannot be required to attend religious programs. For example, a recipient of aid cannot be expected to take an interest in the Bible, the Talmud or the Quran or to attend Chapel or Friday prayers as a condition of receiving services.

**If a recipient of services asks the FBO provider for information on religion, can it be shared?**

Yes. In most circumstances, a brief answer that is sufficient to satisfy the question is allowed. However, if a longer conversation is requested, provider staff should set up a time to talk after the Federally funded program is concluded or separate from the location of the Federally funded program. For example, if a USG-funded program goes from 2-4 pm, let the person asking the questions know that it will be fine to hold the conversation sometime after 4 pm.

**Can government funds be used to purchase religious materials?**

No. USAID funds cannot be used to purchase sacred texts or other faith-infused reading materials, hymnals, sacramental elements or garments, or anything else that is used for worship, religious instruction or proselytizing. Questions about the appropriateness of materials used in the course of delivery services should

be directed to the Regional Legal Advisor or the Office of General Counsel at USAID headquarters.

**Can government funds be used to pay the salary of a member of an FBO's staff?**

Yes, but only to support the portion of the staff's time that is dedicated to delivering services under the grant or contract. Those staff members can engage in religious activity that is privately funded if it is conducted at a different time, but cannot be paid for time spent planning, conducting or participating in inherently religious activities (or any other non-USAID program activities.) For example, staff who might also function as a rabbi, priest, imam or other religious leader, must be certain to separate their religious instruction or pastoral activity from the funded social service programming, and account for time spent on religious activities versus time spent on federally funded program activities.

**If an FBO receives a grant, can they limit their service provision to members of their own faith?**

No. Beneficiaries of assistance may not be selected by reference to religion. The religious affiliation of the participant cannot be taken into account in advertising or delivering services. FBOs must understand that if they take Federal funds, they are required to serve people of all faiths or people of no faith in any program that they administer with Federal dollars.

# Resources

## DEFINITIONS

**Faith-Based Organization (FBO):** NGO who self-defines itself as having a mission and operation guided by faith orientation.

**Faith-Based and Community Organizations (FBCO):** NGO whose mission and operation are guided by either faith orientation or focus on a specific community or both.

**Non-governmental organization (NGO):** a legally constituted organization created by private persons or organizations with no participation or representation of any government.

**Private Voluntary Organization (PVO):** Tax-exempt non-profit organizations working in international development that receive some portion of their annual revenue from the private sector and receive voluntary contributions of money, staff time or in-kind support from the general public. Not all non-profit organizations are necessarily PVOs.

## ONLINE RESOURCES

### INTRANET SITE WITH ADDITIONAL RESOURCES FOR MISSION STAFF

<http://inside.usaid.gov/FBCI>

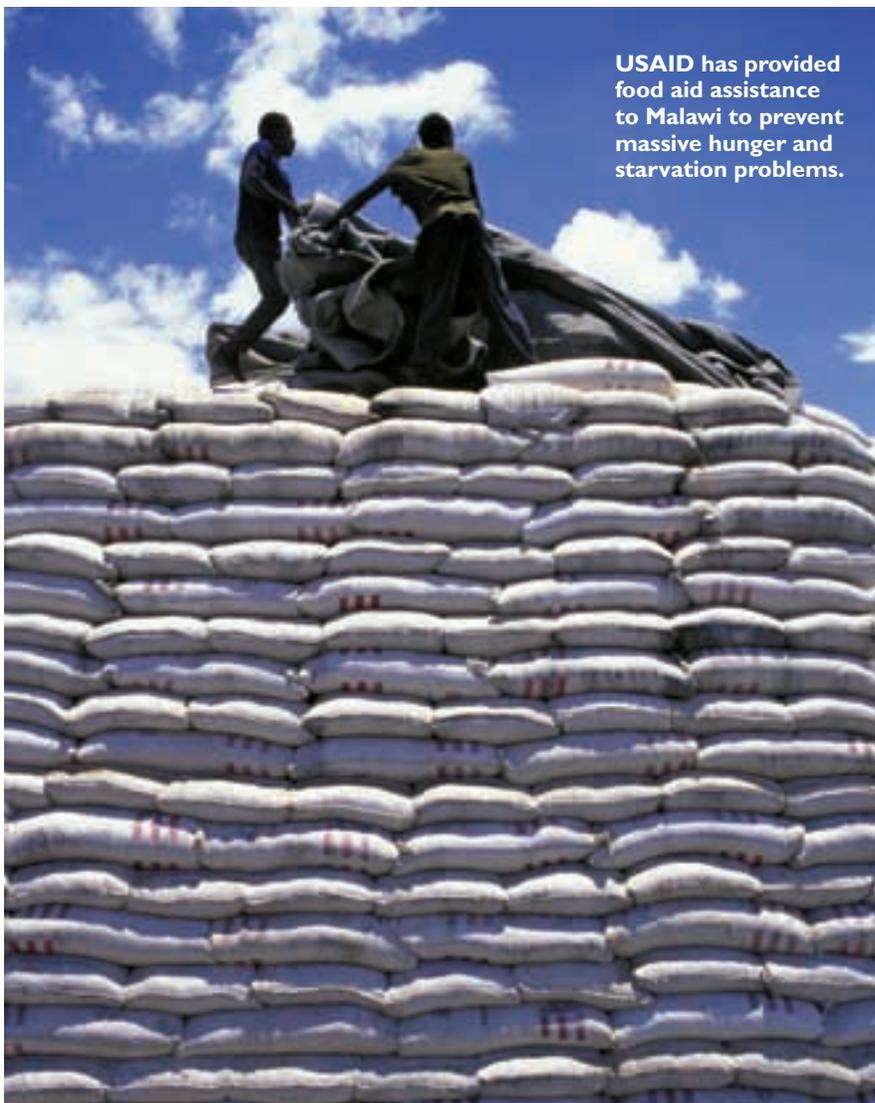
Best practice examples and excerpts of language used in previous solicitation documents (RFAs, RFPs and APSs) to encourage work with local and/or faith-based and community organizations and to build the institutional strength of these organizations.

### HELPFUL INFORMATION FOR ASSISTING NGOS

<http://inside.usaid.gov/FBCI>

USAID and the CFBCI acknowledge the fact that due to limited resources, it is not feasible to financially assist every

CRISPIN HUGHES/WFP



USAID has provided food aid assistance to Malawi to prevent massive hunger and starvation problems.

organization that is doing good work developmentally. For this reason, we encourage organizations to seek collaboration with a multitude of partners. Listed on the intranet are a number of entities committed to aiding organizations working in various regions or sectors.

Each entity listed has programs that provide technical assistance, capacity-building resources, small grant programs, or accept sub-partners. The list is not

exhaustive, but is intended to provide USAID staff with a list of contact information that maybe helpful to organizations that are not currently ready to partner with USAID. Since the list is intended primarily for internal use, USAID offices and programs as well as most USG contacts have been omitted.

*Special thanks to CFBCI staff members, Campbell Vogel and Heather MacLean for their contributions to this Guidebook!*

## ACRONYMS

<b>ADS</b>	Automated Directives System
<b>AEI</b>	African Education Initiative
<b>ASHA</b>	American Schools and Hospitals Abroad
<b>CSHGP</b>	Child Survival and Health Grants Program
<b>FBO</b>	Faith-Based Organization
<b>FBCO</b>	Faith-Based and Community Organization
<b>FFP</b>	Food For Peace Program
<b>GDA</b>	Global Development Alliance
<b>IFC</b>	International Finance Corporation
<b>MCC</b>	Millennium Challenge Corporation
<b>MCP</b>	Malaria Communities Program
<b>MD</b>	Micro-enterprise Development Office
<b>MDB</b>	Millennium Development Goals
<b>MGP</b>	Matching Grant Program
<b>NGO</b>	Non-governmental Organization
<b>NPI</b>	New Partners Initiative (PEPFAR)
<b>OFBCI</b>	Office of Faith-Based and Community Initiatives
<b>OFDA</b>	Office of Foreign Disaster Assistance
<b>OFRP</b>	Ocean Freight Reimbursement Program
<b>OGAC</b>	Office of the Global AIDS Coordinator
<b>OPIC</b>	Overseas Private Investment Corporation
<b>OVC</b>	Orphans and Vulnerable Children
<b>PEPFAR</b>	President's Emergency Plan for AIDS Relief
<b>PMI</b>	President's Malaria Initiative
<b>PVC</b>	Private Voluntary Coordination
<b>PSC</b>	Personal Services Contractor
<b>PVC-ASHA</b>	Office of Private Voluntary Cooperation - American Schools and Hospitals Abroad
<b>PVO</b>	Private Voluntary Organization. A non-governmental organization that is charitable in that it is nonprofit and tax exempt under section 501(c)(3) if U.S.-based or tax exempt under the laws of its country of domicile and operation if non-U.S. and solicits and receives cash contributions from the general public. (For definition of a registered PVO, see <a href="http://www.usaid.gov">www.usaid.gov</a> , keyword "PVO Registration")
<b>RAPIDS</b>	Reaching HIV-Affected People with Integrated Development and Support
<b>RFA</b>	Request for Application
<b>USAID</b>	U.S. Agency for International Development
<b>VFP</b>	Volunteers for Prosperity
<b>VEGA</b>	Volunteers for Economic Growth Alliance
<b>WB</b>	World Bank
<b>WPI</b>	Water for Poor Initiative



**USAID has assisted 140 people with disabilities in Casamance, Senegal since 1999. The program focuses on helping them reintegrate into society after months in the hospital, providing prosthetics, transportation, educational support, vocational training, and start-up funds for alternative forms of income.**



**U.S. Agency for International Development**

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

**[www.usaid.gov](http://www.usaid.gov)**