

The Role of American NGOs in International Development

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ABSTRACT

In this paper, I will examine the role of American nonprofit NGOs - specifically D.C. located CNFA (Cultivating New Frontiers in Agriculture), Inc. - on the long-run input into agricultural growth and sustainability of third-world countries. Such NPOs render production successful. I surveyed various employees from CNFA to understand the commercial and humanitarian principles behind international development and collaboration with foreign agribusiness companies. I will describe the methods of helping food security, program development, and financing to reduce the cleavage of modern-day society.

Introduction

Agribusinesses are those that better the conditions of agriculture and those that work in this field to improve efficiency and production. They can engage in any farming activity: including producing natural resources or food that can aid and feed farmers and livestock. Agribusiness can be qualified as social science, for it regards economic problems in the food industry.

Though dealing with commercial principles, agribusiness-related companies like CNFA, Inc. focus not only on advancing technological practices but also on improving the lifestyles of those in the countries they aid. Nonprofits similar to CNFA, Inc. organize themselves for purposes apart from generating revenue: they obtain financing from their donors and directly contribute to creating projects. Given this definition, the economic behavior of NPOs is considered to affect not only social norms but also the economies of the countries they help. Some examples of these behaviors include farmer-to-farmer programs - when a farmer from America comes to help a group of farmers in a foreign country learn different more productive techniques - grant distribution, and financial decision training.

Methodology

I spent 2 months at an internship experience with CNFA, Inc. during which I observed the work of the organization, interviewed many workers to form a consensus on the main role of such nonprofits in the development of foreign agricultural industries. This was a valuable fellowship because I was able to better my understanding of the economies of foreign countries and the mission of the State Department in promoting international development overseas.

Program Development

The vision of CNFA, Inc. is to create a prosperous world without hunger through stimulating economic growth and improving livelihood by cultivating entrepreneurship. In order to achieve its mission, CNFA, Inc. creates

competitive markets - though resilient to economic sways - that offer profit to both large and small farms, develop models, build partnerships to obtain resources, incorporate innovation, and foster a culture of learning. Their clients' top priorities include producing sustainable agriculture, nutrition-based agriculture, and resilient market systems. Using MEL practices - Monitoring, Evaluation, Learning - CNFA aggregates all performance data of all programs in the system Deltak: Costpoint, which is a program used by government contractors that work with budgets. All expenses are tracked in this program, along with invoices from vendors and possible bidding from clients. Nonprofit companies track and authorize these transactions and create selection memos for competition.

One of the largest programs at CNFA, Inc., Zimbabwe, with a 70 million dollar budget, requires projections based on the country's success rate. Program Managers deliver information on how the program is meeting the company's targets. These targets are set every 5 years through budgeting and plans: this is all estimated as "cost-pricing." Though technology is not as advanced because Zimbabwe is an economically developing country, there are some initiatives that focus on improving the feedback on successes. For example, there is a possibility of CNFA to work with NASA to install geolocation to figure out what areas are major food sources and which are lacking and need aid. This will mainly help self-owning farm groups sustain food quality/quantity: improving health, nutrition, and food security. If needed, CNFA also procures equipment for health. For example, pregnant/lactating women-farmers are helped for up to 2 years in their most vulnerable state. They, as well as others in need, are given food commodities through warehouses: commodities that are overseen to keep up to par with nutritional standards. Although Zimbabwe does not have as big of a grant budget, the limited money for grants goes to small loans to farmers, microfinancing, and inclined distribution. Rwanda's budget, on the other hand, is mostly based on grants that help transfer projects - which are open source initiatives that ease customers' online consignments - and local one-stop shops - which are government offices in a centralized location that allow customers to access multiple services easily. Therefore, the role of nonprofits in program development consists of creating and abiding by various countries' portfolios based on finance directors in each country.

In order to improve supply transport, CNFA, Inc. supplies refrigerated trucks, ships, and aero-transport: also called cool chains. The Zimbabwe program also engages in food for work: farmers and workers are given food vis-a-vis work. Not only does this present incentive to increase food quotas, but also aids humanitarian problems that can be present in many third-world countries.

The U.S. Department of State plays an important role in international development and provides humanitarian aid to foreign countries. The U.S. Department of State works for the protection of human subjects and poverty reduction. When the U.S. spends a portion of their budget to aid foreign countries, it is improving business alliances, partnerships, and foreign markets in which they sell/buy. There are mutual benefits rooted in this agricultural aid to both developing countries and American farmers and companies. America's crop, such as wheat, rice, sorghum, and dry beans, productivities have also been boosted as a result of agricultural research in developing countries. The primary objective in this foreign assistance is to promote U.S. and international security by strengthening economic stability in developing countries.

Limitations

While incentivizing "food for work" programs at CNFA, Inc. can increase the local supply of food, such work can deflate prices and reduce the incomes of farmers. Disproportionate compensation, loss of autonomy, increased market power, and increased risks related to monopolization present within the food system (production, processing, distribution, and consumption, respectively) can lead to poor economic practices and risks related to wealth gaps. But, it is important to note that nonprofits work to prevent the deflation of prices and use mobile nets to track prices worldwide. This means that even if there are repercussions, CNFA, Inc. does not

act to force the consequences, for the main mission of nonprofits is to limit byproducts and improve the clients' citizens' lives.

There are however some limitations to the success of a program. The main constraint is the weather. Though CNFA, Inc. funded double water systems to ensure a water supply to farms, there is always a chance for severe droughts, especially in African countries. Another limitation can consist in government policy. Governments may not allocate subsidies for improvements of certain innovations such as pesticides. Other countries may lack communication devices or education which can limit or slow a farmer's growth. Access to the internet is crucial in order to pay the 10.99 tax forms, reconcile credit cards, and create current liability accounts and financial reports.

Service Agreements and Financing

Business compliance teams are in charge of proposal developments, writing budgets, and procurements. Procurements can take the form of RFPs (Request for Proposals), RFAs (Request for applications), and solicitations. Usually, agreements for work take place through frameworks, which are compliances between the buyers and suppliers under which the terms of contracts awarded can be presented. Frameworks present the provisions of goods and services and are needed to secure the conditions of purchasing. Proposals describe the intended program and cost of the donors' asking: deliverables. CNFA, Inc. creates and maintains an effective environment that require strong regulatory framework for transactions.

In regards to service agreements, there are three types: contracts, cooperative agreements, and grants. Contracts are larger and have a high degree of government control. Grants have the least degree of governmental control. CNFA, Inc. mostly deals with cooperative agreements, though sometimes they use grants in order to help farmers access machinery and help more farmers. In regards to contracts, though they are not frequently used, even less frequently disembedded, do provide some government control over nonprofits. If a country's government is more focused on humanitarian issues, and not agribusiness, there may be an exception. An example of this is when there was an earthquake in Haiti and the government was involved in aiding victims.

CNFA, Inc. can also help with microfinancing with a smaller farm of a co-op. This makes it easier for farmers to pay loans out, get access to financing, and reduce mandatory investments in businesses. There are four major donors of CNFA, Inc.: USAID, The Ford and Rockefeller Foundations, and the Millennium Foundation. CNFA, Inc. and other NGOs participate in the bidding, presenting their project proposals. Some of CNFA, Inc.'s competitors include DAI, ACDI/VOCA, and Counterpart International, and one of the largest NGOs in this industry is Chemonics International. After bidding, the winner gets the funds to finance multi-year programs in various countries. Field offices are created and local employees are hired. CNFA tracks and monitors the finances of the countries to improve productivity and livelihoods.

Conclusion

In conclusion, the main role of CNFA, Inc. and other nonprofits in the agriculture industry consists of sharing practices and helping a country grow fast. In a way, nonprofits are more democratic than traditional agribusiness firms: since they are mission-driven, there is less competition over profits. Their main goal is to aid farmers and countries' economies, after all improving the world.

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